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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)**

**PROPOSED OPEN OFFER ON THE BASIS OF  
ONE OFFER SHARE FOR EVERY EXISTING SHARE  
HELD ON THE RECORD DATE;**

**APPLICATION FOR WHITEWASH WAIVER;**

**PROPOSED RE-ELECTION OF DIRECTOR;**

**AND**

**RESUMPTION OF TRADING**

**Underwriter to the Open Offer**

**Opulent Oriental International Limited**

**PROPOSED OPEN OFFER**

On 5 May 2009, the Company announced its intention to make the First Open Offer. The intended proceeds to be raised were relatively modest in view of the then prevailing market condition. The First Open Offer became available for subscription on 9 July 2009 for Shareholders on the record of the Company on 3 July 2009. As announced by the Company on 30 July 2009, a total of 3,223,255,472 Shares offered under the First Open Offer were applied for under the assured allotment application forms and the excess application forms, representing approximately 1,076% of the total number of 299,685,000 Shares offered under the First Open Offer. The net proceeds raised by the Company from the First Open Offer were approximately HK\$12.8 million.

In view of the improved market conditions over the last few months and the overwhelming support of the Shareholders, the Board believes that there is a need and still a window of opportunity to further strengthen the Company's capital base. Therefore, the Board proposes to make an additional open offer (the Open Offer) to the Shareholders to raise not less than approximately HK\$63.0 million and not more than approximately HK\$69.7 million before expenses, on the basis of one Offer Share for every existing Share held on the Record Date at the Subscription Price of HK\$0.07 per Offer Share payable in full upon application. The number of Offer Shares is not less than 899,465,189 new Shares (assuming that none of the Vested Share Options and the Bonus Warrants is exercised on or before the Record Date) and not more than 996,424,048 new Shares (assuming that all the Vested Share Options (other than those held by Dr. Yu) and the Bonus Warrants are exercised in full on or before the Record Date).

The Open Offer is only available to the Qualifying Shareholders and will not be extended to the Excluded Shareholders. To qualify for the Open Offer, all transfers of Shares with the relevant share certificates must be lodged for registration with the Registrars by 4:30 p.m. on Tuesday, 27 October 2009. The register of members of the Company will be closed from Wednesday, 28 October 2009 to Friday, 30 October 2009, both dates inclusive, to determine the eligibility of the Shareholders to the Open Offer.

Based on 899,465,189 Offer Shares, the estimated net proceeds from the Open Offer will be approximately HK\$61.5 million. The Company intends to use the net proceeds for general working capital to grow the Group's two core business lines, particularly the online game business in the Mainland China, and for investment in new business should any opportunities arise in the future.

Pursuant to the Underwriting Agreement, the Underwriter has conditionally agreed to underwrite, on a fully underwritten basis, the Offer Shares not having been subscribed for by the Qualifying Shareholders subject to the terms and conditions of the Underwriting Agreement.

As at the date of this announcement, the Company has Share Options entitling the holders thereof to subscribe for an aggregate of 21,201,742 Shares, of which Vested Share Options to subscribe for an aggregate of 20,763,032 Shares are exercisable on or before the Record Date at the exercise prices ranging from HK\$0.1368 to HK\$0.6091 per Share (subject to adjustments). Dr. Yu has irrevocably undertaken, among other things, not to exercise the subscription rights attaching to 13,299,484 Vested Share Options held by him prior to the Record Date on the terms of the Irrevocable Undertakings.

## **IMPLICATIONS UNDER THE TAKEOVERS CODE AND THE WHITEWASH WAIVER**

Opulent is wholly-owned by Dr. Yu, and is the controlling shareholder of the Company holding an aggregate of 275,006,184 Shares, representing approximately 30.57% of the total number of Shares in issue as at the date of this announcement. Opulent is also beneficially interested in the Bonus Warrants entitling it to subscribe for an aggregate of 27,500,618 Shares. In addition, Dr. Yu is entitled to Vested Share Options to subscribe for an aggregate of 13,299,484 Shares. As set out in the paragraph headed "Underwriting Arrangement and Undertakings", Opulent has irrevocably undertaken to the Company to subscribe in full for its assured allotments of the Offer Shares (including such number of Offer Shares in respect of any Shares which may be issued to it as a result of the exercise of the Bonus Warrants held by it from the date of the Underwriting Agreement up to and including the Record Date) under the Open Offer, and those Offer Shares not having been subscribed for by the Qualifying Shareholders. Dr. Yu has also irrevocably undertaken to the Underwriter and the Company, among other things, that he will not exercise his Vested Share Options to subscribe for an aggregate of 13,299,484 Shares from the date of the Irrevocable Undertakings up to and including the Record Date. In the event that none of the Qualifying Shareholders (other than Opulent) takes up any Offer Shares upon completion of the Open Offer, the Underwriter will be required to take up all the Offer Shares that are not subscribed for under the Open Offer. Accordingly, the total number of Shares as held by the Concert Party Group will be increased from 275,006,184 Shares (representing approximately 30.57% of the total number of Shares in issue of the Company as at the date of this announcement) to:

- (i) 1,174,471,373 Shares (representing approximately 65.29% of the total number of Shares in issue as enlarged by the Open Offer), assuming that none of the Vested Share Options and the Bonus Warrants is exercised on or before the Record Date;
- (ii) 1,181,934,921 Shares (representing approximately 65.16% of the total number of Shares in issue as enlarged by the Open Offer), assuming that the Vested Share Options (other than those held by Dr. Yu) are exercised in full by the Optionholders on or before the Record Date but none of the Bonus Warrants is exercised on or before the Record Date;
- (iii) 1,291,467,302 Shares (representing approximately 65.29% of the total number of Shares in issue as enlarged by the Open Offer), assuming that none of the Vested Share Options is exercised by the Optionholders on or before the Record Date but the Bonus Warrants are exercised in full on or before the Record Date; and
- (iv) 1,298,930,850 Shares (representing approximately 65.18% of the total number of Shares in issue as enlarged by the Open Offer), assuming that the Vested Share Options (other than those held by Dr. Yu) and the Bonus Warrants are exercised in full on or before the Record Date.

Accordingly, the underwriting by the Underwriter will trigger an obligation on the part of the Underwriter to make a mandatory general offer under Rule 26 of the Takeovers Code for all the Shares not already owned by or agreed to be acquired by the Concert Party Group.

An application will be made by the Underwriter to the Executive for the Whitewash Waiver in connection with the underwriting of the Open Offer by the Underwriter in above circumstances pursuant to note 1 of the Notes on dispensations from Rule 26 of the Takeovers Code. The Whitewash Waiver, if granted by the Executive, would be subject to, among other things, the approval of the Open Offer and the Whitewash Waiver by the Independent Shareholders at the EGM by way of poll.

