

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in SYSCAN Technology Holdings Limited (the “Company”), you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

This circular, for which the directors of the Company (the “Directors”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market (“GEM”) of The Stock Exchange of Hong Kong Limited 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 circular 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 herein misleading; and (iii) all opinions expressed herein have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.



SYSCAN Technology Holdings Limited

矽感科技控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 8083)

**PROPOSALS FOR
GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES,
REFRESHMENT OF THE SCHEME MANDATE LIMIT
UNDER THE EXISTING SHARE OPTION SCHEME,
RE-ELECTION OF DIRECTORS,
AMENDMENTS TO THE BYE-LAWS
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the annual general meeting of the Company (the “AGM”) to be held at Function Room 1, Ground Floor, City Garden Hotel, 9 City Garden Road, North Point, Hong Kong at 2:00 p.m. on Monday, 30 April 2007, is set out on pages 16 to 23 of this circular. A form of proxy for use by the shareholders of the Company at the AGM (or any adjournment thereof) is also enclosed.

Whether or not you are able to attend the AGM, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the Secretary of the Company at the Company’s principal place of business and head office in Hong Kong at Unit C, 21/F, Seabright Plaza, 9–23 Shell Street, North Point, Hong Kong as soon as possible, but in any event not less than 48 hours before the time appointed for the holding of the AGM (or any adjournment thereof). Completion and return of the form of proxy will not preclude you from attending and voting at the AGM (or any adjournment thereof) in person if you so wish.

This circular will remain on the “Latest Company Announcement” page of the GEM website at www.hkgem.com and on the Company’s website at www.syscangroup.com for at least 7 days from the date of its publication.

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET OF THE STOCK EXCHANGE OF HONG KONG LIMITED

The Growth Enterprise Market (“GEM”) of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) has been established as a market designed to accommodate companies to which a high investment risk may be attached. In particular, companies may list on GEM with neither a track record of profitability nor any obligation to forecast future profitability. Furthermore, there may be risks arising out of the emerging nature of companies listed on GEM and the business sectors or countries in which the companies operate. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the main board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

The principal means of information dissemination on GEM is publication on the internet website operated by the Stock Exchange. GEM-listed companies are not generally required to issue paid announcements in gazetted newspapers. Accordingly, prospective investors should note that they need to have access to the GEM website at www.hkgem.com in order to obtain up-to-date information on GEM-listed issuers.

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions have the following meanings:

“AGM”	the annual general meeting of the Company to be held at Function Room 1, Ground Floor, City Garden Hotel, 9 City Garden Road, North Point, Hong Kong at 2:00 p.m. on Monday, 30 April 2007, notice of which is set out on pages 16 to 23 of this circular
“associate(s)”	has the meaning ascribed thereto in the GEM Listing Rules
“Board”	the board of Directors
“Bye-Laws”	the bye-laws of the Company as may be amended from time to time
“Company”	SYSCAN Technology Holdings Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on GEM
“connected person(s)”	has the meaning ascribed thereto in the GEM Listing Rules
“Director(s)”	the director(s) of the Company
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Committee”	has the meaning ascribed thereto in the GEM Listing Rules
“GEM Listing Rules”	The Rules Governing the Listing of Securities on GEM
“General Mandates”	the Issue Mandate and the Repurchase Mandate
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Issue Mandate”	the proposed general mandate to be granted to the Directors at the AGM to allot, issue and deal with new Shares up to 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of the relevant ordinary resolution granting such mandate

DEFINITIONS

“Latest Practicable Date”	26 March 2007, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein
“Notice”	the notice convening the AGM as set out on pages 16 to 23 of this circular
“Offer Shares”	new Shares issued pursuant to the Open Offer
“Open Offer”	the open offer of 307,092,981 Offer Shares on the basis of three Offer Shares for every Share to the Shareholders, the details of which are set out in the prospectus of the Company dated 19 June 2006
“PRC”	the People’s Republic of China, for the purpose of this circular, excluding Hong Kong
“Repurchase Mandate”	the proposed general mandate to be granted to the Directors at the AGM to exercise the powers of the Company to repurchase Shares up to a maximum of 10% of the aggregate nominal amount of the issued share capital of the Company in issue as at the date of passing of the relevant ordinary resolution granting such mandate
“Scheme Mandate Limit”	the maximum number of Shares which may be issued upon exercise of all Share Options to be granted under Share Option Scheme C and any other scheme(s) of the Company, being 10% of the Shares in issue on 4 May 2005, being the date when the scheme mandate limit of Share Option Scheme C was last refreshed
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Share Option(s)”	the subscription right(s) attaching to the outstanding option(s) to subscribe for Shares granted by the Company under the Share Option Schemes
“Share Option Scheme A”	the share option scheme A adopted by the Company on 2 March 2000, which was ceased to be effective (save for the options already granted but unexercised) on 14 April 2000

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“Share Option Scheme B”	the share option scheme B adopted by the Company on 2 March 2000, which was ceased to be effective (save for the options already granted but unexercised) on 26 April 2002
“Share Option Scheme C”	the existing share option scheme adopted by the Company on 26 April 2002
“Share Option Schemes”	Share Option Scheme A, Share Option Scheme B and Share Option Scheme C
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Codes on Takeovers and Mergers and Share Repurchases
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent

