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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 TRANSACTIONS IN RELATION TO THE ACQUISITIONS OF THE ENTIRE INTERESTS IN THREE PROPERTY HOLDING COMPANIES

THE ACQUISITIONS

The Board is pleased to announce that, on 24 April 2017 (after trading hours),

- (i) the Purchaser and the Vendor A entered into the Provisional Agreement A, pursuant to which the Purchaser conditionally agreed to purchase and the Vendor A conditionally agreed to sell the TCA Sale Share and the TCA Sale Loan for the consideration of HK\$54,000,000 (subject to adjustment), which shall be payable by the Purchaser to the Vendor A (or its nominee(s)) in cash;
- (ii) the Purchaser and Ms. Lo entered into the Provisional Agreement B, pursuant to which the Purchaser conditionally agreed to purchase and Ms. Lo conditionally agreed to sell the TCB Sale Shares and the TCB Sale Loan for the consideration of HK\$15,000,000 (subject to adjustment), which shall be payable by the Purchaser to Ms. Lo (or its nominee(s)) in cash; and
- (iii) the Purchaser and Ms. Lo entered into the Provisional Agreement C, pursuant to which the Purchaser conditionally agreed to purchase and Ms. Lo conditionally agreed to sell the TCC Sale Shares and the TCC Sale Loan for the consideration of HK\$22,000,000 (subject to adjustment), which shall be payable by the Purchaser to Ms. Lo (or its nominee(s)) in cash.

The Provisional Agreement A, Provisional Agreement B, and Provisional Agreement C are not inter-conditional and the completion of each of the Provisional Agreements would not affect the completion of each other.

GEM LISTING RULES IMPLICATION

As one or more of the applicable percentage ratios (as defined under the GEM Listing Rules) in respect of the Acquisitions is more than 25% but less than 100%, the Acquisitions constitute major transactions on the part of the Company under Chapter 19 of the GEM Listing Rules.

Vendor A is indirectly wholly-owned by Ms. Lo, the Chairman, the executive Director and the Controlling Shareholder holding approximately 56.24% shareholding of the Company as at the date of this announcement and hence the Vendors are connected persons of the Company. As such, the Provisional Agreements and the transactions contemplated thereunder will constitute connected transactions for the Company under Chapter 20 of the GEM Listing Rules.

The Provisional Agreements and the transactions contemplated thereunder are therefore subject to, among others, the reporting, announcement and the approval of the Independent Shareholders at the SGM under the GEM Listing Rules.

GENERAL

An Independent Board Committee comprising the independent non-executive Directors has been formed to advise the Independent Shareholders on whether the terms of the Provisional Agreements and the transactions contemplated thereunder are fair and reasonable, on normal commercial terms or better and in the interests of the Company and the Shareholders as a whole, and to advise the Independent Shareholders on how to vote in respect to the resolutions to be proposed at the SGM to approve the Provisional Agreements and the transactions contemplated thereunder. The Independent Financial Adviser has been appointed to advise the Independent Board Committee and the Independent Shareholders on the same.

The SGM will be convened for the Independent Shareholders to consider and, if thought fit, to approve, among others, the Provisional Agreements and the transactions contemplated thereunder. Ms. Lo and her associates will abstain from voting at the SGM on the relevant resolutions to approve the Provisional Agreements and the transactions contemplated thereunder.

A circular containing, among other things, (i) further details of the Acquisitions; (ii) the financial information of the Target Companies; (iii) the unaudited pro forma financial information of the Enlarged Group upon Completion; (iv) the valuation report of the Properties; (v) a letter of recommendation from the Independent Board Committee to the Independent Shareholders; (vi) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; and (vii) the notice of the SGM is expected to be despatched to the Shareholders on or before 31 May 2017, as additional time is required to prepare the aforesaid information to be included in the circular.

As Completion is subject to and conditional upon fulfilment or waiver (where applicable) of the conditions precedent set out in the Provisional Agreements, the Acquisitions and the transactions contemplated thereunder may or may not materialise. Shareholders and potential investors of the Company are advised to exercise caution when dealing in securities of the Company.

