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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)

RESUMPTION OF TRADING – RENEGOTIATION WITH INDEPENDENT THIRD PARTY ON A PROPOSED ACQUISITION

A conditional acquisition agreement dated 16 May 2006 was entered into between the Purchaser and the Vendor in relation to the Acquisition. The Acquisition constitutes a very substantial acquisition in respect of the Company under the GEM Listing Rules. However, the Company was informed by the Stock Exchange that the Acquisition would not be in full compliance with Rule 19.88 of the GEM Listing Rules and the waiver of the requirements of Rule 19.88 pursuant to Rule 19.89 of the GEM Listing Rules is not granted in this case. As such, both the Purchaser and the Vendor have agreed to renegotiate and revise the terms and structure of such acquisition. As at the date of this announcement, the negotiation is still underway and the revised terms and structure of such acquisition have not been finalized by the Vendor and the Purchaser.

Trading in the Shares on the Stock Exchange was suspended with effect from 9:30 a.m. on 17 May 2006 at the request of the Company pending the issue and publication of this announcement. An application has been made to the Stock Exchange for the resumption of trading in the Shares with effect from 9:30 a.m. on 6 June 2006.

RENEGOTIATION WITH INDEPENDENT THIRD PARTY ON A PROPOSED ACQUISITION

A conditional acquisition agreement dated 16 May 2006 was entered into between the Purchaser, being a wholly-owned subsidiary of the Company, and the Vendor, being a third party independent of the Company and its connected persons (as defined under the GEM Listing Rules), in relation to an acquisition of hotel management and leasing of hotel rooms business by the Group. Such acquisition constitutes a very substantial acquisition in respect of the Company under the GEM Listing Rules.

* For identification purposes only

However, the Company was informed by the Stock Exchange that the Acquisition would not be in full compliance with Rule 19.88 of the GEM Listing Rules and the waiver of the requirements of Rule 19.88 pursuant to Rule 19.89 of the GEM Listing Rules is not granted in this case. As such, both the Purchaser and the Vendor have agreed to renegotiate and revise the terms of such acquisition. As at the date of this announcement, the negotiation is still underway and the revised terms and structure of such acquisition have not been finalized by the Vendor and the Purchaser.

In the event that no revised structure of the acquisition could be agreed upon, the parties will terminate the said conditional acquisition agreement as the conditions precedents could not be fulfilled, and no party thereto shall have any obligations or liability to other parties.

RESUMPTION OF TRADING

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DEFINITIONS

The following words and phrases used in this announcement have the following meaning:

“Acquisition”	the acquisition by the Purchaser from the Vendor of a group of companies engaged in hotel management and as a lease holder of rooms in hotel pursuant to a conditional acquisition agreement dated 16 May 2006 which was entered into between the Purchaser and the Vendor
“Company”	SJTU Sunway Software Industry Limited, a company incorporated in the Cayman Islands whose securities are listed on the GEM
“Director(s)”	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
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Purchaser”	Surplus Trade Investment Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company

“Share(s)”	ordinary share(s) of HK\$0.01 each in the existing share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	a third party independent of the Company and its connected persons (as defined under the GEM Listing Rules), to the best of the Directors’ knowledge, information and belief having made reasonable enquiries

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

5 June 2006, Hong Kong

As at the date of this announcement, the board of Directors comprises of five executive Directors, namely Mr. Sze Wai, Marco, Mr. He En Pei, Mr. Tan Shu Jiang, Mr. Shang Guan Bu Yan and Mr. Chen Si Gen, and three independent non-executive Directors, namely Mr. Wang Tian Ye, Mr. Wang Bin and Mr. Xu Shi Hong.

This 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 circular 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 be published on the Company’s website and will remain on the GEM website on the “Latest Company Announcement” page for at least 7 days from the date of publication.