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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)

LISTING ON THE GROWTH ENTERPRISE MARKET OF THE STOCK EXCHANGE OF HONG KONG LIMITED

BY WAY OF PLACING

Number of Placing Shares	:	70,000,000 Shares
Placing Price	:	HK\$0.43 per Placing Share
Nominal value	:	HK\$0.01 each
Stock code	:	8148

Sponsor



Core Pacific – Yamaichi Capital Limited

Lead Manager



KINGSTON SECURITIES LIMITED

Underwriters

**Get Nice Investment Limited
Luen Fat Securities Company Limited**

**Guotai Junan Securities (Hong Kong) Limited
Sun Hung Kai International Limited**

* *for identification purpose only*

- On 5 January 2004, Kingston Securities (on behalf of the Underwriters) and the Company agreed to fix the final Placing Price at HK\$0.43 per Placing Share.
- Total application for 333,600,000 Placing Shares from potential investors have been received, representing approximately 4.77 times of the 70,000,000 Placing Shares available in the Placing. The Placing of 70,000,000 Placing Shares was conditionally allocated to 117 professional, institutional and private investors. Out of the 117 investors, Simplex, an Initial Management Shareholder of the Company, was conditionally allocated with 5,000,000 Placing Shares. In addition, the following investors are deemed as connected clients under Rule 10.12(4) of the GEM Listing Rules.

Name of the placing agents	Employee of the respective placing agents (investor)	Position held	No. of allotted Placing Share	% of the total Placing Shares
Hui Kai Securities Limited	Fung Ka Man, Rebecca	Dealing Assistant	1,300,000	1.86%
Japan Asia Securities Limited	Lau Siu Fai	Dealer	130,000	0.19%
KCG Securities Asia Limited	Lam Wai Kit	Vice President	120,000	0.17%
Fulbright Securities Limited	Liu Chi Ming	Dealing Director	100,000	0.14%
ICEA Securities Limited	Lee Wing	Senior Manager	100,000	0.14%
Magusta Securities Limited	Chan Chung On	Account Executive	100,000	0.14%
Stephil Securities Limited	Lam Chi Shing	Accountant	100,000	0.14%
Corporate Brokers Limited	Cheung Chi Ming	Executive Manager	80,000	0.11%
Hunlicar Securities Limited	Yau Lap Kan	Business Manager	70,000	0.10%
			2,100,000	

Save for the above, all placees are independent of and not connected with any of the Directors, chief executive, substantial shareholders or Initial Management Shareholders of the Company or any of their respective associates or any person or group of persons as stated in Rules 10.12(4) of the GEM Listing Rules.

- Immediately after the completion of the Placing and the Capitalisation Issue and before the exercise of the options that may be granted under the Share Option Scheme, the public float of the Company will represent 32.50% of the enlarged issued share capital of the Company.
- **Investors should be aware that there is a high concentration of Shares held by a small number of Shareholders, which may affect the liquidity of the Shares in the secondary market. Shareholders and potential investors are advised to exercise extreme caution in dealing in the Shares.**
- Dealings in the Shares on GEM are expected to commence at 9:30 a.m. on Friday, 9 January 2004.

Unless otherwise defined herein, the terms used in this announcement shall have the same meanings as in the prospectus of SJTU Sunway Software Industry Limited (the "Company") dated 30 December 2003 (the "Prospectus").

LEVEL OF INTERESTS

Total application for 333,600,000 Placing Shares from potential investors have been received, representing approximately 4.77 times of the 70,000,000 Placing Shares available in the Placing. The Placing of 70,000,000 Placing Shares was conditionally allocated to 117 professional, institutional and private investors. Out of the 117 investors, Simplex, an Initial Management Shareholder of the Company, was conditionally allocated with 5,000,000 Placing Shares. All Placing Shares allocated to Simplex are subject to a lock-up period of 12 months commencing from the Listing Date. In addition, the following investors are deemed as connected clients under Rule 10.12(4) of the GEM Listing Rules.

