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**FinTronics**  
**银创控股**  
**FINTRONICS HOLDINGS COMPANY LIMITED**  
*(incorporated in Bermuda with limited liability)*  
(Stock code: 706)

**PLACING OF EXISTING SHARES  
AND SUBSCRIPTION OF NEW SHARES  
AND  
RESUMPTION OF TRADING**

**Placing Agent**

 **DBS ASIA CAPITAL**

On 13 June 2007, the Placing Agreement was entered into between the Vendor, the Placing Agent and the Company, pursuant to which the Placing Agent has conditionally agreed to place, on a best effort basis, up to 264,860,000 Placing Shares held by the Vendor to independent third parties who are independent of the Company and connected persons (within the meaning of the Listing Rules) of the Company at HK\$0.65 per Placing Share.

On the same day, the Subscription Agreement was entered into between the Vendor and the Company, pursuant to which the Vendor has conditionally agreed to subscribe for the Subscription Shares (the number of which is equivalent to the Placing Shares actually sold by the Placing Agent) at HK\$0.65 per Subscription Share.

The price per Placing Share represents (i) a discount of 18.75% to the closing price of HK\$0.80 per Share as quoted on the Stock Exchange on 12 June 2007, being the Last Trading Day, and (ii) a discount of approximately 16.67% to the average closing price of approximately HK\$0.78 per Share as quoted on the Stock Exchange for the last five trading days up to and including the Last Trading Day.

The Placing Shares represent approximately 18.35% of the existing issued share capital of the Company and approximately 15.51% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares. The Placing will reduce the shareholding of the Vendor from approximately 18.35% to approximately 0.0007% of the existing issued share capital of the Company. The Subscription will then increase the shareholding of the Vendor to approximately 15.51% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares.

The Subscription Shares will be allotted and issued pursuant to the general mandate granted to the Directors at the annual general meeting of the Company held on 22 May 2007.

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 13 June 2007 pending the release of this announcement. Application for the resumption of trading in the Shares on the Main Board of the Stock Exchange with effect from 9:30 a.m. on 14 June 2007 has been made by the Company.

## **1. THE PLACING**

The Placing Agreement dated 13 June 2007 was entered into between the Company, the Vendor and the Placing Agent.

### **Vendor:**

Leading Value Industrial Limited, a substantial shareholder of the Company beneficially owned by Mr. Sze Wai, Marco, an executive Director.

As at the date of this announcement, the Vendor owns 264,869,906 Shares, representing approximately 18.35% of the existing issued share capital of the Company of 1,442,963,484 Shares.

### **Placing Agent:**

DBS Asia Capital Limited

### **Number of Placing Shares:**

The Placing Agent has agreed to procure, on a best effort basis, places for up to 264,860,000 Shares owned by the Vendor, representing approximately 18.35% of the existing issued share capital as at the date of this announcement or approximately 15.51% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares.

### **Placees:**

Six or more independent professional or institutional or other investors who are independent third parties who are not connected persons of the Company.

### **Placing price:**

HK\$0.65 per Placing Share.

This price was agreed after arm's length negotiations between the Vendor, the Placing Agent and the Company with reference to recent market prices of the Shares. This price represents (i) a discount of 18.75% to the closing price of HK\$0.80 per Share as quoted on the Stock Exchange on 12 June 2007, being the Last Trading Day, and (ii) a discount of approximately 16.67% to the average closing price of approximately HK\$0.78 per Share as quoted on the Stock Exchange for the last five trading days up to and including the Last Trading Day.

### **Independence of placees and placing agent:**

The placees and (where applicable) their beneficial owners will be, and the Placing Agent and its beneficial owners are, independent of and not connected nor acting in concert with the Vendor or any persons acting in concert with it. The placees and (where applicable) their ultimate beneficial owners and the Placing Agent and its beneficial owners are independent third parties who are independent of the Company and connected persons (within the meaning of the Listing Rules) of the Company.

To the best knowledge of the Directors, none of the placees will become a substantial Shareholder (as defined under the Listing Rules) immediately following the Placing.

