
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in SJTU Sunway Software Industry Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or the transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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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)

- (1) GENERAL MANDATE TO ALLOT AND ISSUE NEW SHARES;**
- (2) EXPLANATORY STATEMENT FOR REPURCHASE OF SHARES;**
- (3) RE-ELECTION OF DIRECTORS SUBJECT TO SHAREHOLDERS' APPROVAL;**
- (4) SHARE OPTION SCHEME — PROPOSED REFRESHMENT OF SCHEME MANDATE LIMIT;**
- (5) AMENDMENT OF CONSTITUTIONAL DOCUMENTS; AND**
- (6) NOTICE OF ANNUAL GENERAL MEETING**

A notice convening an annual general meeting of the Company to be held at 16/F., Cheung Kong Center, 2 Queen's Road, Central, Hong Kong, on Friday, 3 August 2007 at 10:00 a.m. is set out on pages 18 to 24 of this circular. A form of proxy for use at the annual general meeting is enclosed with this circular.

Whether or not you are able to attend the annual general meeting, you are requested to complete the form of proxy in accordance with the instructions printed thereon and deposit the same at the offices of the Company's branch share registrar and transfer office in Hong Kong, Tengis Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the annual general meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the annual general meeting or any adjournment thereof should you so wish.

This circular will remain on the GEM website at <http://www.hkgem.com> on the "Latest Company Announcements" page for seven days from the date of its publication.

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DEFINITIONS

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

“AGM”	the annual general meeting of the Company to be convened and held on 3 August 2007 to consider and, if thought fit, to approve, among other things, the proposed grant of the General Mandate and the Repurchase Mandate, the re-election of Directors, the Proposed Refreshment and the proposed amendments to the Articles of Association
“Articles of Association”	the articles of association of the Company, and “ Article ” shall mean an article of the Articles of Association
“associate(s)”	has the meaning ascribed thereto in the GEM Listing Rules
“Board”	the board of Directors
“CG Code”	the Code on Corporate Governance Practices contained in Appendix 15 of the GEM Listing Rules
“Company”	SJTU Sunway Software Industry Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on GEM
“Directors”	the directors of the Company
“Eligible Participants”	<ul style="list-style-type: none">(a) any employee (whether full time or part time, including any executive director but excluding any non-executive director) of the Company, any subsidiary or any Invested Entity;(b) any non-executive directors (including independent non-executive directors) of the Company, any subsidiary or any Invested Entity;(c) any supplier of goods or services to any member of the Group or any Invested Entity;(d) any customer of any member of the Group or any Invested Entity;(e) any person or entity that provides research, or other technological support to any member of the Group or any Invested Entity;(f) any shareholder of any member of the Group or any Invested Entity or any holder of any securities issued by any member of the Group or any Invested Entity;(g) any adviser (professional or otherwise) or consultant to any area of business or business development of any member of the group or any Invested Entity; and(h) any other group or classes of participants who have contributed or may contribute by way of joint venture, business alliance or other business arrangement to the development and growth of the Group
“GEM”	Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM

DEFINITIONS

“General Mandate”	the general mandate proposed to be granted to the Directors at the AGM to issue further new Shares not exceeding 20% of the issued share capital of the Company at the date of the passing of such resolution
“Group”	the Company and all of its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Invested Entity”	any entity in which any member of the Group holds any equity interest
“Latest Practicable Date”	3 July 2007, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
“Options”	the options granted under the Share Option Scheme to subscribe for Shares in accordance with the terms thereof
“Proposed Refreshment”	the proposed refreshment of the Scheme Mandate Limit under the Share Option Scheme at the AGM
“Repurchase Mandate”	the repurchase mandate proposed to be granted to the Directors at the AGM to repurchase up to 10% of the issued share capital of the Company at the date of the passing of such resolution
“Scheme Mandate Limit”	the total number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other share option schemes of the Group must not in aggregate exceed 10% of the Shares in issue as at the date on which dealings in the Shares first commence on the Stock Exchange which may be refreshed pursuant to the rules of the Share Option Scheme. If the Scheme Mandate Limit is refreshed, the total number of Shares which may be issued upon exercise of all options to be granted must not in aggregate exceed 10% of the Shares in issue as at the date of passing the relevant ordinary resolution
“SFO”	the Securities and Futures Ordinance (Chapter 571 of Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Share Option Scheme”	the share option scheme of the Company approved and adopted pursuant to an ordinary resolution passed at a special general meeting of the Company held on 25 November 2003
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

CHARACTERISTICS OF GEM

GEM has been established as a market designed to accommodate companies to which a high investment risk may be attached. In particular, companies may list on GEM with neither a track record of profitability nor any obligation to forecast future profitability. Furthermore, there may be risks arising out of the emerging nature of companies listed on GEM and the business sectors or countries in which the companies operate. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on gem, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

The principal means of information dissemination on GEM is publication on the internet website operated by the Stock Exchange. Listed companies are not generally required to issue paid announcements in gazetted newspapers. Accordingly, prospective investors should note that they need to have access to the GEM website in order to obtain up-to-date information on GEM-listed issuers.