#### **WARNING OF THE RISKS OF DEALINGS IN THE SHARES**

**The Open Offer is conditional, inter alia, upon the fulfillment of the conditions set out in the section headed “Conditions of the Open Offer”. In particular, the Open Offer is conditional upon the Whitewash Waiver having been granted by the Executive, the approval of the Open Offer and the Whitewash Waiver by the Independent Shareholders at the EGM by way of poll, the Underwriting Agreement having become unconditional and the Underwriter not having terminated the Underwriting Agreement in accordance with the terms thereof as set out in the paragraph headed “Termination of the Underwriting Agreement”. Accordingly, the Open Offer may or may not proceed.**

**Shareholders and potential investors of the Company should therefore exercise extreme caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their professional advisers.**

#### **PROPOSED RE-ELECTION OF DIRECTOR**

In accordance with Article 86(3) of the Articles of Association and the Code on Corporate Governance Practices as set out in Appendix 15 to the GEM Listing Rules, Mr. Lam Ka Wai, Graham will retire at the EGM and, being eligible, will offer himself for re-election.

#### **INDEPENDENT BOARD COMMITTEE**

The Independent Board Committee comprising all the independent non-executive Directors, namely Dr. Lam Lee G., Mr. Wu Tak Lung and Mr. Lam Ka Wai, Graham, has been established to make recommendations to the Independent Shareholders as to whether the Open Offer (including the commission payable to the Underwriter under the Underwriting Agreement) and the Whitewash Waiver are fair and reasonable and in the interests of the Company and the Shareholders as a whole and to advise the Independent Shareholders on how to vote at the EGM. As at the date of this announcement, Dr. Lam Lee G. and Mr. Wu Tak Lung are each interested in Vested Share Options entitling each of them to subscribe for 1,096,774 Shares.

An independent financial adviser will be appointed to advise the Independent Board Committee and the Independent Shareholders in respect of the Open Offer and the Whitewash Waiver. A further announcement will be made immediately following the appointment of the Independent Financial Adviser.

## **GENERAL**

The Open Offer is conditional on, among other things, the approval of the Open Offer and the Whitewash Waiver by the Independent Shareholders at the EGM by way of poll. As at the date of this announcement, Opulent is interested in an aggregate of 275,006,184 Shares, representing approximately 30.57% of the existing issued share capital of the Company. Opulent and parties acting in concert with it, including Dr. Yu, shall abstain from voting in favour of the relevant resolutions approving the Open Offer and the Whitewash Waiver.

The Circular setting out, among other things, further details of the Open Offer, the Whitewash Waiver and the Re-election of Director and containing (i) a letter from the Independent Board Committee to the Independent Shareholders setting out their recommendation in relation to the Open Offer and the Whitewash Waiver; (ii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the Open Offer and the Whitewash Waiver together with (iii) a notice of the EGM will be despatched to the Shareholders as soon as practicable.

Subject to the Open Offer and the Whitewash Waiver being approved by the Independent Shareholders at the EGM, the Prospectus Documents (or the Prospectus, where appropriate) containing further information on the Open Offer will be despatched to the Shareholders as soon as practicable.

## **RESUMPTION OF TRADING**

At the request of the Company, trading in the Shares on the Stock Exchange was suspended with effect from 9:30 a.m. on Wednesday, 23 September 2009 pending the release of this announcement. Application has been made to the Stock Exchange for the resumption of trading in the Shares from 9:30 a.m. on Monday, 28 September 2009.

## **INTRODUCTION**

On 5 May 2009, the Company announced its intention to make the First Open Offer. The intended proceeds to be raised were relatively modest in view of the then prevailing market condition. The First Open Offer became available for subscription on 9 July 2009 for Shareholders on the record of the Company on 3 July 2009. As announced by the Company on 30 July 2009, a total of 3,223,255,472 Shares offered under the First Open Offer were applied for under the assured allotment application forms and the excess application forms, representing approximately 1,076% of the total number of 299,685,000 Shares offered under the First Open Offer. The net proceeds raised by the Company from the First Open Offer were approximately HK\$12.8 million.

In view of the improved market conditions over the last few months and the overwhelming support of the Shareholders, the Board believes that there is a need and still a window of opportunity to further strengthen the Company's capital base. Therefore, the Board proposes to make an additional open offer (the Open Offer) to the Shareholders to raise not less than approximately HK\$63.0 million and not more than approximately HK\$69.7 million before expenses, on the basis of one Offer Share for every existing Share held on the Record Date at the Subscription Price of HK\$0.07 per Offer Share payable in full upon application. The number of Offer Shares is not less than 899,465,189 new Shares (assuming that none of the Vested Share Options and the Bonus Warrants is exercised on or before the Record Date) and not more than 996,424,048 new Shares (assuming that all the Vested Share Options (other than those held by Dr. Yu) and the Bonus Warrants are exercised in full on or before the Record Date).

## PROPOSED OPEN OFFER

### Issue statistics

Basis of the Open Offer : One Offer Share for every existing Share held on the Record Date and payable in full upon application

Number of Shares in issue : 899,465,189 Shares as at the date of this announcement

Minimum number of Offer Shares assuming that none of the Share Options and the Bonus Warrants is exercised on or before the Record Date : 899,465,189 Offer Shares

Maximum number of Offer Shares assuming that the Vested Share Options (other than those held by Dr. Yu) and the Bonus Warrants are exercised in full on or before the Record Date : 996,424,048 Offer Shares

Subscription Price : HK\$0.07 per Offer Share payable in full upon application

Minimum number of Shares in issue as enlarged upon completion of the Open Offer assuming that none of the Vested Share Options and the Bonus Warrants is exercised on or before the Record Date : 1,798,930,378 Shares

Maximum number of Shares in issue as enlarged upon completion of the Open Offer assuming that the Vested Share Options (other than those held by Dr. Yu) and the Bonus Warrants are exercised in full on or before the Record Date : 1,992,848,096 Shares

As at the date of this announcement, the Company has:

- (i) Share Options entitling the holders thereof to subscribe for an aggregate of 21,201,742 Shares, of which Vested Share Options to subscribe for an aggregate of 20,763,032 Shares are exercisable on or before the Record Date at the exercise prices ranging from HK\$0.1368 to HK\$0.6091 per Share (subject to adjustments). The Vested Share Options consist of (i) Vested Share Options granted to Dr. Yu to subscribe for an aggregate of 13,299,484 Shares; (ii) Vested Share Options granted to the independent non-executive Directors to subscribe for an aggregate of 2,193,548 Shares; and (iii) Vested Share Options granted to employees of the Company to subscribe for an aggregate of 5,270,000 Shares. Dr. Yu has irrevocably undertaken, among other things, not to exercise the subscription rights attaching to 13,299,484 Vested Share Options held by him prior to the Record Date on the terms of the Irrevocable Undertakings; and

- (ii) Bonus Warrants entitling the holders thereof to subscribe for an aggregate of 89,495,311 Shares at the initial subscription price of HK\$0.10 (subject to adjustments).

