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FINET GROUP LIMITED

財華社集團有限公司

(Continued in Bermuda with limited liability)

(Stock Code: 08317)

CONTINUING CONNECTED TRANSACTION

On 12 January 2017, FSL, a wholly-owned subsidiary of the Company, entered into the Tenancy Agreement with MML in respect of the Premises for a term of twenty-four months commencing on 12 January 2017 at a monthly rental of HK\$124,800 with an option granted to FSL to renew the leasing arrangement for a further term of 2 years.

MML is indirectly wholly-owned by Ms. Lo, the ultimate controlling Shareholder, the chairman and an executive Director of the Company. Accordingly, MML is a connected person of the Company under Chapter 20 of the GEM Listing Rules and the entering into of the Tenancy Agreement constitutes a continuing connected transaction for the Company.

As the applicable percentage ratios for each of the annual caps in respect of the Tenancy Agreement are less than 25% and the aggregate annual rental payable for each of the financial years and relevant period during the term of the Tenancy Agreement is less than HK\$10,000,000, pursuant to Rule 20.74(2)(b) of the GEM Listing Rules, the entering into of the Tenancy Agreement is only subject to the reporting, announcement and annual review requirements but is exempted from independent shareholders' approval requirements under Chapter 20 of the GEM Listing Rules.

The Directors (excluding Ms. Lo, the connected Director who is required to abstain from voting, but including the independent non-executive Directors) are of the view that the terms of the Tenancy Agreement are determined after arm's length negotiation, entered into in the usual and ordinary course of the business of the Group, on normal commercial terms, are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

Ms. Lo, being the connected Director, has abstained from voting on the board resolutions approving the Tenancy Agreement. Save as disclosed above, none of the Directors has any material interest in the transaction.

INTRODUCTION

The Board wishes to announce that on 12 January 2017, FSL, a wholly owned subsidiary of the Company, entered into the Tenancy Agreement with MML in respect of the Premises for a term of twenty-four months commencing on 12 January 2017.

TENANCY AGREEMENT

Date	:	12 January 2017
Parties	:	(i) MML as landlord; and (ii) FSL as tenant
Premises	:	Flat C, 11/F, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wan Chai, Hong Kong
Term	:	twenty-four months commencing on 12 January 2017 and expiring on 11 January 2019 (both days inclusive)
Rent	:	HK\$124,800 per calendar month payable in cash in advance (exclusive of rates, management fees, air-conditioning charges and any other outgoings)
Deposit	:	HK\$374,400 representing three months' rental and is payable upon the signing of the Tenancy Agreement
Option	:	An option is granted to FSL to renew the Tenancy Agreement for a further term of 2 years term at market rent. Such option can be exercised during the period after June 2018 but prior to the one month period immediately preceding the expiry of the Tenancy Agreement (" Option Period "). FSL shall be entitled to terminate the Tenancy Agreement during the Option Period by giving two months' notice in writing to MML

ANNUAL CAPS

The annual caps payable by the Group to MML under the Tenancy Agreement, excluding management fee and government rates, for the financial years of the Company ending 31 March 2017, 31 March 2018 and 31 March 2019 are as follows:

	For the financial year ending 31 March 2017	For the financial year ending 31 March 2018	For the financial year ending 31 March 2019
Tenancy Agreement	330,116	1,497,600	1,167,484
Annual Caps	330,116 <i>(Note 1)</i>	1,497,600 <i>(Note 2)</i>	1,167,484 <i>(Note 3)</i>

Note 1: The annual cap amount is based on the rental payable of the Tenancy Agreement from 12 January 2017 to 31 March 2017.

Note 2: The annual cap amount is based on the rental payable of the Tenancy Agreement from 1 April 2017 to 31 March 2018.

Note 3: The annual cap amount is based on the rental payable of the Tenancy Agreement from 1 April 2018 to 11 January 2019.

REASONS FOR AND BENEFITS OF THE TRANSACTION

The purpose of entering into the Tenancy Agreement is to obtain the lease of the Premises for office use by the Group and the Board considers that it would provide a stable and better office environment to the FSL to develop its business.

