THE STOCK EXCHANGE OF HONG KONG LIMITED

(A wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited)
(the "Exchange")

14 January 2008

The Listing Committee of The Stock Exchange of Hong Kong Limited (the "Listing Committee") criticises the following parties for breaching the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Exchange Listing Rules"):

1. **FinTronics Holdings Company Limited (formerly known as Start Technology Company Limited) (the "Company") (Stock code: 706);**
2. **Mr Sze Wai, Marco, an executive director of the Company ("Mr Sze");**
3. **Mr Chu Chi Shing, an executive director of the Company ("Mr Chu"); and**
4. **Mr Gu Peijian, a former executive director of the Company, resigned effective 29 January 2007 ("Mr Gu").**

On 13 November 2007, the Listing Committee conducted a hearing into the conduct of the Company and Mr Sze, Mr Chu and Mr Gu (collectively, the "Relevant Directors") in relation to their respective obligations under the Exchange Listing Rules and the Declaration and Undertaking with regard to Directors given by each of the Relevant Directors to the Exchange in the form set out in Appendix 5B to the Exchange Listing Rules (the "Director's Undertaking").

Facts

In April 2005, the Company and its subsidiaries (the "Group") made advances (the "Advances") totalling RMB60 million to four entities at the direction of a third party independent of the Company (the "Third Party"). The Advances were made on:

(i) 11 April 2005 in the sum of RMB30 million to two entities designated by the Third Party. Such Advances represented 5 per cent of the Assets ratio and 13.6 per cent of the Consideration ratio;

(ii) 12 April 2005 in the sum of RMB20 million to a third entity designated by the Third Party. On its own, such Advances represented 3.4 per cent of the Assets ratio and 9.1 per cent of the Consideration ratio. When aggregated, the Advances made on 11 and 12 April 2005 together represented 8.4 per cent of the Assets ratio and 22.8 per cent of the Consideration ratio; and

(iii) 14 April 2005 in the sum of RMB10 million to a fourth entity designated by the Third Party. On its own, such Advances represented 1.7 per cent of the Assets ratio and 4.6 per cent of the Consideration ratio. When aggregated, the Advances made on the three days represented 10.1 per cent of the Assets ratio and 27.8 per cent of the Consideration ratio.

No written agreement had been entered into between the Company and the Third Party, or between the Company's subsidiaries and the four entities, at the time when the Advances were made. No disclosure was made of these Advances until or before late September 2005, and even then there was no detailed disclosure of the Advances. The Advances were made by the Group unsecured, and interest-free. The Relevant Directors, who were executive directors of the Company at the material time, approved the Advances on 10 April 2005.

Rules 13.13 and 13.14

Pursuant to Rule 13.13, the Company was under a general disclosure obligation where any of the percentage ratios of the relevant advance to an entity exceeded 8 per cent. The Listing Division submitted that Rule 13.13 was triggered as the Advances had already exceeded 8 per cent of a relevant percentage ratio on 11 April 2005. However, no such announcement was made at the material time.

Further, pursuant to Rule 13.14, the Company was under a further general disclosure obligation where the relevant advance to an entity increased from that previously disclosed under Rule 13.13, and any of the percentage ratios for the amount of the increase was 3 per cent or more. The Division submitted that the further Advances on 12 April 2005 and 14 April 2005 each exceeded 3 per cent of the percentage ratios, triggering the further disclosure obligation under Rule 13.14 on both days. However, the Company did not make the required announcements on both days.

It was not until over five months after the Advances were made that the Company published an announcement dated 27 September 2005 (the "First Announcement") disclosing the fact of the Group's Advances for the first time but not the timing of the payment of the Advances. The Company explained in the First Announcement that RMB60 million was paid by its internal resources to a potential vendor as deposit for a proposed acquisition which "may or may not proceed", and that, on 27 September 2005, the Company entered into a non-legally binding memorandum of understanding with the Third Party (the vendor) regarding the acquisition of 70 per cent interest in Sun Leader Limited. The Listing Division submitted that the First Announcement did not include all the information required by Rule 13.15, e.g. interest rate and any collateral, and therefore did not amount to a fulfillment of the general disclosure obligation arising from Rules 13.13 and 13.14.

