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財華社
FINET

FINET GROUP LIMITED

財華社集團有限公司

(Incorporated in the Cayman Island and continued in Bermuda with limited liability)

(Stock code: 08317)

ANNOUNCEMENT IN RELATION TO CONTINUING CONNECTED TRANSACTION

CONTINUING CONNECTED TRANSACTION

On 21 March 2017 (after trading hours), Finet Holdings, an indirect wholly-owned subsidiary of the Company, entered into the Renewed Tenancy Agreement with Cyber Feel in respect of the Renewed Property for a term of twenty-four months commencing on 1 July 2017 at a monthly rental of HK\$330,200 with an option granted to Finet Holdings to renew the leasing arrangement for a further term of two years at market rate.

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

IMPLICATIONS UNDER THE GEM LISTING RULES

Although each of the Annual Caps in respect of the Renewed Tenancy Agreement does not exceed HK\$10 million, one or more of the relevant percentage ratios (as prescribed under the GEM Listing Rules) for at least one of the Annual Caps is more than 25%, therefore, the Renewed Continuing Connected Transactions contemplated under the Renewed Tenancy Agreement and the Annual Caps are subject to the reporting, announcement, annual review and independent Shareholders' approval requirements under Chapter 20 of the GEM Listing Rules.

GENERAL

The Independent Board Committee comprising all the independent non-executive Directors has been established to advise the Independent Shareholders in relation to the Renewed Continuing Connected Transactions and the Annual Caps. An Independent Financial Adviser will be appointed to advise the Independent Board Committee and the Independent Shareholders in this regard.

The EGM will be convened at which ordinary resolutions will be proposed to seek the Independent Shareholders' approval of, among other things, the Renewed Continuing Connected Transactions and the Annual Caps.

A circular containing, among other things, (i) details of the Renewed Continuing Connected Transactions; (ii) recommendations of the Independent Board Committee to the Independent Shareholders regarding the Renewed Continuing Connected Transactions and the Annual Caps; (iii) a letter of advice from the independent financial adviser of the Company to the Independent Board Committee and the Independent Shareholders containing its advice on the Renewed Continuing Connected Transactions and the Annual Caps; (iv) a notice convening the EGM; and (v) other information required under the GEM Listing Rules, are expected to be despatched to the Shareholders on or before 31 March 2017.

Since Ms. Lo is materially interested in the aforesaid continuing connected transaction, she had abstained from voting on the relevant Board resolutions approving the Renewed Continuing Connected Transactions and the Annual Caps, and Ms. Lo and her associates will be required to abstain from voting on the relevant resolutions proposed at the EGM.

CONTINUING CONNECTED TRANSACTIONS UNDER RENEWED TENANCY AGREEMENT

The Board wishes to announce that on 21 March 2017 (after trading hours), Finet Holdings, an indirect wholly-owned subsidiary of the Company, entered into the Renewed Tenancy Agreement with Cyber Feel in respect of the Renewed Property for a term of twenty-four months commencing on 1 July 2017.

RENEWED TENANCY AGREEMENT

Date	:	21 March 2017
Parties	:	(i) Cyber Feel as landlord, a company wholly-owned by Ms. Lo, the controlling shareholder of the Company, and hence a connected person; and (ii) Finet Holdings, a wholly-owned subsidiary of the Company as tenant
Renewed Property	:	30th Floor, Fortis Tower, Nos. 77–79 Gloucester Road, Wanchai, Hong Kong
Term	:	Twenty-four months commencing on 1 July 2017 and expiring on 30 June 2019 (both days inclusive)
Rent	:	HK\$330,200 per calendar month payable in cash in advance (exclusive of rates, management fees, air-conditioning charges and any other outgoings)
Deposit	:	HK\$660,400 representing two month's rental and is payable upon the signing of the Renewed Tenancy Agreement, which has already been paid by Finet Holdings to Cyber Feel as at the date of this announcement

Option : An option is granted to Finet Holdings to renew the Renewed Tenancy Agreement for a further term of two years at market rent. Such option can be exercised during the period after 1 March 2018 but prior to the one month period immediately preceding the expiry of the Renewed Tenancy Agreement (“**Option Period**”). Finet Holdings shall be entitled to terminate the Renewed Tenancy Agreement during the Option Period by giving two months’ notice in writing to Cyber Feel.