### **Conditions of the Placing**

Completion of the Placing is conditional upon:

- (a) the Subscription Agreement having been entered into by the parties thereto; and

(b) there not having come to the attention of the Placing Agent at any time prior to completion of the Placing (i) any breach of, or any event rendering untrue, inaccurate or misleading in any material respect, any of the representations, warranties or undertakings referred to in the Placing Agreement or (ii) any breach of, or failure to perform, any of the other obligations of the Company or the Vendor required to be performed at or before completion of the Placing.

As at the date of this announcement, condition (a) above has been fulfilled.

**Completion of the Placing:**

The Placing is agreed to be completed on 18 June 2007 or such other time as the Vendor and the Placing Agent shall agree.

**Rights of the Placing Shares**

The Placing Shares will be sold by the Vendor free of liens, charges, encumbrances and any third party right and together with all rights attaching thereto at the date of the Placing Agreement.

**Lock up**

The Company undertakes to the Placing Agent that subject to completion of the Placing, from the date of the Placing Agreement and for a period of three months after the date of the Placing Agreement, it will not, and the Vendor undertakes with the Placing Agent to procure that the Company will not, issue, offer, lend, sell, contract to sell, pledge, grant any option to purchase or otherwise dispose of, any Shares (or any securities convertible into or exchangeable for Shares) or enter into a transaction (including a derivative transaction) having an economic effect similar to that of a sale or enter into any swap or similar agreement that transfers, in whole or in part, the economic risk of ownership of the Shares, whether any such transaction described above is to be settled by delivery of Shares or such other securities, in cash or otherwise or publicly announce any intention to issue, offer, lend, sell, contract to sell, pledge, grant any option to purchase or otherwise dispose of, any Shares (or any securities convertible into or exchangeable for or which carry rights to subscribe or purchase Shares) or enter into any swap or similar agreement described above or deposit any Shares (or any securities convertible into or exchangeable for Shares) in any depositary receipt facility, without the prior written consent of the Placing Agent, other than (i) the sale of the Placing Shares pursuant to the Placing Agreement, (ii) the issue and allotment of new Shares pursuant to the terms of the Subscription Agreement, (iii) Shares to be issued upon exercise of warrants to purchase or subscribe Shares, or upon conversion of the convertible bonds or loan and other securities convertible into Shares, in each case, outstanding on the date of the Placing Agreement, (iv) Shares (or any securities convertible into or exchangeable for or which carry rights to subscribe or purchase Shares) issued, offered, allotted, appropriated, modified or granted to employees (including directors) or former employees of the Company, its subsidiaries and/or associated companies or persons related to such employees (including directors) or former employees, directly or indirectly, pursuant to any employee share scheme or arrangement for any one or more employees generally or as required by law, (v) Shares (not exceeding 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of its last annual general meeting) to be issued and allotted for consideration other than cash in connection with an acquisition of a company or a business by the Group, (vi) the allotment and issue of new Shares to Customers (or its nominee) pursuant to the Right of Anti-dilution (as defined below).

**2. THE SUBSCRIPTION**

The Subscription Agreement dated 13 June 2007 was entered into between the Company and the Vendor.

**Subscriber:**

The Vendor

**Number of Subscription Shares:**

The Company will allot and issue and the Vendor will subscribe for up to 264,860,000 new Shares, representing approximately 18.35% of the existing issued share capital of the Company as at the date of this announcement or approximately 15.51% of the issued share capital as enlarged by the allotment and issue of the Subscription Shares.

**Subscription price:**

HK\$0.65 per Subscription Share, which is the equivalent of the price per Placing Share.

**Mandate to allot and issue new Shares:**

The Subscription Shares will be allotted and issued pursuant to the general mandate granted to the Directors by a resolution of its Shareholders passed at the annual general meeting of the Company held on 22 May 2007. The Company has not exercised the power to allot and issue any new Shares pursuant to such mandate prior to the Placing and the Subscription.