Name of the placing agents	Employee of the respective placing agents (investor)	Position held	No. of allotted Placing Share	% of the total Placing Shares
Hui Kai Securities Limited	Fung Ka Man, Rebecca	Dealing Assistant	1,300,000	1.86%
Japan Asia Securities Limited	Lau Siu Fai	Dealer	130,000	0.19%
KCG Securities Asia Limited	Lam Wai Kit	Vice President	120,000	0.17%
Fulbright Securities Limited	Liu Chi Ming	Dealing Director	100,000	0.14%
ICEA Securities Limited	Lee Wing	Senior Manager	100,000	0.14%
Magusta Securities Limited	Chan Chung On	Account Executive	100,000	0.14%
Stephil Securities Limited	Lam Chi Shing	Accountant	100,000	0.14%
Corporate Brokers Limited	Cheung Chi Ming	Executive Manager	80,000	0.11%
Hunlicar Securities Limited	Yau Lap Kan	Business Manager	70,000	0.10%
			<u>2,100,000</u>	

Save for the above, all placees are independent of and not connected with any of the Directors, chief executive, substantial shareholders or Initial Management Shareholders of the Company or any of their respective associates or any person or group of persons as stated in Rules 10.12(4) of the GEM Listing Rules. Hence, save for 5,000,000 Placing Shares allocated to Simplex and 2,100,000 Placing Shares allocated to the connected clients as identified above, none of the Placing Shares have been allocated to any person or group of persons as stated in Rule 10.12(4) of the GEM Listing Rules, or nominees of any of them.

RESULTS OF ALLOCATION

Pursuant to the Placing, 70,000,000 Placing Shares have been conditionally allocated to a total of 117 placees (including Simplex), details of which are set out below:

	Number of Placing Shares allocated	Approximate percentage of the total Placing Shares	Approximate percentage of shareholding immediately after completion of the Placing and the Capitalisation Issue
Top placee	6,000,000	8.57%	3.00%
Top 5 placees	27,000,000	38.57%	13.50%
Top 10 placees	41,500,000	59.29%	20.75%
Top 15 placees	51,300,000	73.29%	25.65%
Top 25 placees	58,820,000	84.03%	29.41%

Investors should be aware that there is a high concentration of Shares held by a small number of shareholders, which may affect the liquidity of the Shares in the secondary market. Shareholders and potential investors are advised to exercise extreme caution in dealing in the Shares.

The number of placees (including Simplex) and their respective range of shareholding are as follows:

Number of Placing Shares	Number of placees
10,000 to 50,000	34
50,001 to 100,000	24
100,001 to 500,000	36
500,001 to 1,000,000	8
1,000,001 to 2,000,000	3
2,000,001 to 5,000,000	9
5,000,001 to 10,000,000	3
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MINIMUM PUBLIC FLOAT REQUIREMENT

Pursuant to Rule 11.23(1) of the GEM Listing Rules, the Company is required to maintain a public float of not less than 25% of its issued share capital at the time the Shares of the Company commence dealings on GEM and at all times thereafter. Immediately after the completion of the Placing and the Capitalisation Issue and before the exercise of the options that may be granted under the Share Option Scheme, the public float of the Company will represent 32.50% of the enlarged issued share capital of the Company.

DEPOSIT OF SHARE CERTIFICATES INTO CCASS

Subject to the granting of the listing of, and permission to deal in, the Shares on GEM as well as compliance with the stock admission requirements of HKSCC, the Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the Listing Date, or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange is required to take place in CCASS on the second trading day after any trading day. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

All necessary arrangements have been made for the Shares to be admitted into CCASS.

The share certificates issued in respect of the Placing Shares (save for 5,000,000 Placing Shares all allocated to Simplex) will be deposited into CCASS on or before 7 January 2004 for credit to the respective CCASS participants' stocks accounts or investor participant stock accounts of the Underwriters or the placees. If any events set forth under the paragraph headed "Grounds for termination" in the section headed "Underwriting" in the Prospectus occur at any time prior to 5:00 p.m. on the day immediately prior to the Listing Date, the Lead Manager (on behalf of the Underwriters) is entitled to terminate the obligations of the Underwriters under the Underwriting Agreement by notice in writing to the Company. Should this happen, an announcement of notice of the lapse of the Placing will be published by the Company at the GEM website in the next day following such lapse.

COMMENCEMENT OF DEALINGS

Dealings in the Shares on GEM are expected to commence at 9:30 a.m. on Friday, 9 January 2004.

By order of the Board
SJTU Sunway Software Industry Limited
CHU CHI SHING
Executive Director

Hong Kong, 7 January 2004

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 Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, (i) the information contained in this announcement is accurate and complete in all material respects and not misleading; (ii) there are no other matters the omission of which would make any statement in this announcement misleading; and (iii) 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 and a copy of the Prospectus will remain on the GEM website at www.hkgem.com, and in the case of this announcement, on the "Latest Company Announcements" page for at least 7 days from the date of its posting.