LETTER FROM THE BOARD



SYSCAN Technology Holdings Limited
矽感科技控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 8083)

Executive Directors:

Cheung Wai

(Chairman and Chief Executive Officer)

Zhang Ming

Independent Non-executive Directors:

Lo Wai Ming

Fong Chi Wah

Jin Qingjun

Registered office:

Canon's Court

22 Victoria Street

Hamilton, HM 12

Bermuda

*Principal place of business and
head office in Hong Kong:*

Unit C, 21/F

Seabright Plaza

9-23 Shell Street

North Point

Hong Kong

30 March 2007

*To the Shareholders, and for information only,
the holders of Share Options*

Dear Sir or Madam,

**PROPOSALS FOR
GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES,
REFRESHMENT OF THE SCHEME MANDATE LIMIT
UNDER THE EXISTING SHARE OPTION SCHEME,
RE-ELECTION OF DIRECTORS,
AMENDMENTS TO THE BYE-LAWS
AND
NOTICE OF ANNUAL GENERAL MEETING**

1. INTRODUCTION

The purpose of this circular is to (a) present to the Shareholders information relating to the proposed grant of the General Mandates and the extension of the Issue Mandate to the Board, the proposed refreshment of the Scheme Mandate Limit, the proposed re-election of Directors and the proposed amendments to the Bye-Laws in order to enable the Shareholders to make an informed decision on whether to vote for or against the related

* For identification purposes only

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resolutions to be proposed at the AGM; and (b) provide the Shareholders with the notice convening the AGM at which the relevant resolutions will be proposed and the Shareholders will be asked to consider and, if thought fit, to approve the proposed grant of the General Mandates and the extension of the Issue Mandate to the Board, the proposed refreshment of the Scheme Mandate Limit, the proposed re-election of Directors and the proposed amendments to the Bye-Laws.

2. PROPOSED GENERAL MANDATES

At the AGM, the following ordinary resolutions will be proposed:

- (a) to grant the Issue Mandate to the Directors to allot, issue and otherwise deal with new Shares up to 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of the ordinary resolution;
- (b) to grant the Repurchase Mandate to the Directors to exercise the powers of the Company to repurchase Shares up to a maximum of 10% of the aggregate nominal amount of the issued share capital of the Company in issue as at the date of passing of the ordinary resolution; and
- (c) to extend the Issue Mandate by an amount representing the aggregate nominal amount of the Shares repurchased by the Company pursuant to and in accordance with the Repurchase Mandate.

The Directors believe that the granting of the Issue Mandate will provide flexibility and discretion to the Directors in the event that the Company becomes desirable to issue new Shares to raise capital to facilitate any expansion plan as the Directors consider appropriate, and it is in the best interests of the Company and the Shareholders to continue to have a general authority from the Shareholders to enable the Directors to repurchase Shares on the market. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and its earnings per Share and will only be made when the Directors believe that such repurchases will benefit the Company and the Shareholders as a whole.

An explanatory statement, required by the GEM Listing Rules, on the Repurchase Mandate is set out in appendix I to this circular. This contains all information reasonably necessary to enable the Shareholders to make an informed decision on whether to vote for or against the relevant resolution(s).

3. PROPOSED REFRESHMENT OF THE SCHEME MANDATE LIMIT

Pursuant to the GEM Listing Rules, the maximum number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Schemes and any other scheme(s) of the Company at any time must not in aggregate exceed 30% of the Shares in issue from time to time. No options shall be granted under any schemes of the Company if this will result in the 30% limit being exceeded.

LETTER FROM THE BOARD

The Shares which may be issued upon exercise of all Share Options to be granted under Share Option Scheme C and any other scheme(s) of the Company shall not exceed the Scheme Mandate Limit, being 10,236,432 Shares, representing 10% of the Shares in issue when the scheme mandate limit of Share Option Scheme C was last refreshed on 4 May 2005. In accordance with the GEM Listing Rules, the Scheme Mandate Limit can be refreshed by Shareholders in general meeting provided that the Scheme Mandate Limit as refreshed must not exceed 10% of the Shares in issue on the date of the Shareholders' approval.

On 7 July 2006, the Company made an announcement in relation to the results of the Open Offer. Upon completion of the Open Offer, the issued share capital of the Company increased from 102,364,327 Shares to 409,457,308 Shares. Pursuant to the Share Option Schemes and in compliance with the GEM Listing Rules and the supplementary guidance issued by the Stock Exchange on 5 September 2005, the Open Offer requires an adjustment of the exercise price of and the number of Shares to be allotted and issued upon exercise of the subscription rights attaching to the outstanding Share Options. The details of the adjustments are set out in the announcement of the Company dated 2 November 2006.

Up to the Latest Practicable Date, the Company had granted Share Options, which had not been exercised, entitling the holders thereof to subscribe for an aggregate of 9,424,000 Shares under Share Option Scheme C, after taking into account the adjustments made pursuant to the completion of the Open Offer. The Company had granted Share Options under the Share Option Schemes which, if fully exercised by the holders as at the Latest Practicable Date, would require the Company to issue 22,430,000 Shares, after taking into account the adjustments made pursuant to the completion of the Open Offer. Save for such outstanding Share Options and 1,620,000 Share Options lapsed under the Share Option Schemes, no other share options had been granted under the Share Option Schemes or any other schemes of the Company to the Directors, employees of the Group or such other eligible persons as at the Latest Practicable Date. The Directors have no present intention to grant any further Share Options under Share Option Scheme C prior to the AGM.

