

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

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)

**SUPPLEMENTAL AGREEMENT FOR
A VERY SUBSTANTIAL ACQUISITION
AND
CONNECTED TRANSACTION REGARDING
THE ACQUISITION OF
THE ENTIRE EQUITY INTERESTS OF SPRING VAST LIMITED**

Financial adviser to the Company

CREDIT SUISSE
瑞信

SUPPLEMENTAL AGREEMENT

Reference is made to the Announcement dated 22 March 2010 in relation to, among other things, the acquisition of the entire issued share capital of the Target, Spring Vast Limited. Upon further negotiations among the parties to the Agreement, the Vendor and the Purchaser entered into the Supplemental Agreement to amend the payment mechanism of the Consideration, and to revise certain other related terms and conditions for the Acquisition. Details of the amendments to the terms of the Agreement as set out in the Supplemental Agreement are set out below.

The Consideration for the Acquisition of the Target shall be an amount up to a maximum of US\$300 million, of which US\$90 million shall be the Initial Fixed Payment and up to US\$210 million shall be the Deferred Payment which shall be determined based on, among other factors, the gold reserves and resources of the Target Mines and satisfied by the Company's allotment and issue of Preferred Shares to the shareholders of the Vendor.

IMPLICATION UNDER THE LISTING RULES

The Acquisition constitutes a connected transaction on the part of the Company under Chapter 14A of the Listing Rules and a very substantial acquisition on the part of the Company under Chapter 14 of the Listing Rules. Accordingly, the Agreement (as supplemented by the Supplemental Agreement) and the transactions contemplated thereunder are subject to the approval of the Independent Shareholders at the SGM.

A circular containing, among other matters, further details of the Acquisition, a discussion on the risks associated with the new business to be undertaken by the Group, the valuation report on the Target Mines, the technical report on the Target Mines, the property valuation report on the Enlarged Group's properties, the recommendation of the Independent Board Committee to the Independent Shareholders in relation to the Acquisition, the advice of the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the Acquisition and a notice convening the SGM, will be despatched to the Shareholders in compliance with the Listing Rules.

Reference is made to the announcement of the Company dated 22 March 2010 (the “**Announcement**”), in relation to, among others, the acquisition of the entire issued share capital of the Target, Spring Vast Limited. Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as in the Announcement.

INTRODUCTION

On 22 March 2010, the Purchaser, a wholly-owned subsidiary of the Company and the Vendor entered into the Agreement pursuant to which the Purchaser has conditionally agreed to acquire and the Vendor has conditionally agreed to dispose of the Sale Shares, at a Consideration of US\$300 million. Pursuant to the terms of the Agreement, the Consideration shall be settled in the manner as stated in the Announcement including by cash payment, the allotment and issue of the Consideration Shares and the allotment and issue of the Preferred Shares.

Upon further negotiations among the parties under the Agreement, the Vendor and the Purchaser entered into the Supplemental Agreement on 11 June 2010 to amend the payment mechanism of the Consideration, and to revise certain other related terms and conditions for the Acquisition. Details of the Supplemental Agreement are set out below:

THE SUPPLEMENTAL AGREEMENT

Date: 11 June 2010

Parties:

Purchaser: Maxing Investment Limited

Vendor: Truffle Rich Holdings Limited

On 26 March 2010, the Subsidiary and each of the shareholders of Omchak entered into a supplemental agreement to the Definitive Agreements, whereby each of the shareholders of Omchak agreed to sell and the Subsidiary agreed to acquire an aggregate of 80% of shareholding interest in Omchak at a revised consideration of US\$58.1 million.

On the date of this announcement, the Vendor has entered into a supplemental agreement to the Spring Vast Agreement with, among others, Golden Grains Holdings Limited (“**Golden Grains**”) pursuant to which Golden Grains agreed to sell and the Vendor agreed to acquire the Target at a revised consideration of US\$70 million, among which US\$58.1 million shall be applied to satisfy the amount payable by the Subsidiary under the Definitive Agreements (as supplemented) and US\$11.9 million shall be paid to Golden Grains. Pursuant to such supplemental agreement, the shareholders of the Vendor (namely Creative Fortune Investment Limited, Victor Phoenix Limited and Gold Bliss Limited) shall, within 24 months from the date of completion of the Spring Vast Agreement, invest or procure investment of an aggregate amount of US\$20 million to the Vendor as additional investment amount if so requested by the Vendor.

