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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)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the extraordinary general meeting of Finet Group Limited (the “**Company**”) will be held at Room C, 11th Floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong on Thursday, 19 May 2011 at 11:00 a.m. for the purpose of considering and, if thought fit, passing with or without modification the following resolutions as ordinary and special resolutions of the Company:

ORDINARY RESOLUTIONS

1. “**THAT** the authorised share capital of the Company be increased from HK\$50,000,000, divided into 1,000,000,000 shares of HK\$0.05 each (the “**Share(s)**”) to HK\$150,000,000 divided into 3,000,000,000 Shares of HK\$0.05 each by the creation of an additional 2,000,000,000 Shares of HK\$0.05 each with effect from the date of the passing of this resolution.”
2. “**THAT** subject to the GEM Listing Committee of the GEM Board of The Stock Exchange of Hong Kong Limited (“**GEM Listing Committee**”) granting the listing of, and permission to deal in, the Consolidated Shares (as defined below) and with effect from 9:30 a.m. on the business day (not being a Saturday) immediately following the day on which this resolution is passed, every five Shares of HK\$0.05 each in the issued and unissued share capital of the Company be consolidated into one consolidated share of HK\$0.25 each (the “**Consolidated Share(s)**”) and the directors of the Company (the “**Directors**”) be authorised to aggregate any fractional Consolidated Shares and sell them for the benefit of the Company and otherwise deal with fractional Consolidated Shares in accordance with the articles of association of the Company.”
3. “**THAT** subject to and conditional upon (i) the passing of resolutions numbered 1 and 2 above; (ii) the GEM Listing Committee granting or agreeing to grant (subject to allotment), the listing of, and permission to deal in the Offer Shares (as defined below) in their fully-paid forms to the shareholders of the Company (the “**Shareholders**”) pursuant to the terms and conditions of the Open Offer (as defined below); (iii) the filing with and registration by the respective Registrars of Companies in Hong Kong and the Cayman Islands of all documents relating to the Open Offer as required by applicable law; and (iv) the obligations of Maxx Capital International Limited (the “**Underwriter**”) under the

underwriting agreement dated 25 March 2011 (the “**Underwriting Agreement**”) made between the Company and the Underwriter, a copy of which has been produced to this meeting marked “A” and initialled by the chairperson of this meeting for the purpose of identification, becoming unconditional and the Underwriting Agreement not being terminated in accordance with its terms or otherwise:

- (a) the entering into the Underwriting Agreement by the Company be and is hereby approved, confirmed and ratified and the performance of the transactions contemplated thereunder by the Company be and is hereby approved;
- (b) the issue by way of open offer of not less than 352,650,440 Consolidated Shares and not more than 360,620,012 Consolidated Shares (the “**Offer Shares**”) at a price of HK\$0.25 per Offer Share on the basis of four Offer Shares for every one Consolidated Share of the Company held on the Record Date (as defined below) to the Shareholders whose names appear on the register of members of the Company at the close of business on 19 May 2011 (or such other date as the Company and the Underwriting may agree) (the “**Record Date**”) (the “**Open Offer**”) other than those Shareholders (the “**Non-Qualifying Shareholders**”) whose registered addresses as shown on the register of members of the Company are outside Hong Kong and whom the Directors, after making relevant enquiry, consider it necessary or expedient not to offer the Offer Shares to them on account either of the legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place, and on the terms and conditions as set out in the circular of the Company dated 26 April 2011 (the “**Circular**”) despatched to the Shareholders containing the notice convening this meeting, a copy of the Circular has been produced to this meeting marked “B” and initialled by the chairperson of this meeting for the purpose of identification, be and is hereby approved;
- (c) the absence of excess application for the Offer Shares not validly applied for by the Qualifying Shareholders other than the Non-Qualifying Shareholders under the Open Offer and the Underwriting Agreement as the alternative arrangement in respect of the untaken Offer Shares under the Open Offer be and are hereby approved, confirmed and ratified;
- (d) the conditional waiver granted by the Executive Director of the Corporate Finance Division of the Securities and Future Commission to the Underwriter to dispense with the obligations of the Underwriter under the Hong Kong Code on Takeovers and Mergers (the “**Takeovers Code**”) to make a mandatory offer for all the securities of the Company not already owned or agreed to be acquired by the Underwriter which may otherwise arise as a result of the Underwriter taking up of the Offer Shares in accordance with the Underwriting Agreement be and is hereby approved;
- (e) the Directors be and are hereby authorised to allot and issue the Offer Shares pursuant to or in connection with the Open Offer notwithstanding that the same may be offered, allotted or issued otherwise than pro rata to the existing Shareholders and, in particular, the Directors be and are hereby authorised to make such exclusions or other arrangements in relation to the Non-Qualifying Shareholders as they may, at their absolute discretion, deem necessary, desirable or expedient;
- (f) the performance of all transactions contemplated under the Open Offer be and are hereby approved, confirmed and ratified; and

