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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)

DESPATCH OF CIRCULAR

(1) PROPOSED INCREASE OF AUTHORISED SHARE CAPITAL

(2) PROPOSED SHARE CONSOLIDATION

**(3) PROPOSED OPEN OFFER ON THE BASIS OF FOUR OFFER SHARES
FOR EVERY ONE CONSOLIDATED SHARE HELD ON THE RECORD DATE**

(4) APPLICATION FOR THE WHITEWASH WAIVER

(5) PROPOSED CHANGE OF DOMICILE

AND

(6) PROPOSED CAPITAL REDUCTION

DESPATCH OF CIRCULAR

The Circular containing, among other things, (i) details about (a) the increase in authorised share capital; (b) the Share Consolidation; (c) the Open Offer; (d) the application for the Whitewash Waiver; (e) the Change of Domicile; and (f) the Capital Reduction; (ii) a letter from the Independent Board Committee to the Independent Shareholders setting out their recommendation in relation to the Open Offer and Whitewash Waiver; (iii) 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; and (iv) a notice of the EGM, has been despatched to the Shareholders on 26 April 2011.

Reference is made to the announcement of the Company dated 25 March 2011 (the “**Announcement**”), 15 April 2011 and 18 April 2011 in relation to, among other things, the proposed increase of authorised share capital, the proposed Share Consolidation, the proposed Open Offer, the application for the Whitewash Waiver, the proposed Change of Domicile and the proposed Capital Reduction. All capitalised terms used herein shall, unless otherwise defined, have the same meanings as those defined in the Announcement.

DESPATCH OF CIRCULAR

The circular of the Company containing, among other things, (i) details about (a) the increase in authorised share capital; (b) the Share Consolidation; (c) the Open Offer; (d) the application for the Whitewash Waiver; (e) the Change of Domicile; and (f) the Capital Reduction; (ii) a letter from the Independent Board Committee to the Independent Shareholders setting out their recommendation in relation to the Open Offer and Whitewash Waiver; (iii) 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; and (iv) a notice of the EGM (the “**Circular**”), has been despatched to the Shareholders on 26 April 2011.

WARNING OF THE RISK OF DEALING IN THE SHARES

The Open Offer is conditional, inter alia, upon the fulfillment of the conditions as set out under the section headed “Conditions of the Underwriting Agreement” in the Announcement. In particular, the Open Offer is conditional upon the Whitewash Waiver having been granted by the Executive and the approval of the Open Offer and the Whitewash Waiver by the Independent Shareholders at the EGM by way of poll. The Underwriter is entitled under the Underwriting Agreement to terminate the Underwriting Agreement on the occurrence of certain events, including but not limited to force majeure, as described in the Announcement. The Open Offer is also subject to the Underwriter not terminating the Underwriting Agreement. Accordingly, the Open Offer may or may not proceed.

Any dealings in the Shares from the date of the Announcement up to the date on which all the conditions of the Open Offer are fulfilled will bear the risk that the Open Offer may not become unconditional or may not proceed. Any Shareholders or other persons contemplating any dealings in the Shares are advised to consult their own professional advisers.

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

Hong Kong, 26 April 2011

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