Based on 409,457,308 Shares in issue as at the Latest Practicable Date and assuming that no Shares are issued or repurchased by the Company prior to the AGM, the Scheme Mandate Limit will be re-set to 40,945,730 Shares, representing approximately 10% of the issued share capital of the Company as at the date of the AGM in which the refreshed limit is approved and the Company will be allowed to grant further options under Share Option Scheme C and any other schemes of the Company carrying the rights to subscribe for a maximum of 40,945,730 Shares or 10% of the issued share capital of the Company as at the date of the AGM. The total number of Shares which may be issued upon exercise of all outstanding Share Options granted and yet to be exercised under the Share Option Schemes and any other schemes of the Company will not exceed 30% of the Shares in issue.

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The Directors consider that, in order to provide the Company with greater flexibility in granting options to eligible person(s) under Share Option Scheme C, the Board decides to seek the approval of the Shareholders to refresh the Scheme Mandate Limit so that the total number of Shares which may be issued upon exercise of all share options to be granted under Share Option Scheme C and any other scheme(s) of the Company shall not exceed 10% of the Shares in issue as at the date of passing the relevant resolution at the AGM.

The refreshment of the Scheme Mandate Limit is conditional upon:

- (i) the passing of an ordinary resolution to approve the proposed refreshment of the Scheme Mandate Limit by the Shareholders at the AGM; and
- (ii) the GEM Listing Committee granting the listing of, and permission to deal in, the Shares (representing a maximum of 10% of the issued share capital of the Company as at the date of the AGM approving the proposed refreshment of the Scheme Mandate Limit) which fall to be issued upon the exercise of any options that may be granted under Share Option Scheme C and any other scheme(s) of the Company.

Application will be made by the Company to the GEM Listing Committee for the listing of, and permission to deal in, the new Shares (representing a maximum of 10% of the issued share capital of the Company as at the date of the AGM approving the proposed refreshment of the Scheme Mandate Limit) which fall to be issued upon the exercise of any options that may be granted under Share Option Scheme C and any other scheme(s) of the Company under the refreshed limit.

4. PROPOSED AMENDMENTS TO THE BYE-LAWS

To align the Bye-Laws with certain amendments to Appendix 3 of the GEM Listing Rules and the Code on Corporate Governance Practices set out in Appendix 15 of the GEM Listing Rules, the Directors propose to seek approval from Shareholders at the AGM by way of special resolutions to amend the following provisions of the Bye-Laws:

- (i) to require any Director appointed by the Board or by the Shareholders at a general meeting to fill a casual vacancy or an addition to the Board to be subject to election by Shareholders at the first general meeting of the Company after such Director's appointment;
- (ii) to allow any Director(s), who individually or collectively, hold proxies in respect of Shares representing five per cent (5%) or more of the total voting rights at a general meeting to demand a poll if required by the Stock Exchange;

LETTER FROM THE BOARD

- (iii) to require disclosure of the voting figures of a poll following a general meeting (if disclosure is required by the Stock Exchange);
- (iv) to require every Director who is eligible and offers himself for re-election be nominated by means of a separate resolution;
- (v) to allow removal of Directors by ordinary resolution; and
- (vi) to amend the definitions of “holding company” and “subsidiary” as ascribed to them under the GEM Listing Rules.

The full text of the special resolutions containing details of the proposed amendments to the Bye-Laws and adoption of the new Bye-Laws in replacement of the existing Bye-Laws is set out in Resolution nos. 8 and 9 of the Notice set out in pages 20 to 23 of this circular. The special resolutions in relation to the above proposed amendments to the existing Bye-Laws and adoption of the new Bye-Laws in replacement of the existing Bye-Laws will be put forth as special business at the AGM to be considered and, if thought appropriate, approved by the Shareholders.

5. RE-ELECTION OF DIRECTORS

On 2 February 2007, the Board appointed Mr. Zhang Ming as executive Director to fill the vacancy left by the resignation of Mr. Chan Man Ching. Mr. Zhang Ming will retire as Director by rotation and, being eligible, offer himself for re-election in accordance with the Bye-Laws at the AGM. In addition, Mr. Jin Qingjun and Mr. Lo Wai Ming will retire as Directors by rotation and, being eligible, offer themselves for re-election in accordance with the Bye-Laws at the AGM. Particulars of their biographical details are set out in appendix II to this circular.

6. AGM

Notice convening the AGM is set out on pages 16 to 23 of this circular. A form of proxy for use by the Shareholders at the AGM is also enclosed.

Whether or not you are able to attend the AGM, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the Secretary of the Company at its principal place of business and head office in Hong Kong at Unit C, 21/F, Seabright Plaza, 9–23 Shell Street, North Point, Hong Kong as soon as possible, but in any event not less than 48 hours before the time appointed for the holding of the AGM (or any adjournment thereof). Completion and return of the form of proxy will not preclude you from attending and voting at the AGM (or any adjournment thereof) in person if you so wish.

