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財華社
FINET

FINET GROUP LIMITED
財華社集團有限公司

(incorporated in the Cayman Islands with limited liability)
(Stock code: 8317)

CLARIFICATION ANNOUNCEMENT

The Board wishes to clarify certain information in an article appearing in today's newspaper.

The Proposed Acquisition may or may not proceed. Shareholders and potential investors in the Company are advised to exercise caution when dealing in the shares of the Company.

The Board refers to an article in a newspaper today regarding proposed acquisition of non-performing loan portfolios in China ("Proposed Acquisition") that may be completed within the first half of this year.

The Company always considers ways to maximize shareholders' value (including, but not limited to, exploring investment opportunities in synergistic businesses). The Company wishes to confirm that, in relation to the NPL Project as stated in the announcement made on 15th November 2005, the Company is currently progressing to contract negotiation with a China asset management company ("AMC") for the acquisition of a NPL portfolio, including, but not limited to, consideration, settlement of consideration (whether both cash and shares are included), and timetable. However, no final agreement has yet been reached between the parties at this stage. As such, the Proposed Acquisition may or may not proceed.

The Company would also like to state that at this stage the Proposed Acquisition only focuses on NPL portfolio acquisition, management and recovery, instead of on securitization. As such, the working relationship between the Company and Calyon Corporate and Investment Bank in the securitization of China NPL portfolio mentioned in the announcement on 15th November 2005 has ceased.

Further announcement will be made if a definitive agreement between the Company and the AMC is entered into. The Company will comply with all relevant Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the "GEM Listing Rules") should the Proposed Acquisition materialize.

The Proposed Acquisition may or may not proceed. Shareholders and potential investors in the Company are advised to exercise caution when dealing in the shares of the Company.

By Order of the Board
Yu Gang, George
Chairman

Hong Kong, 30th March, 2006

As at the date of this announcement, executive directors of the Company are Dr. Yu Gang, George and Mr. Au Siu Lun, Allen and the non-executive director is Dr. Kwan Pun Fong, Vincent, and the independent non-executive directors are Dr. Lam Lee G., Mr. Ng Ching Wo and Mr. Wu Tak Lung.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (i) the information contained in this announcement is accurate and complete in all material respects and not misleading; (ii) there are no other matters the omission of which would make any statement in this announcement misleading; and (iii) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

This announcement will remain on the “Latest Company Announcements” page of the GEM website for at least seven days from the day of its posting and on the website of the Company at www.e-finet.com.