Save for the Share Options and the Bonus Warrants, the Company has no other outstanding options, warrants, derivatives or convertible securities in issue which confer any rights to subscribe for, convert or exchange into Shares as at the date of this announcement.

### **Subscription Price**

The Subscription Price of HK\$0.07 per Offer Share is payable in full upon application of the relevant assured allotment of Offer Shares. The Subscription Price represents:

- (i) a discount of approximately 22.22% to the closing price per Share of HK\$0.090 as quoted on the Stock Exchange on the Last Trading Date;
- (ii) a discount of approximately 20.45% to the average of the closing prices per Share of approximately HK\$0.088 for the last 5 trading days as quoted on the Stock Exchange up to and including the Last Trading Date;
- (iii) a discount of approximately 21.35% to the average of the closing prices per Share of approximately HK\$0.089 for the last 10 trading days as quoted on the Stock Exchange up to and including the Last Trading Date; and
- (iv) a discount of approximately 12.50% to the theoretical ex-entitlement price of approximately HK\$0.080 per Share calculated based on the closing price per Share of HK\$0.090 as quoted on the Stock Exchange on the Last Trading Date.

The Subscription Price was determined after arm's length negotiations between the Company and the Underwriter with reference to the current market price of the Shares.

### **Basis of assured allotment**

The basis of the assured allotment shall be one Offer Share for every existing Share held by the Qualifying Shareholders on the Record Date. Application for all or any part of a Qualifying Shareholder's assured allotment should be made by completing the Application Form and lodging the same with the remittance for the Offer Shares being applied for.

### **Fractions of the Offer Shares**

On the basis of the assured allotment of one Offer Share for every existing Share held by the Qualifying Shareholders on the Record Date, no fractional entitlements to the Offer Shares will arise under the Open Offer.

### **Status of the Offer Shares**

The Offer Shares, when allotted and fully paid, will rank *pari passu* in all respects with the Shares then in issue. Holders of fully-paid Offer Shares will be entitled to receive all future dividends and distributions which are declared, made or paid on or after the date of allotment of the Offer Shares.

## **Application for listing**

The Company will apply to the Listing Committee of the Stock Exchange for the listing of and permission to deal in the Offer Shares.

Dealings in the Offer Shares in board lots of 10,000, which are registered in the branch register of members of the Company in Hong Kong will be subject to the payment of stamp duty in Hong Kong, Stock Exchange trading fees, SFC transaction levy and other applicable fees and charges in Hong Kong.

## **Qualifying Shareholders**

The Company will send the Prospectus Documents to the Qualifying Shareholders only. For the Excluded Shareholders, the Company will send copies of the Prospectus to them for their information only, but the Company will not send any Application Form to the Excluded Shareholders.

To qualify for the Open Offer, a Shareholder must be registered as a member of the Company at the close of business on the Record Date and must be a Qualifying Shareholder. In order to be registered as members of the Company at the close of business on the Record Date, Shareholders must lodge any transfers of Shares (together with the relevant share certificates) with the Registrars for registration no later than 4:30 p.m. on Tuesday, 27 October 2009.

## **Closure of register of members**

The register of members of the Company is expected to be closed from Wednesday, 28 October 2009 to Friday, 30 October 2009, both dates inclusive. No transfers of Shares will be registered during the book closure period.

## **Certificates of the Offer Shares**

Subject to the fulfillment of the conditions of the Open Offer, share certificates for the Offer Shares are expected to be posted by Thursday, 26 November 2009 to those Shareholders who have validly applied and paid for the Offer Shares by ordinary post at their own risks.

## **Rights of Excluded Shareholders**

The Company is currently making enquiries regarding the feasibility of extending the Open Offer to the Overseas Shareholders. If based on legal opinions provided by the legal advisers, the Directors consider that it is necessary or expedient not to offer the Offer Shares to the Overseas Shareholders on account either of the legal restrictions under the laws of the places of their registered addresses or the requirements of the relevant regulatory bodies or stock exchanges in those places outside Hong Kong, the Open Offer will not be available to such Overseas Shareholders. In such circumstances, the Offer Shares which would otherwise have been made available to the Excluded Shareholders for subscription will be taken up by the Underwriter and/or subscribers procured by them. The results of the enquiries and the basis for excluding the Excluded Shareholders, if any, from the Open Offer will be set out in the Circular to be despatched to the Shareholders. The Company will send copies of the Prospectus to the Excluded Shareholders for their information only, but will not send any Application Form to the Excluded Shareholders.



## **No transfer of nil-paid entitlements and no application for excess Offer Shares**

The invitation to subscribe for the Offer Shares to be made to the Qualifying Shareholders will not be transferable. There will not be any trading in nil-paid entitlements on the Stock Exchange.

Unlike the First Open Offer, no excess application arrangement will be made available in the Open Offer. The Board is of the view that the excess application arrangement is administratively costly and is potentially open to abuse. The Board is at risk of legal claims if it exercises its discretion to invalidate excess applications where abuses are suspected if such excess applications were subsequently found to be genuine. However, the Board has neither the legal means nor the time to investigate potential abuses at the time when the allocation is required to be made. Accordingly, after arm's length negotiation with the Underwriter, and taking into account the administrative costs to be incurred by excess application arrangement and the legal risks associated with regulating possible abuse of such arrangement, the Board has decided that it is fair and reasonable and in the interests of the Company and the Shareholders as a whole not to offer any excess application to the Qualifying Shareholders. Shareholders who wish to acquire a larger proportion in the Company under the Open Offer can purchase additional Shares on the market prior to the Record Date. The Offer Shares not validly applied for by the Qualifying Shareholders will be taken up by the Underwriter and/or the sub-underwriters procured by the Underwriter. Since no excess application for the Offer Shares is available, approval in respect of the absence of such arrangement and the Underwriting Agreement which serves as the alternative arrangement in respect of the untaken Offer Shares under the Open Offer shall be obtained from the Independent Shareholders at the EGM by way of poll for the purpose of compliance with Rule 10.42(2) of the GEM Listing Rules.

## **UNDERWRITING ARRANGEMENT AND UNDERTAKINGS**

### **The Underwriting Agreement**

- Date : 22 September 2009
- Underwriter : Opulent. Opulent is the controlling shareholder of the Company holding an aggregate of 275,006,184 Shares (representing approximately 30.57% of the issued share capital of the Company) as at the date of this announcement. Opulent is an investment holding company whose ordinary course of business does not involve underwriting of securities and is wholly-owned by Dr. Yu.
- Number of Underwritten Shares : Not less than 624,459,005 Offer Shares and not more than 693,917,246 Offer Shares (being all Offer Shares (including the Offer Shares to which the Excluded Shareholder(s) would otherwise have been entitled) to be issued pursuant to the Open Offer less those Offer Shares which Opulent has undertaken to take up).
- Commission : An underwriting commission of 1.5% of the aggregate Subscription Price of up to 693,917,246 Offer Shares to be subscribed by Opulent will be payable by the Company to Opulent

The Directors (excluding the independent non-executive Directors whose opinion will be formed after considering the advice from the Independent Financial Adviser) consider that the terms of the Underwriting Agreement are fair and reasonable.