LETTER FROM THE BOARD



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)

Executive Directors:

Ms. Tinna Chan Yee
Ms. Sana Bakhtiar Ahmed
Mr. Tan Shu Jiang

Independent non-executive Directors:

Mr. Chan Cheong Yee
Mr. Ronald Garry, Hopp
Mr. Yip Tai Him

Registered office:

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

*Head office and principal place
of business in Hong Kong:*

Room 2801, 28/F.
China Merchants Tower
Shun Tak Centre
168–200 Connaught Road Central
Hong Kong

9 July 2007

To the Shareholders

Dear Sir or Madam,

- (1) GENERAL MANDATE TO ALLOT AND ISSUE NEW SHARES;**
- (2) EXPLANATORY STATEMENT FOR REPURCHASE OF SHARES;**
- (3) RE-ELECTION OF DIRECTORS SUBJECT TO SHAREHOLDERS' APPROVAL;**
- (4) SHARE OPTION SCHEME — PROPOSED REFRESHMENT OF SCHEME
MANDATE LIMIT;**
- (5) AMENDMENT OF CONSTITUTIONAL DOCUMENTS; AND**
- (6) NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

At the AGM to be held at 16/F., Cheung Kong Center, 2 Queen's Road, Central, Hong Kong on Friday, 3 August 2007 at 10:00 a.m., resolutions will be proposed, among other matters:

- (a) to re-elect the Directors;

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LETTER FROM THE BOARD

- (b) to amend the Articles of Association;
- (c) to grant the General Mandate to the Directors;
- (d) to grant the Repurchase Mandate to the Directors;
- (e) to increase the number of Shares to be allotted and issued under the General Mandate by an additional number representing such number of Shares repurchased under the Repurchase Mandate; and
- (f) to approve the Proposed Refreshment.

The purpose of this circular is to provide you with information relating to the resolutions to be proposed at the AGM for the grant of the General Mandate and the Repurchase Mandate, the extension of the General Mandate, the re-election of the Directors, the amendments to the Articles of Association and the Proposed Refreshment, and to give you the notice of the AGM.

GENERAL MANDATE AND REPURCHASE MANDATE

The General Mandate and the Repurchase Mandate shall be effective until whichever is the earliest of:

- (a) the conclusion of the next annual general meeting of the Company; or
- (b) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association, or any other applicable law of the Cayman Islands to be held; or
- (c) the passing of an ordinary resolution by the Shareholders in general meeting revoking or varying the authority given to the Directors.

Under the GEM Listing Rules, the Company is required to give to the Shareholders all information which is reasonably necessary to enable Shareholders to make an informed decision as to whether to vote for or against the resolution to renew the grant to the Directors of the Repurchase Mandate. The explanatory statement required by the GEM Listing Rules to be included in this circular is set out in Appendix I.

General Mandate

The Company has in issue an aggregate of 200,000,000 Shares as at the Latest Practicable Date. Subject to the passing of the proposed resolution for the approval of the General Mandate and in accordance with the terms therein, the Company would be allowed to allot and issue up to a maximum of 4,000,000,000 Shares, representing 20% of the aggregate nominal amount of the issued Shares at the time of the passing of the resolution approving the General Mandate on the basis that no further Shares will be issued or repurchased by the Company prior to the AGM.

The Directors have no immediate plans to issue any new Shares which may fall to be issued under the share option scheme or any scrip dividend scheme which may be approved by the Shareholders.

LETTER FROM THE BOARD

Repurchase Mandate

On pages 18 to 24 of this circular is the notice of the AGM. At the AGM, and as part of the ordinary business of the AGM, an ordinary resolution will be proposed to grant the Repurchase Mandate to the Directors.

RE-ELECTION OF DIRECTORS

According to Article 112, any Director appointed to fill a casual vacancy on the Board or as an addition to the existing Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election at that meeting.

In accordance with Article 112, Ms. Tinna Chan Yee, Ms. Sana Bakhtiar Ahmed, Mr. Tan Shu Jiang, Mr. Chan Cheong Yee, Mr. Ronald Garry, Hopp and Mr. Yip Tai Him shall retire from their offices as Directors. Being eligible, each of Ms. Tinna Chan Yee, Ms. Sana Bakhtiar Ahmed and Mr. Tan Shu Jiang will offer herself/himself for re-election as executive Director, and each of Mr. Chan Cheong Yee, Mr. Ronald Garry, Hopp and Mr. Yip Tai Him will offer himself for re-election as independent non-executive Director.

At the AGM, ordinary resolutions will be proposed to re-elect each of Ms. Tinna Chan Yee, Ms. Sana Bakhtiar Ahmed and Mr. Tan Shu Jiang as executive Director and each of Mr. Chan Cheong Yee, Mr. Ronald Garry, Hopp and Mr. Yip Tai Him as independent non-executive Director.

Particulars relating to Ms. Tinna Chan Yee, Ms. Sana Bakhtiar Ahmed, Mr. Tan Shu Jiang, Mr. Chan Cheong Yee, Mr. Ronald Garry, Hopp and Mr. Yip Tai Him are set out in Appendix III to this circular.

AMENDMENTS TO THE ARTICLES OF ASSOCIATION

The GEM Listing Rules have been amended by the Stock Exchange by inserting a new CG Code as Appendix 15 replacing Rules 5.35 to 5.45 of the GEM Listing Rules and adding a new Appendix 16 on the requirements for a Corporate Governance Report to be included in annual reports of listed issuers. Such amendments took effect on 1 January 2005. Further amendments have been made to the GEM Listing Rules with effect from 1 March 2006 requiring that, among other matters, the Articles of Association shall provide that Directors may be removed at any time by ordinary resolution of the Shareholders.

