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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)

PROPOSED SUBDIVISION OF SHARES AND CHANGE OF BOARD LOT SIZE

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The Board proposes that each of the existing issued and unissued Shares of par value of HK\$0.01 each in the share capital of the Company be subdivided into two shares of par value of HK\$0.005 each. The Share Subdivision will become effective upon (i) the passing of an ordinary resolution by the Shareholders at the EGM; and (ii) the Listing Committee granting the listing of, and permission to deal in, the Subdivided Shares.

The Shares are currently traded in board lots of 6,000 Shares. Upon the Share Subdivision becoming effective, the Subdivided Shares will be trade in board lots of 9,000 Subdivided Shares.

GENERAL INFORMATION

A circular containing, amongst other things, further information on the Share Subdivision, the trading arrangements in respect of the Subdivided Shares, the details of the Agent and the procedure for the free exchange of Existing Share Certificates, together with a notice convening the EGM, will be dispatched to the Shareholders as soon as practicable.

PROPOSED SUBDIVISION OF SHARES AND CHANGE OF BOARD LOT SIZE

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The Shares are currently traded in board lots of 6,000 Shares. Upon the Share Subdivision becoming effective, the Subdivided Shares will be traded in board lots of 9,000 Subdivided Shares. The change of board lot size will not result in any change in the relevant rights of the Shareholders.

Conditions of the Share Subdivision

The Share Subdivision is conditional, amongst other things, upon:

- (i) the passing of an ordinary resolution by the Shareholders at the EGM for approving the Share Subdivision; and
- (ii) the Listing Committee granting the listing of, and permission to deal in, the Subdivided Shares.

Reason for the Share Subdivision

The Board believes that the Share Subdivision will improve the liquidity in trading of shares of the Company, thereby enabling the Company to attract more investors and widen the Company's shareholder base. Given the prevailing market conditions, a more liquid market will provide more flexibility for investors to buy and sell shares of the Company. Accordingly, the Board considers the Share Subdivision to be in the best interests of the Company and its Shareholders as a whole.

Save for the costs to be incurred by the Company in implementing the Share Subdivision, the Share Subdivision will not alter the underlying assets, business operations, management or financial position of the Company or the proportional interests of the Shareholders. The Board considers that the Share Subdivision will not have any adverse effect on the financial position of the Company.

Shareholding Structure

As at the date of this announcement, the authorized share capital of the Company is HK\$50,000,000 divided into 5,000,000,000 Shares, of which 420,180,000 Shares are in issue and fully paid. Assuming that no further Shares will be issued or repurchased after the date of this announcement, the effect of the Share Subdivision on the share capital of the Company is set out as follows:

	Before Share Subdivision (assuming no Share is issued or repurchased after the date hereof)	After Share Subdivision (assuming no Share is issued or repurchased after the date hereof)
Par value of each share	HK\$0.01	HK\$0.005
Number of authorized shares	5,000,000,000	10,000,000,000
Authorised share capital	HK\$50,000,000	HK\$50,000,000
Number of shares in issue	420,180,000	840,360,000
Issued share capital	HK\$4,201,800	HK\$4,201,800
Number of unissued shares	4,579,820,000	9,159,640,000
Unissued share capital	HK\$45,798,200	HK\$45,798,200

The Subdivided Shares will rank pari passu in all respects with each other and the Share Subdivision will not result in any change in the relevant rights of the Shareholders.

Arrangement on odd lot trading

In order to facilitate the trading of odd lots of Subdivided Shares as a result of the Share Subdivision and the change of board lot size, the Company will appoint the Agent, details of which will be included in the circular to be dispatched to the Shareholders, to provide a matching service to the Shareholders who wish to top-up or sell their holdings of odd lots of the Subdivided Shares.

The Agent will provide the service to match the sale and purchase of odd lots of the Subdivided Shares during the period from 3 May 2007 to 25 May 2007, both days inclusive. Holders of the Subdivided Shares in odd lots who wish to take advantage of this facility either to dispose of or top-up their odd lots to a board lot of 9,000 Subdivided Shares may, directly or through their brokers, contact the Agent during such period. Further details of this service will be provided in the circular to be dispatched to the Shareholders as soon as practicable. Shareholders should note that successful matching of the sale and purchase of odd lots of the Subdivided Shares is not guaranteed and will depend on there being adequate amounts of odd lots of the Subdivided Shares available for such matching.

Shareholders are recommended to consult their professional advisers if they are in any doubt about the matching facility described above.

