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FinTronics

銀創控股

FINTRONICS HOLDINGS COMPANY LIMITED

銀創控股有限公司*

(incorporated in Bermuda with limited liability)

(Stock code: 706)

SUBSCRIPTION OF NEW SHARES; SIGNING OF THE LOAN AGREEMENT AND RESUMPTION OF TRADING

The Board is pleased to announce that on 14 November 2006:

- (1) the Company and Customers entered into the Subscription Agreement pursuant to which Customers has agreed to subscribe for, and the Company has agreed to allot and issue to Customers, 210,000,000 new Shares at HK\$0.261 per Subscription Share; and
- (2) the Company and Customers entered into the Loan Agreement pursuant to which Customers has conditionally agreed to make available to the Company a loan in the principal amount of HK\$62,400,000.

THE SUBSCRIPTION AGREEMENT

The 210,000,000 Subscription Shares represent approximately 18.14% of the existing issued share capital of the Company and approximately 15.35% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares.

The price per Subscription Share represents (i) a discount of 19.69% to the closing price of HK\$0.325 per Share as quoted on the Stock Exchange on 13 November 2006, being the Last Trading Day, and (ii) a discount of 13% to the average closing price of approximately HK\$0.30 per Share as quoted on the Stock Exchange for the last five trading days up to and including the Last Trading Day.

The 210,000,000 Subscription Shares will be allotted and issued under the general mandate granted to the Directors at the annual general meeting of the Company held on 30 June 2006. The Directors were authorised to issue new Shares up to 211,457,600 Shares under such mandate and the Company has not exercised the power to allot and issue any new Shares pursuant to such mandate prior to the Subscription.

THE LOAN AGREEMENT

Pursuant to the Loan Agreement, Customers has conditionally agreed to make available to the Company the Loan in the principal amount of HK\$62,400,000. The drawdown of the Loan is subject to fulfillment of certain conditions which are more particularly described in the paragraph headed "Drawdown conditions" below. The Loan will bear interest at a rate of 8% per annum. Subject to the obtaining of the Shareholders' Approval as referred to below, the Subscriber will have the right to convert the principal amount of the Loan into Shares subject to the terms and conditions as referred to in the Loan Agreement.

The Company has undertaken to convene the SGM for obtaining the Shareholders' Approval for the issue of the New Shares within 90 days from the Drawdown Date. In the event that the Shareholders' Approval cannot be obtained within 90 days from the Drawdown Date, the Company shall repay the Loan together with the interest accrued to Customers within 90 days from the date of the SGM. Save for any early repayment of the Loan as aforesaid or any conversion into Shares pursuant to the terms and conditions of the Loan Agreement, the outstanding principal amount of the Loan and the Additional Amount (if any) is repayable by the Company upon its maturity on the date falling three years from the Drawdown Date. The outstanding principal amount of the Loan and the Additional Amount (if any) can be convertible into Shares at any time after the date of the obtaining of the Shareholders' Approval but before the maturity of the Loan at an initial conversion price of HK\$0.26 per Share, subject to adjustment.

Upon full conversion of the Loan and assuming that there will be no adjustment to the initial conversion price, a total of 240,000,000 new Shares will be issued, representing (i) approximately 20.7% of the existing issued share capital of the Company; (ii) approximately 17.5% of the issued share capital of the Company as enlarged by the issue of the Subscription Shares and (iii) approximately 14.9% of the issued share capital of the Company as enlarged by the issue of the Subscription Shares and the Conversion Shares.

The initial conversion price per Conversion Share represents (i) a discount of 20% to the closing price of HK\$0.325 per Share as quoted on the Stock Exchange on 13 November 2006, being the Last Trading Day, and (ii) a discount of approximately 13.3% to the average closing price of approximately HK\$0.30 per Share as quoted on the Stock Exchange for the last five trading days up to and including the Last Trading Day.

In the event that Customers remains as a connected person of the Company when it exercises its conversion rights pursuant to the Loan Agreement, any issue of New Shares to Customers will constitute a connected transaction for the Company pursuant to Chapter 14A of the Listing Rules and is subject to independent shareholders' approval at the SGM.

