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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)

**(1) COMPLETION OF ACQUISITION;
AND
(2) CHANGE OF EXECUTIVE DIRECTORS, MEMBER OF REMUNERATION
COMMITTEE AND NOMINATION COMMITTEE, AUTHORIZED
REPRESENTATIVE, CHIEF EXECUTIVE OFFICER
AND CHAIRMAN OF THE GROUP**

COMPLETION OF THE ACQUISITION

The Board is pleased to announce that all the conditions precedent under the New Sale and Purchase Agreement have been fulfilled and that the Completion took place on the Completion Date on 28 February 2011.

CHANGE OF EXECUTIVE DIRECTORS, MEMBER OF REMUNERATION COMMITTEE AND NOMINATION COMMITTEE, AUTHORIZED REPRESENTATIVE, CHIEF EXECUTIVE OFFICER AND CHAIRMAN OF THE GROUP

With effect from the Completion Date, the following Directors have been appointed to the Board:

Name	Positions held with the Company
Mr. Guan Gui Sen	executive Director, authorized representative and the Chairman of the Group
Dr. Lei Chun Xiong	executive Director and the Chief Executive Officer

* For identification purposes only

The Board also announces that Mr. Frank Cheung resigned as an executive Director with effect from the Completion Date due to other business engagement which requires more of his attention. Mr. Cheung also resigned as personal assistant to the Chairman of the Group, a member of each of the remuneration committee and the nomination committee of the Company and an authorized representative of the Company with effect from the same date.

Upon the resignation of Mr. Cheung as a member of each of the remuneration committee and the nomination committee, the composition of each of the remuneration committee and the nomination committee with effect from the Completion Date is as follows:–

Remuneration committee

Mr. Cheung Wai
Dr. Fong Chi Wah
Mr. Wang Ruiping
Professor He Zhiyi

Nomination committee

Mr. Cheung Wai
Dr. Fong Chi Wah
Mr. Wang Ruiping
Professor He Zhiyi

Following (i) the resignation of Mr. Cheung; and (ii) the appointment of Mr. Guan as the authorized representative as disclosed above in this announcement, the two authorized representatives of the Company are Mr. Cheung Wai and Mr. Guan with effect from the Completion Date.

Dr. Ma resigned as the Chief Executive Officer with effect from the Completion Date whilst remaining as the Chief Technology Officer.

The Board also announces that Mr. Cheung Wai resigned as the Chairman of the Group with effect from the Completion Date due to other commitments which require more of his attention, but remains as an executive Director and a member of each of the remuneration committee and nomination committee.

Reference is made to the announcements dated 23 November 2010 and 6 January 2011, as well as the circular dated 24 January 2011 issued by the Company (the “**Circular**”) in relation to, among others, the Acquisition. Terms used herein shall have the same meanings as those defined in the Circular unless the context otherwise requires.

COMPLETION OF THE ACQUISITION

The Board is pleased to announce that all the conditions precedent under the New Sale and Purchase Agreement have been fulfilled and that the Completion took place on 28 February 2011 (the “**Completion Date**”).

The Company issued 218,750,000 Consideration Shares to the Vendor in accordance with the terms of the New Sale and Purchase Agreement on the Completion Date. The 218,750,000 Consideration Shares, representing approximately 7.65% of the existing issued share capital of the Company, rank *pari passu* in all aspects amongst themselves and with the Shares in issue on the date of the issue and allotment of the Consideration Shares.

Upon Completion, the Target Company becomes a wholly-owned subsidiary of the Company and the financial results of the Target Group will be consolidated to that of the Group.

SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below are the shareholding structures of the Company immediately before and upon the Completion:-

	Immediately before Completion		Immediately upon Completion	
	<i>Number of Shares</i>	<i>%</i>	<i>Number of Shares</i>	<i>%</i>
Shareholders				
Cheung Wai (<i>Note 1</i>)	863,112,045	32.68%	863,112,045	30.18%
Frank Cheung (<i>Note 2</i>)	7,500,000	0.28%	7,500,000	0.26%
Vendor	—	—	218,750,000	7.65%
Public Shareholders	<u>1,770,277,412</u>	<u>67.04%</u>	<u>1,770,277,412</u>	<u>61.91%</u>
Aggregate	<u>2,640,889,457</u>	<u>100.00%</u>	<u>2,859,639,457</u>	<u>100.00%</u>

Notes:

1. Mr. Cheung Wai is an executive Director. He is also the father of Mr. Frank Cheung.
2. Mr. Frank Cheung was an executive Director (whose resignation as an executive Director took effect on the Completion Date) and is the son of Mr. Cheung Wai.

CHANGE OF EXECUTIVE DIRECTORS, MEMBER OF REMUNERATION COMMITTEE AND NOMINATION COMMITTEE, AUTHORIZED REPRESENTATIVE, CHIEF EXECUTIVE OFFICER AND CHAIRMAN OF THE GROUP

(i) Appointment of Directors

With effect from the Completion Date, the following Directors have been appointed to the Board:

Name	Positions held with the Company
Mr. Guan Gui Sen	executive Director, authorized representative and the Chairman of the Group.
Dr. Lei Chun Xiong	executive Director and the Chief Executive Officer

In addition to the information on each of the above-mentioned Directors disclosed under the section headed “Proposed nomination of Directors” in the “Letter from the Board” of the Circular, the Company has entered into the following service agreements with each of the above-mentioned Directors and their interests in the securities of the Company (if any) are set out as follows:

Mr. Guan

As of the date hereof, Mr. Guan beneficially owns 218,750,000 Shares upon the issue of 218,750,000 Consideration Shares to the Vendor on the Completion Date, representing approximately 7.65% of the existing issued share capital of the Company. In addition, as a result of the entering into the New Sale and Purchase Agreement pursuant to which the Vendor would be issued a maximum of 2,187,500,000 Conversion Shares which would fall to be issued in full upon the conversion of all Convertible Bonds to be issued to the Vendor, assuming that the Target Group is able to satisfy all the targets in each of the Adjusted Consideration Scenarios, Mr. Guan, as the beneficial owner of the entire equity interest of the Vendor, is also deemed to be interested in those 2,187,500,000 Conversion Shares under Part XV of the SFO.