Expected timetable

It is currently expected that the Share Subdivision will become effective on 18 April 2007. The expected timetable for the implementation of the Share Subdivision and the associated trading arrangement are set out as follows:

	Time	Date (2007)
Latest time for lodging forms of proxy for the EGM	3:00 p.m.	Sunday, 15 April 2007
EGM	3:00 p.m.	Tuesday, 17 April 2007
Publication of further announcement for the effectiveness of the Share Subdivision		Wednesday, 18 April 2007
Effective date of the Share Subdivision		Wednesday, 18 April 2007
Dealings in the Subdivided Shares commence	9:30 a.m.	Wednesday, 18 April 2007
Original counter for trading in existing Shares in board lots of 6,000 Shares temporarily closes	9:30 a.m.	Wednesday, 18 April 2007
Temporary counter for trading in board lots of 12,000 Subdivided Shares (in the form of the Existing Share Certificates) opens	9:30 a.m.	Wednesday, 18 April 2007

	Time	Date (2007)
First day of free exchange of Existing Share Certificate for the New Share Certificates		Wednesday, 18 April 2007
Original counter for trading in Subdivided Shares in board lots of 9,000 Subdivided Shares (in the form of New Share Certificates) re-opens	9:30 a.m.	Thursday, 3 May 2007
Parallel trading in Subdivided Shares (in the form of New Share Certificates and Existing Share Certificates) commences	9:30 a.m.	Thursday, 3 May 2007
Matching service for the sale and purchase of odd lots of Subdivided Shares		from Thursday, 3 May 2007 to Friday, 25 May 2007
Temporary counter for trading in board lots of 12,000 Subdivided Shares (in the form of Existing Share Certificates) closes	4:00 p.m.	Friday, 25 May 2007
Parallel trading in Subdivided Shares (in the form of New Share Certificates and Existing Share Certificates) ends	4:00 p.m.	Friday, 25 May 2007
Last day for free exchange of Existing Share Certificates for New Share Certificates		Friday, 1 June 2007

Exchange of certificates

The Existing Share Certificates will only be valid for delivery, trading and settlement purposes for the period up to 4:00 p.m. on 25 May 2007 and thereafter they will not be accepted for delivery, trading and settlement purposes. However, the Existing Share Certificates will continue to be good evidence of legal title to the Subdivided Shares on the basis of one Share for two Subdivided Shares and may be exchanged free of charge for the New Share Certificates for Subdivided Shares at any time between 18 April 2007 and 1 June 2007, both days inclusive, and on payment of a prescribed fee at any time after 1 June 2007. It is expected that the New Share Certificates will be available for collection within a period of 10 business days after the submission of the Existing Share Certificates. The New Share Certificates will be **yellow** in color so as to be distinguished from the Existing Share Certificates which are blue in color.

Adjustments to share options

As at the date of this announcement, there are outstanding share options for subscription of up to 23,859,000 Shares under the Share Option Scheme. The Share Subdivision may lead to adjustment to the exercise price and the number of Shares which may fall to be issued upon exercise of the outstanding share options. The Company will ascertain the required adjustments to the share options of which will be reviewed by the auditors or independent financial advisor of the Company pursuant to Rule 23.03 (13) of the GEM Listing Rules and Paragraph 9 of the rules of the Share Option Scheme, and the holders of the share options will be informed of the required adjustments as soon as practicable.

GENERAL

An application will be made to the Stock Exchange for the listing of, and permission to deal in, the Subdivided Shares.

A circular containing, amongst other things, further information on the Share Subdivision, the trading arrangements in respect of the Subdivided Shares, the details of the Agent, and the procedure for the free exchange of Existing Share Certificates, together with a notice convening the EGM, will be dispatched to the Shareholders as soon as practicable.

DEFINITIONS

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

“Agent”	the agent to be appointed for providing matching services to those Shareholders who wish to top-up or sell their holdings of odd lots of the Subdivided Shares
“Board”	the board of Directors
“Company”	Sys Solutions Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the Shares of which are listed on GEM
“Director(s)”	directors of the Company
“EGM”	the extraordinary general meeting of the Company to be held at 3:00 p.m. on 17 April 2007
“Existing Share Certificate(s)”	existing form of certificates of the Shares
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Committee”	the listing sub-committee of the board for GEM of the Stock Exchange
“New Share Certificate(s)”	form of certificates of the Subdivided Shares
“Share Option Scheme”	the post-IPO share option scheme adopted by the Company on 25 January 2003

“Share Subdivision”	subdivision of every issued or unissued Share into two Subdivided Shares
“Share(s)”	existing ordinary share(s) of par value of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	registered holder(s) of issued share(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subdivided Share(s)”	share(s) of par value of HK\$0.005 each in the share capital of the Company upon completion of the Share Subdivision
“HK\$”	Hong Kong Dollars, the lawful currency in Hong Kong

By order of the Board
Chan Wing Him Kenny
Chairman

Hong Kong, 20 March 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 from the date of its posting.