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

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 8178)

DESPATCH OF CIRCULAR IN RELATION TO VERY SUBSTANTIAL ACQUISITION

Reference is made to the Announcement in relation to a very substantial acquisition of equity interests in Full Trump dated 5 June 2007, the announcement of the Company dated 27 June 2007 in relation to the delay in despatch of the Circular and the announcement of the Company dated 18 July 2007 in relation to the further delay in despatch of the Circular.

The Circular containing, among other things, further details in relation to the Acquisition and the transactions contemplated thereunder and a notice of the EGM have been despatched to the Shareholders on 13 August 2007.

Upon further due diligence work performed by the Company after the publication of the Announcement, it was discovered that Run Tong has an additional wholly-owned subsidiary namely, Dalian Run Tong which was established in the PRC on 20 April 2007 with a registered capital of RMB1,000,000 and had no operation since its establishment. Further information on Dalian Run Tong has been included in the Circular.

Reference is made to the announcement of the Company dated 5 June 2007 (the "Announcement") in relation to a very substantial acquisition of equity interests in Full Trump (the "Acquisition"), the announcement of the Company dated 27 June 2007 in relation to the delay in despatch of a circular regarding the Acquisition (the "Circular") and the announcement of the Company dated 18 July 2007 in relation to the further delay in despatch of the Circular. Unless otherwise stated, capitalised terms used herein shall have the same meanings as ascribed to them in the Circular.

DESPATCH OF CIRCULAR

The Circular containing, among other things, further details in relation to the Acquisition and the transactions contemplated thereunder and a notice of the EGM have been despatched to the Shareholders on 13 August 2007.

The EGM will be held at Victoria Room 3, 3/F., Regal Hongkong Hotel, 88 Yee Wo Street, Causeway Bay, Hong Kong on 28 August 2007 at 11:00 a.m., details of which are set out in the notice of the EGM in the Circular. Shareholders are advised to read the Circular carefully before deciding whether or not to vote in favor of the ordinary resolution(s) to be proposed at the EGM to approve the Agreement, the issue and allotment of the Consideration Shares, the Convertible Bonds, the Conversion Shares and the transactions contemplated thereunder.

FURTHER INFORMATION ON THE ENLARGED RUN TONG GROUP

Upon further due diligence work performed by the Company after the publication of the Announcement, it was discovered that Run Tong has an additional wholly-owned subsidiary namely, 華源潤通（大連）科技有限公司 (Huayuan Run Tong (Dalian) Sci-Tech Co. Ltd.) ("Dalian Run Tong"). Dalian Run Tong was established in the PRC on 20 April 2007 with a registered capital of RMB1,000,000 and had no operation since its establishment. According to the Structure Agreements, Xun Da has the effective control over and (to the extent and when permitted by the PRC laws) the right to enjoy the economic benefits in and/or assets of the Enlarged Run Tong Group. Accordingly, Xun Da will be entitled the rights over Dalian Run Tong as a wholly-owned subsidiary of the Enlarged Run Tong Group, as set out in the Structure Agreements.

The relevant information on Dalian Run Tong has not been provided by the Vendor to the Company at the time when the Agreement was entered into since the staff of the Enlarged Run Tong Group did not understand the requirement to continuously update the Company on the latest development of the Enlarged Run Tong Group after 31 March 2007, the date of the latest audited accounts of the Run Tong Group were made up. Upon the period the Company performed further due diligence on the Enlarged Run Tong Group, the Company has already clarified with the staff of the Enlarged Run Tong Group on the requirement to continuously report the latest development of the Enlarged Run Tong Group to the Company in order to ensure complete information on the Enlarged Run Tong Group to be included in the Circular. Further information on Dalian Run Tong has been included in the Circular.

By order of the Board
Li Kang Ying
Chairman

Hong Kong, 13 August 2007

As at the date of this announcement, the executive Directors are Mr. Li Kang Ying (Chairman), Mr. Wang Dong Bin (Chief executive officer), 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.

This announcement, for which the directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purposes of giving information with regard to the Company. The directors of the Company, 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.

This announcement will remain on the "Latest Company Announcements" page of the GEM website for at least seven days from the day of its posting.