Mr. Guan entered into a service agreement with the Company for an initial term of three years commencing from 28 February 2011 and will be subjected to retirement by rotation and re-election at the annual general meetings of the Company in accordance with the bye-laws of the Company. Mr. Guan is entitled to a fixed annual remuneration of HK\$1,800,000. His director’s fee will be reviewed and determined by the Board annually with the authorization granted by the Shareholders at the annual general meetings of the Company with reference to his duties and responsibilities with the Company, the Company’s performance and the prevailing market conditions.

Dr. Lei

Dr. Lei entered into a service agreement with the Company for an initial term of three years commencing from 28 February 2011 and will be subjected to retirement by rotation and re-election at the annual general meetings of the Company in accordance with the bye-laws of the Company. Dr. Lei is entitled to a fixed annual remuneration of HK\$1,200,000. His director's fee will be reviewed and determined by the Board annually with the authorization granted by the Shareholders at annual general meetings of the Company with reference to his duties and responsibilities with the Company, the Company's performance and the prevailing market conditions.

Save as disclosed above, each of Mr. Guan and Dr. Lei (i) has not previously held any positions with the Company or its subsidiaries; (ii) does not have any relationship with any Director, senior management, substantial shareholders or controlling shareholders (within the meanings of the GEM Listing Rules) of the Company; (iii) has no interests in the Shares within the meaning of Part XV of the SFO as at the date of this announcement; and (iv) has not held any directorships in any listed companies in the three years immediately preceding the date of this announcement.

Save as disclosed above, there are no other information in relation to the appointment of Mr. Guan and Dr. Lei which are required to be disclosed pursuant to paragraphs (h) to (v) under Rule 17.50(2) of the GEM Listing Rules and no other matters that need to be brought to the attention of the Shareholders.

The Board would like to express its warm welcome to Mr. Guan and Dr. Lei on their appointments.

(ii) Resignation of Director

The Board also announces that Mr. Frank Cheung ("**Mr. Cheung**") resigned as an executive Director with effect from the Completion Date due to other business engagement which requires more of his attention. Mr. Cheung also resigned as personal assistant to the Chairman of the Group, a member of each of the remuneration committee and the nomination committee of the Company and an authorized representative of the Company with effect from the same date.

Mr. Cheung has confirmed to the Company that he has no disagreement with the Board and, save as disclosed above, there are no other matters relating to his resignation that need to be brought to the attention of the Shareholders.

The Board would like to take this opportunity to express its appreciation to Mr. Cheung for his valuable contributions to the Company during his tenure of services.

(iii) Change of member of the remuneration committee and nomination committee of the Company

Upon the resignation of Mr. Cheung as a member of each of the remuneration committee and the nomination committee as disclosed above in this announcement, the composition of each of the remuneration committee and the nomination committee with effect from the Completion Date is as follows:–

Remuneration committee

Mr. Cheung Wai
Dr. Fong Chi Wah
Mr. Wang Ruiping
Professor He Zhiyi

Nomination committee

Mr. Cheung Wai
Dr. Fong Chi Wah
Mr. Wang Ruiping
Professor He Zhiyi

(iv) Change of authorized representative

Following (i) the resignation of Mr. Cheung; and (ii) the appointment of Mr. Guan as the authorized representative as disclosed above in this announcement, the two authorized representatives of the Company are Mr. Cheung Wai and Mr. Guan with effect from the Completion Date.

(v) Change of Chief Executive Officer

Dr. Ma Jun (“**Dr. Ma**”) resigned as the Chief Executive Officer with effect from the Completion Date whilst remaining as the Chief Technology Officer.

Following the resignation of Dr. Ma as the Chief Executive Officer on the Completion Date, Dr. Lei has been appointed as the Chief Executive Officer on the same date.

(vi) Change of Chairman of the Group

The Board also announces that Mr. Cheung Wai resigned as the Chairman of the Group with effect from the Completion Date due to other commitments which require more of his attention, but remains as an executive Director and a member of each of the remuneration committee and nomination committee.

Mr. Cheung Wai has confirmed to the Board that he has no disagreement with the Board and that there are no other matters relating to his resignation as the Chairman of the Group that need to be brought to the attention of the Shareholders.

The Board would like to take this opportunity to express its appreciation to Mr. Cheung Wai for his valuable contribution to the Group during his chairmanship.

Following the resignation of Mr. Cheung Wai as the Chairman of the Group on the Completion Date, Mr. Guan has been appointed as the Chairman of the Group on the same date.

By Order of the Board
SYSCAN Technology Holdings Limited
Guan Gui Sen
Chairman

Hong Kong, 28 February 2011

As at the date of this announcement, the Board comprises Mr. Cheung Wai, Mr. Guan Gui Sen and Dr. Lei Chun Xiong as executive Directors; and Dr. Fong Chi Wah, Mr. Wang Ruiping and Professor He Zhiyi as independent non-executive Directors.

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 the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

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