The Directors therefore propose to put forward to the Shareholders for approval of a special resolution to amend the Articles of Association at the AGM. The amendments are to bring the current Articles of Association in line with, including but not limited to, (i) paragraph A.4.2 of the CG Code which requires that every Director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years and all Directors appointed to fill a casual vacancy should be subject to election by the Shareholders at the first general meeting after their appointment; (ii) paragraph E.2.1 of the CG Code which provides, among other things, that if the aggregate proxies held by the chairman of a particular general meeting and/or the Directors account for 5% or more of the total voting rights at the meeting, and if on a show of hands in respect of any resolution, the meeting votes in the opposite manner to that instructed in those proxies, the chairman of the general meeting and/or any Director holding proxies as aforesaid shall demand a poll, unless it is apparent from the total proxies held by those persons that a vote taken on a poll will not reverse the vote taken on a show of hands; and (iii) paragraph 4(3) of Appendix 3 to the GEM Listing Rules which provides that any Directors may be removed by ordinary resolution in general meeting before the expiration of his period of office.

LETTER FROM THE BOARD

The proposed amendments to Articles of Association are stated in the proposed special resolution no. 4 in the notice convening the AGM as set out on pages 18 to 24 of this circular.

REFRESHMENT OF SCHEME MANDATE LIMIT

The Company adopted the Share Option Scheme pursuant to the ordinary resolution passed by the Shareholders on 25 November 2003. Under the Share Option Scheme, the original number of Shares which may be issued upon the exercise of all Options granted or to be granted under the Share Option Scheme was 20,000,000 Shares, representing 10% of the issued share capital as at the date of adoption of the Share Option Scheme and the maximum number of Shares that might be issued upon the exercise of all Options under the Share Option Scheme or other schemes. Subject to prior Shareholders' approval, the Company may, at any time thereafter, refresh the Scheme Mandate Limit to grant options over Shares as shall represent 10% of the issued share capital of the Company as at the date of passing the relevant resolution.

As at the Latest Practicable Date, the Company has 200,000,000 Shares currently in issue. The maximum number of Shares which may be issued upon the exercise of all the Options to be granted under the Scheme Mandate Limit as refreshed will be 20,000,000 Shares (assuming no further issue or purchase of Shares prior to the AGM), representing 10% of the issued share capital of the Company as at the date of approval of the Proposed Refreshment by the Shareholders at the AGM.

Pursuant to the GEM Listing Rules, the Shares which may be issued upon exercise of all outstanding Options granted and yet to be exercised under the Share Option Scheme or other schemes at any time will not exceed 30% of the Shares in issue from time to time. The Board undertakes that no Options shall be granted under the Share Option Scheme or any scheme(s) of the Company if this will result in the 30% limit being exceeded. As at the Latest Practicable Date, an aggregate of 20,300,000 Options have been granted under the current scheme mandate limit of which all of them have been cancelled or lapsed, and there is no Option outstanding.

The Board considers that it is in the interests of the Company to refresh the Scheme Mandate Limit to permit the granting of further Options so as to provide incentives to, and recognise the contributions of, the Eligible Participants. The Board therefore decided to seek the approval of the Shareholders at the AGM to refresh the Scheme Mandate Limit.

CONDITIONS OF THE PROPOSED REFRESHMENT

The Proposed Refreshment is conditional upon:

- (i) the passing of the necessary ordinary resolution by the Shareholders at the AGM to approve the Proposed Refreshment; and
- (ii) the GEM Listing Committee of the Stock Exchange granting the listing of, and permission to deal in the Shares to be issued pursuant to the exercise of the Options to be granted under the refreshed Scheme Mandate Limit.

Application will be made to the Stock Exchange for the listing of, and permission to deal in, the Shares to be issued pursuant to the exercise of Options to be granted under the refreshed Scheme Mandate Limit.

LETTER FROM THE BOARD

RESPONSIBILITY STATEMENT

This document, 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 Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (i) the information contained in this document is accurate and complete in all material aspects and not misleading; (ii) there are no other matters the omission of which would make any statement in this document misleading; (iii) all opinions expressed in this document have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

ACTION TO BE TAKEN

Whether or not you intend to attend the AGM, you are requested to complete and return the form of proxy accompanying the annual report of the Company in accordance with the instructions printed thereon not less than 48 hours before the time appointed for holding the AGM or any adjournment thereof. The completion and return of a form of proxy will not preclude you from attending and voting at the AGM or any adjournment thereof in person if you so wish.

RECOMMENDATIONS

The Directors believe that the proposed grant of the General Mandate and the Repurchase Mandate, the extension of the General Mandate, the proposed re-election of Directors, the proposed amendments to the Articles of Association and the Proposed Refreshment are in the best interests of the Company and the Shareholders as a whole and recommend the Shareholders to vote in favour of the above resolutions to be proposed at the AGM.

GENERAL

Your attention is drawn to the information set out in the appendices to this circular.

Yours faithfully
For and on behalf of the Board of
SJTU Sunway Software Industry Limited
Ms. Tinna Chan Yee
Executive Director

This Appendix serves as an explanatory statement, as required by the GEM Listing Rules, to provide the requisite information to you for your consideration of the Repurchase Mandate.

1. Repurchase of Shares from connected parties

The GEM Listing Rules prohibit a company from knowingly purchasing Shares on the Stock Exchange from a “connected person”, that is, a director, chief executive or substantial shareholder of the Company or any of its subsidiaries or their respective associates and a connected person is prohibited from knowingly selling his/her/its Shares to the Company.

No connected person of the Company has notified the Company that he/she/it has a present intention to sell any Shares to the Company nor has any such connected person undertaken not to sell any of the Shares held by him/her/it to the Company in the event that the Repurchase Mandate is passed.

2. Share capital

As at the Latest Practicable Date, the issued share capital of the Company comprised 200,000,000 fully paid Shares.

