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## **SJTU SUNWAY SOFTWARE INDUSTRY LIMITED**

**交大銘泰軟件實業有限公司\***

*(incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 8148)**

### **TERMINATION OF SALE AND PURCHASE AGREEMENT AND SUPPLEMENTAL AGREEMENT**

The Board announces that on 23 December 2004 the Company rescinded the Sale and Purchase Agreement dated 23 August 2004 as amended by the Supplemental Agreement dated 8 November 2004 ("the Agreements") in respect of acquisition of Beauhorse Professional Translation Limited ("Acquisition").

Trading in the securities of the Company on the Stock Exchange was suspended at the request of the Company with effect from 9:30 a.m. on 29 December 2004 pending release of this announcement. An application has been made by the Company for the resumption of trading in the securities of the Company with effect from 9:30 a.m. on 31 December 2004.

Reference is made to the announcements ("the Announcements") of SJTU Sunway Software Industry Limited ("the Company") dated 26 August 2004 and 15 November 2004 respectively and the circular dated 15 September 2004 ("the Circular") in respect of the Acquisition. Unless otherwise defined herein, terms used herein shall have the same meanings as those defined in the Announcements and the Circular.

#### **Termination of the Agreements**

The Board announces that on 23 December 2004 the Company rescinded the Agreements due to the Vendors' failure to fulfil all the conditions precedent as provided in the Agreements by 23 December 2004 being the Completion Date.

\* for identification purpose only

Having made further enquiries and investigations and as confirmed by the PRC legal opinion, there is legal liability associated with the operation of Beauhorse in the PRC not previously disclosed to the Company. The Directors believe that such liability may have adverse impact on the Company if the Company proceeds to Completion.

On 24 December 2004, the Company received a writ of summons filed by the Vendors as the plaintiffs and the Company as the defendant wherein the Vendors claim the Company for damages (amount unspecified) for alleged breaches of the Agreements. The Company is seeking legal advice to dispute the same and, where appropriate, counter-claim the Vendors and the Guarantors for damages. The Company will make further announcement of any significant development of the legal proceedings.

The Directors believe that, as the Company has not paid any deposit, rescission of the Agreements will not have significant financial impact on the Company.

### **Suspension and Resumption of Trading**

Trading in the securities of the Company on the Stock Exchange was suspended at the request of the Company with effect from 9:30 a.m. on 29 December 2004 pending release of this announcement. An application has been made by the Company for the resumption of trading in the securities of the Company with effect from 9:30 a.m. on 31 December 2004.

By Order of the Board  
**SJTU Sunway Software Industry Limited**  
**Sze Wai, Marco**  
*Chairman*

Hong Kong, 30 December 2004

*This announcement will remain on the "Latest Company Announcements" page of the GEM website (<http://www.hkgem.com>) for at least seven days from the date of its posting.*