### **Undertakings from Opulent**

As at the date of this announcement, Opulent is interested in 275,006,184 Shares, representing approximately 30.57% of the existing issued share capital of the Company. In addition, Opulent is beneficially interested in the Bonus Warrants which entitle it to subscribe for an aggregate of 27,500,618 Shares. Pursuant to the terms of the Underwriting Agreement, Opulent has irrevocably undertaken to the Company, among other things, that (i) it will not dispose of the 275,006,184 Shares beneficially owned by it from the date of the Underwriting Agreement up to the Latest Time for Acceptance; (ii) it will accept or procure to accept its assured allotments of 275,006,184 Offer Shares under the Open Offer in respect of the 275,006,184 Shares held by it as at the date of the Underwriting Agreement; and (iii) it will accept or procure to accept its assured allotments of such number of Offer Shares under the Open Offer in respect of any Shares which may be issued to it as a result of the exercise of the Bonus Warrants held by it from the date of the Underwriting Agreement up to and including the Record Date.

## **Undertakings from Dr. Yu**

As at the date of this announcement, Dr. Yu does not hold any Shares (save for the 275,006,184 Shares held through Opulent) but holds Vested Share Options to subscribe for an aggregate of 13,299,484 Shares. Pursuant to the Irrevocable Undertakings, Dr. Yu has irrevocably undertaken to the Company and the Underwriter that he will not exercise any of his Vested Share Options to subscribe for up to a maximum of 13,299,484 Shares, and that such Vested Share Options will remain registered in his name and beneficially owned by him from the date of the Irrevocable Undertakings up to and including the Record Date.

## **Conditions of the Open Offer**

The Open Offer is conditional, among other things, on each of the following conditions being fulfilled:

- (i) the passing of ordinary resolutions by the Independent Shareholders approving the Open Offer (including but not limited to the exclusion of the offer of the Offer Shares to the Excluded Shareholders and the arrangements contemplated under the Underwriting Agreement with regard to the excess Offer Shares) and the Whitewash Waiver at the EGM by way of poll;
- (ii) the Executive granting the Whitewash Waiver to the Underwriter and the satisfaction of all conditions (if any) attached to the Whitewash Waiver granted;
- (iii) the delivery by or on behalf of the Company not later than the Prospectus Posting Date of one copy of each of the Prospectus Documents, duly signed by or on behalf of any two Directors together with any requisite accompanying documents, to the Stock Exchange and the Registrar of Companies in Hong Kong for filing and registration in accordance with the provisions of the Companies Ordinances;
- (iv) the Listing Committee of the Stock Exchange granting or agreeing to grant (subject to allotment) listing of and permission to deal in all the Offer Shares and not having withdrawn or revoked such listings and permission;
- (v) the posting of the Prospectus Documents to Qualifying Shareholders and of the Prospectus, for information purposes only, to the Excluded Shareholders;
- (vi) compliance with and performance of all the undertakings and obligations of the Company as provided in the Underwriting Agreement; and
- (vii) the obligations of the Underwriter not being terminated by the Underwriter in accordance with the terms of the Underwriting Agreement.

Save for condition (vi) which may be waived by the Underwriter in whole or in part, none of the conditions above can be waived. If the conditions of the Open Offer are not satisfied and/or waived (in respect of condition (vi) only) in whole or in part by the Underwriter by the Latest Time for Termination or such later date or dates as the Underwriter may agree with the Company in writing, the Underwriting Agreement shall terminate and (except in respect of any reasonable legal fees or other reasonably out-of-pocket expenses, if any, of the Underwriter, or the indemnity given to the Underwriter and any rights or obligations which may accrue under the Underwriting Agreement prior to such termination) no party will have any claim against the other party for costs, damages, compensation or otherwise.

If the Underwriting Agreement terminates in accordance with its terms, the Open Offer will not proceed. The Irrevocable Undertakings as described above will lapse.

### **Termination of the Underwriting Agreement**

The Underwriter shall be entitled by notice in writing to the Company, served prior to the Latest Time for Termination, to terminate the Underwriting Agreement if prior to the Latest Time for Termination:

- (i) in the reasonable opinion of the Underwriter acting in good faith, the success of the Open Offer would be materially and adversely affected by:
  - (a) the introduction of any new law or regulation or any change in existing laws or regulations (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole; or
  - (b) the occurrence of any local, national or international event or change, whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date hereof, of a political, financial, economic, currency, market or other nature (whether or not of the same kind, class or nature with any of the foregoing), or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets which may materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole; or
  - (c) any material adverse change in the business or in the financial or trading position or prospects of the Group as a whole; or
  - (d) any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out which would materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole; or
  - (e) there occurs or comes into effect the imposition of any moratorium, suspension or material restriction on trading in the Shares generally on the Stock Exchange due to exceptional financial circumstances or otherwise; or
  - (f) the commencement by any third party of any litigation or claim against any company in the Group which is or might be material to the Group taken as a whole; or

- (ii) any material adverse change in market conditions (including, without limitation, a change in fiscal or monetary policy or foreign exchange or currency markets, suspension or restriction of trading in securities, imposition of economic sanctions on Hong Kong, the PRC or other jurisdiction relevant to any company in the Group and a change in currency conditions includes a change in the system under which the value of the Hong Kong currency is pegged with that of the currency of the United States of America) occurs which makes it inexpedient or inadvisable to proceed with the Open Offer; or
- (iii) the Circular or the Prospectus when published contain information (either as to business prospects or the condition of the Group or as to its compliance with any laws or the GEM Listing Rules or any applicable regulations) which has not prior to the date of the Underwriting Agreement been publicly announced or published by the Company and which is material to the Group as a whole and is likely to affect materially and adversely the success of the Open Offer or might cause a prudent investor not to accept the Offer Shares to be allotted to it.

The Underwriter shall be entitled by notice in writing to rescind the Underwriting Agreement if prior to the Latest Time for Termination:

- (i) any material breach of any of the warranties or undertakings contained in the relevant clause in the Underwriting Agreement comes to the knowledge of the Underwriter and such material breach materially and adversely affects the success of the Open Offer; or
- (ii) any event occurring or matter arising on or after the date of the Underwriting Agreement and prior to the Latest Time for Termination which if it had occurred or arisen before the date of the Underwriting Agreement would have rendered any of the warranties contained in the relevant clause in the Underwriting Agreement untrue or incorrect in any material respect comes to the knowledge of the Underwriter and such event materially and adversely affects the success of the Open Offer.