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7. PROCEDURES FOR DEMANDING A POLL

Pursuant to article 70 of the Bye-Laws, at any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) demanded by:

- (i) the chairman of the meeting; or
- (ii) at least three Shareholders present in person or by a duly authorized corporate representative or by proxy for the time being entitled to vote at the meeting; or
- (iii) any Shareholder or Shareholders present in person or by a duly authorized corporate representative or by proxy and representing not less than one-tenth of the total voting rights of all the Shareholders having the right to vote at the meeting; or
- (iv) any Shareholder or Shareholders present in person or by a duly authorized corporate representative or by proxy and holding Shares conferring a right to vote at the meeting being Shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the Shares conferring that right.

8. RECOMMENDATION

The Directors consider that the proposed grant of the General Mandates and the extension of the Issue Mandate to the Board, the proposed refreshment of the Scheme Mandate Limit, the proposed re-election of Directors and the proposed amendments to the Bye-Laws are in the best interests of the Company and its Shareholders as a whole. The Directors therefore recommend the Shareholders to vote in favour of all resolutions as set out in the Notice. The Directors intend to vote in favour of all of such resolutions in respect of their shareholdings in the Company, if any.

Yours faithfully,
For and on behalf of
SYSCAN Technology Holdings Limited
Cheung Wai
Chairman and Chief Executive Officer

This appendix serves as an explanatory statement, as required by Rule 13.08 of the GEM Listing Rules, to provide Shareholders with requisite information reasonably necessary for them to make an informed decision as to whether to vote for or against the ordinary resolution to be proposed at the AGM in relation to the Repurchase Mandate.

I. SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company was 409,457,308 Shares.

Subject to the passing of the ordinary resolution granting the Repurchase Mandate and on the basis that no further Shares are issued or repurchased prior to the AGM, the Company would be allowed to repurchase a maximum of 40,945,730 fully paid-up Shares (representing 10% of the issued share capital of the Company as at the date of passing of the relevant resolution at the AGM) during the period ending on the earliest of (i) the conclusion of the next annual general meeting of the Company; or (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-Laws or the Companies Act 1981 of Bermuda (as amended) to be held; or (iii) the date upon which such authority is revoked or varied by an ordinary resolution of Shareholders in general meeting.

II. REASONS FOR REPURCHASES

The Directors believe that it is in the best interests of the Company and the Shareholders to seek a general authority from the Shareholders to enable the Company to repurchase the Shares on GEM, which may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value of the Company and/or its earnings per share and will only be made when the Directors believe that such repurchases will benefit the Company and the Shareholders as a whole.

III. FUNDING OF REPURCHASES

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with its Bye-Laws, the GEM Listing Rules and the applicable laws of Bermuda.

It is envisaged that the funds required for any repurchase of Shares would be derived from the capital paid up on the Shares being repurchased and from the distributable profits of the Company.

An exercise of the Repurchase Mandate in full might have a material adverse impact on the working capital and gearing position of the Company (as compared with the position disclosed in its most recent published audited accounts as at 31 December 2006) in the event that the Repurchase Mandate were to be carried out in full at any time during the proposed repurchase period. However, the Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse impact on the working capital requirements or the gearing levels of the Company which in the opinion of the Directors are from time to time appropriate for the Company.

IV. SHARES REPURCHASES MADE BY THE COMPANY

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed Shares (whether on GEM or otherwise) in the six months preceding the Latest Practicable Date.

V. SHARE PRICES

The following table shows the highest and lowest prices at which the Shares have been traded on GEM in each of the previous twelve months before the Latest Practicable Date:

Month	Price per Share	
	Highest HK\$	Lowest HK\$
2006		
March	0.040A	0.035A
April	0.037A	0.031A
May	0.036A	0.030A
June	0.070	0.035A
July	0.047	0.033
August	0.060	0.040
September	0.112	0.058
October	0.099	0.061
November	0.290	0.086
December	0.260	0.180
2007		
January	0.220	0.168
February	0.175	0.148
March (up to the Latest Practicable Date)	0.180	0.170

A: adjusted

Note:

The above-mentioned prices of the Shares (marked with “A”) have been adjusted to take into account of the effect of the Open Offer before going ex-entitlement on 13 June 2006.

VI. DIRECTORS’ UNDERTAKING

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the Bye-Laws, the GEM Listing Rules and the applicable laws of Bermuda.

VII. DIRECTORS, THEIR ASSOCIATES AND CONNECTED PERSONS

None of the Directors or, to the best of their knowledge and belief having made all reasonable enquiries, any of their respective associates has any present intention, in the event that the proposed Repurchase Mandate is approved by the Shareholders, to sell any Shares or other securities to the Company or its subsidiaries.

No connected person of the Company has notified the Company that he/she/it has any present intention to sell any Shares to the Company or undertaken not to do so, in the event that the proposed Repurchase Mandate is approved by the Shareholders.