GENERAL

A circular containing, among other matters, details of the Loan Agreement, a letter from an independent financial adviser, a letter from the independent board committee and the notice of SGM will be despatched to the Shareholders as soon as practicable.

At the request of the Company, trading in the Shares on the Main Board of the Stock Exchange was suspended with effect from 9:30 a.m. on 14 November 2006 pending the release of this announcement. Application for the resumption of trading in the Shares on the Main Board of the Stock Exchange with effect from 9:30 a.m. on 23 November 2006 has been made by the Company.

A. THE SUBSCRIPTION AGREEMENT DATED 14 NOVEMBER 2006

1. Subscriber:

Customers is a company incorporated in Hong Kong with limited liability. Customers and its ultimate beneficial owners are independent of and not connected nor acting in concert with any of the directors, chief executive, substantial shareholders of the Company or any of its subsidiaries or any of their respective associates (as defined in the Listing Rules).

2. Number of Subscription Shares:

210,000,000 new Shares, representing approximately 18.14% of the existing issued share capital of the Company and approximately 15.35% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares.

The Subscription Shares will rank equally in all respects among themselves and with all other Shares in issue as at the date of their allotment and issue pursuant to the Subscription Agreement.

3. Subscription price:

HK\$0.261 per Subscription Share, representing (i) a discount of 19.69% to the closing price of HK\$0.325 per Share as quoted on the Stock Exchange on 13 November 2006, being the Last Trading Day, and (ii) a discount of 13% to the average closing price of approximately HK\$0.30 per Share as quoted on the Stock Exchange for the last five trading days up to and including the Last Trading Day.

4. Reasons for the Subscription and proposed use of the proceeds:

Customers is a member of a group of companies based in Australia principally engaged in electronics payments businesses. Its ultimate holding company is a company listed on the Australian Stock Exchange which owns one of the largest merchant automatic teller machines (“ATM”) networks in Australia. After the completion of the acquisition of Loten Technology Co., Ltd. and Beijing Sun Leader Technology Co., Ltd. in the May 2006 (the details of which are announced by the Company in the announcement dated 6 December 2005 and the circular dated 30 December 2005), it is the business strategy of the Group to devote its resources to develop and expand its ATM related businesses. The Directors consider that the Subscription not only represents an ideal opportunity for the Company to raise additional capital for its future business development and enhance its capital base but also bring to the Group an experienced market player in the ATM industry which could provide technical and industry support to the Group for the future development of the Group into a leading ATM independent service operator (“ISO”) in the PRC.

The Directors consider that the terms of the Subscription Agreement were fair and reasonable and they were in the best interests of the Company, as far as the Shareholders are concerned.

The net proceeds, after deducting the professional fees and all related expenses which will be borne by the Company, from the Subscription are estimated to be approximately HK\$54 million. The net price to the Company of each Subscription Share, which is calculated by dividing the aggregate net proceeds by the total number of the Subscription Shares, is approximately HK\$0.257.

With a view to expanding the regional coverage of its ATM related services and capturing more market share, the Group intends to purchase and install additional ATMs in the PRC. Therefore, it is intended that around 80% of the net proceeds will be used for such purposes by the end of 2007 and the remaining 20% of the net proceeds will be used to support the working capital needs of the Group in relation to the ATM related business.

5. Mandate to allot and issue the Subscription Shares:

The 210,000,000 Subscription Shares will be allotted and issued under the general mandate granted to the Directors at the annual general meeting of the Company held on 30 June 2006. The Directors were authorised to issue new Shares up to 211,457,600 Shares under such mandate and the Company has not exercised the power to allot and issue any new Shares pursuant to such mandate prior to the Subscription.