**If the Underwriter exercises such right, the Open Offer will not proceed.**

## **WARNING OF THE RISKS OF DEALING IN THE SHARES**

**The Open Offer is conditional, *inter alia*, upon the fulfillment of the conditions set out in the section headed “Conditions of the Open Offer”. In particular, the Open Offer is conditional upon the Whitewash Waiver having been granted by the Executive, the approval of the Open Offer and the Whitewash Waiver by the Independent Shareholders at the EGM by way of poll, the Underwriting Agreement having become unconditional and the Underwriter not having terminated the Underwriting Agreement in accordance with the terms thereof as set out in the paragraph headed “Termination of the Underwriting Agreement”. Accordingly, the Open Offer may or may not proceed.**

**Shareholders and potential investors of the Company should therefore exercise extreme caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their professional advisers.**

## SHAREHOLDING STRUCTURE OF THE COMPANY

The shareholding structure of the Company immediately before and after completion of the Open Offer is set out below, assuming that none of the Bonus Warrants is exercised on or before the Record Date:

Shareholders	As at the date of this announcement		Upon completion of the Open Offer							
	Number of Shares	Approximate %	Assuming that none of the Vested Share Options is exercised on or before the Record Date				Assuming that the Vested Share Options (other than those held by Dr. Yu) are exercised in full on or before the Record Date (Note 1)			
			Nil subscription by public Shareholders		100% subscription by public Shareholders		Nil subscription by public Shareholders		100% subscription by public Shareholders	
			Number of Shares	Approximate %	Number of Shares	Approximate %	Number of Shares	Approximate %	Number of Shares	Approximate %
Opulent	275,006,184	30.57	1,174,471,373	65.29	550,012,368	30.57	1,181,934,921	65.16	550,012,368	30.32
<b>Total holdings of Concert Party Group (Note 2)</b>	<b>275,006,184</b>	<b>30.57</b>	<b>1,174,471,373</b>	<b>65.29</b>	<b>550,012,368</b>	<b>30.57</b>	<b>1,181,934,921</b>	<b>65.16</b>	<b>550,012,368</b>	<b>30.32</b>
Lam Lee G. (Note 3)	-	-	-	-	-	-	1,096,774	0.06	2,193,548	0.12
Wu Tak Lung (Note 3)	-	-	-	-	-	-	1,096,774	0.06	2,193,548	0.12
Employees of the Company	-	-	-	-	-	-	5,270,000	0.29	10,540,000	0.58
<b>Total holdings of Optionholders</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,463,548</b>	<b>0.41</b>	<b>14,927,096</b>	<b>0.82</b>
Other public Shareholders	624,459,005	69.43	624,459,005	34.71	1,248,918,010	69.43	624,459,005	34.43	1,248,918,010	68.86
<b>Total</b>	<b>899,465,189</b>	<b>100.00</b>	<b>1,798,930,378</b>	<b>100.00</b>	<b>1,798,930,378</b>	<b>100.00</b>	<b>1,813,857,474</b>	<b>100.00</b>	<b>1,813,857,474</b>	<b>100.00</b>

The following sets out the shareholding structure of the Company upon completion of the Open Offer, assuming that the Bonus Warrants are exercised in full on or before the Record Date:

Shareholders	As at the date of this announcement		Upon completion of the Open Offer							
	Number of Shares	Approximate %	Assuming that none of the Vested Share Options is exercised on or before the Record Date				Assuming that the Vested Share Options (other than those held by Dr. Yu) are exercised in full on or before the Record Date (Note 1)			
			Nil subscription by public Shareholders		100% subscription by public Shareholders		Nil subscription by public Shareholders		100% subscription by public Shareholders	
			Number of Shares	Approximate %	Number of Shares	Approximate %	Number of Shares	Approximate %	Number of Shares	Approximate %
Opulent	275,006,184	30.57	1,291,467,302	65.29	605,013,604	30.59	1,298,930,850	65.18	605,013,604	30.36
<b>Total holdings of Concert Party Group (Note 2)</b>	<b>275,006,184</b>	<b>30.57</b>	<b>1,291,467,302</b>	<b>65.29</b>	<b>605,013,604</b>	<b>30.59</b>	<b>1,298,930,850</b>	<b>65.18</b>	<b>605,013,604</b>	<b>30.36</b>
Lam Lee G. (Note 3)	-	-	-	-	-	-	1,096,774	0.06	2,193,548	0.11
Wu Tak Lung (Note 3)	-	-	-	-	-	-	1,096,774	0.06	2,193,548	0.11
Employees of the Company	-	-	-	-	-	-	5,270,000	0.26	10,540,000	0.53
<b>Total holdings of Optionholders</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,463,548</b>	<b>0.38</b>	<b>14,927,096</b>	<b>0.75</b>
Other public Shareholders	624,459,005	69.43	686,453,698	34.71	1,372,907,396	69.41	686,453,698	34.44	1,372,907,396	68.89
<b>Total</b>	<b>899,465,189</b>	<b>100.00</b>	<b>1,977,921,000</b>	<b>100.00</b>	<b>1,977,921,000</b>	<b>100.00</b>	<b>1,992,848,096</b>	<b>100.00</b>	<b>1,992,848,096</b>	<b>100.00</b>

*Note 1: Exercise of the Vested Share Options (other than the Vested Shares Options held by Dr. Yu to subscribe for an aggregate of 13,299,484 Shares) in full on or before the Record Date.*

*Note 2: Dr. Yu, being a party acting in concert with the Underwriter, does not hold any Shares as at the date of this announcement.*

*Note 3: Dr. Lam Lee G. and Mr. Wu Tak Lung are independent non-executive Directors.*

Saved for the Shares and the Bonus Warrants held by the Underwriter as set out above and the Vested Share Options held by Dr. Yu as disclosed in the paragraph headed “Undertakings from Dr. Yu”, the Concert Party Group has no other shares, warrants, securities carrying conversion or subscription rights into any of the Shares and options and derivatives in respect of any of the Shares as at the date of this announcement.

## PREVIOUS FUND RAISING EXERCISES OF THE COMPANY

Date of announcement	Transaction	Net proceeds raised	Intended use of proceeds	Actual use of proceeds
5 May 2009	Open offer and bonus issue of warrants of 299,685,000 new Shares and 89,905,500 Bonus Warrants on a fully underwritten basis	HK\$12.8 million	General working capital of the Group	Used as intended

Save as disclosed above, the Company has not conducted any other fund raising exercises in the past twelve months before the date of this announcement.

## **REASONS FOR THE OPEN OFFER AND USE OF PROCEEDS**

The Company will raise not less than approximately HK\$63.0 million and not more than approximately HK\$69.7 million before expenses in the Open Offer. Based on 899,465,189 Offer Shares, the estimated net proceeds from the Open Offer will be approximately HK\$61.5 million. The Company intends to use the net proceeds for general working capital to grow the Group's two core business lines, particularly the online game business in the Mainland China, and for investment in new business should any opportunities arise in the future.