VIII. TAKEOVERS CODE

If as the result of a repurchase of the Shares, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of the Takeovers Code. As a result, a Shareholder, or group of Shareholders acting in concert, depending on the level of increase of the Shareholder's interest, could obtain or consolidate control of the Company and become obliged to make a mandatory general offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, to the best of the knowledge and belief of the Directors, Mr. Cheung Wai, the Chairman and chief executive officer of the Company and the executive Director, held 231,122,409 Shares, representing approximately 56.45% of the existing issued share capital of the Company. In the event that the Directors exercise in full the Repurchase Mandate, the interest of Mr. Cheung Wai in the Company would be increased to approximately 62.72% of the issued share capital of the Company. Such increase would not give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code. As at the Latest Practicable Date, so far as is known to the Directors, no Shareholder may become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code if the Repurchase Mandate is exercised in full.

Particulars of the retiring Directors subject to re-election at the AGM are set out as follows:

1. **Mr. Zhang Ming (“Mr. Zhang”)**, aged 49, is an executive Director. He has been an executive director and authorised representative of the Company’s PRC subsidiary since 2004, and is responsible for the business operations, production, sales and marketing performance in the PRC. He holds a bachelor’s degree in Engineering Management from China University of Petroleum. Before joining the Group in April 2004, Mr Zhang had held management positions in a computing company and a petroleum facilities company. He has substantial experience in the fields of petroleum and natural gas, he has been working in 中國石油部地球勘探局 (Zhong Guo Shi You Bu Di Qiu Kan Tan Ju[#]) and 中國石油天燃氣總公司 (Zhong Guo Shi You Tian Ran Qi Zong Gong Si[#]). Save as disclosed above, Mr. Zhang does not hold any directorships in listed public companies in the last three years.

Pursuant to a service contract entered into between the Company and Mr. Zhang, his appointment as an executive Director is for a term of three years with effect from 2nd February 2007, subject to retirement by rotation and re-election in accordance with the Bye-Laws. He is entitled to a director’s fee of HK\$360,000 per annum (excluding any discretionary year-end bonus which will be determined by the Board based on the performance of Mr. Zhang), which are determined by the the prevailing market conditions and his roles and responsibilities in the Company.

Mr. Zhang is the brother of Mr. Cheung Wai (the Chairman, chief executive officer of the Company and an executive Director). As at the Latest Practicable Date, Mr. Zhang did not have any interests or short positions in any shares, underlying shares or debentures of the Company and its associated corporations within the meaning of Part XV of the SFO. He has confirmed that there is no other information relating to his appointment which is required to be disclosed pursuant to Rule 17.50(2)(h) to (v) of the GEM Listing Rules or matters needed to be brought to the attention of the Shareholders.

2. **Mr. Jin Qingjun (“Mr. Jin”)**, aged 50, is an independent non-executive Director. He was appointed as independent non-executive Director on 30 September 2004 and is a member of the audit committee, remuneration committee and nomination committee of the Company. Mr. Jin is currently a partner of King & Wood Law Firm. He has over 20 years of rich experience in the fields of finance, securities, investment, intellectual property, real estate, corporate, maritime, insolvency and litigation as well as foreign investment related areas. Mr Jin was the founder and Managing Partner of Shu Jin & Co., solicitors and attorneys in the PRC. He has previously worked as Attorney for C & C Law

[#] English translation of the Chinese name and for reference only

Office in the PRC, as Foreign Attorney for Clyde & Co., British solicitors, and Johnson Stokes & Master, solicitors in Hong Kong. Presently, Mr. Jin acts as legal consultant for various financial institutions, securities companies, listed companies and overseas corporations such as the World Bank Group International Finance Corporation. Mr. Jin is an independent director of two listed companies in the PRC, namely Success Information Industry (Group) Stock Co., Ltd (成功信息產業(集團)股份有限公司), a company listed in the Shenzhen stock exchange, and China United Travel Stock Co., Ltd. (國旅聯合股份有限公司), a company listed in the Shanghai stock exchange. He is also an independent director of a sino-US investment management firm, namely INVECO Great Wall Securities Fund Management Co., Ltd. (景順長城基金管理有限公司). Mr. Jin is one of the first lawyers who was granted the license to advise on securities transactions in the PRC. He holds a bachelor's degree in English from Anhui University and a master's degree of laws in International Laws from China University of Political Science & Law. He is the adjunct professor of China University of Political Science & Law, and an arbitrator of China International Economic and Trade Arbitration Commission and Shenzhen Arbitration Commission. Mr Jin is also a member of various law societies and associations, namely China Law Society, China International Law Association, China Maritime Law Association, D.C. Bar of the United States of America, WTO Committee of All China Lawyers Association and Inter Pacific Bar Association. Save as disclosed above, Mr. Jin does not hold any directorships in any listed public companies in the last three years.

Pursuant to a service contract entered into between the Company and Mr. Jin, his appointment as an independent non-executive Director is for a term of three years with effect from 30 September 2004, subject to retirement by rotation and re-election in accordance with the Bye-Laws. He is entitled to a director's fee of HK\$120,000 per annum, which are determined by the prevailing market conditions and his roles and responsibilities in the Company.

As at the Latest Practicable Date, Mr. Jin was personally interested in 50,000 Shares, representing approximately 0.012% of the issued share capital of the Company. Save as disclosed above, Mr. Jin does not have any interests or short positions in any shares, underlying shares or debentures of the Company and its associated corporations within the meaning of Part XV of the SFO. Mr. Jin does not have any relationship with any Directors, senior management, substantial, controlling or management shareholders of the Company (as defined in the GEM Listing Rules). He has confirmed that there is no other information relating to his appointment which is required to be disclosed pursuant to Rule 17.50(2)(h) to (v) of the GEM Listing Rules or matters needed to be brought to the attention of the Shareholders.

