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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 and continued in Bermuda with limited liability)

(Stock Code: 8317)

**MAJOR AND CONNECTED TRANSACTION
IN RELATION TO ACQUISITION OF 100%
EQUITY INTEREST AND THE SHAREHOLDER'S LOAN OF PINK ANGEL
INVESTMENTS LIMITED**

THE ACQUISITION

The Board is pleased to announce that on 29 August 2011 (after trading hours), the Purchaser entered into the Agreement with the Vendor pursuant to which the Vendor conditionally agreed to sell and the Purchaser conditionally agreed to purchase the Sale Shares, representing the entire issued share capital of the Target Company, together with the Shareholder's Loan, at the Consideration of HK\$24,000,000.

IMPLICATION UNDER THE GEM LISTING RULES

Since the relevant percentage ratio (as defined under the GEM Listing Rules) in respect of the Acquisition is greater than 25% but less than 100%, the Acquisition constitutes a major transaction for the Company under Chapter 19 of the GEM Listing Rules and is therefore subject to the reporting, announcement, circular and shareholders' approval requirements under Chapter 19 of the GEM Listing Rules.

By virtue of Ms. Lo, being an executive Director, the chairman of the Company and the sole ultimate beneficial owner of MCIL, the controlling substantial shareholder of the Company, is also the Vendor in this Acquisition, the Vendor is a connected person of the Company under Chapter 20 of the GEM Listing Rules. Therefore, the Acquisition also constitutes a connected transaction for the Company and is subject to the approval of the Independent Shareholders by way of poll at the SGM.

In view of Ms. Lo's capacity as both the Vendor and a connected person of the Company, Ms. Lo is considered to have material interest in the Acquisition. As at the date of this announcement, Ms. Lo and her respective associates hold an aggregate of 268,552,984 Shares, representing approximately 60.92% of the entire issued share capital of the Company. Accordingly, Ms. Lo and her respective associates are required to abstain from voting at the SGM in respect of the ordinary resolutions to approve the Agreement and the transactions contemplated thereunder.

* For identification purpose only

As aforesaid, the SGM will be held to consider and, if thought fit, approve by the Independent Shareholders the ordinary resolutions in respect of the Agreement and the transactions contemplated thereunder.

GENERAL

An Independent Board Committee comprising Messrs. Wong Wai Kin, Siu Siu Ling, Robert and Leung Chi Hung (all being independent non-executive Directors) has been established to advise the Independent Shareholders (i) as to whether the terms of the Agreement are fair and reasonable so far as the Independent Shareholders are concerned and whether the Acquisition is in the interests of the Company and the Shareholders as a whole; and (ii) on how to vote in respect of the Acquisition after taking into account the recommendation of the Independent Financial Adviser.

Bridge Partners Capital Limited has been appointed as the Independent Financial Adviser to the Independent Board Committee in relation to the Acquisition.

Further announcement(s) (if applicable) will be made in respect of the Acquisition to keep the Shareholders and the investing public informed.

A circular containing, among other things, (i) further details of the Acquisition; (ii) a letter of advice from the Independent Board Committee to the Independent Shareholders in relation to the Agreement; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the Agreement; (iv) the valuation report on the Property; and (v) a notice convening the SGM will be dispatched to the Shareholders on or before 20 September 2011 in accordance with the GEM Listing Rules.

As Completion is subject to the fulfillment of a number of conditions precedent which are detailed in this announcement, the Acquisition may or may not be completed. Shareholders and potential investors should exercise caution when dealing in the Shares.

THE AGREEMENT

On 29 August 2011 (after trading hours), the Purchaser entered into the Agreement with the Vendor pursuant to which the Purchaser has conditionally agreed to purchase and the Vendor has conditionally agreed to sell the Sale Shares, being the entire issued share capital of the Target Company, together with the Shareholder's Loan, at the Consideration of HK\$24,000,000.