As set out in the First Open Offer Results Announcement, the First Open Offer received overwhelming support from the Shareholders. A total of 3,223,255,472 Shares offered under the First Open Offer were applied for under the assured allotment application forms and the excess application forms, representing approximately 1,076% of the total number of 299,685,000 Shares offered under the First Open Offer. However, the amount raised by the First Open Offer was relatively modest in view of the then prevailing market condition. Notwithstanding the overwhelming support of the Shareholders, the Company could not capitalise on it as it was not possible to increase the Shares to be offered under the First Open Offer.

In view of the improved market conditions over the last few months and the overwhelming support of the Shareholders, the Board believes that there is still a window of opportunity to further strengthen the Company's capital base by tapping additional funding from the Shareholders.



## EXPECTED TIMETABLE

**2009**

Despatch of the Circular	On or before Wednesday, 14 October
Last day of dealings in the Shares on a cum-entitlement basis	Thursday, 22 October
Commencement of dealings in the Shares on an ex-entitlement basis	Friday, 23 October
Latest time for lodging transfers of the Shares with the Registrars in order to be qualified for the Open Offer	4:30 p.m. on Tuesday, 27 October
Register of members closes to determine entitlements under the Open Offer (both dates inclusive)	Wednesday, 28 October to Friday, 30 October
Latest time for return of form of proxy for the EGM	4:00 p.m. on Wednesday, 28 October
Record Date	Friday, 30 October
EGM to be held	4:00 p.m. Friday, 30 October
Announcement of the results of the EGM	by 11:00 p.m. on Friday, 30 October
Register of members re-opens	Monday, 2 November
Prospectus Posting Date	Wednesday, 4 November
Latest time for acceptance of, and payment for, the Offer Shares	4:00 p.m. on Thursday, 19 November
The Underwriting Agreement becomes unconditional	4:00 p.m. on Tuesday, 24 November
Announcement of results of the Open Offer to be published	by 11:00 p.m. Tuesday, 24 November
Certificates for the Offer Shares expected to be despatched on or before	Thursday, 26 November
Dealings in Offer Shares commence on	Monday, 30 November

All times in this announcement refer to Hong Kong time. If there is a "black" rainstorm warning or a tropical cyclone warning signal number 8 or above in force in Hong Kong on Thursday, 19 November 2009:

- (i) at any time before 12:00 noon and no longer in force after 12:00 noon, the Latest Time for Acceptance will be postponed to 5:00 p.m. on the same Business Day; or
- (ii) at any time between 12:00 noon and 4:00 p.m., the Latest Time for Acceptance will be postponed to 4:00 p.m. on the next Business Day which does not have either of those warnings in force in Hong Kong at any time between 9:00 a.m. and 4:00 p.m.

Under such circumstances, the dates mentioned in the expected timetable above (including, without limitation, the Latest Time for Termination) may be affected.

Dates or deadlines stated in this announcement for events in the timetable are indicative only and may be extended or varied between the Company and the Underwriter. Any changes to the anticipated timetable for the Open Offer will be announced as appropriate.

### **ADJUSTMENTS TO EXERCISE PRICES AND NUMBER OF SHARE OPTIONS AND THE SUBSCRIPTION PRICE OF BONUS WARRANTS**

Adjustments to (a) the exercise prices and numbers of the outstanding Share Options; and (b) the subscription price of the Bonus Warrants, may be required under the relevant terms of the Share Option Schemes and the Bonus Warrants, respectively. The auditors of the Company will be appointed to certify the necessary adjustments, if any, to the exercise prices and numbers of the outstanding Share Options. Further announcement will be made by the Company in this regard.

### **IMPLICATIONS UNDER THE TAKEOVERS CODE AND THE WHITEWASH WAIVER**

Opulent is wholly-owned by Dr. Yu, and is the controlling shareholder of the Company holding an aggregate of 275,006,184 Shares, representing approximately 30.57% of the number of Shares in issue as at the date of this announcement. Opulent is also beneficially interested in the Bonus Warrants entitling it to subscribe for an aggregate of 27,500,618 Shares. In addition, Dr. Yu is entitled to Vested Share Options to subscribe for an aggregate of 13,299,484 Shares.

As set out in the paragraph headed "Underwriting Arrangement and Undertakings", Opulent has irrevocably undertaken to the Company to subscribe in full for its assured allotments of the Offer Shares (including such number of Offer Shares in respect of any Shares which may be issued to it as a result of the exercise of the Bonus Warrants held by it from the date of the Underwriting Agreement up to and including the Record Date) under the Open Offer, and those Offer Shares not having been subscribed for by the Qualifying Shareholders. Dr. Yu has also irrevocably undertaken to the Underwriter and the Company, among other things, that he will not exercise his Vested Share Options to subscribe for an aggregate of 13,299,484 Shares from the date of the Irrevocable Undertakings up to and including the Record Date.

In the event that none of the Qualifying Shareholders (other than Opulent) takes up any Offer Shares upon completion of the Open Offer, the Underwriter will be required to take up all the Offer Shares that are not subscribed for under the Open Offer. Accordingly, the total number of Shares as held by the Concert Party Group will be increased from 275,006,184 Shares (representing approximately 30.57% of the total number of Shares in issue as at the date of this announcement) to:

- (i) 1,174,471,373 Shares (representing approximately 65.29% of the total number of Shares in issue as enlarged by the Open Offer), assuming that none of the Vested Share Options and the Bonus Warrants is exercised on or before the Record Date;
- (ii) 1,181,934,921 Shares (representing approximately 65.16% of the total number of Shares in issue as enlarged by the Open Offer), assuming that the Vested Share Options (other than those held by Dr. Yu) are exercised in full by the Optionholders on or before the Record Date but none of the Bonus Warrants is exercised on or before the Record Date;
- (iii) 1,291,467,302 Shares (representing approximately 65.29% of the total number of Shares in issue as enlarged by the Open Offer), assuming that none of the Vested Share Options is exercised by the Optionholders on or before the Record Date but the Bonus Warrants are exercised in full on or before the Record Date; and
- (iv) 1,298,930,850 Shares (representing approximately 65.18% of the total number of Shares in issue as enlarged by the Open Offer), assuming that the Vested Share Options (other than those held by Dr. Yu) and the Bonus Warrants are exercised in full on or before the Record Date.

Accordingly, the taking up of the Underwritten Shares by Opulent will trigger an obligation on the part of Opulent to make a mandatory general offer under Rule 26 of the Takeovers Code for all the Shares not already owned by or agreed to be acquired by the Concert Party Group.