Consideration for the Sale Shares

Pursuant to the terms of the Supplemental Agreement, the Consideration shall be an amount up to a maximum of US\$300 million, of which US\$90 million shall be the initial fixed payment amount (the “**Initial Fixed Payment**”) and up to US\$210 million shall be the deferred payment amount (the “**Deferred Payment**”) which shall be determined and satisfied in the following manner:

A. *Initial Fixed Payment*

The Initial Fixed Payment of US\$90 million shall be payable,

- (i) as to US\$58.1 million to be applied, at the direction of the Vendor, to pay and satisfy the consideration payable to the shareholders of Omchak under the Definitive Agreements and to facilitate completion of the Definitive Agreements and the Spring Vast Agreement; and

- (ii) the balance of US\$31.9 million to be settled by cash payment to the Vendor (or such person(s) as nominated by the Vendor) by way of a cashier order or cheque to be issued by the Purchaser or the Company, transmittance to bank account(s) designated by the Vendor or in such other manner as may be agreed between the Vendor and the Purchaser.

B. Deferred Payment

The Deferred Payment will be determined based on, among other factors, the gold reserves and resources of the Target Mines.

The Vendor and the Purchaser shall, after Completion, enter into good faith negotiation and evaluation with regard to, among others, the opportunities for potential upgrading of the resources of the Target Mines, and shall discuss and agree on the scope and implementation of related drilling and exploration works required.

Unless otherwise agreed by the Vendor and the Purchaser, they shall jointly engage a qualified independent competent person (as defined in the Listing Rules) to prepare a report (the “**Technical Report**”) on the Reserves and/or Resources of the Target Mines under the JORC Code or other Reporting Standard at or before the expiry of 18 months from the date of Completion and such report should be completed within 12 months thereafter. The costs and expenses for preparing such Technical Report shall be borne by the Purchaser.

In the event that the Technical Report indicates the Target Mines shall contain an aggregate Confirmed Resources (attributable to the percentage interest of the Target Company in the Target Mines) of more than 1,000,000 ounces (the “**Base Requirement**”), Deferred Payment shall be payable and which shall be determined in accordance with the following formula provided that the aggregate amount of the Deferred Payment shall not exceed US\$210 million:

$$D = (A - B) \times US\$15$$

where:

“D” is the amount of Deferred Payment;

“A” is the Confirmed Resources (attributable to the percentage interest of the Target Company in the Target Mines) as indicated in the Technical Report; and

“B” is the Base Requirement (i.e., 1,000,000 ounces).

Whenever Deferred Payment is payable, it shall be paid within 5 business days after the date of determination of the relevant amount of Deferred Payment (the “**Deferred Payment Date**”) by the Company’s allotment and issue to the shareholders of the Vendor (or such person(s) as nominated by such shareholders), in such number in proportion to their shareholding in the Vendor (unless otherwise notified by the Vendor to the Purchaser and the Company), of the Preferred Shares, credited as fully paid, at the Deferred Payment Preferred Shares Issue Price, which shall be the highest of:

- (i) HK\$0.50;
- (ii) HK\$0.556 which is the average of the closing prices per Share as quoted on the Stock Exchange for the last 5 consecutive trading days immediately prior to (but excluding) the date of the Supplemental Agreement; and
- (iii) the average of the closing prices per Share as quoted on the Stock Exchange for the last 5 consecutive trading days immediately prior to (but excluding) the relevant Deferred Payment Date.

Conditions precedent

The conditions precedent remain unchanged from the Announcement.

The Directors confirm that as at the date of this announcement, none of the conditions precedent has been fulfilled and the Purchaser has no intention to waive the condition which is capable of being waived and no notice in respect of termination of the Agreement had been served by the Purchaser.

SPECIFIC MANDATE TO ISSUE NEW SHARES

Pursuant to the Supplemental Agreement, no Consideration Shares will be issued. The Deferred Payment will be settled entirely by the allotment and issue of Preferred Shares.

The issue price of the Preferred Shares (i.e. the Deferred Payment Preferred Shares Issue Price) is set out above and the other principal terms of the Preferred Shares are summarised in the Announcement. Based on the number of Shares in issue as at the date of this announcement and assuming (i) no further Shares will be issued or repurchased prior to Completion; (ii) the final Consideration is at its maximum amount i.e. US\$300 million; and (iii) the average of the closing prices per Share as quoted on the Stock Exchange for the last 5 consecutive trading days immediately prior to (but excluding) the relevant Deferred Payment Date will not be higher than the average of the closing prices per Share as quoted on the Stock Exchange for the last 5 consecutive trading days immediately prior to (but excluding) the date of the Supplemental Agreement of HK\$0.556 so that the final Deferred Payment Preferred Shares Issue Price is fixed at HK\$0.556, the maximum number of the Preferred Shares to be issued pursuant to the Acquisition will be 2,930,935,250, which represents approximately 158.99% of the issued share capital of the Company as at the date of this announcement and approximately 61.39% of the issued share capital of the Company as enlarged by the allotment and issue of the Preferred Shares.

