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This announcement, for which the directors (the “Directors”) of the Xteam Software International Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange (“GEM Listing Rules”) for the purposes of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and believes: (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.



Beijing Development (Hong Kong) Limited
北京發展(香港)有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 154)



Xteam Software International Limited
衝浪平台軟件國際有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8178)

JOINT ANNOUNCEMENT

GENERAL DISCLOSURE UNDER LISTING RULES 13.09 AND GEM LISTING RULES 17.10 LETTER OF INTENT

This announcement is made pursuant to Rule 13.09 of the Listing Rules (for Beijing Development) and Rule 17.10 of the GEM Listing Rules (for the Company).

On 23 March 2007, Proud Stars Limited, a wholly-owned subsidiary of the Company, entered into the Letter of Intent with an independent third party in relation to the Possible Acquisition.

Should the Possible Acquisition proceed, it may constitute a notifiable transaction for Beijing Development under Chapter 14 of the Listing Rules and for the Company under Chapter 19 of the GEM Listing Rules. Appropriate announcement(s) will be made by Beijing Development and the Company in compliance with the Listing Rules and the GEM Listing Rules, respectively, when required.

The Possible Acquisition may or may not proceed and is subject to the entering into of a binding formal agreement, if any. Shareholders and potential investors of Beijing Development and the Company are advised to exercise caution when dealing in the shares of Beijing Development and the Shares, respectively.

Reference is made to the announcements of the Company dated 21 March 2007 and 22 March 2007 in relation to the increases in the price and trading volume of the shares of the Company (the “Shares”).

On 23 March 2007, Proud Stars Limited, a wholly-owned subsidiary of the Company, entered into a non-legally binding letter of intent (the “Letter of Intent”) with a potential vendor in relation to the possible acquisition of a group of companies which are involved in the business of information technology (the “Possible Acquisition”) except that the Undertaking (as defined below) is binding on the potential vendor.

To the best knowledge, information and belief of the Directors and having made all reasonable enquires, the potential vendor is an independent third party who is independent from the Company and is not a connected person of the Company as defined in the GEM Listing Rules.

The potential vendor undertakes to Proud Stars Limited that the potential vendor or its ultimate beneficial owner(s) will not negotiate the sale of the subject matter of the Possible Acquisition with any third party for six months from the date of the Letter of Intent (“Undertaking”). The Possible Acquisition may or may not proceed and is subject to the entering into of a binding formal agreement, if any. Should the Possible Acquisition proceed, it may constitute a notifiable transaction for Beijing Development (Hong Kong) Limited (“Beijing Development”), a substantial shareholder of the Company holding approximately 51.06% of the existing issued share capital of the Company, under Chapter 14 of the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”) and for the Company, under Chapter 19 of the GEM Listing Rules. Appropriate announcement(s) will be made by Beijing Development and the Company in compliance with the Listing Rules and the GEM Listing Rules, respectively, when required.

The Possible Acquisition may or may not proceed and is subject to the entering into of a binding formal agreement, if any. Shareholders and potential investors of Beijing Development and the Company are advised to exercise caution when dealing in the shares of Beijing Development and the Shares, respectively.

As at the date of this announcement, the executive directors of Beijing Development are Mr. Zhang Honghai, Mr. Li Kangying, Mr. E Meng, Mr. Wang Yong, Mr. Cao Wei, Dr. Yu Xiaoyang and Mr. Ng Kong Fat, Brian; and the independent non-executive directors are Mr. Cao Guxing, Prof. Liu Wei and Dr. Jin Lizuo.

As at the date of this announcement, the executive Directors of the Company are Mr. Li Kang Ying, Mr. Wang Dong Bin, Mr. Cao Wei, Mr. E Meng, Mr. Yan Qing, Mr. Ng Kong Fat, Brian and Ms. Chen Zhi; and the independent non-executive Directors are Ms. Ma Yu Hua, Ms. Liang Ye Ping and Mr. Jiang Qi Ping.

By order of the board of directors
Beijing Development (Hong Kong) Limited
Wong Kwok Wai, Robin
Company Secretary

By order of the board of Directors
Xteam Software International Limited
Ng Weng Sin
Company Secretary

Hong Kong, 23 March 2007

Please also refer to the published version of this announcement in The Standard.