Subject to the passing of the proposed resolution for the approval of the Repurchase Mandate and on the basis that no further Shares are issued or repurchased by the Company prior to the AGM, the Company will be allowed under the Repurchase Mandate to repurchase a maximum of 20,000,000 Shares, representing 10% of the issued share capital of the Company as at date of the passing of the proposed resolution for the approval of the Repurchase Mandate.

3. Reasons for the repurchase

The Directors believe that the Repurchase Mandate is in the best interests of the Company and the Shareholders as a whole. An exercise of the Repurchase Mandate may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net assets per Share and/or earnings per Share and will only be made when the Directors believe that a repurchase will benefit the Company and the Shareholders as a whole.

4. Funding of repurchases

Pursuant to the Repurchase Mandate, repurchases would be funded entirely from the Company’s available cash flow or working capital facilities which will be funds legally available under the laws of the Cayman Islands and the memorandum and articles of association of the Company for such purpose.

An exercise of the Repurchase Mandate in full could have a material adverse impact on the working capital and gearing position of the Company compared with that as at 31 December 2006, being the date of its latest published audited consolidated accounts, in the event that the proposed purchases were to be carried out in full at any time during the proposed purchase period. The Directors do not, however, intend to make any repurchase in circumstances that would have a material adverse impact on the working capital or gearing position of the Company.

5. Share prices

The highest and lowest closing prices at which the Shares have traded on the Stock Exchange in each of the previous twelve calendar months were as follows:

Month	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2006		
July	0.140	0.138
August	0.140	0.140
September	0.140	0.138
October	0.138	0.133
November	0.135	0.133
December	0.238	0.131
2007		
January	0.180	0.135
February	0.400	0.142
March	0.690	0.250
April	suspended	
May	suspended	
June	suspended	
July (up to the Latest Practicable Date)	suspended	

6. Disclosure of interests and minimum public holding

None of the Directors or, to the best of their knowledge having made all reasonable enquiries, their associates, have any present intention to sell to the Company or its subsidiaries any of the Shares in the Company if the Repurchase Mandate is approved at the AGM and exercised.

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the powers of the Company to make repurchases pursuant to the Repurchase Mandate in accordance with the GEM Listing Rules and applicable laws of the Cayman Islands.

If a Shareholder's proportionate interest in the voting rights of the Company increases on the Company exercising its powers to repurchase Shares pursuant to the Repurchase Mandate, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code. As a result, a Shareholder or group of Shareholders acting in concert could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code.

As at the Latest Practicable Date, the following Shareholders are interested in more than 10% of the Shares then in issue:

Name	Number of Shares	Percentage holding
S&D Holdings Group Limited	136,545,828	68.27%
Simplex Technology Investment (Hong Kong) Co. Limited (<i>Note</i>)	22,528,484	11.26%
Shanghai Jiao Tong University (<i>Note</i>)	22,528,484	11.26%
上海交大產業投資管理（集團）有限公司 (Shanghai Jiaoda Industrial Investment Management Group Limited) (<i>Note</i>)	22,528,484	11.26%

Note: These interests in the Shares were held through Simplex Technology Investment (Hong Kong) Co. Limited, the entire issued share capital of which was beneficially owned by 上海交大產業投資管理（集團）有限公司 (Shanghai Jiaoda Industrial Investment Management Group Limited). The registered capital of 上海交大產業投資管理（集團）有限公司 (Shanghai Jiaoda Industrial Investment Management Group Limited) is wholly owned by Shanghai Jiao Tong University.

In the event that the Directors exercise in full the power to repurchase Shares in accordance with the Repurchase Mandate, the total interests of the above Shareholders in the Shares would be increased to:

Name	Percentage holding
S&D Holdings Group Limited	75.86%
Simplex Technology Investment (Hong Kong) Co. Limited	12.51%
Shanghai Jiao Tong University	12.51%
上海交大產業投資管理（集團）有限公司 (Shanghai Jiaoda Industrial Investment Management Group Limited)	12.51%

On the basis of the current shareholding of the above Shareholders, an exercise of the Repurchase Mandate in full will not result in any of them becoming obliged to make a mandatory offer under Rule 26 of the Takeovers Code.

Accordingly, save as disclosed above, the Directors are not aware of any consequences which may arise under the Takeovers Code as consequences of any purchase made under the Repurchase Mandate. In addition, the Company may not repurchase Shares which would result in the amount of Shares held by the public being reduced to less than 25%.

7. Shares repurchase made by the Company

No repurchases of Shares have been made by the Company (whether on the Stock Exchange or otherwise) during the six months immediately prior to the Latest Practicable Date.

The procedures by which the Shareholders may demand a poll at general meeting of the Company are set out in this Appendix.

According to Article 72, at any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is duly demanded. A poll may be demanded by:

- (a) the chairman of the meeting; or
- (b) at least three Shareholders present in person or by proxy for the time being entitled to vote at the meeting; or
- (c) any Shareholder or Shareholders present in person or by proxy and representing not less than one-tenth of the total voting rights of all Shareholders having the right to attend and vote at the meeting; or
- (d) any Shareholder or Shareholders present in person or by proxy and holding Shares conferring a right to attend and vote at the meeting being Shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all Shares conferring that right.

The details of the Directors who will retire from office by rotation at the AGM and being eligible, will offer themselves for re-election at the AGM, are set out below:

Ms. Tinna Chan Yee

Ms. Tinna Chan Yee, aged 38, is an executive Director. Ms. Chan holds an accounting diploma. She has approximately five years of experience in property development business and approximately ten years of experience in life insurance underwriting. Before that, Ms. Chan has also performed duties in marketing, accounting and management for her family jewelry business. Save as disclosed above, Ms. Chan does not hold any directorship in other public listed company or any other position with the Company and other members of the Group in the past three years. Ms. Chan joined the Group in February 2007.