6. Conditions of the Subscription:

The Subscription is conditional upon:

- (a) the Listing Committee of the Stock Exchange granting a listing of, and permission to deal in, the Subscription Shares (either unconditionally, or subject to conditions which are acceptable to Customers);
- (b) the Shares remaining listed and traded on the Stock Exchange at all times from the date of the Subscription Agreement to the Completion Date, save for any temporary suspension(s) not exceeding three consecutive business days, or suspension for the purpose of clearing this announcement or any other public announcement by the Company in relation to a transaction(s) to which Customers has given its consent, and no indication being received on or before the Completion Date from the Securities and Futures Commission of Hong Kong and/or the Stock Exchange to the effect that the listing of the Shares on the Stock Exchange will or may be withdrawn or objected to (or conditions will or may be attached thereto) as a result of completion or in connection with the terms of the Subscription Agreement or any other reasons;
- (c) the warranties given by the Company pursuant to the Subscription Agreement remaining true and accurate in all material respects, and not misleading in any material respect, as given on the date of the Subscription Agreement and at completion;
- (d) the Company having complied fully with its obligations under the Subscription Agreement and having performed all of the covenants and agreements required to be performed by it under the Subscription Agreement on or prior to the Completion Date;
- (e) all necessary internal authorisations and approvals (other than the shareholders’ approval) for the Company to enter into the Subscription Agreement being in place and remaining in full force and effect;

- (f) Customers having received on or prior to the date of completion legal opinion as to Bermuda law dated the date of completion and addressed to Customers from a Bermuda law firm in a form acceptable to Customers;
- (g) if required, the Bermuda Monetary Authority granting permission for the issue of the Subscription Shares;
- (h) the signing of the Loan Agreement by the Company;
- (i) there has been no material adverse effect on the Company's financial condition or business in the opinion of the Subscriber since the date of the Subscription Agreement;
- (j) if required, the shareholders' approval of the Company in relation to the issue of the Subscription Shares being obtained; and
- (k) this announcement having been published in accordance with the Listing Rules.

Customers may in its absolute discretion at any time waive in writing any of the conditions (or any part thereof) other than condition (a) above.

In the event of any of the conditions referred to above not having been fulfilled and/or waived within 20 days from the date of the Subscription Agreement (or such later date as may be agreed by Customers and the Company), all rights, obligations and liabilities of the parties hereunder in relation to the Subscription shall cease and determine and neither party shall have any claim against the other in respect of the Subscription, save for any antecedent breaches of the Subscription Agreement.

7. Completion of the Subscription

The completion of the Subscription will take place on the seventh business day following the fulfillment or waiver of all conditions referred to above provided that the date of completion shall not fall on any day which is earlier than 29 November 2006.

8. Other undertakings:

(a) Board seat:

The Company agrees that with effect from completion of the Subscription but subject to the conditions mention below, the Board shall be comprised of not more than seven executive Directors (among which Customers shall have the right to nominate (i) 2 executive Directors at completion of the Subscription and (ii) an additional 1 executive Director upon full conversion of the entire principal amount of the Loan into Conversion Shares and immediately after such conversion, the Subscriber holds not less than 20% of the then entire issued share capital of the Company) and not less than such number of non-executive and independent non-executive Directors as may be prescribed by the Listing Rules from time to time.

The right of nomination of Customers is subject to the following:

- at any time after completion of the Subscription, if Customers holds less than 10% but more than 5% of the then entire issued share capital of the Company, Customers shall only be entitled to nominate one executive Director; and
- at any time after completion of the Subscription, if Customers ceases to hold 5% or more of the then entire issued share capital of the Company, the Company shall no longer be required to maintain the composition of the Board as mentioned above and Customers' right of nomination shall forthwith cease.

(b) Right of anti-dilution:

In the event the Company proposes to allot and issue any Shares for cash consideration solely ("**Relevant Share Issue**") at any time after completion of the Subscription, the Company shall make a written offer ("**Offer**") to Customers to subscribe up to its pro rata shares of such additional Shares at the same terms that the Company is proposing to issue to the relevant third party or parties ("**Right of Anti-dilution**"). The Subscriber's "pro rata share" for the purposes of this Right of Anti-dilution shall be determined with reference to the percentage holding of Customers in the Shares of immediately prior to the Relevant Share Issue (and for the purpose of calculating the percentage holding of the Subscriber in the Shares, any Shares acquired by the Subscriber in the secondary market shall be excluded and any Shares acquired by the exercising conversion rights under the Loan Agreement shall be included).