3. **Mr Lo Wai Ming (“Mr. Lo”)**, aged 55, is an independent non-executive Director of the Company. He was appointed as an independent non-executive Director on 28 March 2000 and is a member of the audit committee, remuneration committee and nomination committee of the Company. Mr. Lo is the founder and president of Greater China Asset Management Limited, a director and general manager of SW China Strategic Holdings Limited and an independent non-executive director of Solartech International Holdings Limited, which shares are listed on the main board of the Stock Exchange. He has over 30 years’ extensive experience in investment, consumer marketing, business development and corporate finance. Mr. Lo holds a master’s degree in Business Administration from Chinese University of Hong Kong. He is also a member of the Chartered Institute of Marketing and Chartered Management Institute of the United Kingdom.

Pursuant to a service contract entered into between the Company and Mr. Lo, his appointment as an independent non-executive Director is for a term of three years with effect from 28 March 2003, subject to retirement by rotation and re-election in accordance with the Bye-Laws. He is entitled to a director’s fee of HK\$120,000 per annum, which are determined by the the prevailing market conditions and his roles and responsibilities in the Company.

As at the Latest Practicable Date, Mr. Lo did not have any interests or short positions in any shares, underlying shares or debentures of the Company and its associated corporations within the meaning of Part XV of the SFO. He does not have any relationship with any Directors, senior management, substantial, controlling or management shareholders of the Company (as defined in the GEM Listing Rules). He has confirmed that there is no other information relating to his appointment which is required to be disclosed pursuant to Rule 17.50(2)(h) to (v) of the GEM Listing Rules or matters needed to be brought to the attention of the Shareholders.

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SYSCAN Technology Holdings Limited 矽感科技控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 8083)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that an annual general meeting (the “AGM”) of SYSCAN Technology Holdings Limited (the “Company”) will be held at Function Room 1, Ground Floor, City Garden Hotel, 9 City Garden Road, North Point, Hong Kong on Monday, 30 April 2007 at 2:00 p.m. for the following purposes:

As Ordinary Business:

1. To receive and consider the audited consolidated financial statements and the reports of the directors of the Company (individually, a “Director” and collectively, the “Directors”) and the auditors of the Company (the “Auditors”) for the year ended 31 December 2006;
2. To re-elect Directors and to authorise the board of Directors (the “Board”) to fix their remuneration;
3. To re-appoint Messrs CCIF CPA Limited as Auditors and to authorise the Board to fix their remuneration;

As Special Business:

4. To consider and, if thought fit, to pass, with or without modification, the following resolutions as ordinary resolutions:

ORDINARY RESOLUTIONS

“THAT:

- (a) subject to paragraph (c) below of this Resolution, the exercise by the Directors during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and deal with additional shares of HK\$0.01 each in the capital of the Company (the “Share”) or securities convertible into Shares, or options, warrants or similar rights to subscribe for any Shares, and to make or grant offers, agreements and options which would or might require the exercise of such powers, be and is hereby generally and unconditionally approved;

* For identification purposes only

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- (b) the approval in paragraph (a) of this Resolution shall be in addition to any other authorisations given to the Directors and shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options which would or might require the exercise of such powers at any time during or after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraph (a) of this Resolution, otherwise than pursuant to:
 - (i) a Rights Issue (as defined in paragraph (e) of this Resolution);
 - (ii) an exercise of rights of subscription or conversion under terms of any warrants issued by the Company or any securities which are convertible into Shares;
 - (iii) an exercise of the subscription rights under any option scheme or similar arrangement for the time being adopted for the grant or issue to officers and/or employees of the Company and/or any of its subsidiaries or such other persons eligible to participate in any such scheme(s) or arrangement of Shares or rights to acquire Shares;
 - (iv) any scrip dividend or similar arrangement providing for the allotment of Shares in lieu of the whole or part of a dividend on Shares in accordance with the bye-laws of the Company (the “**Bye-Laws**”) or a specific authority granted by the Shareholders in general meeting,shall not exceed 20 per cent of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of this Resolution and the said approval shall be limited accordingly;
- (d) subject to the passing of each of the paragraphs (a), (b) and (c) of this Resolution, any prior approvals of the kind referred to in paragraphs (a), (b) and (c) of this Resolution which had been granted to the Directors and which are still in effect be and are hereby revoked; and
- (e) for the purpose of this Resolution:
 - (i) “Relevant Period” means the period from the passing of this Resolution until whichever is the earliest of:
 - (aa) the conclusion of the next annual general meeting of the Company;

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- (bb) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-Laws or any applicable laws of Bermuda to be held; or
 - (cc) the revocation or variation of the authority given under this Resolution by an ordinary resolution of the Shareholders in general meeting.
- (ii) “Rights Issue” means an offer of Shares or other equity securities of the Company open for a period fixed by the Directors to the holders of Shares on the register of members of the Company on a fixed record date in proportion to their then holdings of such Shares (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of any relevant jurisdiction, or the requirements of, any recognised regulatory body or any stock exchange in any territory outside the Hong Kong Special Administrative Region of the People’s Republic of China applicable to the Company).”