**Ranking:**

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

**Conditions of the Subscription:**

The Subscription is conditional upon:

- (i) completion of the Placing pursuant to the Placing Agreement; and
- (ii) the Listing Committee of the Stock Exchange agreeing to grant a listing of, and permission to deal in, the Subscription Shares.

None of the above conditions can be waived by the parties to the Subscription Agreement.

**Completion of the Subscription:**

Completion of the Subscription will take place on the next business day following the day on which the conditions referred to above are fulfilled (which is expected to be on or before 26 June 2007).

If the conditions to the Subscription are not fulfilled on or before 25 June 2007 (or such later date as may be agreed by the parties), the Subscription will lapse. If the date of completion of the Subscription is to be extended beyond 26 June 2007, the Subscription will constitute a connected transaction under the Listing Rules which will require the approval of the independent Shareholders and the Company will take steps to ensure compliance with the Listing Rules. Further announcement will be made as and when appropriate.

### 3. CHANGES TO THE SHAREHOLDING AS A RESULT OF THE PLACING AND THE SUBSCRIPTION

The shareholding of the Company immediately before the Placing, immediately after the Placing but before the Subscription, and immediately after the Placing and the Subscription are as follows:

	Existing		After the Placing but before the Subscription		After the Placing and the Subscription	
	No. of Shares	Approx. %	No. of Shares	Approx. %	No. of Shares	Approx. %
<b>Vendor</b>	264,869,906	18.35%	9,906	0.0007%	264,869,906	15.51%
<b>Directors:</b>						
Song Jing Sheng	33,800,000	2.34%	33,800,000	2.34%	33,800,000	1.98%
Robert Kenneth Gaunt	1,700,000 (Note)	0.12%	1,700,000 (Note)	0.12%	1,700,000 (Note)	0.10%
<b>Customers</b>	210,000,000	14.55%	210,000,000	14.55%	210,000,000	12.30%
<b>Places</b>	–	–	264,860,000	18.35%	264,860,000	15.51%
<b>Public</b>	932,593,578	64.64%	932,593,578	64.64%	932,593,578	54.60%
<b>Total</b>	<u>1,442,963,484</u>	<u>100%</u>	<u>1,442,963,484</u>	<u>100%</u>	<u>1,707,823,484</u>	<u>100%</u>

*Note:* These Shares are held by Blazzed Pty Ltd., a company wholly owned by Robert Kenneth Gaunt.

### 4. REASONS FOR THE PLACING AND SUBSCRIPTION AND USE OF PROCEEDS

The Board considered that it is in the interests of the Company to raise capital from the equity market in order to enhance the capital base of the Company. The Board considered the terms of the Placing Agreement and the Subscription Agreement to be fair and reasonable and are in the best interests of the Company, as far as the Shareholders are concerned.

The net proceeds, after deducting related placing commission of 2.5% of gross proceeds of the Placing, professional fees and all related expenses which will be borne by the Company, under the Subscription are estimated to be approximately HK\$162.5 million. The Company intends to use the proceeds as to approximately HK\$40 million to finance the deployment of ATMs, approximately HK\$100 million to finance the expansion of the ATM business by way of acquisitions and the balance of approximately HK\$22.5 million for working capital of the Group for ATM business.

The net price to the Company of each Subscription Share, which is calculated by dividing the aggregate net proceeds by the total number of the Subscription Shares, is approximately HK\$0.61.

### 5. GENERAL INFORMATION

The Group is principally engaged in 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 (such as utility payment and sale of air and train tickets by ATMs).

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

As announced by the Company in its announcement dated 29 June 2006, the Company has issued 100,000,000 unlisted warrants at an initial subscription price of HK\$0.33 per Shares. The Company received approximately HK\$927,000 net of expenses from the issue which have been used as general working capital of the Group for the development of the ATM related business.