Ms. Chan has not entered into any service agreement with the Company nor will she receive any remuneration from the Company in her capacity as an executive Director. She will have no fixed term of service with the Company. Her appointment will be subject to normal retirement and re-election by the Shareholders pursuant to the Articles of Association. As at the Latest Practicable Date, Ms. Chan is interested in 14.16% of the equity interests in S&D Holdings Group Limited, the controlling shareholder (as defined under the GEM Listing Rules) of the Company and an associated corporation (as defined under the SFO) of the Company. She is also one of the two directors of S&D Holdings Group Limited.

Details of the shareholding structure of S&D Holdings Group Limited is as follows:

Shareholder	Shareholding percentage
Wen Chen	4.17%
Tinna Chan Yee	14.16%
David Cigar Yee	14.17%
Syed Waliuddin Ahmed	14.17%
Sana Bakhtiar Ahmed	14.17%
Frank Wai Kah Yee	15%
Stephen Yee	24.16%

Mr. David Cigar Yee, Mr. Frank Wai Kah Yee and Mr. Stephen Yee are brothers. Ms. Tinna Chan Yee and Ms. Wen Chan are the wife of Mr. David Cigar Yee and Mr. Stephen Yee respectively. Mr. Syed Waliuddin Ahmed and Ms. Sana Bakhtiar Ahmed are husband and wife of another family. Mr. Frank Wai Kah Yee is the deputy chief executive officer of the Company and Ms. Sana Bakhtiar Ahmed is an executive Director.

Save as disclosed above, Ms. Chan does not have any relationship with any other Directors, senior management of the Company, management Shareholders, substantial Shareholders or controlling Shareholders.

There is no information relating to Ms. Chan that is required to be disclosed pursuant to Rules 17.50(2) (h) to (v) of the GEM Listing Rules.

Save as disclosed herein, there is no other matter that needs to be brought to the attention of the Shareholders.

Ms. Sana Bakhtiar Ahmed

Ms. Sana Bakhtiar Ahmed, aged 30, is an executive Director. She holds a bachelor of commerce degree and has approximately six years of experience in property development business as a director. Save as disclosed above, Ms. Ahmed does not hold any directorship in other public listed company or any other position with the Company and other members of the Group in the past three years. Ms. Ahmed joined the Group in February 2007.

Ms. Ahmed has not entered into any service agreement with the Company nor will she receive any remuneration from the Company in her capacity as an executive Director. She will have no fixed term of service with the Company. Her appointment will be subject to normal retirement and re-election by the Shareholders pursuant to the Articles of Association. As at the Latest Practicable Date, Ms. Ahmed is interested in 14.17% of the equity interests in S&D Holdings Group Limited, the controlling shareholder (as defined under the GEM Listing Rules) of the Company and an associated corporation (as defined under the SFO) of the Company. She is also one of the two directors of S&D Holdings Group Limited. Details of the shareholding structure of S&D Holdings Group Limited and relationships among the shareholders and directors of S&D Holdings Group Limited have been set out above. Save as disclosed above, Ms. Ahmed does not have any relationship with any other Directors, senior management of the Company, management Shareholders, substantial Shareholders or controlling Shareholders.

There is no information relating to Ms. Ahmed that is required to be disclosed pursuant to Rules 17.50(2) (h) to (v) of the GEM Listing Rules.

Save as disclosed herein, there is no other matter that needs to be brought to the attention of the Shareholders.

Mr. Tan Shu Jiang

Mr. Tan Shu Jiang, aged 38, is an executive Director. Mr. Tan holds a bachelor degree of German language from Shanghai International Studies University (上海外國語大學). Mr. Tan has over 10 years of experience in the sales and marketing, technical and general management in the information technology businesses. Mr. Tan is currently an executive director of FinTronics Holdings Company Limited, a company listed on the main board of the Stock Exchange. Mr. Tan was a director of Shandong Juli Group Co., Limited (山東巨力股份有限公司), a company listed on the Shanghai Stock Exchange, during 6 January 2005 to 6 January 2007. Save as disclosed above, Mr. Tan does not hold any directorship in other public listed company or any other position with the Company and other members of the Group in the past three years. Mr. Tan joined the Group in November 2005.

Mr. Tan has entered into a service contract with the Company for an initial term of one year. His appointment will be subject to normal retirement and re-election by the Shareholders pursuant to the Articles of Association. He is entitled to an annual emolument of HK\$120,000 which is determined by the Board with reference to the performance of the Company, his duties and responsibilities with the Company and prevailing market conditions. Mr. Tan does not have any relationship with any other Directors, senior management of the Company, management Shareholders, substantial Shareholders or controlling Shareholders, nor any interests in the Shares within the meaning of Part XV of the SFO.

There is no information relating to Mr. Tan that is required to be disclosed pursuant to Rules 17.50(2) (h) to (v) of the GEM Listing Rules.

Save as disclosed herein, there is no other matter that needs to be brought to the attention of the Shareholders.