According to the Previous Tenancy Agreement, Finet Holdings had rented the Renewed Property from Cyber Feel for a term of 24 months from 1 July 2015 to 30 June 2017 (both days inclusive), details of which were disclosed in the announcement of the Company dated 12 June 2015.

ANNUAL CAPS

The annual rental payable by the Group to Cyber Feel under the Renewed Tenancy Agreement, excluding rates, management fees, air-conditioning charges and other outgoings (if any), for each of the two financial years of the Company ending on 31 March 2018 and 31 March 2019 will be HK\$2,971,800 and HK\$3,962,400 respectively and for the three month period from 1 April 2019 to 30 June 2019 will be HK\$990,600, which will be adopted as the annual caps for the continuing connected transactions under the Renewed Tenancy Agreement, but exclusive of rates, management fees, air-conditioning charges and other outgoings (if any).

REASONS FOR AND BENEFITS OF THE CONTINUING CONNECTED TRANSACTION

The Group is principally engaged in (i) the development, production and provision of financial information services and technology solutions to corporate and retail clients in Hong Kong and the PRC; and (ii) the securities and future business that specializes in the provision of online securities and futures trading.

Cyber Feel is principally engaged in property investment for letting purposes.

The purpose of entering into the Renewed Tenancy Agreement is to continue the leasing of the Renewed Property for office use by the Group and the Board considers that it would provide a stable office environment to the Group. The Renewed Property has a gross floor area of approximately 6,350 square feet.

The terms of the Renewed Tenancy Agreement have been arrived at arm’s length negotiations and are on normal commercial terms. The amounts of rent, management fee and air-conditioning charges have been determined with reference to the rent and outgoing charges chargeable by Cyber Feel for similar leases in the same building and the prevailing market conditions.

The Directors, including the independent non-executive Directors, consider that the Renewed Tenancy Agreement has been entered into in the ordinary and usual course of business of the Company, on normal commercial terms which 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 sole shareholder of

Cyber Feel, is considered to have a material interest in the Renewed Tenancy Agreement, and therefore she has abstained from voting on the Board resolutions approving the Renewed Tenancy Agreement.

IMPLICATIONS UNDER THE GEM LISTING RULES

Although each of the Annual Caps in respect of the Renewed Tenancy Agreement does not exceed HK\$10 million, one or more of the relevant percentage ratios (as prescribed under the GEM Listing Rules) for at least one of the Annual Caps is more than 25%, therefore, the Renewed Continuing Connected Transactions contemplated under the Renewed Tenancy Agreement and the Annual Caps are subject to the reporting, announcement, annual review and 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 Renewed 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.

GENERAL

The Independent Board Committee comprising all the independent non-executive Directors has been established to advise the Independent Shareholders in relation to the Renewed Continuing Connected Transactions and the Annual Caps. An Independent Financial Adviser will be appointed to advise the Independent Board Committee and the Independent Shareholders in this regard.

The EGM will be convened at which ordinary resolutions will be proposed to seek the Independent Shareholders' approval of, among other things, the Renewed Continuing Connected Transactions and the Annual Caps.

A circular containing, among other things, (i) details of the Renewed Continuing Connected Transactions and the Annual Caps; (ii) recommendations of the Independent Board Committee to the Independent Shareholders regarding the Renewed Continuing Connected Transactions and the Annual Caps; (iii) a letter of advice from the independent financial adviser of the Company to the Independent Board Committee and the Independent Shareholders containing its advice on the Renewed Continuing Connected Transactions and the Annual Caps; (iv) a notice convening the EGM; and (v) other information required under the GEM Listing Rules, are expected to be despatched to the Shareholders on or before 31 March 2017.

