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SYS SOLUTIONS HOLDINGS LIMITED

軟迅科技控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8182)

PLACING OF NEW SHARES

Placing Agent

 **Baron Capital Limited**

The Board is pleased to announce that the Company and Baron Capital entered into the Placing Agreement on 22 January 2007, whereby the Company has agreed to appoint Baron Capital as the placing agent and Baron Capital has agreed to place not more than 24,000,000 new Shares of HK\$0.01 each in the capital of the Company at the Placing Price to at least six independent institutional, professional and/or private investors on a best effort basis. The Placing Shares represent approximately 6.06% of the Company's existing share capital and approximately 5.71% of its issued share capital as enlarged by the Placing.

The gross proceeds from the Placing will be approximately HK\$9.60 million and net proceeds from the Placing of approximately HK\$9.40 million will be used as general working capital of the Group. The Placing is conditional upon, among other things, the Listing Committee granting approval for the listing of, and permission to deal in, the Placing Shares and the relevant parties obtaining all consents and approvals from the relevant authorities in respect of the transactions contemplated under the Placing Agreement, if applicable. All the Placing Shares will be subject to a six months lock-up period from the date of the commencement of dealings in the Placing Shares on GEM. Please refer to the paragraph headed "Conditions of the Placing Agreement" below for details.

At the request of the Company, trading of the Shares on GEM was suspended with effect from 12:11 p.m. on 22 January 2007 pending for the release of this announcement. Application has been made for resumption of trading in Shares on GEM with effect from 9:30 a.m. on 23 January 2007.

PLACING AGREEMENT DATED 22 JANUARY 2007

Issuer:

Sys Solutions Holdings Limited, a company incorporated in the Cayman Islands with limited liability and whose Shares are listed on GEM.

Placing Agent:

Baron Capital, who and whose ultimate beneficial owners are independent third parties and not connected with the Company and its connected person(s).

Baron Capital will receive the placing commission which is equivalent to 1.0% of the gross proceeds of the Placing pursuant to the Placing Agreement.

Placees:

Baron Capital will place not more than 24,000,000 Placing Shares at the Placing Price on a best effort basis to at least six placees, being institutional, professional and/or private investors, and who and whose ultimate beneficial owners are independent third parties and not connected with the Company and its connected person(s). It is expected that none of the placees will become substantial shareholder (as defined under the GEM Listing Rules) of the Company immediately after the Placing. All the Placing Shares will be subject to a six months lock-up period from the date of the commencement of dealings in the Placing Shares on GEM.

Number of Placing Shares to be placed on a best effort basis:

The Placing Shares represent approximately 6.06% of the Company's existing issued share capital and approximately 5.71% of its issued share capital as enlarged by the Placing. The Placing Shares, when fully paid, will rank *pari passu* in all respects with the Shares in issue on the date of allotment and issue of the Placing Shares.

Placing Price:

The Placing Price was fixed on the date of the Placing Agreement based on the closing price as quoted on the Stock Exchange on the Last Full Trading Day. It represents (i) a discount of approximately 11.11% to the closing price of the Shares of HK\$0.450 as quoted on the Stock Exchange on 19 January 2007, being the Last Full Trading Day; (ii) a premium of approximately 39.37% to the average closing price of the Shares of HK\$0.287 as quoted on the Stock Exchange for the five consecutive trading days up to and including 19 January 2007, being the Last Full Trading Day; and (iii) a premium of approximately 37.22% to the average closing price of the Shares of HK\$0.2915 as quoted on the Stock Exchange for the ten consecutive trading days up to and including 19 January 2007, being the Last Full Trading Day.

The Directors consider that the Placing Price is fair and reasonable and in the interests of the Company and its Shareholders as a whole.

General Mandate:

The Placing Shares will be allotted and issued pursuant to the general mandate granted to the Directors at the Company's annual general meeting held on 8 December 2006 to issue up to 79,236,000 Shares. As at the date of this announcement, the Company had not utilized its general mandate.

