
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt about any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional advisers.

If you have sold or transferred all your shares in the Company, you should at once hand this circular together with the enclosed form of proxy to the purchaser or transferee or to the bank, licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

This circular is addressed to the shareholders of the Company in connection with the SGM to be held on Monday, 20 October 2008. This circular is not and does not constitute an offer of, nor is it intended to invite offers for, shares in or other securities of the Company.

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

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)

**CONNECTED TRANSACTION –
PROPOSED AMENDMENTS TO THE CONVERTIBLE LOAN AGREEMENT
AND
NOTICE OF SPECIAL GENERAL MEETING**

Capitalised terms used in this cover page shall have the same meanings as those defined in the section headed “Definitions” in this circular.

A letter from the Board is set out on pages 4 to 11 of this circular. A letter from the Independent Board Committee is set out on pages 12 to 13 of this circular. A letter from Taifook Capital containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 14 to 21 of this circular.

A notice convening the SGM to be held at Room 3203, 32/F, Admiralty Centre, Tower 1, 18 Harcourt Road, Hong Kong at 10:00 a.m. on Monday, 20 October 2008 is set out on pages 27 to 28 of this circular. If you are not able to attend the meeting in person, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon and deposit it with the Company’s branch share registrar in Hong Kong, Tricor Tengis Limited, at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the SGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjournment thereof if you so wish.

3 October 2008

* for identification purpose only

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DEFINITIONS

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

“ATM”	the automatic teller machine(s)
“Board”	the board of Directors
“CAL”	Customers Asia Limited, a company incorporated in Hong Kong with limited liability
“Company”	FinTronics Holdings Company Limited, a company incorporated in Bermuda with limited liability and the Shares of which are listed on the Main Board of the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“First Supplemental Deed”	the supplemental deed dated 10 January 2007 and entered into by the Company and CAL to amend and supplement certain terms and conditions of the Principal Agreement
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Independent Board Committee”	the independent committee of the Board comprising three independent non-executive Directors namely, Mr. Wong Po Yan, Mr. Mao Zhenhua and Mr. Chong Yiu Kan, Sherman established by the Board for the purpose of advising the Independent Shareholders in relation to the Second Supplemental Deed
“Independent Shareholders”	Shareholders other than LV and its associates and those who are interested in or involved in the Loan
“Latest Practicable Date”	29 September 2008, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular
“Lender”	Richland Profits Limited, a company incorporated in the British Virgin Islands with limited liability and wholly owned by LV

DEFINITIONS

“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“Loan Agreement”	the Principal Agreement as supplemented and amended by the First Supplemental Deed
“Loan”	the unsecured convertible loan of HK\$62,400,000 made available by CAL to the Company pursuant to the Loan Agreement
“LV”	Leading Value Industrial Limited, a company incorporated in the British Virgin Islands with limited liability and wholly owned by Mr. Sze Wai, Marco, a substantial Shareholder and an executive Director
“PRC”	the People’s Republic of China and for the purpose of this circular, excluding Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Principal Agreement”	the convertible loan agreement dated 14 November 2006 and entered into between the Company and CAL
“Proposed Amendments”	the proposed amendments to the Loan Agreement and the convertible note created pursuant to the Loan Agreement in accordance with the Second Supplemental Deed
“Second Supplemental Deed”	the supplemental deed dated 12 September 2008 and entered into by the Company and the Lender in relation to the Proposed Amendments
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“SGM”	the special general meeting of the Company convened to be held on Monday, 20 October 2008 for the purposes of considering, and if thought fit, approving the Second Supplemental Deed
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

DEFINITIONS

“Subscription Agreement”	the subscription agreement dated 14 November 2006 and entered into between the Company and CAL (as amended and supplemented by a supplemental agreement dated 21 November 2006) in relation to the subscription of 210,000,000 Shares by CAL
“Taifook Capital”	Taifook Capital Limited, a corporation licensed to carry on type 6 (advising on corporate finance) regulated activities under the SFO, the independent financial advisers to the Independent Board Committee and the Independent Shareholders in relation to the Second Supplemental Deed
“%”	per cent.

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)

Executive Directors:

Sze Wai, Marco (*Chairman*)

Chu Chi Shing

Tan Shu Jiang

Song Jing Sheng

Registered office:

Clarendon House

2 Church Street

Hamilton HM11

Bermuda

Independent non-executive Directors:

Wong Po Yan

Mao Zhenhua

Chong Yiu Kan, Sherman

*Head office and principal place
of business in Hong Kong:*

Units 2003 and 2005, 20th Floor

Great Eagle Centre

23 Harbour Road

Wanchai

Hong Kong

3 October 2008

To the Shareholders

Dear Sir or Madam

**CONNECTED TRANSACTION –
PROPOSED AMENDMENTS TO THE CONVERTIBLE LOAN AGREEMENT
AND
NOTICE OF SPECIAL GENERAL MEETING**

INTRODUCTION

On 12 September 2008, the Company and the Lender entered into the Second Supplemental Deed to amend and supplement certain terms of the Loan Agreement and the convertible note created pursuant to the Loan Agreement.

The Lender is a company incorporated in the British Virgin Islands with limited liability and wholly owned by LV which is in turn wholly owned by Mr. Sze Wai, Marco, a substantial shareholder and an executive Director. Therefore, the Lender is a connected person of the Company.

* *for identification purpose only*

LETTER FROM THE BOARD

The entering into of the Second Supplemental Deed constitutes a connected transaction for the Company and is subject to obtaining approval from the Independent Shareholders.

The purpose of this circular is to provide you with information in relation to the Proposed Amendments and the Group and to give you notice of the SGM.

BACKGROUND

On 14 November 2006, the Company and CAL entered into the Subscription Agreement pursuant to which CAL subscribed for 210,000,000 Shares. On the same day, the Company (as borrower) and CAL (as lender) entered into the Principal Agreement pursuant to which CAL agreed to make available to the Company the Loan in the principal amount of HK\$62,400,000 pursuant to the terms and conditions of the Principal Agreement. Details of the Subscription Agreement and the Principal Agreement are set out in the announcement of the Company dated 22 November 2006.