Set out below is the summary of the principal terms of the Agreement:

Date: 29 August 2011

Parties:

Purchaser: Finet Group (BVI) Limited, a direct wholly-owned subsidiary of the Company

Vendor: Ms. Lo, being the sole legal and beneficial owner of the Target Company. As Ms. Lo is also an executive Director, the chairman of the Company and the sole ultimate beneficial owner of the controlling substantial shareholder of the Company, MCIL, as at the date of this announcement, the Vendor is a connected person of the Company under Chapter 20 of the GEM Listing Rules

Assets to be acquired

Pursuant to the Agreement, the Purchaser has conditionally agreed to purchase and the Vendor has conditionally agreed to sell the Sale Shares, together with the Shareholder's Loan, at the Consideration of HK\$24,000,000 upon Completion.

The Sale Shares

The Sale Shares to be acquired under the Acquisition consists of 10,000 shares of US\$1.00 each of the Target Company, representing the entire issued share capital of the Target Company.

The Shareholder's Loan

Pursuant to the Agreement, the Vendor shall assign all beneficial interests and rights attached, accrued or accruing to the Shareholder's Loan to the Purchaser upon Completion, subject to the terms and conditions of the Agreement. The said assignment shall be effected by the entering into of the assignment of Shareholder's Loan by the Purchaser, the Vendor and the Target Company.

As at the date of this announcement, the Vendor is the sole and beneficial owner of 100% equity interest of the Target Company. The shareholding structure of the Target Company is detailed below under the section headed "Shareholding Structure of the Target Company" of this announcement. The only principal asset of the Target Company is the Property, which consists of two commercial premises located in Sheung Wan, Hong Kong with a saleable area of approximately 1,940 square feet.

The original purchase cost (including ancillary charges and stamp duty) of 100% interest in the Property paid by the Target Company is HK\$35,364,000, which was, as advised by the Vendor, determined based on arm's length negotiations with reference to the then market condition and completed on 15 May 2008.

Consideration

The Consideration in respect of the Acquisition shall be HK\$24,000,000 (subject to adjustment), payable in the following manner:

- (i) HK\$2,400,000 shall be payable in cash, as a refundable deposit, to the Vendor by the Purchaser upon the signing of the Agreement; and
- (ii) the remaining of HK\$21,600,000 (subject to adjustment) shall be payable in cash to the Vendor by the Purchaser within 15 Business Days after the Completion Date.

Adjustments to Consideration

As the net asset value of the Target Company and the balance of the Shareholder's Loan will vary from the date of the Agreement up to the Completion Date, the Consideration shall be subject to an adjustment in order to reflect the said variations, which shall be determined based on the following formula after the delivery of the Completion Accounts (which shall be delivered by the Vendor to the Purchaser within 10 Business Days after the Completion Date):

$$\text{Adjustment} = (\text{NAV}_2 + \text{Shareholder's Loan}_2) - (\text{NAV}_1 + \text{Shareholder's Loan}_1)$$

where:

Adjustment = the adjustment to be made to the Consideration of HK\$24,000,000

NAV₂ = the net asset value of the Target Company as at the Completion Date as shown in the Completion Accounts

NAV₁ = the net asset value of the Target Company of HK\$15,071,792 as at 30 June 2011 as shown in the unaudited management accounts of the Target Company

Shareholder's Loan₂ = the balance of the Shareholder's Loan as at Completion Date as shown in Completion Accounts

Shareholder's Loan₁ = the balance of the Shareholder's Loan of HK\$4,213,270 as at 30 June 2011 as shown in the unaudited management accounts of the Target Company

subject to the condition that the maximum Consideration to be provided by the Purchaser to the Vendor upon Completion shall be HK\$26,000,000.

In the event that the Vendor shall fail to perform or comply with any of its obligations contained in the Agreement or if there is any material breach of the warranties, or if the transactions contemplated under the Agreement are not completed for any reason whatsoever, the Purchaser shall be entitled to rescind or terminate the Agreement, and the refundable deposit of HK\$2,400,000 shall be refunded to the Purchaser by the Vendor within 5 Business Days upon termination.

