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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)

**CLARIFICATION ANNOUNCEMENT – PROPOSED RIGHTS ISSUE OF
NOT LESS THAN 528,644,000 RIGHTS SHARES
OF HK\$0.10 EACH AT HK\$0.10 PER RIGHTS SHARE
PAYABLE IN FULL ON ACCEPTANCE
(IN THE PROPORTION OF ONE RIGHTS SHARE
FOR EVERY ONE EXISTING SHARE HELD ON THE RECORD DATE) AND
APPLICATION OF WHITEWASH WAIVER**

Reference is made to the announcement of FinTronics Holdings Company Limited (the “Company”) dated 11 January 2006 in relation to the proposed rights issue of not less than 528,644,000 rights shares of HK\$0.10 each at the subscription price of HK\$0.10 per rights share and application of whitewash waiver (the “Announcement”). Unless the context otherwise requires, words defined in the Announcement shall have the same meanings when used in this announcement.

Further to the issue of the Announcement, the Company wishes to clarify certain information contained in the paragraph headed “Changes in shareholding structure” in the Announcement, the details of which are set out below.

- (1) As disclosed in the Announcement, Mr. Sze Wai, Marco is an executive Director and the sole shareholder of the Underwriter. Accordingly, Mr. Sze will be treated as a party acting in concert with the Underwriter. As at the date of the Announcement, Mr. Sze was interested in the Outstanding Option entitling him to subscribe for 3,500,000 Shares. In order to give a clearer presentation on the shareholding structure of the Company immediately after the Rights Issue and if the Underwriter is required to take up all Rights Shares pursuant to the Underwriting Agreement (assuming all of the Outstanding Options and Outstanding Warrants are exercised on or before the Record Date), the Company would like to reclassify the 3,500,000 Shares in the row of “Holders of the Outstanding Options and Outstanding Warrants” to the row of “The Underwriter, its associates and parties acting in concert with it”.
- (2) Certain Directors’ interests in the Outstanding Options and the Outstanding Warrants previously grouped under the class headed “Holders of the Outstanding Options and Outstanding Warrants” are now presented individually under their respective names.
- (3) The percentage of shareholding of the other public Shareholders immediately after the Rights Issue if the Underwriter is required to take up all Rights Shares pursuant to the Underwriting Agreement (assuming all of the Outstanding Options and Outstanding Warrants are exercised on or before the Record Date) is approximately 29.70% but not 26.70% as stated in the Announcement which was a clerical mistake.

The revised shareholding structure table as a result of the Rights Issue is set out below:

	Existing shareholding structure as at the date of this announcement		Immediately after the Rights Issue and if all Shareholders take up their respective provisional allotments of the Rights Shares in full		Immediately after the Rights Issue and if the Underwriter is required to take up all Rights Shares pursuant to the Underwriting Agreement		Immediately after the Rights Issue and if the Underwriter is required to take up all Rights Shares pursuant to the Underwriting Agreement (assuming all of the Outstanding Options and Outstanding Warrants are exercised on or before the Record Date)	
	Number of Shares	%	Number of Shares	%	Number of Shares	%	Number of Shares	%
The Underwriter, its associates and parties acting in concert with it	132,434,953	25.05	264,869,906	25.05	661,078,953	62.53	770,259,953	60.72 (Note 1)
Other Directors								
Gu Peijian	540,000	0.10	1,080,000	0.10	540,000	0.05	540,000	0.04
Song Jing Sheng	18,900,000	3.58	37,800,000	3.58	18,900,000	1.79	24,900,000	1.96 (Note 2)
Chu Chi Shing	–	–	–	–	–	–	2,500,000	0.20 (Note 3)

Other public Shareholders	376,769,047	71.27	753,538,094	71.27	376,769,047	35.63	376,769,047	29.70
Other holders of the Outstanding Options and Outstanding Warrants	-	-	-	-	-	-	93,681,000	7.38
Total	<u>528,644,000</u>	<u>100.00</u>	<u>1,057,288,000</u>	<u>100.00</u>	<u>1,057,288,000</u>	<u>100.00</u>	<u>1,268,650,000</u>	<u>100.00</u>

Notes:

1. On the assumption that Mr. Sze Wai, Marco, the sole shareholder of the Underwriter and an executive Director, has exercised his Outstanding Option to subscribe for 3,500,000 Shares before the Record Date. Mr. Sze Wai, Marco is a party acting in concert with the Underwriter.
2. On the assumption that Mr. Song Jing Sheng, an executive Director, has exercised his Outstanding Warrants to subscribe for 6,000,000 Shares before the Record Date.
3. On the assumption that Mr. Chu Chi Shing, an executive Director, has exercised his Outstanding Option to subscribe for 2,500,000 Shares before the Record Date

A circular containing, among other things, details of the Rights Issue and the Whitewash Waiver, the recommendation of the independent board committee and the letter from Tai Fook Capital Limited to the independent board committee and Independent Shareholders together with a notice convening the SGM will be despatched to the Shareholders as soon as practicable.

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

Hong Kong, 18 January 2006

* for identification purposes only

The sole director of the Underwriter accept full responsibility for the accuracy of the information contained in this announcement (other than those in relation to the Group) and confirm, having made all reasonable enquiries, that to the best of his knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement (other than those in relation to the Group) the omission of which would make any statement in this announcement misleading.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than that in relation to the Underwriter) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement (other than those in relation to the Underwriter) the omission of which would make any statements in this announcement misleading.

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