5. “**THAT:**

- (a) subject to paragraph (b) below of this Resolution, the exercise by the Directors during the Relevant Period (as defined below) of all the powers of the Company to repurchase Shares on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) or on any other stock exchange on which the Shares may be listed and recognised for this purpose by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and regulations of Hong Kong, Bermuda, the Bye-Laws and the requirements of the Rules Governing the Listing of Securities on the Growth Enterprise Market (“**GEM**”) of the Stock Exchange or rules of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of Shares to be repurchased or agreed conditionally or unconditionally to be repurchased by the Company pursuant to the approval in paragraph (a) of this Resolution during the Relevant Period (as defined below) shall not exceed 10 per cent of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of this Resolution and the said approval shall be limited accordingly;
- (c) subject to the passing of each of the paragraphs (a) and (b) of this Resolution, any prior approvals of the kind referred to in paragraphs (a) and (b) of this Resolution which had been granted to the Directors and which are still in effect be and hereby revoked; and

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(d) for the purpose of this Resolution:

“Relevant Period” means the period from the passing of this Resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-Laws or any applicable laws of Bermuda to be held; or
- (iii) the revocation or variation of the authority given under this Resolution by an ordinary resolution of the Shareholders in general meeting.”

6. **“THAT** conditional upon the passing of Resolutions 4 and 5 set out in this notice of annual general meeting dated 30 March 2007 (the **“AGM Notice”**) convening this meeting, the aggregate nominal amount of share capital of the Company that may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to and in accordance with the general mandate granted under Resolution 4 set out in the AGM Notice be and is hereby extended by the addition thereto of the aggregate nominal amount of the shares in the capital of the Company which may be repurchased by the Company pursuant to and in accordance with the general mandate granted under Resolution 5 set out in the AGM Notice, provided that such amount shall not exceed 10 per cent of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of this Resolution 6.”
7. **“THAT** pursuant to the terms of the share option scheme C of the Company adopted by the Company on 26 April 2002 (the **“Share Option Scheme”**), approval be and is hereby generally and unconditionally granted for “refreshing” the 10 per cent scheme mandate limit (the **“Scheme Mandate Limit”**) provided that (i) the total number of shares of HK\$0.01 each in the capital of the Company which fall to be issued upon the exercise of any options that may be granted under the Share Option Scheme and other scheme(s) of the Company under the limit as “refreshed” hereby shall not exceed 10 per cent of the aggregate nominal amount of the share capital of the Company in issue on the date of the passing of this Resolution 7; and (ii) options previously granted under the Share Option Scheme and other share option schemes of the Company (including options outstanding, cancelled, lapsed or exercised in accordance with the terms of the Share Option Scheme or any other share option schemes of the Company) shall not be counted for the purpose of calculating the Scheme Mandate Limited as “refreshed” hereby; and **THAT** any Director be and is hereby authorised to take any step as he consider necessary, desirable or expedient in connection with the refreshment of the Scheme Mandate Limit and to grant options up to the refreshed Scheme Mandate Limit and to exercise all powers of the Company to allot, issue and deal with shares of the Company pursuant to the exercise of such options.”

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8. To consider and, if thought fit, to pass with or without modification, the following resolutions as special resolutions:

SPECIAL RESOLUTIONS

“THAT the existing Bye-Laws be and are hereby amended in the following manner:

- (a) Bye-Law 1 (A)

By deleting the definition of “holding company” and “subsidiary” in its entirety and substituting therefor a new definition in the following form:

““holding company” and “subsidiary” shall have the meanings ascribed to them under the rules of the stock exchange of the Relevant Territory;”

- (b) Bye-Law 70

By replacing the “.” at the end of Bye-Law 70(iv) with “; or” and adding the following new paragraph at the end of Bye-Law 70(iv):

“(v) if required by the rules of the stock exchange in the Relevant Territory, by any Director or Directors who, individually or collectively, hold proxies in respect of shares representing five per cent or more of the total voting rights at such meeting.”

- (c) Bye-Law 71

By adding the following sentence immediately before the last sentence of Bye-Law 71:

“The Company shall only be required to disclose the voting figures on a poll if such disclosure is required by the rules of the stock exchange in the Relevant Territory.”

- (d) Bye-Law 97 (A)

By replacing the words “a Special Resolution” in sub-paragraph (vi) with “an Ordinary Resolution”.

- (e) Bye-Law 99

By deleting Bye-Law 99 in its entirety and substituting therefor a new Bye-Law 99 in the following form:

“(A) At each annual general meeting one-third of the Directors for the time being, or, if their number is not three or a multiple of three,

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then the number nearest to but not less than one-third, shall retire from office by rotation provided that every Director, including those appointed for a specific term or holding office as Chairman or Deputy Chairman under Bye-Law 119 or the office of Managing Director or Joint Managing Director under Bye-Law 111, shall be taken into account in determining the number of Directors to retire and subject to retirement by rotation at least once every three years at an annual general meeting. A retiring Director shall be eligible for re-election and be nominated by means of a separate resolution. The Company at the general meeting at which a Director retires may fill the vacated office.

(B) The Directors to retire by rotation shall include (so far as necessary to obtain the number required) any Director who wishes to retire and not to offer himself for re-election. Any further Directors so to retire shall be those who have been longest in office since their last re-election or appointment and so that as between persons who became or were last re-elected Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot.