Detailed disclosure of the Advances was only made eventually by virtue of a second announcement dated 6 December 2005 (the "Second Announcement"), almost eight months after the Advances were paid by the Group. It was during the vetting process of the Second Announcement that the Division became aware that the Group had in April 2005 already made the Advances to the Third Party.

Rule 2.13

When the Advances were first disclosed in the First Announcement by the Company over five months after the fact, only the making of the Advances was disclosed, but not the timing of the payment, a breakdown of the Advances over 11, 12 and 14 April 2005 or information about the actual recipients of the Advances.

The Listing Division alleged that the First Announcement was not accurate and complete in all material respects and was misleading and constituted a breach of Rule 2.13.

Rules 14.34, 14.38 and 14.40

The Listing Division submitted that the payment of the Advances to entities designated by an independent third party constituted financial assistance to these companies and/or the Third Party. The amount of the financial assistance should be measured against the thresholds for various "transactions" set out in Rules 14.06 and 14.07 for the purpose of compliance with Chapter 14. The Advances to the four entities, which were completed within 12 months and were related, should be aggregated pursuant to Rules 14.22 and 14.23 for the purpose of classification of the transaction.

According to the size tests supplied by the Company, the aggregate Advances on each of the relevant days in April 2005 respectively fell within two types of notifiable transactions, i.e. discloseable transaction and major transaction, and thereby triggering various disclosure and approval obligations under Chapter 14. The Division submitted that the Company had not complied with the relevant Exchange Listing Rules in respect of the Advances.

The Division alleged that the Company breached:

(a) Rules 13.13 and 13.14 for failing to disclose the Advances made in April 2005 by announcements as soon as reasonably practicable;

(b) Rule 2.13 for publishing an announcement that was not accurate and complete in all material respects and that was misleading; and

(c) Rules 14.34, 14.38 and 14.40 for failing to comply with the notification, announcement, circular and shareholders' approval requirements.

The Division submitted that each of Mr Sze, Mr Chu and Mr Gu breached his Director's Undertaking for causing or failing to prevent the Company's breaches of the Exchange Listing Rules.

Decision

The Listing Committee concluded that:

(i) the Company breached Rules 13.13, 2.13, 14.34, 14.38 and 14.40 of the Exchange Listing Rules;

(ii) the Company did not breach Rule 13.14; and

(iii) Each of the Relevant Directors breached the Director's Undertaking to use best endeavours to procure the Company's compliance with the Exchange Listing Rules.

The Listing Committee decided to impose a public statement which involves criticism on the Company and each of the Relevant Directors for their respective breaches mentioned in (i) and (iii) above.

Richard Williams, Head of Listing, said: "An overarching principle of the Listing Rules is transparency. Disclosure to shareholders and investors in the market generally with the objective of placing them in a position to make informed investment decisions is a cornerstone of the regulatory regime.

The decision of the Committee in this case identifies two areas where the Company and its management have failed to discharge their obligations under the broader principle described above. The first being in the timing of disclosure and the second in the quality and scope of disclosure given:

(1) Timely disclosure. In this case substantial advances made by the management in pursuing commercial opportunities open to the Company were not disclosed to shareholders and investors until some five months after they were made. The requirement is that they be disclosed 'as soon as reasonably practicable', and delays of some five months are not consistent with that objective.

(2) The accurate and complete disclosure of material information. Advances of the magnitude described in the case in relation to the asset base of the Company triggered important disclosure obligations. Coupled with that obligation is the requirement to disclose relevant material information. In this case disclosure was originally made in September 2005 but with limited information concerning the transactions. Important information such as the timing of the advances; the absence of any interest payable or security was omitted from the initial disclosure rendering the quality of information available to shareholders of very limited value and the absence of this information created a situation where shareholders may not have been able to make investment decisions on an informed basis.

As a consequence, in pursuing their commercial and business objectives, listed companies and their management are urged not to sacrifice compliance with their disclosure obligations and to provide shareholders with accurate information on a timely basis."