The Right of Anti-dilution shall be subject to compliance with all applicable laws and regulations (including but not limited to the Listing Rules) and (if necessary) approval from the independent shareholders of the Company.

The Right of Anti-dilution shall cease to have any effect once Customers ceases to hold 5% or more of the entire issued share capital of the Company at any time after completion of the Subscription.

B. THE LOAN AGREEMENT DATED 14 NOVEMBER 2006

1. Parties:

Customers as lender and the Company as borrower

2. Principal terms of the Loan Agreement:

(a) Principal amount of the Loan:

HK\$62,400,000

(b) Drawdown conditions:

Customers shall be obliged to make available the Loan to the Company if certain conditions precedent are fulfilled and/or waived by Customers which include:

(a) all necessary authorisations and approvals (other than the Shareholders' Approval) for the Company to enter into the Loan Agreement are in place and remain in full force and effect; and

(b) completion of the transactions contemplated in the Subscription Agreement has taken place.

(c) Interest rate:

The Loan will bear interest at a rate of 8% per annum, payable annually in arrears. In the event that any part of the Loan is converted into the New Shares within 12 months from the Drawdown Date, Customers agrees to waive the interest accrued on such part of the Loan.

(d) Shareholders' Approval:

The Company has undertaken to convene the SGM for obtaining the Shareholders' Approval for the issue of the New Shares within 90 days from the Drawdown Date. In the event that such approval from the Shareholders cannot be obtained within 90 days from the Drawdown Date, the Company shall repay the Loan together with the interest accrued to Customers within 90 days from the date of the SGM.

(e) Repayment date:

Save for any early repayment of the Loan as aforesaid or any conversion into Shares pursuant to the terms and conditions of the Loan Agreement, the outstanding principal amount of the Loan and the Additional Amount (if any) is repayable by the Company upon its maturity on the date falling three years from the Drawdown Date ("**Repayment Date**").

(f) Conversion right:

Subject to the obtaining of the Shareholders' Approval, Customers shall the right to convert the principal amount of the Loan and such additional amount calculated in accordance with the formula stated below ("**Additional Amount**") (if any) into Shares at an initial conversion price of HK\$0.26 (subject to adjustment) at any time between the Drawdown Date and the Repayment Date.

The Additional Amount shall be calculated based on the following formula:

$$\text{Additional Amount} = A \times B$$

Where:

A is the shareholding percentage of the total issued share capital of the Company as owned by Customers as at the date of the issue of a letter from an independent auditors for the assessment of the Group's net asset value as at the completion of the Subscription; and

B is the amount equal to the estimated net assets value of the Group as at completion of the Subscription (which shall include the proceeds of approximately HK\$54 million received by the Group from the Subscription) being subtracted from HK\$322,499,350.

(g) Conversion price:

Subject to the obtaining of the Shareholders' Approval, the initial conversion price per New Share is HK\$0.26 which represents (i) a discount of 20% to the closing price of HK\$0.325 per Share as quoted on the Stock Exchange on 13 November 2006, being the Last Trading Day, and (ii) a discount of approximately 13.3% to the average closing price of approximately HK\$0.30 per Share as quoted on the Stock Exchange for the last five trading days up to and including the Last Trading Day.

(h) Compulsory conversion:

Subject to the obtaining of the Shareholders' Approval, on the Repayment Date and to the extent that Customers has not exercised its conversion rights in full, the Loan and the Additional Amount (if any) are subject to compulsory conversion into New Shares at the conversion price equivalent to the higher of (i) the then par value of each Share and (ii) the weighted average closing price of the Shares quoted at the Stock Exchange from the first day of the 25th month after Drawdown Date to the last day of the 36th month after the Drawdown Date.

In the event that the weighted average closing price of the Shares from the first day of the 25th month after Drawdown Date to the last day of the 36th month after the Drawdown Date is lower than the par value of the Shares, the Company shall repay the Loan, the Additional Amount (if any) and the outstanding interest in full within 7 business days from the last day of the 36th month after the Drawdown Date.

