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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 Agent

 **Baron Capital Limited**

ANNOUNCEMENT

The Board was informed by Colpo Mercantile on 27 December 2006 that Colpo Mercantile and Baron Capital entered into the Placing Agreement dated 22 December 2006, whereby Colpo Mercantile has agreed to appoint Baron Capital as the Placing Agent for the placing of 61,815,000 Shares of HK\$0.01 each beneficially owned by Colpo Mercantile in the capital of the Company at a price of HK\$0.061 per Placing Share to not less than six places who are not parties acting in concert with Colpo Mercantile and are independent of and not connected with the Company or any of the Directors, chief executive or substantial shareholder of the Company or its subsidiaries or their respective associates on a best effort basis, such that not less than 25% of the Shares are held in the public hands.

Immediately upon the close of the Offer, Colpo Mercantile and parties acting in concert with it in aggregate hold 358,950,000 Shares, representing approximately 90.60% of the entire issued share capital of the Company and the public float of the Shares is approximately 9.40%.

The Placing Agreement is expected to be completed on or before 19 January 2007. Further announcement will be made upon completion of the Placing Agreement.

Following the completion of the Placing Agreement, the aggregate shareholding interest of the Company held by Colpo Mercantile and parties acting in concert with it will be reduced to 75% and the shareholdings held by the public will be increased to at least 25%.

Reference is made to the composite offer and response document jointly issued by Sys Solutions Holdings Limited (the “Company”) and Colpo Mercantile Inc. (the “Offeror” or “Colpo Mercantile”) dated 29 November 2006 (the “Composite Offer Document”) in relation to the Offer. Unless otherwise defined, the terms used in this announcement shall have the same meanings as those defined in the Composite Offer Document.

PLACING

The Board was informed by Colpo Mercantile on 22 December 2006 that Colpo Mercantile and Baron Capital entered into a placing agreement dated 22 December 2006 (the “Placing Agreement”), whereby Colpo Mercantile has agreed to appoint Baron Capital as its placing agent (the “Placing Agent”) for the placing of 61,815,000 Shares (the “Placing Shares”) of HK\$0.01 each beneficially owned by Colpo Mercantile in the capital of the Company at a price of HK\$0.061 per Placing Share (the “Placing Price”) to not less than six places who are not parties acting in concert with Colpo Mercantile and are independent of and not connected with the Company or any of the Directors, chief executive or substantial shareholder of the Company or its subsidiaries or their respective associates on a best effort basis, such that not less than 25% of the Shares are held in the public hands.

The Placing Price represents a discount of approximately 73.48% to the closing price of HK\$0.23 per Share as quoted on the Stock Exchange on 20 December 2006, being the latest trading day prior to the date of the Placing Agreement and a discount of approximately 78.02% to the average closing price of HK\$0.2775 per Share as quoted on the Stock Exchange for the last ten trading days up to and including 20 December 2006. The Placing Price was determined with reference to the Offer Price.

The Placing Agreement is expected to be completed on or before 19 January 2007. Further announcement will be made upon completion of the Placing Agreement.

PUBLIC FLOAT

Immediately upon the close of the Offer, Colpo Mercantile and the parties acting in concert with it in aggregate hold 358,950,000 Shares, representing approximately 90.60% of the entire issued share capital of the Company and the public float of the Shares is approximately 9.40%. The Company has applied to the Stock Exchange for a temporary waiver for the period from 20 December 2006 to 19 January 2007 from the strict compliance with Rule 11.23 of the GEM Listing Rules on the minimum 25% public float requirement.

Following the completion of the Placing Agreement, the aggregate shareholding interest of the Company held by Colpo Mercantile and the parties acting in concert with it will be reduced to 75% and the shareholdings held by the public will be increased to at least 25%.

SHAREHOLDING STRUCTURE

Set out below is the existing shareholding structure and the shareholding structure of the Company upon completion of the Placing Agreement.

| | As at the date of this announcement | | Upon completion of the Placing Agreement | |
|---|--|----------------------|---|----------------------|
| | No. of Shares | % | No. of Shares | % |
| Colpo Mercantile and parties acting in concert with it | 358,950,000 | 90.60 | 297,135,000 | 75.00 |
| Placees of the Placing Shares | – | – | 61,815,000 | 15.60 |
| Public | 37,230,000 | 9.40 | 37,230,000 | 9.40 |
| Total | <u>396,180,000</u> | <u>100.00</u> | <u>396,180,000</u> | <u>100.00</u> |

By order of the board of directors
Sys Solutions Holdings Limited
Chan Wing Him Kenny
Executive Director

Hong Kong, 29 December 2006

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

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.

This announcement will remain on the GEM website at www.hkgem.com on the “Latest Company Announcements” page for at least 7 days.