Since Ms. Lo is materially interested in the aforesaid continuing connected transactions, she had abstained from voting on the relevant Board resolutions approving the Renewed Continuing Connected Transactions and the Annual Caps, and Ms. Lo and her associates will be required to abstain from voting on the relevant resolutions proposed at the EGM.

DEFINITIONS

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

“Annual Caps”	the expected aggregate amount of rentals (excluding rates, management fees, air-conditioning charges and any other outgoings) payable by Finet Holdings to Cyber Feel under the Renewed Tenancy Agreement for each of the two financial years of the Company ending on 31 March 2018 and 31 March 2019 and the three month period from 1 April 2019 to 30 June 2019 in the amounts of HK\$2,971,800, HK\$3,962,400 and HK\$990,600 respectively
“Board”	the board of Directors of the Company
“Business Day(s)”	a day (excluding Saturday and other general holidays in Hong Kong and any day on which a tropical cyclone warning no.8 or above or a “black” rainstorm warning is hoisted at any time between 9:00 a.m. and 5:00 p.m.) on which licensed banks in Hong Kong are generally open for business
“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
“controlling shareholder”	has the meaning ascribed to it under the GEM Listing Rules
“Cyber Feel”	Cyber Feel Limited, a company incorporated in Hong Kong with limited liability and wholly-owned by Ms. Lo
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened for the Independent Shareholders to consider and, if thought fit, approve the Renewed Continuing Connected Transactions and the Annual Caps
“Finet Holdings”	Finet Holdings Limited, a company incorporated in Hong Kong with limited liability and is an indirect 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
“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”	the independent board committee of the Company comprising all the existing independent non-executive Directors, namely, Mr. Wong Wai Kin, Mr. Siu Siu Ling, Robert and Mr. Leung Chi Hung, to be established to advise the Independent Shareholders in respect of the Renewed Continuing Connected Transactions and the Annual Caps
“Independent Financial Adviser”	the independent financial adviser licensed to carry out certain regulated activities under the SFO to be engaged by the Company to advise the Independent Board Committee and the Independent Shareholders regarding the Renewed Continuing Connected Transactions and the Annual Caps
“Independent Shareholder(s)”	Shareholder(s) other than those who are required to abstain from voting on the resolutions proposed at the EGM to approve the Renewed Continuing Connected Transactions and the Annual Caps
“Ms. Lo”	Ms. Lo Yuk Yee, the ultimate controlling shareholder, the chairman and executive Director of the Company and a director and the sole beneficial owner of the entire share capital of Cyber Feel
“Previous Tenancy Agreement”	A tenancy agreement entered into between Cyber Feel and Finet Holdings dated 12 June 2015 for the period from 1 July 2015 to 30 June 2017 (both days inclusive), with details set out in the announcement of the Company dated 12 June 2015
“Renewed Continuing Connected Transactions”	the transactions contemplated under the Renewed Tenancy Agreement entered into between Finet Holdings and Cyber Feel on 21 March 2017 in respect of the Renewed Property for a term of twenty-four months commencing on 1 July 2017 at a monthly rental of HK\$330,200
“Renewed Property”	30th Floor, Fortis Tower, Nos. 77–79 Gloucester Road, Wanchai, Hong Kong
“Renewed Tenancy Agreement”	the Renewed Tenancy Agreement dated 21 March 2017, entered into between Finet Holdings as tenant and Cyber Feel as landlord in relation to the Renewed Property for a term of twenty-four months commencing on 1 July 2017 at a monthly rent of HK\$330,200
“SFC”	Securities and Futures Commission of Hong Kong
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shares”	Ordinary share(s) of HK\$0.01 each in the issued share capital of the Company
“Shareholder(s)”	the shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“%”

per cent.

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

Hong Kong, 21 March 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.