On 10 January 2007, the Company and CAL entered into the First Supplemental Deed to amend and supplement certain terms and conditions of the Principal Agreement. Details of the First Supplemental Deed are set out in the announcement of the Company dated 10 January 2007.

Pursuant to the Loan Agreement, subject to the obtaining of the approval from the shareholders of the Company, CAL shall be entitled to exercise the conversion right to convert the principal amount of the Loan, in whole or in part, into Shares at an initial conversion price of HK\$0.26 at any time up to the maturity date of the Loan which is the date falling three year from the date of drawdown of the Loan by the Company (the “**Maturity Date**”). The Loan was drawn by the Company on 5 February 2007. Save for any early repayment of the Loan upon occurrence of an event of default or any conversion of the Loan into Shares pursuant to the terms and conditions of the Loan Agreement, the Maturity Date is 4 February 2010.

It is one of the conditions of the listing approval granted by the Stock Exchange on 16 February 2007 in relation to the Shares to be allotted and issued upon conversion of the Loan that there will be no amendments to the terms and conditions of the Loan unless prior approval has been obtained from the Stock Exchange.

On 16 February 2007, a special general meeting of the Company was held and an ordinary resolution was passed to approve the issue of Shares upon conversion of the Loan.

On 9 May 2008, CAL transferred all its rights, benefits and obligation under the Loan to the Lender, the entire issued share capital of which was then beneficially owned by CAL. Immediately after such transfer, on the same date, (i) LV acquired the entire issued share capital of the Lender which was the holder of the convertible note in the principal amount of HK\$62,400,000 created by the Company pursuant to the Loan Agreement from CAL; and (ii) LV purchased the 210,000,000 Shares issued to CAL pursuant to the Subscription Agreement. Immediately after such acquisition, the Lender is wholly owned by LV which is in turn wholly owned by Mr. Sze Wai, Marco, a substantial shareholder and an executive Director. Please refer to the announcement of the Company dated 13 May 2008 for further details.

LETTER FROM THE BOARD

THE SECOND SUPPLEMENTAL DEED

On 12 September 2008, the Company and the Lender entered into the Second Supplemental Deed in relation to the Proposed Amendments, details of which are set out below:

Conditions precedent

The Proposed Amendments are conditional on the following conditions being fulfilled:

- (i) the approval of the Proposed Amendments by the independent shareholders of the Company at a general meeting in accordance with the Listing Rules being obtained; and
- (ii) the Stock Exchange or such other regulatory authorities granting the approval of the amendments to the terms of the Loan.

It is one of the conditions of the listing approval dated 16 February 2007 in respect of the conversion shares to be allotted and issued upon conversion of the Loan that there will be no amendments to the terms and conditions of the Loan unless prior approval has been obtained from the Stock Exchange. Therefore, the Proposed Amendments are subject to the approval of the Stock Exchange.

Proposed Amendments

1. *Repayment Date*

Proposed amendments

Pursuant to Loan Agreement, save for any early repayment of the Loan upon occurrence of an event of default or any conversion of the Loan into Shares pursuant to the terms and conditions of the Loan Agreement, the outstanding principal amount of the Loan is repayable by the Company on the Maturity Date which is 4 February 2010.

It is proposed to amend the Loan Agreement to the effect that subject to the obtaining of the Lender's written consent to the proposed prepayment by the Company, the Company may prepay all or part of the Loan at any time prior to the Maturity Date provided that:

- (a) the amount of any partial prepayment shall be an integral multiple of HK\$1,000,000; and
- (b) interest on the relevant prepaid sum accrued up to the day immediately preceding the day of prepayment, and all other sums then due and payable under the Loan Agreement shall have been paid.

LETTER FROM THE BOARD

If the Company prepays all or part of the Loan at any time before 4 August 2009 (that is, six months prior to the Maturity Date), the Company shall, in respect of the sum to be repaid (the “**Prepaid Sum**”), pay to the Lender an additional sum which equals 5% of the Prepaid Sum.

If the Loan is not prepaid in full before the Maturity Date, the outstanding principal amount of the Loan on the Maturity Date, together with interest accrued thereon, shall be repaid by the Company on the business day immediately following the Maturity Date (the “**Final Maturity Date**”).

Reasons for and benefits of the proposed amendments

As at the date of the Second Supplemental Deed and as at the Latest Practicable Date, the entire principal amount of the Loan remained outstanding. There is no early repayment mechanism contained in the Loan Agreement. The Company is not allowed to prepay any part of the Loan under the Loan Agreement. In order to allow flexibility for the Company to reorganise its financial position before the Maturity Date, the Lender agreed, at the request of the Company, to grant to the Company a right to prepay the Loan before the Maturity Date and to incorporate an early repayment mechanism in the Loan Agreement. If the Company prepays all or part of the Loan at any time before 4 August 2009 (that is, six months prior to the Maturity Date), the Company is required to pay an additional sum which represents 5% of the amount prepaid, such sum represents the cost of funding of the Lender. The proposed amendments not only gives flexibility to the Company to reorganise its financial position but also saves the interest expenses of the Group if the Loan is prepaid before its maturity. Set out below are two hypothetical examples on the possible interest expenses savings of the Group if the proposed amendments became effective:

Scenario 1 – Assuming that (i) the principal amount of the Loan of HK\$62.4 million remained outstanding as at 20 October 2008 (being the date of SGM to approve the Second Supplemental Deed); (ii) the Group repaid the entire Loan on 20 October 2008 by cash from its internal resources; and (iii) the Group’s deposit rate as at 20 October 2008 was 1.575% (with reference to the time deposit rate of the Group of 1.575% per annum as at 11 September 2008).