An application will be made by the Underwriter to the Executive for the Whitewash Waiver in connection with the underwriting of the Open Offer by the Underwriter in above circumstances pursuant to note 1 of the Notes on dispensations from Rule 26 of the Takeovers Code. The Whitewash Waiver, if granted by the Executive, would be subject to, among other things, the approval of the Open Offer and the Whitewash Waiver by the Independent Shareholders at the EGM by way of poll.

It is one of the conditions of the Underwriting Agreement that the Whitewash Waiver be granted by the Executive and approved by the Independent Shareholders at the EGM by way of poll. If the Whitewash Waiver is not granted by the Executive or not approved by the Independent Shareholders, the Underwriting Agreement will not become unconditional and the Open Offer will not proceed.

Save that Opulent has taken up its assured entitlement of 91,668,728 Shares under the First Open Offer and has pledged 91,668,728 Shares to Maxx Capital Finance Limited, a company independent of and not connected with the Company or any of its connected persons, none of the members of the Concert Part Group has dealt in any Shares, options, warrants, derivatives or convertible securities in issue which confer any rights to subscribe for, convert or exchange into Shares in the six months prior to the date of this announcement.

In addition, as at the date of this announcement:

- (i) save for the irrevocable undertakings given by Opulent to take up its assured entitlements pursuant to the Open Offer, none of the members of the Concert Party Group has any existing holding of voting rights and rights over the Shares in respect of which any member of the Concert Party Group has received an irrevocable commitment to accept the Open Offer;
- (ii) there is no arrangement (whether by way of option, indemnity or otherwise) in relation to the Shares or shares of any member of the Concert Party Group and which might be material to the Open Offer;
- (iii) save for the Underwriting Agreement, there is no agreement or arrangement to which any member of the Concert Party Group is party which relate to the circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the Open Offer other than those mentioned in the section headed "Conditions of the Open Offer" or the Whitewash Waiver; and
- (iv) none of the members of the Concert Party Group has borrowed or lent any shares, convertible securities, warrants, options or derivatives of the Company.

## **INFORMATION ON THE GROUP**

The Group is principally engaging in the development, production and provision of financial information services and technology solutions to corporate clients and retail investors in Greater China and to develop and operate online games in Mainland China.

## **INDEPENDENT BOARD COMMITTEE**

The Independent Board Committee comprising all the independent non-executive Directors, namely Dr. Lam Lee G., Mr. Wu Tak Lung and Mr. Lam Ka Wai, Graham, has been established to advise the Independent Shareholders as to whether the Open Offer (including the commission payable to the Underwriter under the Underwriting Agreement) and the Whitewash Waiver are fair and reasonable and in the interests of the Company and the Shareholders as a whole and to advise the Independent Shareholders on how to vote at the EGM. As at the date of this announcement, Dr. Lam Lee G. and Mr. Wu Tak Lung are each interested in Vested Share Options entitling each of them to subscribe for 1,096,774 Shares.

An independent financial adviser will be appointed to advise the Independent Board Committee and the Independent Shareholders in respect of the Open Offer and the Whitewash Waiver. A further announcement will be made immediately following the appointment of the Independent Financial Adviser.

## **PROPOSED RE-ELECTION OF DIRECTOR**

In accordance with Article 86(3) of the Articles of Association and the Code on Corporate Governance Practices as set out in Appendix 15 to the GEM Listing Rules, Mr. Lam Ka Wai, Graham will retire at the EGM and, being eligible, will offer himself for re-election. Information on Mr. Lam Ka Wai, Graham as required to be disclosed under the GEM Listing Rules will be set out in the Circular. At the EGM, an ordinary resolution will be proposed to approve the re-election of Mr. Lam Ka Wai, Graham as an independent non-executive Director. An application will be made by or on behalf of Mr. Lam Ka Wai, Graham to the Executive under Note 2 on Rule 7 of the Takeovers Code for a consent to his retirement at the EGM.

## **GENERAL**

The Open Offer is conditional on, among other things, the approval of the Open Offer and the Whitewash Waiver by the Independent Shareholders at the EGM. As at the date of this announcement, Opulent is interested in an aggregate of 275,006,184 Shares, representing approximately 30.57% of the existing issued share capital of the Company. Opulent and parties acting in concert with it, including Dr. Yu, shall abstain from voting in favour of the relevant resolutions approving the Open Offer and the Whitewash Waiver.

The Circular setting out, among other things, further details of the Open Offer, the Whitewash Waiver and the Re-election of Director, and containing (i) a letter from the Independent Board Committee to the Independent Shareholders setting out their recommendation in relation to the Open Offer and the Whitewash Waiver; (ii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the Open Offer, the Whitewash Waiver together with (iii) a notice of the EGM will be despatched to the Shareholders as soon as practicable.

Subject to the Open Offer and the Whitewash Waiver being approved by the Independent Shareholders at the EGM, the Prospectus Documents (or the Prospectus, where appropriate) containing further information on the Open Offer will be despatched to the Shareholders as soon as practicable.

## **RESUMPTION OF TRADING**

At the request of the Company, trading in the Shares on the Stock Exchange was suspended with effect from 9:30 a.m. on Wednesday, 23 September 2009 pending the release of this announcement. Application has been made to the Stock Exchange for the resumption of trading in the Shares from 9:30 a.m. on Monday, 28 September 2009.

## DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

“2009 AGM”	the annual general meeting of the Company held on 31 July 2009
“acting in concert”	has the meanings ascribed to it in the Takeovers Code
“Application Form(s)”	the form(s) of application in respect of the Open Offer to be issued to the Qualifying Shareholders
“Articles of Association”	the articles of association of the Company
“associate(s)”	has the meanings ascribed to it in the GEM Listing Rules
“Board”	the board of Directors
“Bonus Warrant(s)”	the warrant(s) issued by the Company on 3 August 2009 by way of capitalisation issue entitling the holder(s) thereof to subscribe, at any time between the date of issue and the date immediately preceding the date falling on the second anniversary of the date of issue of the Bonus Warrants (both dates inclusive), for an aggregate of 89,495,311 fully paid Shares at the initial subscription price of HK\$0.10 (subject to adjustments), which remain outstanding as at the date of this announcement
“Business Day”	any day (other than a Saturday) on which banks in Hong Kong are generally open for business
“Circular”	the circular to be despatched to the Shareholders setting out, among other things, further details on the Open Offer, the Whitewash Waiver and the Re-election of Director and containing a letter from the Independent Board Committee, a letter from the Independent Financial Adviser and the notice of EGM
“Company”	Finet Group Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on GEM
“Companies Ordinance”	Companies Ordinance (Chapter 32 of the Laws of Hong Kong)
“Concert Party Group”	Opulent and Dr. Yu, and the parties acting in concert with any of them
“controlling shareholder”	has the meanings ascribed to it in the GEM Listing Rules
“Director(s)”	director(s) of the Company
“Dr. Yu”	Dr. Yu Gang, George, the Chairman of the Company and an executive Director and the beneficial owner of the entire issued share capital of the Underwriter