Basis of the Consideration

The Consideration was determined between the Vendor and the Company after arm's length negotiations and on normal commercial terms, taking into account the followings:

- (i) the preliminary valuation on the Property of HK\$57,100,000 as at 19 August 2011 provided by the Purchaser's valuer and arrived at using the income approach;
- (ii) the net asset value of the Target Company of HK\$15,071,792 as at 30 June 2011, as indicated in the unaudited management accounts of the Target Company;
- (iii) the outstanding balance of the Shareholder's Loan of HK\$4,213,270 as at 30 June 2011, as indicated in the unaudited management accounts of the Target Company;
- (iv) the outstanding balance of the Mortgage Loan of HK\$16,856,514 and the Bridging Loan of HK\$15,000,000 due to a licensed bank as at 30 June 2011, as indicated in the unaudited management accounts of the Target Company;
- (v) The aggregate of the net asset value and the balance of the Shareholder's Loan of HK\$25,185,062 as at 30 June 2011, as adjusted for the preliminary valuation on the Property of HK\$57,100,000 as at 19 August 2011.

The Directors (excluding the independent non-executive Directors who shall provide their view after considering the advice from the Independent Financial Adviser to be appointed) are of the view that the Consideration is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The Acquisition will be funded by internal resources of the Company.

Conditions Precedent

Completion of the Acquisition is conditional upon the satisfactory fulfillment (or if applicable, waiver) of the followings:

- (i) it having been shown and proved that the Target Company has good and marketable title to the Property;
- (ii) the warranties provided by the Vendor under the Agreement being true, accurate and complete in all respects on and as of the Completion Date by reference to the facts and circumstances subsisting as at the Completion Date;
- (iii) there having been no material adverse change in the business, prospects, operations or position, financial or otherwise, of the Target Company since the date of the Agreement;
- (iv) the passing of the ordinary resolution(s) by the Independent Shareholders of the Company to approve the Agreement and the transactions contemplated thereunder in accordance with the requirements of the GEM Listing Rules;
- (v) the obtaining of any and all corporate approvals and any approvals or consents from any and all governmental or regulatory authorities (including the Stock Exchange and/or the Hong Kong Securities and Futures Commission) required for the transaction contemplated under the Agreement;

- (vi) the obtaining of sufficient finance to the satisfaction of the Purchaser for the purpose of funding the Acquisition;
- (vii) the Purchaser having conducted and being satisfied with the results of its legal, financial, business and other due diligence review, including but not limited to the report on title of the Property, in relation to the Target Company and other assets and rights held or controlled by the Target Company;
- (viii) the Purchaser having received from the Purchaser's valuer a valuation report in respect of the Property showing that the market value of the Property is not less than HK\$57,100,000 to the satisfaction of the Purchaser;
- (ix) the obtaining by the Vendor of all relevant bank consents required for the change in ownership of the Target Company, including, but not limited to, consents which relate to the Mortgage, Rental Assignment and other relevant Encumbrances imposed on the Property;
- (x) the Vendor undertaking a personal unlimited guarantee in relation to the Mortgage Loan and the Bridging Loan, which shall continue to remain effective and enforceable for as long as the Mortgage Loan and/or the Bridging Loan shall remain outstanding;
- (xi) there having been no change in the controlling and substantial shareholders of the Company from the date of the Agreement to Completion;
- (xii) the Vendor having obtained independent legal advice from a Hong Kong legal adviser in relation to the Acquisition and the transactions contemplated thereunder;
- (xiii) the obtaining of a legal opinion issued by a British Virgin Islands legal adviser to the satisfaction of the Purchaser in relation to, amongst other things, the incorporation and establishment of the Target Company and the validity of its 100% beneficial interest in the Property;
- (xiv) there being no claim, litigation, arbitration, prosecution or other legal proceedings or any investigation, enquiry or in any proceedings or hearings before any statutory or governmental body, department, board or agency against the Target Company, the Vendor, the Property or the Target Company's 100% beneficial interests in the Property as at the date of the Agreement;
- (xv) there being no Encumbrances over the Property save and except as disclosed in the Agreement;
- (xvi) a statement of indebtedness in relation to the Target Company having been provided by the Target Company to the satisfaction of the Purchaser;
- (xvii) a confirmation of no material change in the financial position of the Target Company having been provided by the Target Company to the satisfaction of the Purchaser; and
- (xviii) the Vendor having provided to the Purchaser a certificate of incumbency and certificate of good standing of the Target Company in satisfactory form and dated not more than 10 Business Days prior to the Completion Date.

