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Datasys Technology Holdings Limited

迪斯數碼科技集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8057)

CANCELLATION OF SALE AND PURCHASE AGREEMENT POSTPONEMENT OF THE RESULTS ANNOUNCEMENT AND DESPATCH OF ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2003

On 8 March 2004, an agreement was entered into between Mr. Ding Wei Ming and Brownhill in relation to the sale by Mr. Ding Wei Ming to Brownhill 3,194 shares of Jade Key, representing 31.94% of the issued share capital of Jade Key. On 16 March 2004, a cancellation agreement was entered into between Mr. Ding Wei Ming and Brownhill, pursuant to which the transactions contemplated under the Sale and Purchase Agreement were cancelled and the Sale Shares were transferred back by Brownhill to Mr. Ding Wei Ming. Jade Key currently holds 351,680,000 Shares, representing 43.96% of the issued share capital of the Company.

The publication of the Company's audited results and the despatch of the Company's annual report for the year ended 31 December 2003 will be postponed and the Company expected that they could be announced and despatch on or before 28 May 2004 and 31 May 2004 respectively, thereby constitutes a breach of Rules 18.03, 18.48A and 18.49 of the GEM Listing Rules.

Trading in the Shares has been suspended since 2:30 p.m. on 8 March 2004. The Company has applied for the resumption of trading in the Shares with effect from 9:30 p.m. on 29 March 2004.

SALE AND PURCHASE AGREEMENT

The Company has been informed by Jade Key that the Sale and Purchase Agreement was entered into on 8 March 2004 pursuant to which Mr. Ding Wei Ming sold to Brownhill the Sale Shares.

Before the completion of the Sale and Purchase Agreement, Jade Key was held by Mr. Shang Gang, Mr. Ding Wei Ming and Ms. Liu Xin as to 50%, 32.94% and 17.06% respectively. After the completion of the Sale and Purchase Agreement, Jade Key was held by Mr. Shang Gang, Mr. Ding Wei Ming, Ms. Liu Xin and Brownhill as to 50%, 1%, 17.06% and 31.94% respectively.

CANCELLATION AGREEMENT

The Company has been informed by Jade Key that the Cancellation Agreement was entered into on 16 March 2004 between Mr. Ding Wei Ming and Brownhill, pursuant to which the transactions contemplated under the Sale and Purchase Agreement were cancelled and the Sale Shares were transferred back by Brownhill to Mr. Ding Wei Ming.

Immediately after the completion of the Cancellation Agreement, Jade Key was held by Mr. Shang Gang, Mr. Ding Wei Ming and Ms. Liu Xin as to 50%, 32.94% and 17.06% respectively.

The Company was held by Jade Key, Shinning Path, CLP IT Solutions Limited and public shareholders as to 43.96%, 21.98%, 5.23% and 28.83% respectively immediately before and after the completion of the Sale and Purchase Agreement and the Cancellation Agreement. Based on the Company's record, Brownhill and Ms. Li Zhang Jiang De Malca does not hold any Shares prior to and after the completion of the Sale and Purchase Agreement and the Cancellation Agreement.

INFORMATION ON BROWNHILL

Brownhill is a company incorporated in the British Virgin Islands and is beneficially owned by Ms Li Zhang Jiang De Malca. The Company has been advised that Ms. Li Zhang Jiang De Malca is the elder sister of Mr. Zhang Jian, an executive Directors. Save as disclosed above, the Directors confirmed that Brownhill and Ms. Li Zhang Jiang De Malca have no other relationship with any of the directors, chief executive, initial management shareholders and substantial shareholders of the Company or any of their respective associates and are not connected persons of the Company (as defined under the GEM Listing Rules).

BOARD OF DIRECTORS

With reference to the announcement of the Company dated 23 March 2004, Mr. Ding Wei Ming has resigned as chairman, executive Director, compliance officer and authorized representative of the Company for his personal reason with effect from 8 March 2004. The current composition of the Board is as follows:

Executive Directors:

Shang Gang
Wang Zhi Gang
Zhang Jian
Cao Ze Lan

Independent non-executive Directors:

Xia Qing
Choi Man On

POSTPONEMENT OF THE RESULTS ANNOUNCEMENT AND DESPATCH OF ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2003

The Company announces that the publication of the Company's audited results and the despatch of the Company's annual report for the year ended 31 December 2003 are expected to be postponed, thereby constitutes a breach of Rules 18.03, 18.48A and 18.49 of the GEM Listing Rules. Since early January 2004, the executive Directors have discussed the professional fees and audit arrangement with Ernst & Young. The executive Directors have also negotiated and obtained fee quotations from other auditors. Substantial amount of time has been spent on negotiating and discussing with various candidates. Subsequently, Ernst & Young agreed to reduce its professional fees for the same scope of work carried out in the previous year and arrange for the necessary auditing staff. Given Ernst & Young is a reputable international accounting firm, the Company decided to instruct Ernst & Young, which has already commenced the audit work on 9 March 2003. Based on the estimation of Ernst & Young and the Company on the time required for completing the audit work, the Company expected that the audited results and the annual report could be announced and despatched on or before 28 May 2004 and 31 May 2004 respectively.

The Stock Exchange has indicated that it reserves its right to take action against the Company and/or the Directors regarding such breach. The Directors have confirmed that they have not dealt in any securities of the Company since 1 March 2004 and have undertaken that they will not deal in any securities of the Company until the audited final results are published.

GENERAL

Save the foregoing, the Company confirms that there are no negotiations or agreements relating to intended acquisition or realization which is discloseable under Chapters 19 and 20 of the GEM Listing Rules, neither is the Board aware of any matter discloseable under the general obligation imposed by Rule 17.10 of the GEM Listing Rules, which is or may be of price sensitive nature.

Trading in the Shares has been suspended since 2:30 p.m. on 8 March 2004. The Company has applied for the resumption of trading in the Shares with effect from 9:30 p.m. on 29 March 2004.

DEFINITIONS

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

“Board”	the board of directors of the Company
“Brownhill”	Brownhill Development Corp., a company incorporated in the British Virgin Islands and is beneficially owned by Ms Li Zhang Jiang De Malca
“Cancellation Agreement”	the cancellation agreement dated 16 March 2004 entered into between Mr. Ding Wei Ming and Brownhill relating to the cancellation of the Sale and Purchase Agreement
“Company”	Datasys Technology Holdings Limited, a company incorporated in the Cayman Islands with limited liability
“Director(s)”	the director(s) of the Company
“GEM”	the Growth Enterprise Market of the Stock Exchange of Hong Kong Limited
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Jade Key”	Jade Key Company Inc., a company incorporated in the British Virgin Islands and the controlling shareholder of the Company
Sale and Purchase Agreement	the sale and purchase agreement dated 8 March 2004 entered into between Mr. Ding Wei Ming and Brownhill relating to the sale of the Sale Shares by Mr. Ding Wei Ming to Brownhill
“Sale Shares”	3,194 shares of Jade Key sold by Mr. Ding Wei Ming to Brownhill pursuant to the Sale and Purchase Agreement, representing 31.94% of the issued share capital of Jade Key

“Shares”	shares of HK\$0.1 each in the capital of the Company
“Shinning Path”	Shinning Path Limited, a company incorporated in the British Virgin Islands and a substantial shareholder of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

By order of the Board
Datasys Technology Holdings Limited
Shang Gang
Chairman

Beijing, P.R.C. 26 March 2004

** For identification purpose only*

This announcement, for which the directors of the Company 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 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 is 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 “Latest Company Announcement” page of the GEM website for at least 7 days from the date of its publication.