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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)

**POSSIBLE CONNECTED TRANSACTION INVOLVING  
A SETTLEMENT AGREEMENT;  
POSSIBLE INCREASE IN SHAREHOLDING BY LEADING  
VALUE INDUSTRIAL LIMITED; AND  
RESUMPTION OF TRADING**

**POSSIBLE CONNECTED TRANSACTION INVOLVING A SETTLEMENT AGREEMENT**

On 4 March 2008, the Board approved the Settlement Agreement pursuant to which the Company, CAL, Customers and KG will, subject to the execution of the Settlement Agreement upon completion of the Sale and Purchase Agreement, settle any and all claims or rights which the Company has or may have against CAL, KG or RB or any of them in respect of the matters described in the paragraph headed “Background of the Settlement Agreement” below.

**POSSIBLE INCREASE IN SHAREHOLDING BY LEADING VALUE INDUSTRIAL LIMITED**

The Board has been informed by LV, a substantial shareholder of the Company, that on 4 March 2008, LV, CAL and Customer entered into the Sale and Purchase Agreement pursuant to which CAL shall sell, and LV shall purchase, (a) 210,000,000 Shares, representing approximately 11.41% of the entire issued share capital of the Company; and (b) the entire issued capital of a newly incorporated company that will be the transferee of the Convertible Note.

Upon completion of the Sale and Purchase Agreement, LV will hold (a) 474,869,906 Shares, representing approximately 25.79% of the entire issued share capital of the Company; and (b) the vehicle that owns the Convertible Note.

## **RESUMPTION OF TRADING**

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 5 March 2008 pending the release of this announcement. Application has been made by the Company for the resumption of trading in the Shares on the Main Board of the Stock Exchange with effect from 9:30 a.m. on 6 March 2008.

## **POSSIBLE CONNECTED TRANSACTION – SETTLEMENT AGREEMENT**

On 4 March 2008, the board of directors (the “**Board**”) of FinTronics Holdings Company Limited (the “**Company**”) approved a settlement agreement (the “**Settlement Agreement**”) which will be executed by the Company upon completion of the Sale and Purchase Agreement (as defined below). Set out below are the background and a summary of the major terms of the Settlement Agreement:

### **Background of the Settlement Agreement**

As at the date of this announcement, Customers Asia Limited (“**CAL**”) held 210,000,000 shares of the Company of HK\$0.10 each (each, a “**Share**”), representing approximately 11.41% of the entire issued share capital of the Company. CAL nominated two individuals, namely Mr Robert Kenneth Gaunt (“**KG**”) and Mr Robertus Martinus Andreas Broers (“**RB**”), to the Board and they were appointed as directors of the Company (“**Directors**”) with effect from 18 December 2006.

The Company announced on 18 September 2007 that the Company had entered into an agreement to acquire the 100% interest in Sino-US Technologies (Tianjin) Co., Ltd. (“**Sino-US**”), a sino-foreign equity joint venture established in the People’s Republic of China on 10 June 1993 (“**Sino-US Acquisition**”).

The Company further announced on 14 December 2007 that it would not proceed with the Sino-US Acquisition in view of the fact that the Company was not satisfied with the due diligence review on Sino-US.

It was subsequently revealed in the announcement of Customers Limited (“**Customers**”) (the holding company of CAL) dated 21 December 2007 that CAL had entered into an agreement to acquire Sino-US. The Company then requested RB and KG, being directors or otherwise connected with CAL, to resign their directorship with the Company on the ground that Sino-US was a competitor of the Company’s automatic teller machine business in the People’s Republic of China.

RB resigned as a Director on 16 January 2008.

It is a term of the Sale and Purchase Agreement that the completion of it is conditional upon, among other matters, the Company, CAL, Customers and KG entering into the Settlement Agreement at completion of the Sale and Purchase Agreement to settle any and all claims or rights which the Company has or may have against CAL, KG or RB or any of them in respect of the matters described above in accordance with the terms of the Settlement Agreement.

CAL, Customers, KG and RB do not admit that they have committed any breaches of duties against the Company.