The Purchaser shall have the right to waive any of the conditions in writing (save and except for conditions (iii), (iv), (v), (viii) and (x) as mentioned above). If any of the conditions have not been fulfilled (or where waivable, to be waived by the Purchaser in writing) on or before the Long Stop Date, the Purchaser shall not be bound to proceed with the purchase of the Sale Shares (together with the Shareholder's Loan) and the Agreement (other than the clauses relating to conditions precedent, confidentiality, costs and expenses and governing law and jurisdiction) shall become void and of no further effect from the Long Stop Date and, save in respect of any antecedent breaches, all liabilities and obligations of the parties to the Agreement shall cease and determine provided that such termination shall be without prejudice to any rights or remedies of the Vendor and the Purchaser which shall have accrued prior to such termination. Any and all monies paid to the Vendor pursuant the Agreement shall be refunded to the Purchaser by the Vendor within 5 Business Days upon termination.

Completion

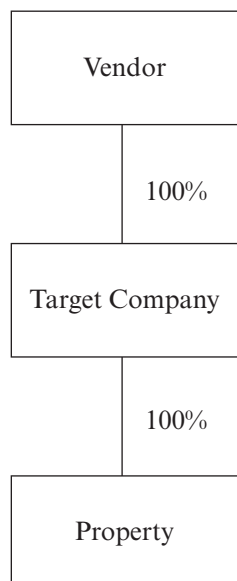
Completion shall take place on the Completion Date.

Upon completion of the Acquisition, the Target Company will become an indirect wholly-owned subsidiary of the Company.

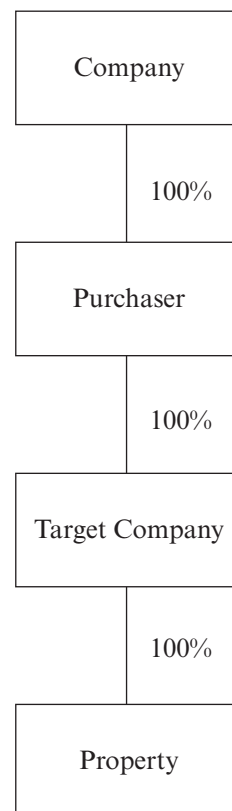
SHAREHOLDING STRUCTURE OF THE TARGET COMPANY

The following charts show the shareholding structure of the Target Company (i) as at the date of this announcement and (ii) immediately upon Completion:

**Shareholding structure as
at the date of this announcement**



**Shareholding structure
immediately upon completion**



INFORMATION ON THE COMPANY

The Company is an investment holding company and its subsidiaries are principally engaged in the securities and futures business that specializes in the provision of online securities and futures trading, and the development, production and provision of financial information services and technology solutions to corporate and retail clients.

INFORMATION ON THE VENDOR

The Vendor, Ms. Lo, a Hong Kong resident, is the legal and beneficial owner of the Target Company. Ms. Lo is the chairman and executive Director of the Company, and is the sole ultimate beneficial owner of MCIL, the controlling substantial shareholder of the Company, currently holding 268,552,984 Shares of the Company, representing 60.92% of the entire issued share capital of the Company. Therefore, the Vendor is a connected person of the Company as defined in Chapter 20 of the GEM Listing Rules.

INFORMATION ON THE PURCHASER

The Purchaser is an investment holding company incorporated in the British Virgin Islands with limited liability, and is a direct wholly-owned subsidiary of the Company.

INFORMATION ON THE TARGET COMPANY

The Target Company is an investment holding company incorporated in the British Virgin Islands on 21 November 2007 with limited liability and is wholly-owned by the Vendor. As at the date of this announcement, the only major asset of the Target Company is its ownership of 100% interest in the Property.

Upon Completion, the Company will become the sole shareholder of the Target Company through the Purchaser and therefore, be effectively interested in 100% beneficial interest in the Property. The financial results of the Target Company will be consolidated into the financial statements of the Group.

INFORMATION ON THE PROPERTY

The Property comprises of 2 office units situated on 9th Floor, China Merchants Tower, Shun Tak Centre, Central, Hong Kong with a saleable area of approximately 1,940 square feet.

As at the date of this announcement, the Property is subject to a tenancy for a term of 2 years commencing from 19 November 2009 and expiring on 18 November 2011 at a monthly rental of HK\$88,410 under the Tenancy Agreement.