THE ACQUISITIONS

The Board is pleased to announce that, on 24 April 2017 (after trading hours),

- (i) the Purchaser and the Vendor A entered into the Provisional Agreement A, pursuant to which the Purchaser conditionally agreed to purchase and the Vendor A conditionally agreed to sell the TCA Sale Share and the TCA Sale Loan for the consideration of HK\$54,000,000 (subject to adjustment), which shall be payable by the Purchaser to the Vendor A (or its nominee(s)) in cash;
- (ii) the Purchaser and Ms. Lo entered into the Provisional Agreement B, pursuant to which the Purchaser conditionally agreed to purchase and Ms. Lo conditionally agreed to sell the TCB Sale Shares and the TCB Sale Loan for the consideration of HK\$15,000,000 (subject to adjustment), which shall be payable by the Purchaser to Ms. Lo (or its nominee(s)) in cash; and
- (iii) the Purchaser and Ms. Lo entered into the Provisional Agreement C, pursuant to which the Purchaser conditionally agreed to purchase and Ms. Lo conditionally agreed to sell the TCC Sale Shares and the TCC Sale Loan for the consideration of HK\$22,000,000 (subject to adjustment), which shall be payable by the Purchaser to Ms. Lo (or its nominee(s)) in cash.

The Provisional Agreement A, Provisional Agreement B, and Provisional Agreement C are not inter-conditional and the completion of each of the Provisional Agreements would not affect the completion of each other.

The Provisional Agreement A

The terms of the Provisional Agreement A are as follows:

- Date:** 24 April 2017
- Parties:** (i) the Purchaser; and
(ii) the Vendor A

The Purchaser is an indirectly wholly-owned subsidiary of the Company. Vendor A, being indirectly wholly-owned by Ms. Lo, is a connected person of the Company by virtue of her being the Chairman, the executive Director and the Controlling Shareholder. The Target Company A is a company incorporated in Hong Kong with limited liability, and is principally engaged in investment holding and the principal asset of Target Company A would be Property A. The Target Company A is owned as to 100% by the Vendor A.

Assets to be acquired

Pursuant to the Provisional Agreement A, the Vendor A conditionally agreed to sell and the Purchaser conditionally agreed to purchase:

- (a) the TCA Sale Share, representing 100% of the entire issued share capital of the Target Company A as at the date of the Provisional Agreement A. Upon Completion of the Provisional Agreement A, the Target Company A will become an indirectly wholly-owned subsidiary of the Company and the financial results of the Target Company A would be consolidated into the Group's result upon Completion.

(b) the TCA Sale Loan, being all the obligations, liabilities and debts owing or incurred by the Target Company A to the Vendor A (whether actual, contingent or deferred) at the Completion Date. As at 31 March 2017, the Target Company A was not indebted to the Vendor A.

Consideration A

The Consideration payable by the Purchaser to Target Company A for the TCA Sale Share and the TCA Sale Loan shall be HK\$54 million, which shall be satisfied by (i) the payment of HK\$5.4 million in cash upon signing of the Provisional Agreement A; and (ii) the balance of HK\$48.6 million in cash upon Completion (subject to adjustment).

The Consideration A was determined after arm's length negotiation between the parties by reference to the valuation of the Property A at HK\$54 million as at 31 March 2017, as assessed by the Valuer, adopting the market approach and the adjustment to be made with reference to the Net Tangible Asset Value of the Target Company A as stated in paragraph headed "Consideration adjustment" below.

Based on the Net Tangible Asset Value of the Target Company A of approximately HK\$(17.91) million as at 31 March 2017, the net Consideration A would be approximately HK\$36.09 million.