Since the Company prepaid the Loan before 4 August 2009, the Company had to pay to the Lender an additional sum of about HK\$3.1 million which equals 5% of the Prepaid Sum. Taking into account the early repayment charge of 5%, the interest rate of the Loan of 8% per annum and the deposit interest foregone for the period from the repayment date (i.e. 20 October 2008) to the Maturity Date (i.e. 4 February 2010), the Group could have saved approximately HK\$2.1 million.

Scenario 2 – Assuming that (i) the principal amount of the Loan of HK\$62.4 million remained outstanding as at 4 August 2009; (ii) the Company repaid the entire Loan on 4 August 2009 by cash from its internal resources; and (iii) the Group’s deposit rate as at 4 August 2009 was 1.575% (with reference to the time deposit rate of the Group of 1.575% per annum as at 11 September 2008).

LETTER FROM THE BOARD

Since the Company prepaid the Loan on 4 August 2009, the Company was not required to pay to the Lender an additional sum which equals 5% of the Prepaid Sum. Taking into account the interest rate of the Loan of 8% per annum and the deposit interest foregone for the period from the repayment date (i.e. 4 August 2009) to the Maturity Date (i.e. 4 February 2010), the Group could have saved approximately HK\$2.0 million.

2. *Automatic conversion*

Proposed amendments

Pursuant to Loan Agreement and the convertible note created pursuant to the Loan Agreement, in the event that the Company has failed to repay the Loan on the Maturity Date and the Lender has not exercised its conversion rights in full prior to such day, the outstanding principal amount of the Loan shall be automatically converted into Shares at the weighted average closing price of the Shares quoted at the Stock Exchange from the first day of the 25th month after the drawdown date of the Loan (i.e. 5 February 2009) to the last day of the 36th month after such drawdown date (i.e. 4 February 2010) (if such price is equal to or higher than the then par value of each Share) (the “**Weighted Average Price**”).

It is that proposed that the automatic conversion provisions as mentioned above be removed.

Reasons for and benefits of the proposed amendments

At the time when the Company entered into the Subscription Agreement and the Loan Agreement with CAL, the Group was actively pursuing the ATM business. The Loan Agreement was entered into in conjunction with the Subscription Agreement which together raised additional capital for the Group’s future business development, enhanced its capital base and most importantly brought to the Group an experienced market player in the ATM industry with ability to provide technical and industry support to the Group for its future development into a leading ATM service operator in the PRC.

The automatic conversion provisions were then specifically designed and incorporated into the relevant documents to cater for the long term cooperative relationship between the Company and CAL and should thus only be applied in the then prevailing circumstances.

As CAL ceased to be a shareholder of the Company and ceased to have any interest in the Loan in May 2008, the Board considers that the automatic conversion provisions shall be removed.

In addition, upon conversion of the Loan in full at the initial conversion price of HK\$0.26 per Share, an aggregate of 240,000,000 Shares, representing approximately 13.03% of the issued share capital of the Company as at the Latest Practicable Date and approximately 11.53% of the issued share capital of the Company as enlarged by such conversion shares, will be allotted and issued to the Lender. If the Weighted Average Price is lower than the initial conversion price, the initial conversion price will be subject to downward adjustment and the shareholding

LETTER FROM THE BOARD

of the Company will be further diluted. The removal of the automatic conversion provisions in the Loan Agreement could exclude the possibility of automatic dilution of the shareholding of the Company when the Company failed to repay the Loan at the Maturity Date. Moreover, in view of the recent volatile share market, the amount of adjustment to the conversion price at the Maturity Date and the dilution effect to shareholding of the Company are uncertain. On such basis, the Directors consider that the removal of the automatic conversion provisions is to the benefit of the Company and the Shareholders as a whole.

3. *Business activities*

Proposed amendments

It is provided in the Loan Agreement that the Company shall not conduct any business activity and operations which are materially different to that which the Company has conducted up to the date of the Principal Agreement for so long as any Loan remains outstanding or CAL still holds the Shares allotted to it pursuant to the Subscription Agreement. In addition, the Company shall not amend or alter or revoke the business strategy plan without the prior written consent of the holder of the convertible note and the Company shall conduct its business in accordance with such business strategy plan.

It is proposed that the restrictions mentioned above be removed from the Loan Agreement.

Reasons for and benefits of the proposed amendments

The Board considers that the proposed amendments to the Loan Agreement gives flexibility for the Company in formulating and executing its business strategies to adapt to the fluid business environment which will be beneficial to the Group's development.

Save as mentioned herein and other corresponding changes to the Loan Agreement and the convertible note created pursuant to the Loan Agreement, there is no other amendment to the major terms of the Loan Agreement and the convertible note created pursuant to the Loan Agreement.

Directors' view

The Directors (including the independent non-executive Directors) consider that the terms of the Second Supplemental Deed are on normal commercial terms and fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

GENERAL

The Group is principally engaged in (i) the procurement, deployment and operation of 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.

The Lender is an investment holding company.

LETTER FROM THE BOARD

LISTING RULES IMPLICATIONS

The Lender is a company incorporated in the British Virgin Islands with limited liability and wholly owned by LV which is in turn wholly owned by Mr. Sze Wai, Marco, a substantial shareholder and an executive Director. Therefore, the Lender is a connected person of the Company.

The entering into of the Second Supplemental Deed constitutes a connected transaction for the Company and is subject to obtaining approval from the Independent Shareholders at the SGM.

SGM

The Company will convene the SGM at 10:00 a.m. on Monday, 20 October 2008 to consider, and if thought fit, to approve the Second Supplemental Deed. A notice of the SGM is set out on pages 27 to 28 of this circular.

A form of proxy for use at the SGM is also enclosed. If you are not able to attend the SGM, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon to the Company's branch share registrar in Hong Kong, Tricor Tengis Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for holding the SGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjournment thereof if you so wish.

To the best knowledge of the Directors having made all reasonable enquiries, LV, which held 474,869,906 Shares (representing approximately 25.79% of the entire issued share capital of the Company) as at the Latest Practicable Date, is required to abstain from voting at the SGM. Other than LV, no other Shareholder will abstain from voting at the SGM.