Pursuant to the Tenancy Agreement, the tenant has the right to exercise its option to renew the tenancy for a further term of 2 years after its expiry on 18 November 2011. The aforesaid option has been exercised by the tenant on 26 August 2011, whereby the tenancy has been renewed for a fixed term of 1 year commencing from 19 November 2011 and ending on 18 November 2012 (both days inclusive) at a monthly rental of approximately HK\$128,784, with a rent free period totaling 1 month (effective as from 19 October 2012 to 18 November 2012).

The Property is currently yielding a return of approximately HK\$1,060,920 per year based on the monthly rental income received under the Tenancy Agreement.

The Property is indirectly owned by Ms. Lo through her 100% shareholding in the Target Company.

FINANCIAL INFORMATION OF THE TARGET COMPANY

Based on the unaudited management accounts of the Target Company for the two financial years ended 31 March 2010 and 31 March 2011 respectively, the net profit before and after taxation and extraordinary items and the net liability/asset value of the Target Company were as follows:

| | For the year ended | |
|------------------------------------------------|---------------------------|---------------|
| | 31 March | |
| | 2010 | 2011 |
| | (HK\$) | (HK\$) |
| Profit before taxation and extraordinary items | 11,501,390 | 18,819,147 |
| Profit after taxation and extraordinary items | 11,576,157 | 18,700,488 |
| Net (liability)/asset value | (3,778,899) | 14,921,589 |

Upon Completion, the Target Company will become a wholly owned subsidiary of the Company and the financial results of the Target Company will be consolidated into the Group's financial statements.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Property is located at China Merchants Tower, Shun Tak Centre, Nos. 168–200 Connaught Road Central, Sheung Wan.

The Company is currently renting the present business premises at a monthly rent of approximately HK\$295,000. In view of the soaring rental prices of Grade A offices located in the central business district, the Board plans to acquire the Property for self-use and to relocate the Company's business office to the Property upon expiry of the term of tenancy under the Tenancy Agreement in order to reduce the rental expenses of Company.

Due to the rapidly increasing rental prices for commercial offices, it is expected that the Property shall be used for self-use purposes after the Acquisition and the expiry of the Tenancy Agreement as renewed for a fixed term of 1 year on 26 August 2011, commencing from 19 November 2011 and ending on 18 November 2012 (both days inclusive).

As the option to renew has been exercised by the tenant pursuant to the Tenancy Agreement, it is expected that the Property shall be yielding a return of approximately HK\$1,416,623 per year based on the monthly rental income of approximately HK\$128,784 for the period commencing from 19 November 2011 and ending on 18 November 2012 (both days inclusive) with a rent free period totaling 1 month (effective as from 19 October 2012 to 18 November 2012).

The Directors are of the view that the Acquisition would generate stable rental revenue and return and provide capital appreciation potential to the Group.

Further, the Directors are of the view that it is fair and reasonable for the Company to acquire the commercial premises for its ordinary course of business to reduce the risk exposure on the increasing rental expenses in the future.

Taking into account the above factors, the Directors are of the view that the terms of the Acquisition are in normal commercial terms, which are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

IMPLICATION UNDER THE GEM LISTING RULES

Since the relevant percentage ratio (as defined under the GEM Listing Rules) in respect of the Acquisition is greater than 25% but less than 100%, the Acquisition constitutes a major transaction for the Company under Chapter 19 of the GEM Listing Rules and is therefore subject to the reporting, announcement, circular and shareholders' approval requirements under Chapter 19 of the GEM Listing Rules.

By virtue of Ms. Lo, being is an executive Director, the chairman of the Company and the sole ultimate beneficial owner of MCIL, the controlling substantial shareholder of the Company, is also the Vendor in this Acquisition, the Vendor is a connected person of the Company under Chapter 20 of the GEM Listing Rules. Therefore, the Acquisition also constitutes a connected transaction for the Company and is subject to the approval of the Independent Shareholders by way of poll at the SGM.

In view of Ms. Lo's capacity as both the Vendor and a connected person of the Company, Ms. Lo is considered to have material interest in the Acquisition. As at the date of this announcement, Ms. Lo and her respective associates hold an aggregate of 268,552,984 Shares, representing approximately 60.92% of the entire issued share capital of the Company.

