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中 软 国 际

CHINASOFT INTERNATIONAL LIMITED

中 软 国 际 有 限 公 司 *

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8216)

**PROPOSED TRANSFER OF LISTING FROM THE GROWTH ENTERPRISE
MARKET TO THE MAIN BOARD OF THE STOCK EXCHANGE OF
HONG KONG LIMITED**

Financial adviser to the Company



The Board is pleased to announce that the Company has submitted a formal application form to the Stock Exchange on 10 November 2008 for the proposed transfer of listing of the Shares from GEM to the Main Board of the Stock Exchange.

There is no assurance that permission will be obtained from the Stock Exchange for the Proposed Transfer. Shareholders and potential investors should be aware that the implementation of the Proposed Transfer is subject to the conditions set out below being fulfilled and thus may or may not become effective. Accordingly, the Proposed Transfer may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

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The Directors would like to emphasize that the definitive timetable for the Proposed Transfer has not yet been finalised. There is no assurance that the Company will proceed with the Proposed Transfer.

The Proposed Transfer will not involve issue of any new Shares by the Company.

CONDITIONS OF THE PROPOSED TRANSFER

If the Company proceeds with the Proposed Transfer, the following conditions must be fulfilled:

- (a) the Listing Committee granting approval for the listing of, and permission to deal in, (i) the 1,007,278,688 Shares in issue; (ii) 131,416,500 Shares which may fall to be issued pursuant to the exercise of the outstanding options which were granted under the Share Option Scheme; and (iii) 194,500,000 new Shares which may fall to be issued pursuant to the conversion rights attaching to the Series A Preferred Shares granted by the Company to Microsoft and IFC under the Subscription Agreement; and
- (b) all other relevant consents required or in connection with the implementation of the Proposed Transfer having been obtained, and the fulfillment of all conditions which may be attached to such consents, if any.

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REASONS FOR THE PROPOSED TRANSFER

The Company has been listed on GEM since 20 June 2003. The Group is a developer and provider of e-government solutions and customised software products in the PRC, collectively known as “Solutions”, with government authorities and their respective IT service providers as its main target customers. In addition to the provision of Solutions as its core business, the Group also provides IT consulting and training services, IT outsourcing services and standalone software products.

The Directors believe that the listing of the Shares on the Main Board will help to enhance the profile of the Group and increase the trading liquidity of the Shares and recognitions by attracting larger institutional and retail investors. The Directors consider that the listing of the Shares on the Main Board will be beneficial to the future growth, financial flexibility and business development of the Company. No change in nature of business of the Group is contemplated by the Directors following the Proposed Transfer.

GENERAL

The Company will make further announcement(s) to keep the Shareholders and potential investors informed on the progress of the Proposed Transfer.

DEFINITIONS

In this announcement, the following expressions have the following meanings unless the context requires otherwise:

“Board”	the board of the Directors
“Company”	Chinasoft International Limited, a company incorporated in the Cayman Islands with limited liability whose issued Shares are listed on GEM
“Director(s)”	the director(s) of the Company
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM, as amended from time to time
“Group”	the Company and its subsidiaries from time to time
“Hong Kong”	the Hong Kong Special Administrative Region of The People’s Republic of China
“IFC”	International Finance Corporation, an international organization established by articles of agreement among its member countries
“Listing Committee”	the listing committee of the board of directors of the Stock Exchange
“Main Board”	the stock market operated by the Stock Exchange prior to the establishment of GEM (excluding the options market) which stock market continues to be operated by the Stock Exchange in parallel with GEM. For the avoidance of doubt, the Main Board excludes GEM
“Microsoft”	Microsoft Corporation, a company incorporated in the State of Washington on the United States of America
“Proposed Transfer”	the proposed transfer of listing of the Shares from GEM to the Main Board pursuant to the Rules Governing the Listing of Securities on the Main Board

“Series A Preferred Shares”	the senior redeemable convertible preferred share(s) allotted and issued by the Company on 6 January 2006 to Microsoft and IFC, with par value of HK\$0.05 each, pursuant to the terms and conditions of the Subscription Agreement.
“Share(s)”	ordinary share(s) of HK\$0.05 each in the share capital of the Company
“Share Option Scheme”	the share option scheme adopted by the Company pursuant to a resolution passed by the Shareholders on 2 June 2003
“Shareholder(s)”	the holder(s) of the Share(s)
“Subscription Agreement”	the subscription agreement dated 26 September 2005 entered into between the Company, Chinasoft Resources Information Technology Services Limited, Microsoft and IFC, in relation to the issue of the 97,250,000 Series A Preferred Shares each by the Company to the Microsoft and IFC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

By order of the Board
Chinasoft International Limited
Dr. CHEN Yuhong

Hong Kong, 10 November 2008

As at the date of this announcement, the directors of the Company are as follows:

Executive Directors:

Dr. CHEN Yuhong (*Managing Director*)
 Dr. TANG Zhenming
 Mr. WANG Hui

Non-executive Directors:

Mr. SU Zhenming (*Chairman*)
 Dr. CUI Hui
 Mr. Timothy CHEN Yung Cheng
 Mr. Duncan CHIU
 Mr. LIU Zheng

Independent Non-executive Directors:

Mr. XU Zeshan

Mr. ZENG Zhijie

Dr. LEUNG Wing Yin

The announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (1) the information contained in this announcement is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

This announcement will remain on the “Latest Company Announcements” page of the GEM website at <http://www.hkexnews.hk> and the Company’s own website at <http://www.icss.com.cn> for at least seven days from its date of publication.