CHANGES IN SHAREHOLDING STRUCTURE OF THE COMPANY

The following table illustrates the shareholding structure of the Company,

- (i) as at the date of this announcement;
- (ii) immediately upon the Completion (and completion of the Definitive Agreements and the Spring Vast Agreement) assuming no further Shares will be issued or repurchased prior to Completion; and
- (iii) immediately after the allotment and issue of the Preferred Shares assuming that (aa) no further Shares will be issued or repurchased prior to Completion; (bb) the final Consideration is at its maximum amount i.e. US\$300 million; (cc) the average of the closing prices per Share as quoted on the Stock Exchange for the last 5 consecutive trading days immediately prior to (but excluding) the relevant Deferred Payment Date will not be higher than the average of the closing prices per Share as quoted on the Stock Exchange for the last 5 consecutive trading days immediately prior to (but excluding) the date of the Supplemental Agreement of HK\$0.556 so that the final Deferred Payment Preferred Shares Issue Price is fixed at HK\$0.556; and (dd) conversion of the Preferred Shares in full:

Name of Shareholders	As at the date of this announcement		Immediately upon the Completion (and completion of the Definitive Agreements and the Spring Vast Agreement) assuming no further Shares will be issued or repurchased prior to Completion		Immediately after the allotment and issue of the Preferred Shares assuming that (aa) no further Shares will be issued or repurchased prior to Completion; (bb) the final Consideration is at its maximum amount i.e. US\$300 million; (cc) the average of the closing prices per Share as quoted on the Stock Exchange for the last 5 consecutive trading days immediately prior to (but excluding) the relevant Deferred Payment Date will not be higher than the average of the closing prices per Share as quoted on the Stock Exchange for the last 5 consecutive trading days immediately prior to (but excluding) the date of the Supplemental Agreement of HK\$0.556 so that the final Deferred Payment Preferred Shares Issue Price is fixed at HK\$0.556; and (dd) conversion of the Preferred Shares in full (Hypothetical) (Note 3)	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
LVI (Note 1)	474,869,906	25.76	474,869,906	25.76	474,869,906	9.95
GPC (Note 1)	1,260,000	0.07	1,260,000	0.07	1,260,000	0.03
Creative Fortune Investment Limited (Notes 1 and 2)	–	–	–	–	1,172,374,100	24.56
Victor Phoenix Limited (Note 2)	–	–	–	–	879,280,575	18.42
Gold Bliss Limited (Note 2)	–	–	–	–	879,280,575	18.42
The Vendor and parties acting in concert with it (Note 2)	476,129,906	25.83	476,129,906	25.83	3,407,065,156	71.36
Directors						
Song Jing Sheng	34,000,000	1.84	34,000,000	1.84	34,000,000	0.71
Chong Yiu Kan, Sherman	650,000	0.04	650,000	0.04	650,000	0.01
Public Shareholders	1,332,705,016	72.29	1,332,705,016	72.29	1,332,705,016	27.91
Total	1,843,484,922	100.00	1,843,484,922	100.00	4,774,420,172	100.00

Notes:

1. LVI, GPC and Creative Fortune Investment Limited are wholly owned by Mr. Sze Wai, Marco, an executive Director and Chairman of the Company and a substantial Shareholder of the Company.
2. As at the date of this announcement, the Vendor is owned by each of Creative Fortune Investment Limited, Victor Phoenix Limited and Gold Bliss Limited as to 40%, 30% and 30% respectively. The ultimate beneficial owner of Gold Bliss Limited is Mr. Chwoon Ping Lim, who is a third party independent of the Company and the connected persons of the Company and does not have any relationship with Mr. Sze Wai, Marco. Further, Mr. Chwoon Ping Lim and Ms. Yu Zhenglan (being the ultimate beneficial owner of each of Gold Bliss Limited and Victor Phoenix Limited) do not have any relationship with each other.
3. The aggregate shareholding of Mr. Sze Wai, Marco, LVI, GPC, Creative Fortune Investment Limited, Victor Phoenix Limited and Gold Bliss Limited and their respective parties acting in concert with them in the Company will be below 30% of the issued share capital of the Company at Completion, as enlarged by the new Shares to be issued, if any, pursuant to any fund raising exercises for the Acquisition. Please also note that it is one of the conditions for Completion of the Acquisition that the Agreement and the transactions contemplated under the Agreement will not trigger any obligations on the part of the Vendor, Creative Fortune Investment Limited, Victor Phoenix Limited and Gold Bliss Limited and their respective parties acting in concert with them to make a general offer under the Takeovers Code.

As indicated in the above table, under the terms and conditions of the Agreement and the terms of the Preferred Shares as described in this announcement, the Acquisition will not trigger the requirement for the making of a general offer under the Takeovers Code on the part of the Vendor, Mr. Sze Wai, Marco and parties acting in concert with any of them.