POLL PROCEDURE

Pursuant to Bye-law 73 of the bye-laws of the Company, a resolution put to the vote of a meeting shall be decided on a show of hands unless (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is demanded:

- (i) by the chairman of such meeting; or
- (ii) by at least three Shareholders present in person (or, in the case of a shareholder being a corporation, by its duly authorised representative) or by proxy for the time being entitled to vote at the meeting; or
- (iii) by a Shareholder or Shareholders present in person (or, in the case of a shareholder being a corporation, by its duly authorised representative) or by proxy and representing not less than one-tenth of the total voting rights of all Shareholders having the right to vote at the meeting; or

LETTER FROM THE BOARD

- (iv) by a Shareholder or Shareholders present in person (or, in the case of a Shareholder being a corporation, by its duly authorised representative) or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all shares conferring that right.

Pursuant to Rule 13.39(4) of the Listing Rules, the vote of the Independent Shareholders taken at the SGM will be taken by poll, the results of which will be announced on the next business day after the SGM.

RECOMMENDATION

The Independent Board Committee comprising all the independent non-executive Directors, namely Mr. Wong Po Yan, Mr. Mao Zhenhua and Mr. Chong Yiu Kan, Sherman, has been established to advise the Independent Shareholders as to the fairness and reasonableness of the terms of the Second Supplemental Deed. Your attention is drawn to the advice of the Independent Board Committee set out in its letter set out on pages 12 to 13 of this circular. Your attention is also drawn to the letter from Taifook Capital containing its advice to the Independent Board Committee and the Independent Shareholders in respect of the terms of the Second Supplemental Deed set out on page 14 to 21 in this circular.

The Independent Board Committee, having taken into account the advice of Taifook Capital, considers that the terms of the Second Supplemental Deed are on normal commercial terms and in the best interest of the Company and the Shareholders as a whole. The Independent Board Committee also considers that the terms of the Second Supplemental Deed are fair and reasonable so far as the Independent Shareholders are concerned and recommend the Independent Shareholders to vote in favour of the ordinary resolution approving the Second Supplemental Deed at the SGM.

The Directors consider that the terms of the Second Supplemental Deed are fair and reasonable to the Company and in the interests of the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the ordinary resolution at the SGM.

ADDITIONAL INFORMATION

Your attention is drawn to the information set out in the appendix to this circular.

Yours faithfully,
For and on behalf of the Board of
FinTronics Holdings Company Limited
Sze Wai, Marco
Chairman

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

The following is a full text of the letter from the Independent Board Committee prepared for the propose of inclusion in this circular:

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)

CONNECTED TRANSACTION – PROPOSED AMENDMENTS TO THE CONVERTIBLE LOAN AGREEMENT

3 October 2008

To the Independent Shareholders

Dear Sir or Madam

We refer to the circular issued by the Company to its Shareholders and dated 3 October 2008 (“**Circular**”) of which this letter forms part. Terms defined in this Circular have the same meanings when used in this letter unless the context otherwise requires.

Under the Listing Rules, the entering into of the Second Supplemental Deed constitutes a connected transaction for the Company and is subject to obtaining approval from the Independent Shareholders.

We have been appointed by the Board to consider the terms of the Second Supplemental Deed and to advise the Independent Shareholders in connection therewith and as to whether, in our opinion, such terms are fair and reasonable so far as the Independent Shareholders are concerned. Taifook Capital has been appointed as the independent financial adviser to advise us in this respect.

We wish to draw your attention to the letter from the Board and the letter from Taifook Capital as set out in the Circular. Having considered the principal factors and reasons considered by, and the advice of, Taifook Capital as set out in its letter of advice, we consider that the terms of the Second Supplemental Deed are on normal commercial terms and are fair and reasonable so far as the

* *for identification purpose only*

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Independent Shareholders are concerned, and is in the interest of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolution approving the Second Supplemental Deed at the SGM.

Yours faithfully,

For and on behalf of

Independent Board Committee

Wong Po Yan

Mao Zhenhua

Chong Yiu Kan, Sherman

Independent non-executive Directors

LETTER FROM TAIFOOK CAPITAL LIMITED

The following is the letter of advice to the Independent Board Committee and Independent Shareholders from Taifook Capital, which has been prepared for the purpose of incorporation into this circular, setting out its advice to the Independent Board Committee and Independent Shareholders in connection with the Second Supplemental Deed.



25th Floor
New World Tower
16-18 Queen's Road Central
Hong Kong

3 October 2008

To the Independent Board Committee and the Independent Shareholders
FinTronics Holdings Company Limited
Rooms 2003 and 2005, 20/F
Great Eagle Centre
23 Harbour Road
Wanchai
Hong Kong

Dear Sirs,

CONNECTED TRANSACTION- PROPOSED AMENDMENTS TO THE LOAN AGREEMENT

INTRODUCTION

We refer to our appointment as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the Second Supplemental Deed, details of which are set out in the letter from the Board (the "Letter") contained in the circular of the Company dated 3 October 2008 (the "Circular"), of which this letter forms part. Terms used in this letter shall have the same respective meanings as defined in the Circular unless the context otherwise requires.

As referred to in the Letter, on 12 September 2008, the Company entered into the Second Supplemental Deed with the Lender to amend and supplement certain terms of the Loan Agreement and the convertible note created pursuant to the Loan Agreement.

The Lender is wholly-owned by LV, which is in turn wholly-owned by Mr. Sze Wai, Marco, a substantial Shareholder and an executive Director. Accordingly, the Lender is a connected person of the Company and therefore, the entering into the Second Supplemental Deed by the Company and the Lender constitutes a connected transaction for the Company and is subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. LV and its associates shall abstain from voting on the proposed resolution regarding the Second Supplemental Deed at the SGM.