3. Conversion Shares:

Subject to the obtaining of the Shareholders' Approval and upon full conversion of the Loan and assuming that there will be no adjustment to the initial conversion price, a total of 240,000,000 new Shares will be issued, representing (i) approximately 20.7% of the existing issued share capital of the Company; (ii) approximately 17.5% of the issued share capital of the Company as enlarged by the issue of the Subscription Shares and (iii) approximately 14.9% of the issued share capital of the Company as enlarged by the issued of the Subscription Shares and the Conversion Shares.

In the event that the net assets value of the Group as at completion of the Subscription is less than HK\$322,499,350 (taking into account of the proceeds from the Subscription), Customers has the right to convert the Additional Amount into New Shares at an initial conversion price of HK\$0.26. As at 30 June 2006, the unaudited net assets value of the Group amounted to HK\$298,526,000. Together with the amount of approximately HK\$54 million to be received by the Group from the Subscription, the Directors considered that it is unlikely that the Group's net assets value as at completion of the Subscription will be less than HK\$322,499,350.

The Company and Customers will jointly appoint a firm of auditors to issue a certificate for the assessment of the true and fair value of the net assets value of the Group as at the date of completion of the Subscription. Such certificate is expected to be issued within 90 days from the date of the completion of the Subscription. The Company will provide further information on the Group's net assets value as at completion of the Subscription in the circular to be despatched to the Shareholders if completion of the Subscription has taken place.

4. Reasons for the Loan and use of proceeds:

As mentioned above, it is the Group's strategy to become a leading ATM ISO in the PRC. It is agreed by the parties to the Loan Agreement that the drawdown of the Loan is not subject to the obtaining of the Shareholders' Approval. The Directors considered that it is a term favourable to the Group since the Group is given the earliest opportunity to receive the fund for its business development. The purpose of the Loan is to provide additional funding for the development of the ATM related business.

The Directors consider that the terms of the Loan Agreement were on normal commercial terms and are fair and reasonable taking into account the fact that the Loan is unsecured and they were in the best interests of the Company, as far as the Shareholders are concerned.

5. Connected transaction

Immediately upon completion of the Subscription, Customers will become a substantial Shareholder holding approximately 15.35% of the issued share capital of the Company as enlarged by the issue of the Subscription Shares and is therefore a connected person of the Company.

The Loan will constitute financial assistance provided by a connected person. Since the Loan is for the benefit of the Company on normal commercial terms where no security over the assets of the Group is granted in respect of the financial assistance, it is exempted from reporting, announcement and independent shareholders' approval requirement under Rule 14A.65(4) of the Listing Rules.

In the event that Customers remains as a connected person of the Company when it exercises its conversion rights pursuant to the Loan Agreement, any issue of New Shares to Customers will constitute a connected transaction for the Company pursuant to Chapter 14A of the Listing Rules and is subject to independent shareholders' approval at the SGM.

C. CHANGES IN SHAREHOLDING

Set out below is (i) the existing shareholding structure of the Company; (ii) the shareholding structure of the Company immediately after the issue of the Subscription Shares; (iii) the shareholding structure of the Company immediately after the issue of the Subscription Shares and the Conversion Shares (assuming the conversion price is HK\$0.26 per Share); and (iv) the shareholding structure of the Company immediately after the issue of the Subscription Shares and the Conversion Shares (assuming the conversion price is the par value of the Share, i.e. HK\$0.10):

	Existing shareholding structure as at the date of this announcement	%	Immediately after the issue of the Subscription Shares	%	Immediately after the issue of the Subscription Shares and the Conversion Shares (assuming that the conversion price is HK\$0.26 per Share)	%	Immediately after the issue of the Subscription Shares and the Conversion Shares (assuming that the conversion price is the par value of the Share, i.e. HK\$0.10 per Share)	%
Leading Value Industrial Limited (<i>note 1</i>)	264,869,906	22.88%	264,869,906	19.36%	264,869,906	16.47%	264,869,906	13.30%
Directors (<i>note 2</i>)	38,340,000	3.31%	38,340,000	2.80%	38,340,000	2.38%	38,340,000	1.92%
Other public Shareholders	854,578,094	73.81%	854,578,094	62.49%	854,578,094	53.16%	854,578,094	42.91%
Customers	-	-	210,000,000	15.35%	450,000,000	27.99%	834,000,000	41.87%
TOTAL	1,157,788,000	100.00%	1,367,788,000	100.00%	1,607,788,000	100.00%	1,991,788,000	100.00%