Personal guarantee

The Vendor Guarantor, as primary obligor and not merely as surety, unconditionally and irrevocably guarantees to the Purchaser, and on the Completion Date unconditionally and irrevocably guarantees to the Purchaser and the Company, the due observance and performance by the Vendor A of all the agreements, obligations, commitments and undertakings contained in the Provisional Agreement A the part of the Vendor A to be observed and performed and that the warranties given or provided by the Vendor A to the Purchaser and/or the Company under the Provisional Agreement A are true, accurate and correct and the Vendor Guarantor undertakes and agrees to indemnify the Purchaser and the Company and keep the Purchaser and the Company fully indemnified against all losses, costs, expenses and damages whatsoever which may be sustained by the Purchaser and/or the Company by reason of or in connection with any failure of the Vendor A to perform any of the guaranteed obligations or breach of any of the warranties.

The Provisional Agreement B

The terms of the Provisional Agreement B are as follows:

Date: 24 April 2017

Parties: (i) The Purchaser; and
(ii) Ms. Lo

The Purchaser is an indirectly wholly-owned subsidiary of the Company. Ms. Lo, is a connected person of the Company by virtue of her being the Chairman, the executive Director and the Controlling Shareholder. The Target Company B is a company incorporated in BVI with limited liability, and is principally engaged in investment holding and the principal assets of Target Company B would be Property B. The Target Company B is owned as to 100% by Ms. Lo.

Assets to be acquired

Pursuant to the Provisional Agreement B, Ms. Lo conditionally agreed to sell and the Purchaser conditionally agreed to purchase:

- (a) the TCB Sale Shares, representing 100% of the entire issued share capital of the Target Company B as at the date of the Provisional Agreement B. Upon Completion of the Provisional Agreement B, the Target Company B will become an indirectly wholly-owned subsidiary of the Company and the financial results of the Target Company B would be consolidated into the Group's result upon Completion.
- (b) the TCB Sale Loan, being all the obligations, liabilities and debts owing or incurred by the Target Company B to Ms. Lo (whether actual, contingent or deferred) at the Completion Date. As at 31 March 2017, the Target Company B was indebted to Ms. Lo in the amount of approximately HK\$592,421.

Consideration B

The Consideration payable by the Purchaser to Target Company B for the TCB Sale Shares and the TCB Sale Loan shall be HK\$15 million, which shall be satisfied by (i) the payment of HK\$1.5 million in cash upon signing of the Provisional Agreement B; and (ii) the balance of HK\$13.5 million in cash upon Completion.

The Consideration B was determined after arm's length negotiation between the parties by reference to the valuation of the Property B at HK\$15 million as at 31 March 2017, as assessed by the Valuer, adopting the market approach and the adjustment to be made with reference to the Net Tangible Asset Value of the Target Company B as stated in paragraph headed "Consideration adjustment" below.

Based on the Net Tangible Asset Value of the Target Company B as at 31 March 2017 of approximately HK\$(5.55) million, the Net Consideration B would be approximately HK\$9.45 million.

The Provisional Agreement C

The terms of the Provisional Agreement C are as follows:

- Date:** 24 April 2017
- Parties:** (i) The Purchaser; and
(ii) Ms. Lo

The Purchaser is an indirectly wholly-owned subsidiary of the Company. Ms. Lo, is a connected person of the Company by virtue of her being the Chairman, the executive Director and the Controlling Shareholder. The Target Company C is a company incorporated in BVI with limited liability, and is principally engaged in investment holding and the principal asset of Target Company C would be Property C. The Target Company C is owned as to 100% by Ms. Lo.

Assets to be acquired

Pursuant to the Provisional Agreement C, Ms. Lo conditionally agreed to sell and the Purchaser conditionally agreed to purchase:

- (a) the TCC Sale Shares, representing 100% of the entire issued share capital of the Target Company C as at the date of the Provisional Agreement C. Upon Completion of the Provisional Agreement C, the Target Company C will become an indirectly wholly-owned subsidiary of the Company and the financial results of the Target Company C would be consolidated into the Group's result upon Completion.
- (b) the TCC Sale Loan, being all the obligations, liabilities and debts owing or incurred by the Target Company C to Ms. Lo (whether actual, contingent or deferred) at the Completion Date. As at 31 March 2017, the Target Company C was indebted to Ms. Lo in the amount of approximately HK\$17,896,267.