(C) A Director is not required to retire upon reaching any particular age."

(f) Bye-Law 102(A)

By deleting the second sentence of Bye-Law 102(A) in its entirety and substituting therefor a new sentence in the following form:

"Any Director so appointed shall hold office only until the next following general meeting of the Company (in the case of filling a casual vacancy) or the next following annual general meeting of the Company (in the case of the appointment of an additional Director) and shall then be eligible for re-election at that meeting provided that any Director who so retires shall not be taken into account in determining which particular Directors or the number of Directors who are to retire by rotation at such meeting pursuant to Bye-Law 99."

(g) Bye-Law 102(B)

By deleting Bye-Law 102(B) in its entirety and substituting therefor a new Bye-Law 102(B) in the following form:

"The Directors shall have power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy or as an additional Director but so that the number of Directors so appointed shall not exceed the maximum number determined from time to time by

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the shareholders in general meeting. Any Director so appointed shall hold office only until the next following general meeting of the Company (in the case of filling a causal vacancy) or until the next following annual general meeting of the Company (in the case of an addition to the Board), and shall then be eligible for re-election at that meeting, but he shall not be taken into account in determining which particular Directors or the number of Directors who are to retire by rotation at such meeting pursuant to Bye-Law 99."

(h) Bye-Law 104

By deleting Bye-Law 104 in its entirety and substituting therefor a new Bye-Law 104 in the following form:

"The Company may by Ordinary Resolution remove any Director (including a Managing Director or other Executive Director) before the expiration of his period of office notwithstanding anything in these Bye-Laws or in any agreement between the Company and such Director (but without prejudice to any claim which such Director may have for damages for any breach of any contract between him and the Company) and may elect another person in his stead. Any person so elected shall hold office only until the next following general meeting of the Company and shall then be eligible for re-election at that meeting, but he shall not be taken into account in determining which particular Directors or the number of Directors who are to retire by rotation at such meeting pursuant to Bye-Law 99."

(i) By deleting the marginal note to Bye-Law 104 and substituting therefor the following:

"Power to remove Director by Ordinary Resolution"

(j) By deleting Bye-Law 113 in its entirety and substituting therefor a new Bye-Law 113 in the following form:

"A Director appointed to an office under Bye-Law 111 shall be subject to the same provisions as to rotation, resignation and removal as the other Directors of the Company, and he shall ipso facto and immediately cease to hold such office if he shall cease to hold the office of Director for any cause.",

and that any Director be and is hereby authorised to take such further action as he may, in his sole and absolute discretion thinks fit for and on behalf of the Company to implement the aforesaid amendments to the existing Bye-Laws."

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9. **“THAT** the new Bye-Laws, consolidating all of the proposed amendments referred to in Resolution 8 and all previous amendments made in compliance with applicable laws in the form produced to the meeting, be and are hereby adopted with immediate effect in replacement of the existing Bye-Laws.”

Hong Kong, 30 March 2007

By Order of the Board
SYSCAN Technology Holdings Limited
Cheung Wai
Chairman and Chief Executive Officer

Principal place of business and head office in Hong Kong:

Unit C, 21/F
Seabright Plaza
9-23 Shell Street
North Point, Hong Kong

Notes:

1. A member of the Company entitled to attend and vote at the AGM convened by the notice of AGM is entitled to appoint one proxy or more proxies to attend and, on a poll, vote instead of him at the AGM. A proxy need not be a member of the Company.
2. To be valid, a form of proxy together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power of attorney or authority must be lodged with the Secretary of the Company at the Company's principal place of business and head office in Hong Kong at Unit C, 21/F, Seabright Plaza, 9-23 Shell Street, North Point, Hong Kong, not less than 48 hours before the time appointed for the holding of the AGM (or any adjournment thereof).
3. In the case of joint holders of any Share, any one of such persons may vote at the meeting, either personally or by proxy, in respect of such Share as if he were solely entitled thereto; but if more than one of such joint holders are present at the meeting personally or by proxy, then one of the said persons so present whose name stands first on the register in respect of such Share shall alone be entitled to vote in respect thereof.
4. Completion and return of this accompanying form of proxy will not preclude you from attending and voting at the AGM (or any adjournment thereof) in person if you so wish.
5. An explanatory statement containing further details regarding Resolution 5 above is set out in appendix I to the circular of the Company dated 30 March 2007 of which this notice of AGM forms part.
6. Particulars of the retiring Directors are set out in appendix II to the circular of the company dated 30 March 2007.
7. A form of proxy for use in connection with the AGM is enclosed and such form is also published on the website of GEM (www.hkgem.com).
8. The register of members of the Company will be closed from 23 April 2007 to 24 April 2007 (both dates inclusive), during which period no transfer of Shares can be registered. In order to qualify for attending the AGM to be held on 30 April 2007, all properly completed transfer form(s) accompanied by the relevant share certificate(s) must be lodged with the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on 20 April 2007.

As at the date of this notice, the Board comprises two executive Directors, namely Mr. Cheung Wai and Mr. Zhang Ming; and three independent non-executive Directors, namely Mr. Lo Wai Ming, Mr. Fong Chi Wah and Mr. Jin Qingjun.