REASONS FOR THE SUPPLEMENTAL AGREEMENT

The Purchaser and the Vendor has agreed on the Supplemental Agreement for the following reasons:

- (i) the split of the Consideration into an initial fixed payment and a deferred variable payment would better reflect the uncertainty and equally important the potential in establishing additional Measured Resource of gold through further exploration within the licensed mining and exploration areas with rights owned by Omchak, including development nature of the four exploration mines sites (namely Kulinskoe project, Bukhtinskoe project, Birusinski project, and Kaurchak) given the substantial drilling and exploration works that are required for the Target Mines in due course; and
- (ii) the split of the Consideration into an initial fixed payment and a deferred variable payment would facilitate the understanding of the determination of the aggregate consideration for the Acquisition by the Independent Shareholders.

The Directors (other than the independent non-executive Directors) are of the view that the terms of the Agreement (as supplemented by the Supplemental Agreement) are on normal commercial terms, fair and reasonable and the Acquisition is in the interests of the Company and the Shareholders as a whole.

GENERAL INFORMATION

Notwithstanding the changes made by way of the Supplement Agreement, the Acquisition remains to constitute a very substantial acquisition and connected transaction of the Company under Chapters 14 and 14A of the Listing Rules respectively. The Vendor is a connected person of the Company by virtue of the fact that it is owned as to 40% by Mr. Sze Wai, Marco, an executive Director and Chairman of the Company, and a substantial Shareholder, holding 25.83% of the issued share capital of the Company as at the date of this announcement.

A circular containing, among other matters, further details of the Acquisition, a discussion on the risks associated with the new business to be undertaken by the Group, the valuation report on the Target Mines, the technical report on the Target Mines, the property valuation report on the Enlarged Group's properties, the recommendation of the Independent Board Committee to the Independent Shareholders in relation to the Acquisition, the advice of the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the Acquisition and a notice convening the SGM, will be despatched to the Shareholders in compliance with the Listing Rules for the purposes of convening the SGM to approve the transactions contemplated under the Agreement (as amended and supplemented by the Supplemental Agreement). As stated in the announcement of the Company dated 12 April 2010, the Company has applied to the Stock Exchange for a waiver to postpone the despatch of the circular from 12 April 2010 to on or before 30 June 2010. Notwithstanding this, the Company targets to despatch the circular to the Shareholders as soon as possible. As of the date of this announcement, the Company has established the Independent Board Committee and is in the process of considering the appointment of an independent financial adviser.

TERMS USED IN THIS ANNOUNCEMENT

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“Confirmed Resources”	gold Resources reported in JORC standards of Measured Resources and Indicated Resources or equivalent or better grade in Reporting Standard(s)
“Deferred Payment Preferred Shares Issue Price”	the price at which the Preferred Shares shall be issued and which shall be determined in accordance with the Agreement (as supplemented by the Supplemental Agreement)
“Indicated Resource”	that part of a mineral Resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a reasonable level of confidence
“Measured Resource”	that part of a mineral Resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a high level of confidence

“Preferred Shares”	new preferred shares to be allotted and issued by the Company at the Deferred Payment Preferred Shares Issue Price for the partial settlement of the Consideration
“Reporting Standard”	has the meaning ascribed to it in Chapter 18 of the Listing Rules
“Reserve”	the economically mineable part of a Measured Resource and/or Indicated Resource, taking into account diluting materials and allowances for losses, which may occur when the material is mined
“Resource”	a concentration or occurrence of material of intrinsic economic interest in or on the Earth’s crust in such form, quality and quantity that there are reasonable prospects for their eventual economic extraction. The location, quantity, grade, geological characteristics and continuity of a mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge. Mineral Resources are subdivided, in order of increasing geological confidence, into Inferred, Indicated and Measured Resources, as defined in the JORC Code
“Consideration”	the consideration for the Acquisition of up to US\$300 million to be satisfied by the Purchaser pursuant to the Agreement as supplemented by the Supplemental Agreement

For the purpose of this announcement, unless otherwise specified, conversion of US\$ into Hong Kong dollars is based on the approximate exchange rate of US\$1.00 to HK\$7.76.

By order of the Board
FinTronics Holdings Company Limited
Chan Ying Kay
Company Secretary

Hong Kong, 11 June 2010

As at the date of this announcement, the Board comprises Mr. Sze Wai, Marco (Chairman), Mr. Song Jing Sheng and Mr. Tan Shu Jiang as executive Directors and Mr. Wong Po Yan, Mr. Mao Zhenhua and Mr. Chong Yiu Kan, Sherman as independent non-executive Directors.

* *For identification purposes only*