LETTER FROM TAIFOOK CAPITAL LIMITED

An independent board committee comprising all independent non-executive Directors, namely Mr. Wong Po Yan, Mr. Mao Zhenhua and Mr. Chong Yiu Kan, Sherman, has been established to advise the Independent Shareholders in respect of the Second Supplemental Deed. In our capacity as the independent financial adviser to the Independent Board Committee and the Independent Shareholders, our role is to provide the Independent Board Committee and the Independent Shareholders with an independent opinion and recommendation as to whether the terms of the Second Supplemental Deed are on normal commercial terms, fair and reasonable so far as the Independent Shareholders are concerned and whether the entering into of the Second Supplemental Deed is in the interests of the Group and the Independent Shareholders as a whole.

BASES AND ASSUMPTIONS

In formulating our recommendation, we have relied on the information, financial information and facts supplied, and representations expressed, by the Directors and/or the Group's management and have assumed that all such information, financial information, facts and any representations made to us, or referred to in the Circular, have been properly extracted from the information and the relevant underlying accounting records (in the case of financial information) provided by the Company and made after due and careful inquiry by the Directors and/or the Group's management. We have also assumed that the information, financial information, facts and any representations made to us or referred to in the Circular were complete, true and accurate at the time they were made and up to the date of the SGM. We have not been advised by the Directors and/or the Group's management that material facts have been omitted from the information supplied and representations expressed to us and we are not aware of any facts or circumstances which would render such information and representations untrue, inaccurate or misleading. We have no reason to doubt the truth or accuracy of the information provided to us, or to believe that any material information has been omitted or withheld. We have relied on such information and consider that the information we have received is sufficient for us to reach our advice and recommendation as set out in this letter and to justify our reliance on such information. We have not, however, conducted any independent verification of the information nor have we conducted any form of in-depth investigation into the businesses, affairs, financial position or prospects of the Group, the Lender and their respective associates.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our recommendation in respect of the terms of the Second Supplemental Deed, we have considered the following principal factors and reasons:

1. Background

1.1 Information of the Group

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

LETTER FROM TAIFOOK CAPITAL LIMITED

1.2 Information of the Lender

As referred to in the Letter, the Lender is an investment holding company incorporated in the British Virgin Islands with limited liability. The Lender is wholly-owned by LV, which is in turn wholly-owned by Mr. Sze Wai, Marco, a substantial Shareholder and an executive Director.

1.3 The Loan Agreement

As mentioned in the Letter and as confirmed by the Directors, on 14 November 2006, the Company (as borrower) and CAL (as lender) entered into a convertible loan agreement pursuant to which CAL agreed to make available to the Company an unsecured convertible loan of HK\$62,400,000 at the coupon rate of 8% per annum due in 2010 in accordance with the terms and conditions of the Principal Agreement. Details of the Principal Agreement were set out in the announcement of the Company dated 22 November 2006.

On 10 January 2007, the Company and CAL entered into a supplemental deed, the First Supplemental Deed, to amend and supplement certain terms and conditions of the Principal Agreement. Details of the First Supplemental Deed were set out in the announcement of the Company dated 10 January 2007.

On 5 February 2007, the Loan was drawn in full by the Company.

On 16 February 2007, the listing approval in relation to the Shares to be allotted and issued upon conversion of the Loan was granted by the Stock Exchange with one of the conditions that there will be no amendments to the terms and conditions of the Loan unless prior approval has been obtained from the Stock Exchange. On the same day, a special general meeting of the Company was held and an ordinary resolution was passed to approve the issue of the Shares upon conversion of the Loan.

On 9 May 2008, among other things, (i) CAL transferred all its rights, benefits and obligations under the Loan to the Lender, the entire issued share capital of which was then beneficially owned by CAL; and (ii) immediately after such transfer, LV acquired the entire issued share capital of the Lender which was the holder of the convertible note in the principal amount of HK\$62,400,000 created by the Company pursuant to the Loan Agreement from CAL. Immediately after such acquisition, the Lender is wholly owned by LV which is in turn wholly-owned by Mr. Sze Wai, Marco, a substantial Shareholder and an executive Director. Please refer to the announcement of the Company dated 13 May 2008 for further details.

On 12 September 2008, the Company and the Lender entered into another supplemental deed, the Second Supplemental Deed, to amend and supplement certain terms of the Loan Agreement and the convertible note created pursuant to the Loan Agreement. The entire principal amount of the Loan remained outstanding as at the Latest Practicable Date.

LETTER FROM TAIFOOK CAPITAL LIMITED

2. The Second Supplemental Deed

2.1 *Proposed amendments to the Loan Agreement*

2.1.1 Repayment Date

Pursuant to the Loan Agreement, save for any early repayment of the Loan upon occurrence of an event of default or any conversion of the Loan into Shares pursuant to the terms and conditions of the Loan Agreement, the outstanding principal amount of the Loan is repayable by the Company upon its maturity on the date falling three years from the date of drawdown of the Loan by the Company which is 4 February 2010.

It is proposed to amend the Loan Agreement to the effect that subject to the obtaining of the Lender's written consent to the proposed prepayment by the Company, the Company may prepay all or part of the Loan at any time prior to the Maturity Date provided that:

- (a) the amount of any partial prepayment shall be an integral multiple of HK\$1,000,000; and
- (b) interest on the relevant prepaid sum accrued up to the day immediately preceding the day of prepayment, and all other sums then due and payable under the Loan Agreement shall have been paid.

If the Company prepays all or part of the Loan at any time before 4 August 2009 (the "First No-charge Date") (that is, six months prior to the Maturity Date), the Company shall pay to the Lender an additional sum which equals 5% of the Prepaid Sum.

It is also proposed to add into the Loan Agreement that if the Loan is not prepaid in full before the Maturity Date, the outstanding principal amount of the Loan on the Maturity Date, together with interest accrued thereon, shall be repaid by the Company on the business day immediately following the Maturity Date.