- (g) the Directors be and are hereby authorised to do all acts, deeds and things and to sign and execute all documents as they may, in their absolute discretion, deem necessary, desirable or expedient to carry out or to give effect to the Open Offer and any or all transactions contemplated in this resolution.”

SPECIAL RESOLUTIONS

4. “THAT

- (a) the memorandum of association of the Company be and is hereby amended to permit the Company to discontinue by de-registration as a company under the laws of the Cayman Islands by the inclusion of the following new paragraph 9:

“9. Subject to the Companies Law, as amended from time to time, of the Cayman Islands and the articles of association, the Company shall have the power to de-register in the Cayman Islands and to register by way of continuance as a body corporate limited by shares under the laws of any jurisdiction outside the Cayman Islands.”

- (b) the articles of association of the Company be and are hereby amended by the addition of the following new Article 170:

“TRANSFER BY WAY OF CONTINUATION

170. The Company may, by special resolution, resolve to de-register the Company from the Cayman Islands and to transfer and continue the Company as a body corporate to, and under the laws of, a country or jurisdiction outside the Cayman Islands which permits or does not prohibit the transfer of the Company pursuant to the Law.”

5. “THAT

- (a) pursuant to Article 170 of the articles of association of the Company, the change of domicile of the Company from the Cayman Islands to Bermuda by way of continuation of the Company into Bermuda as an exempted company under the laws of Bermuda and de-registration as a company in the Cayman Islands under the laws of the Cayman Islands (collectively, the **“Change of Domicile”**) be and is hereby approved and that the Directors be and are hereby authorised to do all acts, deeds and things and to sign and execute all documents as they may, in their absolute discretion, deem necessary, desirable, or expedient to implement and give effect to the Change of Domicile;
- (b) the draft memorandum of continuance of the Company in the form made available for inspection by shareholders of the Company prior to this meeting, a copy of which has been produced to this meeting marked “C” and initialled by the chairperson of this meeting for the purpose of identification, be and is hereby adopted in substitution for the memorandum of association of the Company, effective from the date that the new memorandum of continuance of the Company is approved and registered by the Registrar of Companies in Bermuda;
- (c) conditional upon the continuation of the Company into Bermuda as an exempted company under the laws of Bermuda, the draft bye-laws of the Company in the form made available for inspection by shareholders of the Company prior to this meeting,

a copy of which has been produced to this meeting marked “D” and initialled by the chairperson of this meeting for the purpose of identification, be and are hereby adopted as the bye-laws of the Company in substitution for the Company’s existing articles of association, effective from the date the memorandum of continuance of the Company is approved and registered by the Registrar of Companies in Bermuda; and

(d) the Directors be and are hereby authorised to do all acts, deeds and things and to sign and execute all documents as they may, in their absolute discretion, deem necessary, desirable, or expedient to implement or give effect to the Change of Domicile.”