Accordingly, Ms. Lo and her respective associates are required to abstain from voting at the SGM in respect of the ordinary resolutions to approve the Agreement and the transactions contemplated thereunder.

As aforesaid, the SGM will be held to consider and, if thought fit, approve by the Independent Shareholders the ordinary resolutions in respect of the Agreement and the transactions contemplated thereunder.

GENERAL

An Independent Board Committee comprising Messrs. Wong Wai Kin, Siu Siu Ling, Robert and Leung Chi Hung (all being independent non-executive Directors) has been established to advise the Independent Shareholders (i) as to whether the terms of the Agreement are fair and reasonable so far as the Independent Shareholders are concerned and whether the Acquisition is in the interests of the Company and the Shareholders as a whole; and (ii) on how to vote in respect of the Acquisition after taking into account the recommendation of the Independent Financial Adviser.

Bridge Partners Capital Limited has been appointed as the Independent Financial Adviser to the Independent Board Committee in relation to the Acquisition.

Further announcement(s) (if applicable) will be made in respect of the Acquisition to keep the Shareholders and the investing public informed.

A circular containing, among other things, (i) further details of the Acquisition; (ii) a letter of advice from the Independent Board Committee to the Independent Shareholders in relation to the Agreement; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the Agreement; (iv) the valuation report on the Property; and (v) a notice convening the SGM will be dispatched to the Shareholders on or before 20 September 2011 in accordance with the GEM Listing Rules.

As Completion is subject to the fulfillment of a number of conditions precedent which are detailed in this announcement, the Acquisition may or may not be completed. Shareholders and potential investors should exercise caution when dealing in the Shares.

DEFINITIONS

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

| | |
|----------------|----------------------------------------------------------------------------------------------------------------------------------------------------------|
| “Acquisition” | acquisition of the Sale Shares and the Shareholder’s Loan by the Purchaser from the Vendor pursuant to the terms and conditions set out in the Agreement |
| “Agreement” | the conditional sale and purchase agreement in relation to the Acquisition entered into between the Purchaser and the Vendor on 29 August 2011 |
| “associate(s)” | shall have the meaning as ascribed to it under the GEM Listing Rules |
| “Board” | the board of Directors of the Company |

| | |
|-----------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| “Bridging Loan” | the banking facility granted by a licensed bank to the Target Company in the principal amount of HK\$15,000,000 on 27 April 2011 and secured by the Mortgage, the Rental Assignment and an unlimited guarantee from the Vendor |
| “Business Day(s)” | a day (not being a Saturday, Sunday or days on which a typhoon signal No. 8 or above or black rainstorm warning is hosted in Hong Kong at 10:00a.m.) on which licenced banks are generally open for general banking business in Hong Kong |
| “Company” | Finet Group Limited, a company incorporated in the Cayman Islands and continued in Bermuda with limited liability and the Shares of which are listed on the GEM board of the Stock Exchange |
| “Completion” | completion of the Acquisition in accordance with the terms and conditions of the Agreement |
| “Completion Accounts” | the unaudited consolidated balance sheet of the Target Company as at the Completion Date and the unaudited consolidated income statement of the Target Company in respect of the accounting reference period of the Target Company ended on the Completion Date, which shall be delivered by the Vendor to the Purchaser within 10 Business Days after the Completion Date |
| “Completion Date” | the 5th Business Day after all the conditions precedent under the Agreement having been satisfied or waived (as the case may be) (or such other time and/or date as the parties of the Agreement may agree) |
| “connected person(s)” | has the meaning ascribed thereto under the GEM Listing Rules and the word “connected” shall be construed accordingly |
| “Consideration” | the consideration of HK\$24,000,000 payable by the Purchaser to the Vendor for the Acquisition and subject to adjustment pursuant to the Agreement |
| “Director(s)” | the director(s) of the Company |
| “Encumbrance” | a mortgage, charge (whether fixed or floating), debenture, pledge, lien, option, restriction, right of first refusal, right of pre-emption, third-party right or interest, other encumbrance or security interest of any kind, or another type of preferential arrangement (including, without limitation, retention arrangement) having similar effect |
| “GEM” | the Growth Enterprise Market operated by 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(s), the lawful currency of Hong Kong |