Consideration C

The Consideration payable by the Purchaser to Target Company C for the TCC Sale Shares and the TCC Sale Loan shall be HK\$22 million, which shall be satisfied by (i) the payment of HK\$2.2 million in cash upon signing of the Provisional Agreement C; and (ii) the balance of HK\$19.8 million in cash upon the upon Completion.

Consideration C was determined after arm's length negotiation between the parties by reference to the valuation of the the Property C at HK\$22 million as at 31 March 2017, as assessed by the Valuer, adopting the market approach and the adjustment to be made with reference to the Net Tangible Asset Value of the Target Company C as stated in paragraph headed "Consideration adjustment" below.

Based on the Net Tangible Asset Value of the Target Company C of approximately HK\$7,000 as at 31 March 2017, the Net Consideration C would be approximately HK\$22,007,000.

Common terms of the Provisional Agreements

Consideration adjustment

Each of the Vendors undertake to deliver to the Purchaser or the Purchaser's solicitors at least five (5) days prior to the Completion Date the proforma accounts comprising a proforma profit and loss account of the respective Target Companies for the period from the beginning of the current financial year to the Completion Date and a proforma balance sheet of the respective Target Companies as at the Completion Date. If the Net Tangible Asset Value as shown in the proforma accounts is more or less than zero, the balance of respective payments to be paid upon Completion shall be adjusted upwards or downwards (as the case may be) accordingly in the manner as follows:

- (i) it shall be added to the balance all current and non-current tangible assets of the respective Target Companies as shown in the respective proforma accounts including rentals receivable (if applicable) (up to and inclusive of the Completion Date), utilities and other miscellaneous deposits, prepaid rates and government rent, and other expenses relating to the Properties (up to but exclusive of the Completion Date); and
- (ii) it shall be deducted from the balance all liabilities of the respective Target Companies as shown in the respective proforma accounts (other than the respective Sale Loan).

The Vendors undertake to deliver to the Purchaser or the Purchaser's solicitors within 30 days from the Completion Date the respective financial statements audited by certified public accountants (practicing) of the respective Target Companies for the period from the beginning of the current financial year to the Completion Date. If the Net Tangible Asset Values as shown in the respective audited financial statements are more or less than the Net Tangible Asset Values as shown in the respective proforma accounts, the Purchaser or the Vendors (as the case may be) shall pay the difference to the other party within five (5) days from the date of receipt of the issue of respective audited financial statements.

Based on the total Net Tangible Asset Values of the Target Company A, Target Company B and Target Company C as at their respective financial year end of approximately HK\$(23.45) million, the Total Net Consideration would be approximately HK\$67.55 million.

Conditions precedent

Completion of the Acquisitions is subject to and conditional upon, the fulfilment or waiver of, the following conditions precedent:

- (i) the Purchaser having completed its respective due diligence reviews on the business, financial, legal and other aspects of the respective Target Companies and satisfied with the results;
- (ii) the Vendors having procured the Company to give and prove a good title to the respective Properties in accordance with Sections 13A and 13 of the Conveyancing and Property Ordinance) Cap.219 of the Laws of Hong Kong);
- (iii) the Provisional Agreements are conditional upon the transactions contemplated thereunder being approved by the Independent Shareholders at the SGM.

Pursuant to the terms of the respective Provisional Agreements, the Long Stop Date would be 29 December 2017.

Completion

Completion shall take place within eight (8) Business Days following the date on which the last of the conditions precedent to the Provisional Agreements being fulfilled or waived (as the case may be) or such other date as the parties to the Provisional Agreements may agree in writing.

Upon Completion, the Target Companies will become wholly-owned subsidiaries of the Company and the financial results of the Target Companies will be consolidated into the financial statements of the Group.

Satisfaction of the Consideration

The Consideration shall be approximately HK\$91 million (subject to adjustments of respective Target Companies), which shall be satisfied by the Purchaser at Completion in cash to the Vendors (or their nominee(s)). The Company will finance the Consideration by internal resources. As at 31 March 2017, the unaudited management account of the Group shows a cash balance of approximately HK\$57.13 million.