Notes:

1. Leading Value Industrial Limited is a company incorporated in the British Virgin Islands, the entire issued share capital of which is owned by Mr. Sze Wai, Marco, an executive Director.
2. Included in this category are Mr. Song Jing Sheng and Mr. Gu Peijian, both are executive Directors.

D. DILUTION EFFECT ON SHAREHOLDING

As set out in the paragraph headed "Changes in shareholding" above, the interests of the Company held by public Shareholders as at the date of this announcement is approximately 73.81%. Subject to the obtaining of the Shareholders' Approval, the Company foresees there may be future dilution effect on the shareholdings of the Shareholders in the Company resulting from exercise of the conversion rights.

Subject to the obtaining of the Shareholders' Approval and for so long as there is any outstanding amount of the Loan or the Additional Amount (if any), the Company will disclose by way of announcements all relevant details of the conversion of the Loan and the Additional Amount (if any) in the following manner:

- (i) the Company will make a monthly announcement (“**Monthly Announcement**”) on the website of the Stock Exchange on or before the fifth business day following the end of each calendar month and will include the following details in a table form:
 - (a) whether there is any conversion of the Loan and the Additional Amount (if any) during the relevant month, and if yes, details of the conversion, including the conversion date, number of New Shares issued and conversion price for each conversion. However, if there is no conversion during the relevant month, a negative statement will be made to that effect;
 - (b) the outstanding principal amount of the Loan and the Additional Amount (if any) after the conversion, if any;
 - (c) the total number of Shares issued during the relevant month pursuant to other transactions entered into by the Company (if any), including Shares issued pursuant to exercise of options under any share option scheme(s) of the Company; and
 - (d) the total issued share capital of the Company as at the commencement and the last day of the relevant month;
- (ii) in addition to the Monthly Announcement, if the cumulative amount of New Shares issued pursuant to the conversion of the Loan and the Additional Amount (if any) reaches 5% of the issued share capital of the Company as disclosed in the last Monthly Announcement or any subsequent announcement made by the Company in respect of the Loan Agreement (as the case may be) (and thereafter in a multiple of such 5% threshold), the Company will make an announcement on the website of the Stock Exchange including details as stated in (a) above for the period commencing from the date of the last Monthly Announcement or any subsequent announcement in respect of the Loan Agreement (as the case may be) up to the date on which the total amount of New Shares issued pursuant to the conversion amounted to 5% of the issued share capital of the Company as disclosed in the last Monthly Announcement or any subsequent announcement made by the Company in respect of the Loan Agreement (as the case may be). The subsequent Monthly Announcements will only be released through the website of the Stock Exchange.

E. FUND RAISING ACTIVITIES OF THE COMPANY IN THE 12 MONTHS IMMEDIATELY PRECEDING THE DATE OF THIS ANNOUNCEMENT

In March 2006, the Company completed a rights issue in the proportion of one rights Share for every Share held. The Company received approximately HK\$51 million net of expenses from the rights issue. It was disclosed in the Company's circular dated 17 February 2006 that the Company intended to use the proceeds as general working capital of the Group to support the working capital needs of the Group, in particular, the companies engaging in the ATM related business. Up to the date of this announcement, all net proceeds has been utilised for purchase and installation of the ATM in the PRC and for general working capital to finance the further expansion of the ATM operations of the Group.

As announced by the Company in its announcement dated 29 June 2006, the Company has issued 100,000,000 unlisted warrants at an initial subscription price of HK\$0.33 per warrant. The Company received approximately HK\$900,000 net of expenses from the issue which have been used as general working capital of the Group for the development of the ATM related business.