On 14 November 2006, the Company and Customers entered into a subscription agreement (“**Customers Subscription Agreement**”) pursuant to which the Company allotted 210,000,000 new Shares to Customers at an issue price of HK\$0.261 per Share. The Company received approximately HK\$54,810,000 net proceeds from such issue. Approximately HK\$9,782,000 was utilised for the deployment of ATMs in the PRC as at 31 May 2007 and the remaining balance has not been utilised and is intended to be used for the deployment of ATMs. On the same day, the Company and Customers entered into a convertible loan agreement pursuant to which a principal amount of HK\$62,400,000 was drawn down by the Company. Such amount has not been utilised by the Group and is intended to be used for the deployment of ATMs and working capital for the ATM business.

## 7. APPLICATION FOR LISTING

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

## 8. PROPOSED ISSUE OF NEW SHARES TO CUSTOMERS

Pursuant to the Customers Subscription Agreement, in the event the Company proposes to allot and issue any Shares for cash consideration solely (“**Relevant Share Issue**”) at any time after completion of the Customer Subscription Agreement, the Company shall make a written offer (“**Offer**”) to Customers to subscribe up to its pro rata shares of such additional Shares at the same terms that the Company is proposing to issue to the relevant third party or parties under the Relevant Share Issue (“**Right of Anti-dilution**”).

Any issue of new Shares pursuant to the Right of Anti-dilution will constitute a connected transaction under the Listing Rules which shall be subject to compliance with all applicable laws and regulations (including but not limited to the Listing Rules) and approval from the independent shareholders of the Company.

Given that the number of the Subscription Shares that will be issued will only be confirmed upon completion of the Subscription and upon which the number of new Shares fall to be offered to Customers pursuant to the Right of Anti-Dilution will be determined, a further announcement will be made by the Company upon such offer is made to Customers.

## 9. 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 13 June 2007 pending the release of this announcement. Application for the resumption of trading in the Shares on the Main Board of the Stock Exchange with effect from 9:30 a.m. on 14 June 2007 has been made by the Company.

## 10. DEFINITIONS

The following defined terms are used in this announcement unless the context otherwise requires:

“associates”	having the meaning ascribed thereto in the Listing Rules
“ATMs”	automatic teller machines
“Board”	the board of Directors
“Company”	FinTronics Holdings Company Limited, the Shares of which are listed on the Stock Exchange
“Customers”	Customers Asia Limited, a company incorporated in Hong Kong and a substantial shareholder of the Company as at the date of this announcement
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Last Trading Day”	12 June 2007, being the last trading day of the Shares prior to the signing of the Placing Agreement and the Subscription Agreement

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Listing Committee”	the listing committee of the Stock Exchange
“Placing”	the placing of the Placing Shares pursuant to the terms of the Placing Agreement
“Placing Agent”	DBS Asia Capital Limited
“Placing Shares”	up to 264,860,000 Shares beneficially owned by the Vendor to be placed pursuant to the Placing Agreement
“Placing Agreement”	the placing agreement dated 13 June 2007 between the Company, the Vendor and the Placing Agent
“Share(s)”	ordinary share(s) of HK\$0.10 in the capital of the Company
“Shareholder(s)”	holder(s) of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	the subscription of the Subscription Shares by the Vendor pursuant to the Subscription Agreement
“Subscription Agreement”	the subscription agreement dated 13 June 2007 between the Company and the Vendor
“Subscription Shares”	up to 264,860,000 new Shares, such number shall be equal to the number of Shares actually placed out pursuant to the Placing Agreement
“Vendor”	Leading Value Industrial Limited, a company incorporated in the British Virgin Islands and the entire issued share capital of which is owned by Mr. Sze Wai, Marco, an executive Director

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

<i>Executive Directors</i>	<i>Mr. Sze Wai, Marco, Mr. Chu Chi Shing, Mr. Robert Kenneth Gaunt, Mr. Robertus Martinus Andreas Broers, Mr. Tan Shu Jiang and Mr. Song Jing Sheng</i>
<i>Non-executive Director</i>	<i>Mr. Zee Zin Yee</i>
<i>Independent non-executive Directors</i>	<i>Mr. Wong Po Yan, Mr. Mao Zhenhua and Mr. Chong Yiu Kan, Sherman</i>

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

Hong Kong, 13 June 2007

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