In the Board meeting (which Ms. Lo had abstained from voting), the Directors (other than members of the Independent Board Committee, who will give their opinion after having considered the recommendation from the Independent Financial Adviser) consider that the consideration for the Acquisitions arrived at after arm's length negotiation is fair and reasonable as the Consideration has taken into account, (i) the reasons stated in the paragraph headed "Reasons for and benefits of the Acquisitions" below in this announcement; (ii) the future prospects of the property market in Hong Kong; and (iii) the valuation by the Valuer for the Properties.

The Directors (other than members of the Independent Board Committee, who will give their opinion after having considered the recommendation from the Independent Financial Adviser) consider that although the Acquisitions are not in the ordinary course of business of the Company, the terms of the Provisional Agreements are fair and reasonable and in normal commercial terms and in the interests of the Company and the Shareholders as a whole.

INFORMATION ON THE TARGET COMPANIES

The Target Company A is a company incorporated in Hong Kong with limited liability on 24 September 2004 and is principally engaged in investment holding, which is wholly-owned by Vendor A and is indirectly wholly-owned by Ms. Lo. The principal asset of Target Company A would be Property A. The address of Property A is Unit C, 11/F, Bank of East Asia Harbour View Center, Hong Kong.

Set out below is a summary of the key financial data of the Target Company A based on the audited financial statements of the Target Company A for the financial year ended 31 December 2015 and 2016 which was prepared in accordance with the Hong Kong Financial Reporting Standards:

	For the financial year ended	
	31 December 2015	31 December 2016
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(audited)	(audited)
Revenue	1,092	1,092
Net (loss)/profit before taxation	(323)	32,492
Net (loss)/profit after taxation	(323)	32,492

The unaudited net asset of Target Company A as at 31 March 2017 was approximately HK\$36,090,148.

The Target Company B is a company incorporated in the BVI with limited liability on 6 September 2007 and is principally engaged in investment holding, which is wholly-owned by Ms. Lo. The principal asset of Target Company B would be Property B. The address of Property B is Flat C, 40/F, Tower 1 South Court, Festival City, Phase 1 Tai Wai, Shatin, Hong Kong.

Set out below is a summary of the key financial data of the Target Company B based on the audited financial statements of the Target Company B for the financial year ended 31 March 2016 and the unaudited financial statements of the Target Company B for the financial year ended 31 March 2017, which were prepared in accordance with the Hong Kong Financial Reporting Standards:

	For the financial year ended	
	31 March 2016	31 March 2017
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(audited)	(unaudited)
Revenue	180	360
Net (loss)/profit before taxation	(347)	3,789
Net (loss)/profit after taxation	(347)	3,789

The unaudited net asset of Target Company B as at 31 March 2017 was approximately HK\$8,854,947.

The Target Company C is a company incorporated in the BVI with limited liability on 26 October 2007 and is principally engaged in investment holding, which is wholly-owned by Ms. Lo. The principal asset of Target Company C would be Property C. The address of Property C is 5/F, Siu Hong Industrial Building, No. 543/549 Castle Peak Road, Kwai Chung, New Territories, Hong Kong.

Set out below is a summary of the key financial data of the Target Company C based on the audited financial statements of the Target Company C for the financial year ended 31 March 2016 and the unaudited financial statements of the Target Company C for the financial year ended 31 March 2017, which were prepared in accordance with the Hong Kong Financial Reporting Standards:

	For the financial year ended	
	31 March 2016	31 March 2017
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(audited)	(unaudited)
Revenue	—	—
Net (loss)/profit before taxation	(991)	1,151
Net (loss)/profit after taxation	(991)	1,151

The unaudited net asset of Target Company C as at 31 March 2017 was approximately HK\$4,110,851.