“EGM”	the extraordinary general meeting of the Company to be held on Friday, 30 October 2009 at which resolution(s) will be proposed to consider, and if thought fit, to approve, among others, the Open Offer and the Whitewash Waiver by the Independent Shareholders, and the Re-election of Director by the Shareholders
“Excluded Shareholder(s)”	the Overseas Shareholders whom the Directors, having made enquiry regarding the legal restrictions under the laws of relevant place or the requirements of the relevant regulatory body or stock exchange in that place, consider it necessary or expedient not to offer the Offer Shares to such Shareholders on account either of legal restrictions under the laws of relevant place or the requirements of the relevant regulatory body or stock exchange in that place
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director
“First Open Offer”	the offer for subscription at the subscription price of HK\$0.05 per Share by the Company to the Qualifying Shareholders in the proportion of one offer Share for every two existing Shares held on the record date by way of open offer, as set out in the announcement of the Company dated 5 May 2009 and the prospectus of the Company dated 9 July 2009
“First Open Offer Results Announcement”	the announcement of the Company dated 30 July 2009 in relation to the results of the First Open Offer
“GEM”	The Growth Enterprises Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	an independent committee of the Board comprising all the independent non-executive Directors namely Dr. Lam Lee G., Mr. Wu Tak Lung and Mr. Lam Ka Wai, Graham established to advise the Independent Shareholders on the Open Offer and the Whitewash Waiver
“Independent Financial Adviser”	an independent financial adviser to be appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in respect of the Open Offer and the Whitewash Waiver

“Independent Shareholders”	Shareholders other than (i) the Concert Party Group, (ii) the independent non-executive Directors namely Dr. Lam Lee G. and Mr. Wu Tak Lung (each interested in Vested Share Options entitling each of them to subscribe for 1,096,774 Shares) and (iii) Shareholders who are involved in, or interested in the Underwriting Agreement, the Open Offer and the Whitewash Waiver
“Irrevocable Undertakings”	the irrevocable undertakings dated 22 September 2009 under which Dr. Yu has irrevocably undertaken to the Underwriter and the Company that he will not exercise his subscription rights attaching to the Vested Share Options held by him from the date of such undertaking up to and including the Record Date
“Last Trading Date”	Tuesday, 22 September 2009, being the last trading day which was immediately prior to the suspension of trading in the Shares on Wednesday, 23 September 2009 on GEM
“Latest Time for Acceptance”	4:00 p.m. on Thursday, 19 November 2009 or such later time to be agreed in writing between the Company and the Underwriter, being the latest time for acceptance of the offer of Offer Shares
“Latest Time for Termination”	4:00 p.m. on Tuesday, 24 November 2009 or such later time to be agreed in writing between the Company and the Underwriter, being the latest time for the Underwriter to terminate the Underwriting Agreement
“Offer Share(s)”	not less than 899,465,189 new Shares and not more than 996,424,048 new Shares, proposed to be offered to the Qualifying Shareholders for subscription on the terms and subject to the conditions set out in the Underwriting Agreement and in the Prospectus Documents
“Open Offer”	the proposed offer for subscription at the Subscription Price to be made by the Company to the Qualifying Shareholders in the proportion of one Offer Share for existing Share held on the Record Date by way of open offer upon the terms and conditions mentioned herein and more particularly described in the Prospectus Documents
“Optionholders”	holders of the Vested Share Options other than Dr. Yu
“Opulent” or “Underwriter”	Opulent Oriental International Limited, a company incorporated in the British Virgin Islands and the underwriter to the Open Offer. Opulent is wholly-owned by Dr. Yu, and is the controlling shareholder of the Company holding approximately 30.57% of the entire issued share capital of the Company as at the date of this announcement
“Overseas Shareholders”	Shareholders with registered addresses (as shown in the register of members of the Company as at the close of business on the Record Date) which are outside Hong Kong;



“PRC”	the People's Republic of China
“Prospectus”	the prospectus to be issued by the Company in relation to the Open Offer
“Prospectus Documents”	the Prospectus and the Application Form
“Prospectus Posting Date”	Wednesday, 4 November 2009, the date of despatch of the Prospectus Documents, or such other date as the Underwriter may agree in writing with the Company for the despatch of the Prospectus Documents
“Qualifying Shareholders”	Shareholders whose names appear on the register of members of the Company as at the close of business on the Record Date, other than the Excluded Shareholders
“Record Date”	Friday, 30 October 2009, or such other date as may be agreed between the Company and the Underwriter for the determination of the entitlements under the Open Offer
“Re-election of Director”	the proposed re-election of Mr. Lam Ka Wai, Graham, as an independent non-executive Director at the EGM
“Registrars”	Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17 <sup>th</sup> Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong, the Hong Kong branch share registrars of the Company
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	the existing share(s) of HK\$0.01 each in the share capital of the Company
“Share Options”	options to subscribe for an aggregate of 21,201,742 Shares at the exercise prices ranging from HK\$0.1368 to HK\$0.6091 per Share (subject to adjustments) granted under the Share Option Schemes, which remain outstanding as at the date of this announcement
“Share Option Schemes”	the share option schemes adopted by the Company on 23 July 2004 and 16 December 2004
“Shareholder(s)”	the holder(s) of the Shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	subscription price of HK\$0.07 per Offer Share pursuant to the Open Offer

“Takeovers Code”	The Codes on Takeovers and Mergers
“Underwriting Agreement”	the conditional underwriting agreement, dated 22 September 2009 and entered into between the Company and the Underwriter in relation to the Open Offer
“Underwritten Shares”	not less than 624,459,005 Offer Shares and not more than 693,917,246 Offer Shares, being all Offer Shares (including the Offer Shares to which the Excluded Shareholder(s) would otherwise have been entitled) to be issued pursuant to the Open Offer less those Offer Shares which Opulent has undertaken to take up under the Open Offer
“Vested Share Options”	Share Options to subscribe for an aggregate of 20,763,032 which are exercisable by the holders thereof on or before the Record Date
“Whitewash Waiver”	a waiver from the Executive pursuant to note 1 of the Notes on dispensations from Rule 26 of the Takeovers Code in respect of the obligations of the Underwriter to make a mandatory offer for all the securities of the Company not already owned by the Concert Party Group which would otherwise arise as a result of the Underwriter taking up of the Underwritten Shares under the Open Offer
“%”	per cent.

By Order of the Board  
**Yu Gang, George**  
Chairman

Hong Kong, 25 September 2009

*As at the date of this announcement, the executive Directors are Dr. Yu Gang, George and Mr. Lin Peng, Ben and the independent non-executive Directors are Dr. Lam Lee G., Mr. Wu Tak Lung and Mr. Lam Ka Wai, Graham.*

*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.finet.hk](http://www.finet.hk).*