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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 AND EXTENSION OF TEMPORARY COUNTER ARRANGEMENT AND RESUMPTION OF TRADING

PLACING

The Board is pleased to announce that the Company and the Placing Agent entered into the Placing Agreement on 9 May 2007 and the Supplemental Deed on 14 May 2007, whereby the Company has agreed to appoint the Placing Agent and the Placing Agent has agreed to place not more than 50,000,000 new Shares of HK\$0.005 each in the capital of the Company at the Placing Price to independent institutional, professional and/or private investors on a best effort basis. The Placing Shares represent approximately 5.950% of the Company's existing share capital and approximately 5.616% of its issued share capital as enlarged by the Placing. After deducting the costs and expenses in connection with the Placing, the net price per Placing Share is HK\$0.785.

The gross proceeds from the Placing will be approximately HK\$40,000,000 and net proceeds from the Placing of approximately HK\$39,250,000 will be used as cash reserves to fund future investments or project developments when opportunities are identified and 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. Please refer to the paragraph headed "Conditions of the Placing Agreement" below for details.

EXTENSION OF PARALLEL TRADING

Given that the trading in the Shares has been suspended for three trading days pending the release of this announcement, the latest time for (i) the parallel trading in the Shares and the Old Shares (in form of new Share certificates and Old Share certificates); and (ii) the temporary counter for trading in Old Shares in board lots of 12,000 Shares (in form of Old Share certificates) will be extended from 4:00 p.m. on Friday, 25 May 2007 to 4:00 p.m. on Wednesday, 30 May 2007, and the last day for the availability of odd lot facility will be extended to Wednesday, 30 May 2007. In addition, the last day for free exchange of Old Share certificates for new Share certificates will be extended to Wednesday, 6 June 2007.

RESUMPTION OF TRADING

At the request of the Company, trading of the Shares on GEM and the temporary counter was suspended with effect from 9:30 a.m. on 10 May 2007 pending for the release of this announcement. Application has been made for resumption of trading in Shares on GEM and the temporary counter with effect from 9:30 a.m. on 15 May 2007.

PLACING AGREEMENT DATED 9 MAY 2007 AND SUPPLEMENTAL DEED DATED 14 MAY 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:

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

The Placing Agent will receive the placing commission which is equivalent to 1% of the gross proceeds of the Placing pursuant to the Placing Agreement.

Placees:

The Placing Agent will place not more than 50,000,000 Placing Shares at the Placing Price on a best effort basis to 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. Further announcement will be made by the Company as to the result of the Placing.

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

The Placing Shares represent approximately 5.950% of the Company's existing issued share capital and approximately 5.616% 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 Supplemental Deed based on the closing price as quoted on the Stock Exchange on 9 May 2007, being the Last Full Trading Day. It represents (i) a discount of approximately 19.19% to the closing price of the Shares of HK\$0.99 as quoted on the Stock Exchange on 9 May 2007, being the date of the Placing Agreement and the Last Full Trading Day; and (ii) a discount of approximately 11.50% to the average closing price of the Shares of HK\$0.904 as quoted on the Stock Exchange for the five consecutive trading days up to and including 9 May 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.

After deducting the costs and expenses in connection with the Placing, the net price per Placing Share is HK\$0.785.

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 Old Shares. Save and except the allotment and issue of 24,000,000 Old Shares under the general mandate pursuant to the completion of the placing which took place on 26 February 2007, the Company has not issued any further Old Shares or Shares pursuant to such general mandate. As at the date of this announcement, the balance of the general mandate comprised 110,472,000 new Shares.

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 11 June 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\$40,000,000 and the net proceeds from the Placing of approximately HK\$39,250,000 will be used as cash reserves to fund future investments or project developments when opportunities are identified and 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.

Save and except the placing of 24,000,000 Old Shares, the completion of which took place on 26 February 2007, the Company has not conducted any equity fund raising activities in the past twelve month immediately prior to the date of this announcement. The Company raised approximately HK\$9.6 million gross proceeds from the placing of 24,000,000 Old Shares and the net proceeds of HK\$9.4 million was originally intended to be used as the general working capital of the Company. The actual use of the net proceeds of HK\$9.4 million was applied in the following manner:

- as to approximately HK\$3.6 million for the payment of a refundable deposit to Global Richland Investment Limited pursuant to an exclusivity agreement and an announcement of the Company dated 10 April 2007;
- as to approximately HK\$1.5 million for the repayment of a director's loan; and
- as to approximately HK\$4.3 million for general working capital of the Group.

The Directors consider that the terms of the Placing (including the Placing Price and placing commission) are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

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.	591,270,000	70.359%	591,270,000	66.408%
Public				
– The places	–	–	50,000,000	5.616%
– Other public Shareholders	249,090,000	29.641%	249,090,000	27.976%
Total	<u>840,360,000</u>	<u>100%</u>	<u>890,360,000</u>	<u>100%</u>

EXTENSION OF PARALLEL TRADING

Given that the trading in the Shares has been suspended for three trading days pending the release of this announcement, the latest time for (i) the parallel trading in the Shares and the Old Shares (in form of new Share certificates and Old Share certificates); and (ii) the temporary counter for trading in Old Shares in board lots of 12,000 Shares (in form of Old Share certificates) will be extended from 4:00 p.m. on Friday, 25 May 2007 to 4:00 p.m. on Wednesday, 30 May 2007, and the last day for the availability of odd lot facility will be extended to Wednesday, 30 May 2007. In addition, the last day for free exchange of Old Share certificates for new Share certificates will be extended to Wednesday, 6 June 2007.

SUSPENSION AND RESUMPTION OF TRADING

At the request of the Company, trading of the Shares on GEM and the temporary counter was suspended with effect from 9:30 a.m. on 10 May 2007 pending for the release of this announcement. Application has been made for resumption of trading in Shares on GEM and the temporary counter with effect from 9:30 a.m. on 15 May 2007.

DEFINITIONS

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

“Board”	the board of Directors
“Business Day”	any day on which commercial banks generally are open for business in Hong Kong other than (i) a Saturday; or (ii) a “general holiday” as defined in Section 2 of the General Holidays Ordinance Chapter 149 of the Laws of Hong Kong, or one of the days specified from time to time in the Schedule to that Ordinance as being “general holidays” under Section 3 thereof; or (iii) a day on which a black rainstorm warning or tropical cyclone warning signal number 8 or above is hoisted in Hong Kong at any time between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon
“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”	9 May 2007, being the last full trading day prior to the date of the Supplemental Deed dated 14 May 2007
“Listing Committee”	the listing sub-committee of the board for GEM
“Old Shares”	old ordinary shares of HK\$0.01 each in the share capital of the Company before the Share Subdivision becoming effective on 18 April 2007
“Placing”	placing of the Placing Shares at the Placing Price pursuant to the Placing Agreement
“Placing Agent”	CITIC Securities Corporate Finance (HK) Limited, a corporation licensed to carry on Types 1 and 6 of the regulated activities under the SFO
“Placing Agreement”	the placing agreement entered into between the Placing Agent and the Company dated 9 May 2007 in respect of the Placing
“Placing Price”	HK\$0.80 per Placing Share
“Placing Share(s)”	not more than 50,000,000 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\$0.005 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Share Subdivision”	subdivision of every issued or unissued Old Share into two Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supplemental Deed”	the supplemental deed entered into between the Placing Agent and the Company dated 14 May 2007 in respect of the Placing
“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, 14 May 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.