F. APPLICATION FOR LISTING

Application will be made to the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares and the New Shares.

G. SUSPENSION AND RESUMPTION OF TRADING OF THE SHARES

At the request of the Company, trading in the Shares on the Main Board of the Stock Exchange was suspended with effect from 9:30 a.m. on 14 November 2006 pending the release of this announcement. The Company has made an application to the Stock Exchange to resume trading of the Shares on the Stock Exchange from 9:30 am on 23 November 2006.

H. GENERAL

The Group is principally engaged in (i) the procurement, deployment and operation of ATM and the provision of maintenance and technical support services for the ATM and the development of value-added services for the ATM in collaboration with commercial banks (such as utility payment and sale of air and train tickets by ATM); and (ii) the provision of software development and systems integration services covering mainly healthcare security, social security, hospital information management systems and public security sectors in the PRC.

I. SGM

The Company will convene the SGM as soon as practicable to consider, among other things, the issue of the New Shares pursuant to the Loan Agreement. The Company will send a circular containing, among other matters, details of the Loan Agreement, a letter from an independent financial adviser, a letter from the independent board committee and a notice of the SGM to all Shareholders as soon as practicable. So far as the Directors are aware, Customers, who will own approximately 15.35% of the issued share capital of the Company upon completion of the Subscription, is required to abstain from voting in respect of the resolutions proposed to be passed at the SGM, and no other Shareholder is required to abstain from voting at the SGM.

J. DEFINITIONS

The following defined terms are used in this announcement:

“Additional Amount”	such amount to be calculated in accordance with the terms of the Loan Agreement as more particularly described in the paragraph headed “Principal terms of the Loan Agreement” in this announcement
“Board”	the board of Directors
“Company”	FinTronics Holdings Company Limited, the Shares of which are listed on the Main Board of the Stock Exchange
“Conversion Shares”	the new Shares to be issued to Customers upon conversion of the principal amount of the Loan
“Customers”	Customers Asia Limited, a company incorporated in Hong Kong with limited liability
“Director(s)”	the director(s) of the Company
“Drawdown Date”	the date of drawdown of the Loan by the Company pursuant to the Loan Agreement
“Group”	the Company and its subsidiaries
“Last Trading Day”	13 November 2006, being the last trading day of the Shares prior to the signing of the Subscription Agreement and the Loan Agreement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Listing Committee”	the listing committee of the Stock Exchange
“Loan”	a loan in the principal amount of HK\$62,400,000 which Customers has conditionally agreed to make available to the Company pursuant to the Loan Agreement
“Loan Agreement”	the convertible loan agreement dated 14 November 2006 entered into between Customers as the lender and the Company as the borrower in relation to a loan facility in the principal amount of HK\$62,400,000
“New Shares”	the Conversion Shares and such number of new Shares to be issued to Customers upon conversion of the Additional Amount (if any)
“SGM”	a special general meeting of the Company to be convened for the purpose of considering and, if thought fit, approving the issue of the New Shares

“Share(s)”	ordinary share(s) of HK\$0.10 in the capital of the Company
“Shareholder(s)”	holder(s) of Shares
“Shareholders’ Approval”	the approval from the Shareholders to issue the New Shares pursuant to the Loan Agreement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	the subscription of the Subscription Shares pursuant to the terms of the Subscription Agreement
“Subscription Agreement”	the subscription agreement dated 14 November 2006 between the Company and Customers in relation to the Subscription as amended and supplemented by a supplemental agreement dated 21 November 2006
“Subscription Shares”	210,000,000 new Shares
“%”	per cent.

As at the date of this announcement, the Directors are as follows:

Executive Directors Sze Wai, Marco, Chu Chi Shing, Song Jing Sheng and Gu Peijian

Independent non-executive Directors Wong Po Yan, Mao Zhenhua and Chong Yiu Kan, Sherman

By order of the Board
FinTronics Holdings Company Limited
Sze Wai, Marco
Chairman

Hong Kong, 22 November 2006

Please also refer to the published version of this announcement in China Daily.