Mr. Chan Cheong Yee

Mr. Chan Cheong Yee, aged 43, is an independent non-executive Director. Mr. Chan is also a member of the audit committee, nomination committee and remuneration committee of the Company. Mr. Chan holds a bachelor's degree of science and major in finance. Mr. Chan is a registered and licensed person under Schedule 5 of the SFO to carry out regulated activities including dealing of securities, advising on securities, dealing in futures contracts and undertaking asset management. Mr. Chan is currently the responsible officer of China Everbright Securities (HK) Limited, China Everbright Capital Limited and Everbright Wisdom Fund Management Limited. He is currently an executive director of Sino Technology Investments Limited, a company listed on the main board of the Stock Exchange. Mr. Chan was an executive director of Apex Capital Limited, a company listed on the main board of the Stock Exchange, during June 2002 to May 2003. Mr. Chan was also an independent non-executive director of Cosmopolitan International Holdings Limited, a company listed on the main board of the Stock Exchange, during September 2004 to December 2006. Mr. Chan has been in the financial and investment business for almost 20 years and directly involves in identifying investment opportunities, conducting due diligence, performing valuation, monitoring performance of investment portfolios and providing investment and divestment recommendations. Save as disclosed above, Mr. Chan does not hold any directorship in other public listed company or any other position with the Company and other members of the Group in the past three years. Mr. Chan joined the Group in March 2007.

Mr. Chan has signed an appointment letter with the Company for his appointment as independent non-executive Director for an initial term of two years commencing from 27 March 2007. His appointment will be subject to normal retirement and re-election by the Shareholders pursuant to the Articles of Association. He is entitled to an annual emolument of HK\$60,000 which is determined by the Board with reference to the performance of the Company, his duties and responsibilities with the Company and prevailing market conditions. Mr. Chan does not have any relationship with any other Directors, senior management of the Company, management Shareholders, substantial Shareholders or controlling Shareholders, nor any interests in the Shares within the meaning of Part XV of the SFO.

There is no information relating to Mr. Chan that is required to be disclosed pursuant to Rules 17.50(2) (h) to (v) of the GEM Listing Rules.

Save as disclosed herein, there is no other matter that needs to be brought to the attention of the Shareholders.

Mr. Ronald Garry, Hopp

Mr. Ronald Garry, Hopp, aged 68, is an independent non-executive Director. Mr. Hopp is also a member of the audit committee, nomination committee and remuneration committee of the Company. Mr. Hopp is an academic staff of the Faculty of Law at the University of Alberta under contract on a half-time basis. He graduated from the University of Alberta with Bachelor degrees of Education and Laws. Mr. Hopp articulated for the law firm of Wood Moir Hyde & Ross in the City of Edmonton, was admitted to the bar in 1972, and thereafter practiced law on a full-time basis for approximately two years. Mr. Hopp became an academic staff of the Faculty of Law at the University of Alberta and taught in this capacity for approximately thirty years until his mandatory retirement in 2004. Save as disclosed above, Mr. Hopp does not hold any directorship in other public listed company or any other position with the Company and other members of the Group in the past three years. Mr. Hopp joined the Group in March 2007.

Mr. Hopp has signed an appointment letter with the Company for his appointment as independent non-executive Director for an initial term of two years commencing from 27 March 2007. His appointment will be subject to normal retirement and re-election by the Shareholders pursuant to the Articles of Association. He is entitled to an annual emolument of HK\$3,500 which is determined by the Board with reference to the performance of the Company, his duties and responsibilities with the Company and prevailing market conditions. Mr. Hopp does not have any relationship with any other Directors, senior management of the Company, management Shareholders, substantial Shareholders or controlling Shareholders, nor any interests in the Shares within the meaning of Part XV of the SFO.

There is no information relating to Mr. Hopp that is required to be disclosed pursuant to Rules 17.50(2)(h) to (v) of the GEM Listing Rules.

Save as disclosed herein, there is no other matter that needs to be brought to the attention of the Shareholders.

Mr. Yip Tai Him

Mr. Yip Tai Him, aged 37, is an independent non-executive Director. Mr. Yip is also a member of the audit committee, nomination committee and remuneration committee of the Company. Mr. Yip is a practicing accountant in Hong Kong. Mr. Yip has about fifteen years of experience in auditing, accounting and corporate finance. He is a member of the Institute of Chartered Accountants in England and Wales, Association of Chartered Certified Accountants and Hong Kong Institute of Certified Public Accountants. Mr. Yip is currently independent non-executive directors of Wing Lee Holdings Limited and China Cyber Port (International) Company Limited, which are companies listed in the main board and GEM of the Stock Exchange respectively. Save as disclosed above, Mr. Yip does not hold any directorship in other public listed company or any other position with the Company and other members of the Group in the past three years. Mr. Yip joined the Group in March 2007.

Mr. Yip has signed an appointment letter with the Company for his appointment as independent non-executive Director for an initial term of two years commencing from 27 March 2007. His appointment will be subject to normal retirement and re-election by the Shareholders pursuant to the Articles of Association. He is entitled to an annual emolument of HK\$60,000 which is determined by the Board with reference to

the performance of the Company, his duties and responsibilities with the Company and prevailing market conditions. Mr. Yip does not have any relationship with any other Directors, senior management of the Company, management Shareholders, substantial Shareholders or controlling Shareholders, nor any interests in the Shares within the meaning of Part XV of the SFO.

There is no information relating to Mr. Yip that is required to be disclosed pursuant to Rules 17.50(2) (h) to (v) of the GEM Listing Rules.

Save as disclosed herein, there is no other matter that needs to be brought to the attention of the Shareholders.