2.1.2 Automatic conversion

Pursuant to the Loan Agreement, in the event that the Company has failed to pay the Loan on the Maturity Date and the holder of the convertible note has not exercised its conversion rights in full prior to such day, the outstanding principal amount of the Loan shall be automatically converted into Shares at the weighted average closing price (the "Weighted Average Price") of the Shares quoted at the Stock Exchange from the first day of the 25th month after the drawdown date of the Loan (i.e. 5 February 2009) to the last day of the 36th month after such drawdown date (i.e. 4 February 2010) for so long as the Weighted Average Price is equal to or higher than the then par value of each Share.

LETTER FROM TAIFOOK CAPITAL LIMITED

It is proposed to delete the relevant automatic conversion provisions from the Loan Agreement.

2.1.3 Business activities

Pursuant to the Loan Agreement, the Company shall not conduct any business activity and operations which are materially different to that which the Company has conducted up to the date of the Principal Agreement for so long as any Loan remains outstanding or CAL still holds the Shares allotted to it pursuant to the Subscription Agreement. In addition, the Company shall not amend or alter or revoke the business strategy plan without the prior written consent of the holder of the convertible note and the Company shall conduct its business in accordance with such business strategy plan.

It is proposed to delete the relevant restrictions on business activities from the Loan Agreement.

2.2 *Reasons for and benefits of the entering into of the Second Supplemental Deed*

2.2.1 Repayment Date

As at the Latest Practicable Date, the entire principal amount of the Loan remained outstanding. Based on the principal amount of the Loan of HK\$62.4 million and the interest rate of 8% per annum, interest expenses of approximately HK\$5 million would be paid by the Group each year for so long as the entire Loan remains outstanding and unconverted. As disclosed in the Company's annual report for the year ended 31 December 2007, the Group had a cash and bank balance of approximately HK\$230 million as at 31 December 2007. The proposed insertion of early repayment mechanism into the Loan Agreement allows the Group to have flexibility to repay all or part of the Loan at any time before the Maturity Date should there be sufficient cash flow available so as to save relevant interest expenses.

In order to assess the fairness and reasonableness of the relevant amendments to the repayment date as described above, we set out below two hypothetical examples on the possible interest expenses savings of the Group if the proposed amendments became effective:

Scenario 1

We assume that the principal amount of the Loan of HK\$62.4 million remains outstanding as at 20 October 2008 (being the date of SGM to approve, *inter alia*, the relevant amendments to the repayment date) and the Group will repay the entire Loan on 20 October 2008 by cash from its internal resources. Since the Company prepays the Loan before the First No-charge Date (i.e. 4 August 2009), the Company has to pay to the Lender an additional sum of about HK\$3.1 million which equals 5% of the prepaid amount. We also assume the Group's deposit rate as at 20 October 2008 is 1.575% (with reference to the time deposit rate of the Group of 1.575% per

LETTER FROM TAIFOOK CAPITAL LIMITED

annum as at 11 September 2008). Taking into account the early redemption charge of 5% of the prepaid amount, as well as the interest rate of the Loan of 8% per annum and the deposit interest foregone for the period from the repayment date (i.e. 20 October 2008) to the Maturity Date (i.e. 4 February 2010), the Group may save approximately HK\$2.1 million.

Scenario 2

We assume that the principal amount of the Loan of HK\$62.4 million remains outstanding as at the First No-charge Date (i.e. 4 August 2009) and the Group will repay the entire Loan on 4 August 2009 by cash from its internal resources. Since the Company prepays the Loan on 4 August 2009, the Company is not required to pay to the Lender an additional sum which equals 5% of the prepaid amount. We also assume the Group's deposit rate as at 4 August 2009 is 1.575% (with reference to the time deposit rate of the Group of 1.575% per annum as at 11 September 2008). Taking into account the interest rate of the Loan of 8% per annum and the deposit interest foregone for the period from the repayment date (i.e. 4 August 2009) to the Maturity Date (i.e. 4 February 2010), the Group may save approximately HK\$2.0 million.

In addition, the proposed insertion of early repayment mechanism into the Loan Agreement allows the Group to have flexibility to capture the benefits from the prevailing low bank deposit rate and/or borrowing interest rate environment in Hong Kong and to reengineer its financial position having taken into consideration of the early redemption charge before the Maturity Date.

Furthermore, we have conducted research through the website of the Stock Exchange on listed companies which issued convertible bonds and/or convertible notes (the "CBs") from 1 August 2008 and up to and including 25 September 2008 and identified, to the best of our knowledge, 11 CBs transactions accordingly (the "Comparables"). As a result of our research, we note that the inclusion of early repayment provisions in CBs is not uncommon in the local financial market. As illustrated below, most of the CBs issued by the Comparables incorporated early repayment mechanism.

Announcement Date	Company name (Stock Code)	Approximate size of CB (HK\$)	Early repayment mechanism	Early redemption charge
25/9/08	Rising Development Holdings Limited (1004)	43,200,000	No	N/A
20/8/08	China Water Industry Group Limited (1129)	585,000,000	Yes	Yes
13/8/08	Champion Technology Holdings Limited (92)	188,553,096	Yes	No
12/08/08	Clear Media Limited (100)	312,000,000	Yes	Yes
11/8/08	GCL-Poly Energy Holdings Limited (3800)	96,754,000	No	N/A
11/8/08	GCL-Poly Energy Holdings Limited (3800)	48,873,000	Yes	Yes

LETTER FROM TAIFOOK CAPITAL LIMITED

Announcement Date	Company name (Stock Code)	Approximate size of CB (HK\$)	Early repayment mechanism	Early redemption charge
7/8/08	A&K Educational Software Holdings Limited (8053)	223,560,000	No	N/A
7/8/08	A&K Educational Software Holdings Limited (8053)	63,940,000	No	N/A
7/8/08	Asia Orient Holdings Limited (214)	80,000,000	Yes	No
1/8/08	Magnificent Estates Limited (201)	477,176,071	Yes	Yes
1/8/08	SRE Group Limited (1207)	383,200,000	Yes	Yes

In relation to the early redemption charge on all or part of the Loan to be incurred by the Company, the Directors consider that it is not uncommon in the local financial market because the early redemption charge represents the funding cost of the Lender. As illustrated above, we noted many of the Comparables which included early repayment mechanism did incorporate early redemption charge into the CBs.