| | |
|---------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| “Hong Kong” | the Hong Kong Special Administrative Region of the People’s Republic of China |
| “Independent Board Committee” | an independent board committee of the Company comprising all the independent non-executive Directors, established for the purpose of advising the Independent Shareholders in respect of the Agreement |
| “Independent Financial Advisor” | Bridge Partners Capital Limited, the independent financial advisor appointed by the Company to the Independent Board Committee in relation to the Acquisition |
| “Independent Shareholders” | Shareholders other than Ms. Lo and her respective associates who are required under the GEM Listing Rules to abstain from voting on the resolutions to be proposed at the SGM to approve the Agreement |
| “Long Stop Date” | 31 October 2011 or such later date as shall be mutually determined and agreed by the parties to the Agreement in writing |
| “MCIL” | Maxx Capital International Limited, a company incorporated in the British Virgin Islands with limited liability, with its ultimate beneficial owner being Ms. Lo, is the controlling shareholder of the Company holding an aggregate of 268,552,984 Shares, representing approximately 60.92% of the entire issued share capital of the Company as at the date of this announcement |
| “Mortgage” | the mortgage entered into between the Target Company and a licensed bank dated 15 May 2008 and registered in the Land Registry creating a charge over the Property as security in favour of the licensed bank |
| “Mortgage Loan” | the banking facility granted by a licensed bank to the Target Company in the principal amount of HK\$21,218,000 on 29 April 2008 and secured by the Mortgage, the Rental Assignment and an unlimited guarantee from the Vendor |
| “Ms. Lo” or “Vendor” | Ms. Lo Yuk Yee, the chairman and an executive Director of the Company, and the sole ultimate beneficial owner of the entire issued share capital of MCIL |
| “Preliminary Valuation” | the preliminary valuation on the Property of HK\$57,100,000 as at 19 August 2011 |
| “Property” | Units 901 & 920 on 9th floor, China Merchants Tower, Shun Tak Centre, Nos. 168–200 Connaught Road Central, Hong Kong |
| “Rental Assignment” | the assignment entered into between the Target Company and a licensed bank dated 15 May 2008 and registered in the Land Registry assigning all rights, title interest and benefit to and in any moneys whatsoever payable to the Target Company by a lessee and all other rights and benefits whatsoever accruing thereafter in respect of the Property or any part thereof in favour of the licensed bank |

| | |
|----------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| “Sale Shares” | 10,000 shares of US\$1.00 each in the issued share capital of the Target Company, representing the entire issued share capital of the Target Company as at the date of the Agreement |
| “SGM” | the special general meeting of the Company to be convened to consider and, if thought fit, approve the Agreement and the transactions contemplated by the Independent Shareholders |
| “Share(s)” | ordinary share(s) of HK\$0.01 each in the share capital of the Company |
| “Shareholder(s)” | holder(s) of the Shares |
| “Shareholder’s Loan” | the outstanding shareholder’s loan due to the Vendor by the Target Company from time to time |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Target Company” | Pink Angel Investments Limited, an investment holding company incorporated in the British Virgin Islands with limited liability, whose principal asset is the ownership of 100% interest in the Property |
| “Tenancy Agreement” | the existing tenancy agreement entered into between the Target Company and a tenant dated 30 March 2010, pursuant to which the Property has been let to the tenant for a term of 2 years commencing from 19 November 2009 and ending on 18 November 2011 at a monthly rental of HK\$88,410 with an option to renew the tenancy agreement for a further term of 2 years at the then market rate. The aforesaid option has been exercised on 26 August 2011 by the tenant, whereby the tenancy has been renewed for a fixed term of 1 year, commencing from 19 November 2011 and ending on 18 November 2012 (both days inclusive) at a monthly rental of approximately HK\$128,784, with a rent free period totaling 1 month (effective as from 19 October 2012 to 18 November 2012) |

“US\$” US dollars, the lawful currency of the United States of America

“%” per cent

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

Hong Kong, 29 August 2011

As at the date of this announcement, the executive Directors are Ms. Lo Yuk Yee, Mr. Chow Wing Chau and Mr. Yiu Wing Hei; the non-executive Director is Mr. Ip Tze Fai, Alvin;, 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 of the Company 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.

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.