The Properties

Set out below is the details of the Properties held by each of the Target Companies, details of the respective tenancy (if any), and the original acquisitions costs and date of the Target Companies:

Properties	Saleable area (sq. ft.)	Registered owner	Status	Lease term (years)	Monthly rent (HK\$)	Connected person's original acquisitions cost (HK\$) and date
Property A	1,755	Maxon Management Limited	leased	2	124,800	17,291,890 20 April 2007
Property B	960	Avaya Lane Limited	leased	1	30,000	13,175,400 31 January 2011
Property C	8,900	Herrick Investments Limited	vacant	—	—	20,990,439 28 March 2014

REASONS FOR AND BENEFITS OF THE ACQUISITIONS

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 Peoples Republic of China; (ii) media business; (iii) the securities and futures business that specializes in the provision of online securities and futures trading; (iv) money lending business; and (v) property investments. The Group can reduce the cash outflow related to office rental.

The Target Company A was held by Ms. Lo before the Completion. Property A is currently leased by the Group at a monthly rental of HK\$124,800 under the continuing connected transactions announced by the Company on 12 January 2017. Upon Completion, the Group intends to continue utilising the Property A as office for the Group's securities and futures business, in particular, the asset management business (SFO licensed Type 9 regulated activity) of the Group.

The Target Company B was held by Ms. Lo before the Completion. The Group entered into a tenancy agreement with Ms. Lo for which the Group paid a monthly rent of approximately HK\$30,000 to Ms. Lo and the Group used the Property B as staff quarters. It is believed that upon Completion, Property B will be continued to be used as staff quarters. The Group can reduce the cash outflow related to accommodation benefits to staff.

The Target Company C was held by Ms. Lo before the Completion. The Company intends to expand its fund management business by way of setting segregated property investment fund under the Purchaser. The Directors currently intend that the Property C will be part of the portfolio of the segregated property investment fund under the Purchaser.

The Directors (other than members of the Independent Board Committee, who will give their opinion after having considered the recommendation from the Independent Financial Adviser) consider that although the Acquisitions are not in the ordinary course of business of the Company, the terms of the Provisional Agreements are fair and reasonable and in normal commercial terms and in the interests of the Company and the Shareholders as a whole.

GEM LISTING RULES IMPLICATION

As one or more of the applicable percentage ratios (as defined under the GEM Listing Rules) in respect of the Acquisitions is more than 25% but less than 100%, the Acquisitions constitute major transactions on the part of the Company under Chapter 19 of the GEM Listing Rules.

Vendor A is indirectly wholly-owned by Ms. Lo, the Chairman, the executive Director and the Controlling Shareholder holding approximately 56.24% shareholding of the Company as at the date of this announcement and hence Vendors are connected persons of the Company. As such, the Provisional Agreements and the transactions contemplated thereunder will constitute connected transactions for the Company under Chapter 20 of the GEM Listing Rules.

The Provisional Agreements and the transactions contemplated thereunder are therefore subject to, among others, the reporting, announcement and the approval of the Independent Shareholders at the SGM under the GEM Listing Rules.

GENERAL

An Independent Board Committee comprising the independent non-executive Directors has been formed to advise the Independent Shareholders on whether the terms of the Provisional Agreements and the transactions contemplated thereunder are fair and reasonable, on normal commercial terms or better and in the interests of the Company and the Shareholders as a whole, and to advise the Independent Shareholders on how to vote in respect to the resolutions to be proposed at the SGM to approve the Provisional Agreements and the transactions contemplated thereunder. The Independent Financial Adviser has been appointed to advise the Independent Board Committee and the Independent Shareholders on the same.

The SGM will be convened for the Independent Shareholders to consider and, if thought fit, to approve among others, the Provisional Agreements and the transactions contemplated thereunder. Ms. Lo and her associates will abstain from voting at the SGM on the relevant resolution(s) in approving the Provisional Agreements and the transactions contemplated thereunder.

A circular containing, among other things, (i) further details of the Acquisitions; (ii) the financial information of the Target Companies; (iii) the unaudited pro forma financial information of the Enlarged Group upon Completion; (iv) the valuation report of the Properties; (v) a letter of recommendation from the Independent Board Committee to the Independent Shareholders; (vi) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; and (vii) the notice of the SGM is expected to be despatched to the Shareholders on or before 31 May 2017, as additional time is required to prepare the aforesaid information to be included in the circular.