6. “**THAT** subject to the passing of resolutions numbered 1, 2, 4 and 5 as set out in the notice convening this meeting and conditional upon (i) the Change of Domicile (as defined in resolution numbered 5 above) becoming effective; (ii) the GEM Listing Committee granting or agreeing to grant the listing of, and permission to deal in, the Adjusted Shares (as defined below) arising from the Capital Reduction (as defined below); (iii) the compliance by the Company with the relevant legal procedures and requirements under the Companies Act 1981 of Bermuda and the Rules Governing the Listing of Securities on GEM made by the Stock Exchange of Hong Kong Limited to effect the Capital Reduction; and (iv) the obtaining of all necessary approvals from the regulatory authorities or otherwise as may be required in respect of the Change of Domicile and the Capital Reduction:

(a) the paid-up capital of each issued Consolidated Share be reduced from HK\$0.25 to HK\$0.01 by cancelling HK\$0.24 on each of the issued Consolidated Shares such that the nominal value of each issued Consolidated Share be reduced from HK\$0.25 to HK\$0.01 so as to form a new share with nominal value of HK\$0.01 each (the “**Adjusted Share**”) (the “**Capital Reduction**”);

(b) each of the authorised but unissued Consolidated Shares of HK\$0.25 each, including the authorised unissued shares of HK\$0.25 each resulting arising out of the Capital Reduction, be sub-divided into 25 new Adjusted Shares of HK\$0.01 each (such that the authorised share capital of the Company become HK\$150,000,000 divided into 15,000,000,000 Adjusted Shares of HK\$0.01 each);

(c) the credit arising from the Capital Reduction be applied to set off against the accumulated losses of the Company and the balance (if any) be transferred to the contributed surplus account of the Company and the Directors be and are hereby authorised to apply the amount in the contributed surplus account in any manner permitted by the laws of Bermuda and the bye-laws of the Company; and

(d) the Directors be and are hereby authorised to do all acts, deeds and things and to sign and to affix the common seal in accordance with the bye-laws of the Company on all documents as they may, in their absolute discretion, deem necessary, desirable or expedient to give effect and implement this resolution.”

By Order of the Board
Finet Group Limited
Lo Yuk Yee
Chairman

Hong Kong, 26 April 2011

Registered office:

Cricket Square
Hutchins Drive
PO Box 2681
Grand Cayman KY1-1111
Cayman Islands

Head office and principal place of business in Hong Kong:

Room C, 11th Floor,
Bank of East Asia Harbour View Centre,
56 Gloucester Road,
Wanchai,
Hong Kong

Notes:

1. A form of proxy for use at the meeting is enclosed herewith.
2. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under its seal or under the hand of any officer, attorney or other person authorised to sign the same.
3. Any shareholder of the Company entitled to attend and vote at the meeting convened by the above notice shall be entitled to appoint one or more than one proxy to attend and vote instead of him. A proxy needs not be a shareholder of the Company.
4. In order to be valid, the form of proxy, together with the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power of attorney or authority, must be deposited at the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Rooms 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding of the above meeting or any adjournment thereof.
5. Completion and return of the form of proxy will not preclude a shareholder of the Company from attending and voting in person at the meeting convened or at any adjourned meeting and in such event, the form of proxy will be deemed to be revoked.
6. Where there are joint holders of any share of the Company, any one of such joint holders may vote, either in person or by proxy, in respect of such share as if he/she were solely entitled thereto, but if more than one of such joint holders are present at the meeting, the most senior shall alone be entitled to vote, whether in person or by proxy. For this purpose, seniority shall be determined by the order in which the names stand on the register of members of the Company in respect of the joint holding.

As at the date of this announcement, the executive Directors are Ms. Lo Yuk Yee, Mr. Lum Chor Wah, Richard, Mr. Chow Wing Chau and Mr. Yiu Wing Hei, and the independent non-executive Directors are Mr. Wong Wai Kin, Mr. Siu Siu Ling, Robert and Mr. Leung Chi Hung.

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 the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading or deceptive.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement, and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any such statement contained in this announcement misleading.

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