The terms of the Tenancy Agreement have been arrived at arm's length negotiations and are on normal commercial terms. The amounts of the rent payable under the Tenancy Agreement, have been determined with reference to the area size and location of the relevant office premise.

The Directors, including the independent non-executive Directors, consider that the Tenancy Agreement are determined after arm's length negotiations, entered into in the usual and ordinary course of business of the Company, on normal commercial terms, are fair and reasonable and in the interest of the Company and the Shareholders as a whole.

Ms. Lo, being the ultimate controlling Shareholder, the chairman, an executive Director of the Company and the ultimate beneficial owner of MML, is considered to have a material interest in the Tenancy Agreement, and therefore she has abstained from voting on the board resolutions approving the Tenancy Agreement.

INFORMATION ON THE TENANT

Finet Securities Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company, is principally engaged in trading in securities and asset management.

INFORMATION ON THE LANDLORD

Maxon Management Limited, a company incorporated in Hong Kong with limited liability. As at the date of this announcement, MML is indirectly wholly-owned by Ms. Lo, the ultimate controlling Shareholder, the chairman and an executive Director of the Company. Accordingly, MML is a connected person of the Company under Chapter 20 of the GEM Listing Rules.

GEM LISTING RULES

MML is indirectly wholly-owned by Ms. Lo, the ultimate controlling Shareholder, the chairman and an executive Director of the Company. Accordingly, under Chapter 20 of the GEM Listing Rules, MML is a connected person of the Company and the entering into of the Tenancy Agreement constitutes a continuing connected transaction for the Company.

As the applicable percentage ratios for each of the annual caps in respect of the Tenancy Agreement are less than 25% and the aggregate annual rental payable for each of the financial years and period during the term of the Tenancy Agreement is less than HK\$10,000,000, pursuant to Rule 20.74(2)(b) of the GEM Listing Rules, the entering into of the Tenancy Agreement is only subject to the reporting, announcement and annual review requirements but is exempted from independent shareholders' approval requirements under Chapter 20 of the GEM Listing Rules.

The Group will take into account the then prevailing market conditions when considering whether to exercise the option to renew the Tenancy Agreement and will comply with the relevant requirements under Chapter 20 of the GEM Listing Rules if the Group chooses to exercise the option to renew the term.

CONFIRMATION FROM THE BOARD

The Directors (excluding Ms. Lo, the connected Director who is required to abstain from voting, but including the independent non-executive Directors) are of the view that the terms of the Tenancy Agreement are determined after arm's length negotiation, entered into in the usual and ordinary course of the business of the Group, on normal commercial terms, are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

Ms. Lo, being the connected Director, has abstained from voting on the board resolutions approving the Tenancy Agreement. Save as disclosed above, none of the Directors has any material interest in the transaction.

DEFINITIONS

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

“Board”	the board of Directors of the Company
“Company”	Finet Group Limited, a company incorporated in the Cayman Islands and continued in Bermuda with limited liabilities and the issued Shares of which are listed on GEM
“connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Director(s)”	the director(s) of the Company
“FSL”	Finet Securities Limited, a company incorporated in Hong Kong with limited liability and is a wholly-owned subsidiary of the Company
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	Rules Governing the Listing of Securities on the GEM
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People's Republic of China
“MML”	Maxon Management Limited, a company incorporated in Hong Kong with limited liability and indirectly wholly-owned by Ms. Lo
“Ms. Lo”	Ms. Lo Yuk Yee, the ultimate controlling Shareholder, the chairman, an executive Director of the Company, a director and the ultimate beneficial owner of the entire share capital of MML
“Premises”	Flat C, 11/F, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wan Chai, Hong Kong

“Shareholder(s)”	the holder(s) of the Shares of the Company
“Shares”	Ordinary share(s) of HK\$0.01 each in the issued share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tenancy Agreement”	the tenancy agreement dated 12 January 2017, entered into between FSL as tenant and MML as landlord in relation to the Premises for a term of twenty-four months commencing on 12 January 2017 at a monthly rent of HK\$124,800
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“%”	per cent.

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

Hong Kong, 12 January 2017

As at the date of this announcement, the executive Directors are Ms. Lo Yuk Yee, Mr. Li Hong, 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 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.

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