### **Major terms of the Settlement Agreement**

1. KG to apologise to the Board for any misunderstandings that the Company may have been under in connection with the matters outlined above.
2. CAL to pay or procure the payment of HK\$1,687,500 (“**Settlement Sum**”) against the execution and delivery by the Company of the Settlement Agreement in full and final settlement of all claims and/or rights (of whatsoever nature, at law or in equity, and howsoever arising), which the Company now has, or may (but for this agreement) at any time in the future have had, against CAL (and its officers and directors), KG or RB or any of them in respect of any matter, transaction, arrangement or dealing (of whatsoever description) relating to or concerning the acquisition or proposed acquisition of Sino-US by CAL.
3. The Company to confirm and undertake that it will not at any time hereafter assert, bring or initiate any claim or proceedings (legal or otherwise, in Hong Kong or elsewhere) or take any other actions or steps against CAL (its officers and directors), RB and KG or any of them whether in relation to the acquisition or proposed acquisition of Sino-US by CAL or otherwise whatsoever upon receipt of the Settlement Sum.
4. The Company to notify the Australian Securities Exchange Limited, the Hong Kong Stock Exchange and any other person that the Company withdraws entirely and without condition its complaints against CAL, Customers and their respective officers and directors made to in connection with the acquisition or proposed acquisition by of Sino-US by CAL and agrees, confirms and undertakes that it will not at any time hereafter assert, bring or initiate any such complaint to any person.
5. Each of Customers and the Company to undertake to the other that it will not at any time after the signing of the Settlement Agreement shall assert, bring or initiate any complaint (of whatsoever nature) to any of the Australian Securities Exchange Limited, the Stock Exchange and any other person.

The Settlement Sum represents about half share of the third party professional costs and expenses incurred by the Company in connection with the proposed acquisition of Sino-US by the Company.

The Directors (including the independent non-executive Directors) consider that the terms of the Settlement Agreement are fair and reasonable and are in the interests of the Company and the shareholders of the Company as a whole.

### **Listing Rules implications**

The entering into of the Settlement Agreement will constitute a connected transaction for the Company and is subject to reporting and announcement requirements under the Rules Governing the Listing of Securities on the Stock Exchange.

### **General**

The Group is principally engaged in (i) the procurement, deployment and operation of automatic teller machines (the “ATMs”) and the provision of maintenance and technical support services for ATMs and the development of value-added services for ATMs in collaboration with commercial banks; and (ii) the sale of integrated circuits and computer softwares.

CAL is a member of a group of companies based in Australia principally engaged in electronics payments businesses. Its ultimate holding company, Customers, is a company listed on the Australian Stock Exchange.

### **POSSIBLE INCREASE IN SHAREHOLDING BY LV**

The Board has been informed by Leading Value Industrial Limited (“LV”), a substantial shareholder of the Company, that on 4 March 2008, LV, CAL and Customer entered into a sale and purchase agreement (the “**Sale and Purchase Agreement**”) pursuant to which CAL shall sell, and LV shall purchase:

- (i) 210,000,000 Shares, representing approximately 11.41% of the entire issued share capital of the Company; and
- (ii) the entire issued share capital of a wholly owned subsidiary of CAL which will be the holder of the 8% 2010 due convertible note in the principal amount of HK\$62,400,000 created by the Company pursuant to an agreement dated 14 November 2006 and made between the Company and CAL (the “**Convertible Note**”).

Subject to fulfillment of certain conditions, completion of the Sale and Purchase Agreement shall take place on 9 May 2008 or such earlier date as may be notified by LV to CAL by giving CAL at least five business days prior notice.

## Possible resignation of Director

Pursuant to the terms of the Sale and Purchase Agreement, KG will resign as a Director upon completion of the Sale and Purchase Agreement.

## Shareholding details

The table below sets out the shareholding structure of the Company as at the date of this announcement and immediately after completion of the sale and purchase of 210,000,000 Shares:

	As at the date of this announcement	%	Immediately after completion of the sale and purchase of 210,000,000 Shares	%
<b>LV (note)</b>	264,869,906	14.38	474,869,906	25.79
<b>Directors</b>				
Song Jing Sheng	36,000,000	1.96	36,000,000	1.96
Chong Yiu Kan Sherman	1,250,000	0.07	1,250,000	0.07
<b>CAL</b>	210,000,000	11.41	–	–
<b>Public</b>	<u>1,329,165,016</u>	<u>72.18</u>	<u>1,329,165,016</u>	<u>72.18</u>
<b>Total:</b>	<u>1,841,284,922</u>	<u>100</u>	<u>1,841,284,922</u>	<u>100</u>

*Note:* LV is a company incorporated in the British Virgin Islands with limited liabilities and wholly owned by Mr. Sze Wai, Marco, an executive Director.

## GENERAL

**Shareholders and potential investors in the Company should note that completion of the Sale and Purchase Agreement may not take place and are advised to exercise caution when dealing in shares of the Company.**

## **RESUMPTION OF TRADING**

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 5 March 2008 pending the release of this announcement. Application has been made by the Company for the resumption of trading in the Shares on the Main Board of the Stock Exchange with effect from 9:30 a.m. on 6 March 2008.

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

Hong Kong, 5 March 2008

\* *for identification purpose only*

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

*Executive Directors*

Mr. Sze Wai, Marco, Mr. Chu Chi Shing, Mr. Robert Kenneth Gaunt, Mr. Tan Shu Jiang and Mr. Song Jing Sheng

*Non-executive Director*

Mr. Zee Zin Yee

*Independent non-executive Directors*

Mr. Wong Po Yan, Mr. Mao Zhenhua and Mr. Chong Yiu Kan, Sherman