2.2.2 Automatic conversion

As mentioned in the Letter, the automatic conversion provisions were specifically designed and incorporated into the relevant documents to cater for the long term cooperative relationship between the Company and CAL and should thus only be applicable in the then prevailing circumstances. As CAL ceased to be a shareholder of the Company and ceased to have any interest in the Loan in May 2008, the Board considers that the automatic conversion provisions shall be removed. We concur with the Directors' view that the automatic conversion provisions are not common terms in CBs and were specifically designed commercial terms agreed between the Company and CAL as we aware only one of the Comparables had incorporated mandatory conversion provision in the CB with reference to their respective announcement in relation to the issuance of CBs.

In addition, upon conversion of the Loan in full at the initial conversion price of HK\$0.26 per Share, an aggregate of 240,000,000 Shares, representing approximately 13.03% of the issued share capital of the Company as at the Latest Practicable Date and approximately 11.53% of the issued share capital of the Company as enlarged by such conversion shares, will be allotted and issued to the Lender. If the Weighted Average Price is lower than the initial conversion price, the initial conversion price will be subject to downward adjustment and the shareholding of the company will be further diluted. The removal of the automatic conversion provisions in the Loan Agreement could exclude the possibility of automatic dilution of the shareholding of the Company when the Company failed to repay the Loan at the

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Maturity Date. Moreover, in view of the recent volatile share market, the amount of adjustment to the conversion price at the Maturity Date and the dilution effect to shareholding of the Company are more uncertain. On such basis, the Directors consider that the removal of the automatic conversion provisions is to the benefit of the Company and the Shareholders as a whole.

2.2.3 Business activities

As mentioned in the Letter, the Board considers the proposed amendments in relation to business activities provide flexibility for the Company in formulating and executing its business strategies to adapt to the fluid business environment. As the business activities provisions would restrict the Company from deploying its resources to other fruitful investment opportunities should suitable investment opportunities arise, we concur with the Directors' view that such amendments are in the interests of the Company and the Independent Shareholders as a whole.

RECOMMENDATION

Having regard to the possible interest expenses savings, the flexibility for early repayment provided to the Company, the uncertainty in the dilution effect to shareholding of the Company, the removal of the restriction of the Group's business, we are of the view that the proposed amendments to the Loan Agreement as contemplated under the Second Supplemental Deed are on normal commercial terms, fair and reasonable and the entering into of the Second Supplemental Deed is in the interests of the Company and the Independent Shareholders as a whole. Accordingly, we advise the Independent Board Committee to recommend the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the SGM to approve the Second Supplemental Deed.

Yours faithfully,
For and on behalf of
Taifook Capital Limited

Derek C.O. Chan
Managing Director

Terry Chu
Director

1. RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading.

2. DIRECTORS' INTERESTS

- (a) As at the Latest Practicable Date, the interests and short positions of each Director in the shares or underlying shares of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which he was deemed or taken to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register maintained by the Company referred to therein, or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules, to be notified to the Company and the Stock Exchange were as follows:

Name	Name of company	Capacity	Number and class of securities (note 1)	Approximate percentage of interest
Sze Wai, Marco	The Company	Interest of controlled corporations	714,869,906 ordinary shares (L) (note 2)	38.82
	The Company	Beneficial owner	5,689,769 ordinary shares (L) (note 3)	0.31
Chu Chi Shing	The Company	Beneficial owner	5,349,835 ordinary shares (L) (note 3)	0.29
Song Jing Sheng	The Company	Beneficial owner	36,000,000 ordinary shares (L) (note 4)	1.96

Name	Name of company	Capacity	Number and class of securities <i>(note 1)</i>	Approximate percentage of interest
Wong Po Yan	The Company	Beneficial owner	1,000,000 ordinary shares (L) <i>(note 3)</i>	0.05
Mao Zhenhua	The Company	Beneficial owner	1,000,000 ordinary shares (L) <i>(note 3)</i>	0.05
Chong Yiu Kan, Sherman	The Company	Beneficial owner	1,150,000 ordinary shares (L) <i>(note 5)</i>	0.06
	The Company	Interest of spouse	100,000 ordinary shares (L)	0.01

Notes:

1. The letter "L" represents the Director's interests in the Shares and underlying Shares of the Company.
2. Included in these Shares were (i) 474,869,906 issued Shares held by LV and (ii) 240,000,000 Shares which would be allotted and issued to the Lender upon conversion of the Loan.
3. These Shares were the Shares which would be allotted and issued upon exercise of the options in full granted to such Director under the share option scheme of the Company.
4. Included in these Shares were (i) 34,000,000 issued Shares and (ii) 2,000,000 Shares which would be allotted and issued upon exercise of the options in full granted to him under the share option scheme of the Company.
5. Included in these Shares were (i) 650,000 issued Shares and (ii) 500,000 Shares which would be allotted and issued upon exercise of the options in full granted to Chong Yiu Kan, Sherman under the share option scheme of the Company.

- (b) Save as disclosed in this circular, as at the Latest Practicable Date, none of the Directors or chief executive of the Company had any interest and short positions in the shares, underlying shares and debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including the interests and short positions in which they were deemed or taken to have under such provisions of the SFO), or which are required, pursuant to section 352 of the SFO, to be entered in the register maintained by the Company referred to therein, or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules, to be notified to the Company and the Stock Exchange.
- (c) As at the Latest Practicable Date, none of the Directors had any interest, direct or indirect, in any asset which have since 31 December 2007, being the date to which the latest published audited financial statements of the Group were made up, been acquired or disposed of by or leased to any member of the Group or are proposed to be acquired or disposed of by or leased to any member of the Group.
- (d) As at the Latest Practicable Date, none of the Directors were materially interested in any contract or arrangement entered into by any member of the Group since 31 December 2007, being the date to which the latest published audited financial statements of the Group were made up, and which was significant in relation to the business of the Group.