NOTICE OF THE AGM



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)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that an annual general meeting of SJTU Sunway Software Industry Limited (the “**Company**”) will be held at 16/F., Cheung Kong Center, 2 Queen’s Road, Central, Hong Kong on Friday, 3 August 2007 at 10:00 a.m. for the following purposes:

as ordinary business:

1. to receive and approve the audited consolidated financial statements and the reports of the directors (the “**Directors**”) and auditors of Company for the year ended 31 December 2006;
2. to re-elect Directors and to authorise the board of Directors to fix the Directors’ remuneration;
3. to re-appoint the auditors of the Company and to authorise the board of Directors to fix their remuneration;

as special business:

4. to consider and, if thought fit, pass with or without amendments, the following resolution as a special resolution:

“**THAT** the articles of association (the “**Articles of Association**”) of the Company be and are hereby amended in the following manner:

(a) Article 72

by deleting the existing Article 72 in its entirety and substituting therefor the following new Article 72:

“72. At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless voting by way of a poll is required by the GEM Listing Rules or a poll is (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) demanded:

- (a) by the Chairman of the meeting; or

* For identification purposes only

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- (b) by at least three shareholders present in person (or, in the case of a shareholder being a corporation, by its duly authorised representative) or by proxy for the time being entitled to vote at the meeting; or
- (c) by any shareholder or shareholders present in person (or, in the case of a shareholder being a corporation, by its duly authorised representative) or by proxy and representing not less than one-tenth of the total voting rights of all shareholders having the right vote at the meeting; or
- (d) by any shareholder or shareholders present in person (or, in the case of a shareholder being a corporation, by its duly authorised representative) or by proxy and holding shares in the Company conferring a right to attend and vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all shares conferring that right; or
- (e) if required by the GEM Listing Rules, by the chairman of the meeting, any Director or Directors who, individually or collectively, hold proxies in respect of shares representing five (5) per cent or more of the total voting rights at such meeting.”

(b) Article 105

by deleting the existing Article 105(vii) in its entirety and substituting therefor the following new Article 105(vii):

“105(vii) if he shall be removed from office by an Ordinary Resolution of the Company under Article 114.”

(c) Article 108

by deleting the existing Article 108(A) in its entirety and substituting therefor the following new Article 108(A):

“108(A) At each annual general meeting, one-third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest to but not less than one-third, shall retire from office by rotation provided that every Director, including those appointed for a specific term, shall be subject to retirement by rotation at least once every three years. A retiring Director shall be eligible for re-election and shall continue to act as a Director throughout the meeting at which he retires. The Company at the general meeting at which a Director retires may fill the vacated office.”

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(d) Article 111

by deleting the existing Article 111 in its entirety and substituting therefor the following new Article 111:

“111. The Company may from time to time in general meeting by Ordinary Resolution elect any person to be a Director either to fill a casual vacancy or as an additional Director. Any Director so appointed shall hold office only until the next following general meeting of the Company (in the case of filling a casual vacancy) or until the next following annual general meeting of the Company (in the case of an addition to their number) and shall then be eligible for re-election provided that any Director who so retires shall not be taken into account in determining the Directors or the number of Directors who are to retire by rotation at such meeting.”

(e) Article 112

by deleting the existing Article 112 in its entirety and substituting therefor the following new Article 112:

“112. The Directors shall have power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy or as an additional Director but so that the number of Directors so appointed shall not exceed the maximum number determined from time to time by the shareholder in general meeting. Any Director so appointed shall hold office only until the next following general meeting of the Company (in the case of filling a casual vacancy) or until the next following annual general meeting of the Company (in the case of an addition to their number) and shall then be eligible for re-election provided that any Director who so retires shall not be taken into account in determining the Directors or the number of Directors who are to retire by rotation at such meeting.”

(f) Article 114

by deleting the existing Article 114 in its entirety and substituting therefor the following new Article 114:

“114. The Company may by Ordinary Resolution remove any Director (including a Managing Director or other executive Director) before the expiration of his period of office notwithstanding anything in these Articles or in any agreement between the Company and such Director (but without prejudice to any claim which such Director may have for damages for any breach of any contract between him and the Company) and may by Ordinary Resolution elect another person in his stead. Any Director so appointed shall hold office only until the next following general meeting of the Company (in the case of filling a casual vacancy) or until the next following annual general meeting of the Company (in the case of an addition to their number) and shall then be eligible for re-election provided that any Director who so retires shall not be taken into account in determining the Directors or the number of Directors who are to retire by rotation at such meeting.”

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as ordinary business to consider and, if thought fit, passing the following resolutions nos. 5 to 7 as ordinary resolutions:

5. “**THAT:**

- (a) subject to paragraph (c) below, pursuant to the Rules (the “**GEM Listing Rules**”) Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), the exercise by the Directors during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and deal with unissued Shares and to make or grant offers, agreements and options, including warrants to subscribe for Shares, which might require the exercise of such powers be and the same is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall authorise the Directors during the Relevant Period (as defined below) to make or grant offers, agreements and options which might require the exercise of such powers after the end of the Relevant Period (as defined below);
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to options or otherwise) by the Directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue (as defined below); or (ii) the exercise of any options granted under the share option scheme of the Company; or (iii) any scrip dividend or similar arrangements providing for the allotment and issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the Articles of Association in force from time to time; or (iv) any issue of Shares upon the exercise of rights of subscription or conversion under the terms of any warrants of the Company or any securities which are convertible into Shares, shall not exceed the aggregate of:
 - (aa) 20 per cent. of the aggregate nominal amount of the share capital of the Company in issue on the date of the passing of this resolution; and
 - (bb) (provided that resolution no. 6 is passed) the nominal amount of any share capital of the Company repurchased by the Company subsequent to the passing of this resolution (up to a maximum equivalent to 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue on the date of the passing of this resolution),

and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and

- (d) for the purposes of this resolution:

“**Relevant Period**” means the period from the date of the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association, the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated or revised) of the Cayman Islands (the “**Companies Law**”) or any other applicable law of the Cayman Islands to be held; and

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- (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the Directors by this resolution;

“**Rights Issue**” means an offer of Shares, or offer or issue of warrants, options or other securities giving rights to subscribe for Shares open for a period fixed by the directors of the Company to holders of Shares on the register on a fixed record date in proportion to their then holdings of Shares (subject to such exclusion or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements, or having regard to any restrictions or obligations under the laws of, or the requirements of, or the expense or delay which may be involved in determining the existence or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction outside Hong Kong or any recognised regulatory body or any stock exchange outside Hong Kong).”