Conditions of the Placing Agreement:

Completion of the Placing Agreement is conditional upon:

- (a) the Listing Committee granting or agreeing to grant listing of, and permission to deal in, the Placing Shares subject only to the allotment and issue of the Placing Shares, delivery of the relevant share certificates and all relevant requirements (if any) of the Stock Exchange in respect of the granting listing of, and permission to deal in, the Placing Shares having been complied with; and
- (b) the obtaining by all parties concerned of all necessary consents, approvals or waivers to effect the signing and completion of the Placing Agreement.

The conditions must be fulfilled at or before 5:00 p.m. (Hong Kong time) on 28 February 2007 (or such other date as the parties may agree in writing), failing which the Placing shall cease and terminate. Application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Placing Shares.

Completion:

The Placing shall complete at the second Business Day after the fulfillment of the conditions of the Placing Agreement (or such other date as may be agreed between the parties to the Placing Agreement in writing).

REASONS FOR THE PLACING AND USE OF PROCEEDS

The Group is principally engaged in the business of provision of network infrastructure solutions and services.

The gross proceeds from the Placing will be approximately HK\$9.60 million and the net proceeds from the Placing of approximately HK\$9.40 million will be used as general working capital of the Group.

The Directors expect that the Placing will enhance the capital base of the Company, thereby broadening the Company's shareholders base.

The Company has not conducted any equity fund raising activities in the past twelve-month immediately prior to the date of this announcement.

EFFECT ON SHAREHOLDING STRUCTURE

The existing and enlarged shareholding structures of the Company as at the date of this announcement and after the issue of the Placing Shares (assuming all the Placing Shares have been placed and no Shares will be issued or repurchased by the Company) are set out below:

Name	Number of issued Shares as at the date of this announcement	Approximate percentage of shareholding as at the date of this announcement	Number of issued Shares immediately after the Placing	Approximate percentage of shareholding immediately after the Placing
Colpo Mercantile Inc.	297,135,000	75.00%	297,135,000	70.72%
Public				
– The placees	–	–	24,000,000	5.71%
– Other public Shareholders	99,045,000	25.00%	99,045,000	23.57%
Total	<u>396,180,000</u>	<u>100.00%</u>	<u>420,180,000</u>	<u>100.00%</u>

SUSPENSION AND RESUMPTION OF TRADING

At the request of the Company, trading of the Shares on GEM was suspended with effect from 12:11 p.m. on 22 January 2007 pending for the release of this announcement. Application has been made for resumption of trading in Shares on GEM with effect from 9:30 a.m. on 23 January 2007.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context otherwise requires.

“Baron Capital”	Baron Capital Limited, a licensed corporation within the meaning of the SFO to conduct type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities
“Board”	the board of Directors
“Business Day”	any day (other than Saturday and days on which a tropical cyclone warning No. 8 or above or a black rainstorm warning signal is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.) on which banks are open in Hong Kong for general banking business
“Company”	Sys Solutions Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on GEM

“connected persons”	has the meaning ascribed thereto under the GEM Listing Rules
“Director(s)”	the director(s) (including the independent non-executive Directors) 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
“Last Full Trading Day”	19 January 2007, being the last full trading day prior to the suspension of trading in Shares on GEM at 12:11 p.m. on 22 January 2007
“Listing Committee”	the listing sub-committee of the board for GEM
“Placing”	placing of the Placing Shares at the Placing Price pursuant to the Placing Agreement
“Placing Agreement”	the placing agreement entered into between Baron Capital and the Company dated 22 January 2007 in respect of the Placing
“Placing Price”	HK\$0.40 per Placing Share
“Placing Share(s)”	not more than 24,000,000 new Shares to be placed under the Placing
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent

By order of the Board
Sys Solutions Holdings Limited
Chan Wing Him Kenny
Chairman

Hong Kong, 22 January 2007

As at the date of this announcement, the executive Directors are Mr. Chan Wing Him Kenny and Mr. Chan Man Ching, and the independent non-executive Directors are Mr. Lo Chi Kit, Mr. Poon Lai Yin, Michael and Mr. Tam Hang Chuen.

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: (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 GEM website at www.hkgem.com on the “Latest Company Announcements” page for at least 7 days.