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FlexSystem Holdings Limited
(Incorporated in the Cayman Islands with limited liability)
(Stock code: 8050)

RESTORATION OF PUBLIC FLOAT

Reference is made to (i) the joint announcements dated 18 February 2011, 13 April 2011, 15 April 2011 and 6 May 2011 (the “**Joint Announcements**”); and (ii) the composite offer and response document (the “**Composite Document**”) dated 15 April 2011 issued jointly by the Offeror and the Company in relation to, among other things, the Offer. Unless otherwise stated in this announcement, capitalized terms used herein shall have the same meanings as those defined in the Joint Announcements and Composite Document.

RESTORATION OF PUBLIC FLOAT

The Board is pleased to announce that the Company has been informed by the Offeror that Mr. Pong, the ultimate beneficial owner and the sole director of the Offeror, has placed down 44,700,000 Shares (representing approximately 7.45% of the issued share capital of the Company) to independent placees through a placing agent (the “**Placing**”) on 11 May 2011. The Placing is unconditional and was completed on 13 May 2011. To the best knowledge, information and belief of the Company, having made all reasonable enquires, the placees and their respective ultimate beneficial owners are third parties independent of and not connected with the Company and connected persons of the Company.

Immediately after the close of the Offer and before the Placing, the Offeror and parties acting in concert with it were interested in approximately 79.88% of the issued share capital of the Company. Accordingly, only 120,702,000 Shares, representing approximately 20.12% of the issued share capital of the Company, were held by the public. After completion of the Placing, a total of 165,402,000 Shares, representing 27.57% of the issued share capital of the Company are held by public Shareholders. Accordingly, the minimum public float of 25% as prescribed under the GEM Listing Rules has been restored.

Set out below is a table showing the shareholding structure of the Company (i) immediately after the close of the Offer and before the Placing; and (ii) after completion of the Placing and as at the date of this announcement:

	Immediately after the close of the Offer and before the Placing		After completion of the Placing and as at the date of this announcement	
	<i>Number of Shares</i>	<i>Approximate %</i>	<i>Number of Shares</i>	<i>Approximate %</i>
Offeror	306,000,000	51.00	306,000,000	51.00
Mr. Pong Wai San, Wilson (Note 1)	<u>173,298,000</u>	<u>28.88</u>	<u>128,598,000</u>	<u>21.43</u>
Subtotal of the Offeror and parties acting in concert	479,298,000	79.88	434,598,000	72.43
Public Shareholders	<u>120,702,000</u>	<u>20.12</u>	<u>165,402,000</u>	<u>27.57</u>
Total	<u>600,000,000</u>	<u>100.00</u>	<u>600,000,000</u>	<u>100.00</u>

Note:

1. Mr. Pong Wai San, Wilson is the ultimate beneficial owner and the sole director of the Offeror.

By Order of the Board of
FlexSystem Holdings Limited
Lau Wai Shu
Chairman

Hong Kong, 13 May 2011

As at the date of this announcement, the executive Directors of the Company are Mr. Lau Wai Shu and Mr. Sit Hon Cheong and the independent non-executive Directors of the Company are Mr. Lung Hung Cheuk, Ms. Yeung Wing Yan, Wendy and Mr. Yip Tai Him.

This announcement, for which 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 GEM website at <http://www.hkgem.com> on the “Latest Company Announcements” page and the website of the Company at <http://www.flexsystem.com> for at least seven days from the day of its posting.