6. “**THAT:**

- (a) the exercise by the Directors during the Relevant Period (as defined below) of all powers of the Company to purchase the Shares on the Stock Exchange or any other stock exchange on which the Shares may be listed and recognised by the Securities and Futures Commission of Hong Kong (the “**Securities and Futures Commission**”) and the Stock Exchange for such purpose, and otherwise in accordance with the rules and regulations of the Securities and Futures Commission, the Stock Exchange, the Companies Law and all other applicable laws in this regard, be and the same is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of Shares which may be purchased by the Company pursuant to the approval in paragraph (a) during the Relevant Period (as defined below) shall not exceed 10 per cent. of the aggregate nominal amount of the issued share capital of the Company as at the date of the passing of this resolution and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and
- (c) for the purposes of this resolution, “**Relevant Period**” means the period from the date of the passing of this resolution until whichever is the earliest of:
 - (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association, the Companies Law or any other applicable law of the Cayman Islands to be held; and
 - (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the Directors by this resolution.”

7. “**THAT** subject to the ordinary resolutions nos. 5 and 6 above being duly passed, the unconditional general mandate granted to the Directors to exercise the powers of the Company to allot, issue and deal with unissued Shares pursuant to resolution no. 5 above be and is hereby extended by the addition thereon of an amount representing the aggregate nominal amount of the share capital of the Company repurchased by the Company subsequent to the passing of this resolution, provided that such amount shall not exceed 10 per cent. of the aggregate nominal amount of the issued Shares on the date of the passing of resolution no. 6.”

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and as special business to consider and, if thought fit, passing the following resolution as an ordinary resolution:

8. “**THAT** subject to and conditional upon the granting by the Listing Committee of the Growth Enterprise Market of the Stock Exchange of the listing of and permission to deal in the Shares which may be issued pursuant to the exercise of option to be granted under the refreshed scheme mandate limit (the “**Scheme Mandate Limit**”) under the share option scheme adopted on 25 November 2003, which entitles the Directors to grant options after the listing of Shares on the Stock Exchange, in the manner as set out in paragraph (a) of this resolution,
- (a) the refreshment of the Scheme Mandate Limit of up to 10 per cent. of the Shares in issue as at the date of passing of this resolution be and is hereby approved; and
- (b) the Directors be and are hereby authorised do all such acts and things and execute all such documents, including under seal where applicable, as they consider necessary or expedient to give effect to the foregoing arrangement.”

By order of the Board
SJTU Sunway Software Industry Limited
Ms. Tinna Chan Yee
Executive Director

Hong Kong, 9 July 2007

Registered office:

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

*Head office and principal place of
business in Hong Kong:*

Room 2801, 28/F.
China Merchants Tower
Shun Tak Centre
168–200 Connaught Road Central
Hong Kong

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Notes:

1. A member entitled to attend and vote at the annual general meeting convened by the above notice is entitled to appoint one or more proxy to attend and, subject to the provisions of the Articles of Association, to vote on his behalf. A proxy need not be a member of the Company but must be present in person at the annual general meeting to represent the member. If more than one proxy is so appointed, the appointment shall specify the number and class of Shares in respect of which each such proxy is so appointed.
2. In order to be valid, the form of proxy must be deposited together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, at the offices of the Company's branch registrar and transfer office in Hong Kong, Tengis Limited, at 26th, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time for holding the meeting or adjourned meeting. Completion and return of a form of proxy will not preclude a shareholder of the Company from attending in person and voting at the annual general meeting or any adjournment thereof, should he so wish.
3. In relation to proposed resolution no. 2 above, Ms. Tinna Chan Yee, Ms. Sana Bakhtiar Ahmed, Mr. Tan Shu Jiang, Mr. Chan Cheong Yee, Mr. Ronald Garry, Hopp and Mr. Yip Tai Him will retire from their offices of Directors at the above meeting pursuant to Article 112 of Articles of Association and being eligible, will offer themselves for re-election at the annual general meeting.
4. The Articles of Association are written in English. There is no official Chinese translation in respect thereof. Therefore, the Chinese version of proposed resolution no. 4 above on amendments of the Articles of Association is purely a translation only. Should there be any discrepancy, the English version shall prevail.
5. In relation to proposed resolutions nos. 5 and 7 above, approval is being sought from the shareholders for the grant to the Directors of a general mandate to authorise the allotment and issue of shares of the Company under the GEM Listing Rules. The Directors have no immediate plans to issue any new shares of the Company other than Shares which may fall to be issued under the share option scheme of the Company or any scrip dividend scheme which may be approved by shareholders.
6. In relation to proposed resolution no. 6 above, the directors wish to state that they will exercise the powers conferred thereby to repurchase Shares in circumstances which they deem appropriate for the benefit of the shareholders of the Company. An explanatory statement containing the information necessary to enable the shareholders to make an informed decision to vote on the proposed resolution as required by the GEM Listing Rules is set out in Appendix I to this circular.