3. SUBSTANTIAL SHAREHOLDERS' INTERESTS

- (a) As at the Latest Practicable Date, so far as is known to the Directors, the following persons, other than a director or chief executive of the Company, had an interest or short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or were directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company:

Name of shareholder	Number of ordinary shares (note 1)	Capacity	Approximate percentage of interest
LV	474,869,906 (L)	Beneficial owner	25.79
	240,000,000 (L)	Interest of controlled corporation (note 2)	13.03
Wen Jian Zhu	100,000,000 (L)	Beneficial owner	5.46

Notes:

1. The letter "L" represents the entity's interests in the shares.
 2. These Shares represented the Shares which would be allotted and issued to the Lender upon conversion of the Loan. The Lender was a wholly owned subsidiary of LV.
- (b) Save as disclosed in this circular, so far as is known to the Directors, there is no other person who had an interest or short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, had a direct or indirect interests amounting to 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any members of the Group.

4. DIRECTORS' SERVICE CONTRACTS

None of the Directors has a service contract with the Company which is not determinable by the Company within one year without payment of compensation other than statutory compensation.

5. COMPETING INTEREST

As at the Latest Practicable Date, none of the Directors nor his associates was interested in any business apart from the business of the Group, which competes or is likely to compete, either directly or indirectly, with that of the Group.

6. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors confirm that there was no material adverse change in the financial or trading position of the Group since 31 December 2007, being the date to which the latest published audited accounts of the Group were made up.

7. EXPERT

- (a) The following are the qualifications of the expert who has given opinion or, advice contained in this circular:

Name	Qualification
Taifook Capital	a corporation licensed to carry on type 6 (advising on corporate finance) regulated activities under the SFO

- (b) As at the Latest Practicable Date, Taifook Capital was not interested in the share capital of any member of the Group nor had it have any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

- (c) As at the Latest Practicable Date, Taifook Capital did not have any direct or indirect interest in any assets which had, since 31 December 2007, being the date of the latest published audited accounts of the Group, been acquired or disposed of by, or leased to, or are proposed to be acquired or disposed of by, or leased to, any member of the Group.

8. CONSENT

Taifook Capital has given and has not withdrawn its written consent as to the issue of this circular with the inclusion herein of its opinions or letters and/or reference to its name, opinion or letter in the form and context in which it appears.

9. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the offices of the Company's principal place of business in Hong Kong at Units 2003 and 2005, 20th Floor, Great Eagle Centre, 23 Harbour Road, Wanchai, Hong Kong during normal business hours from the date of this circular up to and including the date of the SGM:

- (1) the Subscription Agreement;
- (2) Principal Agreement;
- (3) the First Supplemental Deed; and
- (4) the Second Supplemental Deed.

NOTICE OF SPECIAL GENERAL MEETING

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)

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that a special general meeting of FinTronics Holdings Company Limited (“**Company**”) will be held at 10:00 a.m. on Monday, 20 October 2008 at Room 3203, 32/F, Admiralty Centre, Tower 1, 18 Harcourt Road, Hong Kong for the purpose of considering and, if thought fit, with or without amendments, passing the following resolution which will be proposed as an ordinary resolution:

ORDINARY RESOLUTION

“THAT:

- (a) the supplemental deed to the convertible loan agreement dated 14 November 2006 (as amended by a supplemental deed dated 10 January 2007) executed by FinTronics Holdings Company Limited (the “**Company**”) and Customers Asia Limited in relation to an unsecured convertible loan of HK\$62,400,000 dated 12 September 2008 (the “**Second Supplemental Deed**”) executed by the Company and Richland Profits Limited (a copy of the Second Supplemental Deed marked “**A**” and initialed by the chairman of the Meeting for identification purpose has been tabled at the Meeting) be and are hereby confirmed, approved and ratified; and
- (b) the directors of the Company (the “**Directors**”) be and are hereby authorised to do all such acts and things, to sign and execute all such further documents and to take such steps as the Directors may consider necessary, appropriate, desirable or expedient to give effect to or in connection with the Second Supplemental Deed or any of the transactions contemplated under the Second Supplemental Deed and to make such variation, amendment and waiver of any matters relating thereto or in connection therewith in the opinion of the Directors is not of a material nature and is in the interests of the Company.”

Yours faithfully,

For and on behalf of the Board of
FinTronics Holdings Company Limited

Sze Wai, Marco

Chairman

Hong Kong, 3 October 2008

* *for identification purpose only*

NOTICE OF SPECIAL GENERAL MEETING

Registered office:
Clarendon House
2 Church Street
Hamilton HM11
Bermuda

*Head office and principal place
of business in Hong Kong:*
Units 2003 and 2005, 20th Floor
Great Eagle Centre
23 Harbour Road
Wanchai
Hong Kong

Notes:

1. A member entitled to attend and vote at the meeting convened by the above notice is entitled to appoint one or more than one proxy to attend and, subject to the provisions of the bye-laws of the Company, vote in his stead. A proxy need not be a member of the Company.
2. To be valid, the form of proxy together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy of such power or authority must be deposited at the offices of the Company's branch share registrar in Hong Kong, Tricor Tengis Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not later than 48 hours before the time of the meeting or any adjourned meeting.
3. Delivery of an instrument appointing a proxy should not preclude member from attending and voting in person at the above meeting or any adjournment thereof and in such event, the instrument appointing a proxy shall be deemed to be revoked.
4. In the case of joint holders of a share, any one of such joint holders may vote, either in person or by proxy, in respect of such share as if he/she/it were solely entitled thereto. If more than one of such joint holders are present at the above meeting, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. For this purpose, seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.
5. As at the date of this notice, the board of directors of the Company comprises Sze Wai, Marco, Chu Chi Shing, Tan Shu Jiang and Song Jing Sheng as executive Directors and Wong Po Yan, Mao Zhenhua and Chong Yiu Kan, Sherman as independent non-executive Directors.