As Completion is subject to and conditional upon fulfilment or waiver (where applicable) of the conditions precedent set out in the Provisional Agreements, the Acquisitions and the transactions contemplated thereunder may or may not materialise. Shareholders and potential investors of the Company are advised to exercise caution when dealing in securities of the Company.

DEFINITION

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

“Acquisitions”	the acquisitions by the Purchaser from the Vendors of the Sale Shares and the Sale Loan pursuant to the Provisional Agreements
“Board”	the board of Directors
“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
“BVI”	the British Virgin Islands
“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
“Completion”	completion of the sale and purchase of the respective Sale Shares under the relevant Provisional Agreements
“Completion Date”	the date which the conditions as set out in paragraph headed “Conditions precedent” above is fulfilled or such other date to be agreed between the Purchaser and the Vendors in writing
“connected person(s)”	meanings as ascribed pursuant to the GEM Listing Rules
“Consideration”	the aggregate consideration payable by the Purchaser for the Sale Shares and the Sale Loan in accordance with the terms of the Provisional Agreements
“Consideration A”	the aggregate consideration payable by the Purchaser for the Sale Shares and the Sale Loan in accordance with the terms of the Provisional Agreement A
“Consideration B”	the aggregate consideration payable by the Purchaser for the Sale Shares and the Sale Loan in accordance with the terms of the Provisional Agreement B
“Consideration C”	the aggregate consideration payable by the Purchaser for the Sale Shares and the Sale Loan in accordance with the terms of the Provisional Agreement C
“Controlling Shareholder”	meanings as ascribed pursuant to the GEM Listing Rules
“Director(s)”	the director(s) of the Company
“Enlarged Group”	the Group as enlarged by the Target Companies

“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 Peoples Republic of China
“Independent Board Committee”	the independent board committee of the Board, comprising all the independent non-executive Directors, established for the purpose of advising the Independent Shareholders on the Provisional Agreements and the transactions contemplated thereunder
“Independent Financial Adviser”	Octal Capital Limited, a corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and the independent financial adviser of the Company to advise the Independent Board Committee and the Independent Shareholders in respect of the Provisional Agreements and the transactions contemplated thereunder
“Independent Shareholders”	the Shareholders other than those who are required under the GEM Listing Rules to abstain from voting at the SGM for the resolutions approving the Provisional Agreements and the transactions contemplated thereunder
“Long Stop Date”	29 December 2017 or such date as (i) the Purchaser and the Vendor A may agree in writing pursuant to the Provisional Agreement A; (ii) the Purchaser and Ms. Lo may agree in writing pursuant to the Provisional Agreement B; and/or (ii) the Purchaser and Ms. Lo may agree in writing pursuant to the Provisional Agreement C
“Ms. Lo”	Ms. Lo Yuk Yee, the ultimate Controlling Shareholder (as defined in the GEM Listing Rules), the chairman, the executive Director of the Company, a director and the sole beneficial owner of the entire share capital of the respective Target Companies
“Net Consideration A”	the amount of Consideration A adjusted by the corresponding consideration adjustment of Target Company A as stated in paragraph headed “Consideration adjustment” above
“Net Consideration B”	the amount of Consideration B adjusted by the corresponding consideration adjustment of Target Company B as stated in paragraph headed “Consideration adjustment” above
“Net Consideration C”	the amount of Consideration C adjusted by the corresponding consideration adjustment of Target Company C as stated in paragraph headed “Consideration adjustment” above

“Net Tangible Asset Value”	for each of the respective Target Companies, the aggregate of all tangible assets of the respective Target Companies which are readily convertible into cash or cash equivalents (excluding the respective Properties, any respective intangible assets and other fixed assets and deferred tax), less the aggregate of all liabilities (actual, contingent or otherwise but excluding the Sale Loan) and provisions of the respective Target Companies as at the Completion Date
“Properties”	the properties held by the Target Companies which being acquired under the Acquisitions and further details of which are set forth in the paragraph headed “Information on the Target Companies — The Properties” in this announcement
“Property A”	the property at Unit C, 11/F, Bank of East Asia Harbour View Center, Hong Kong
“Property B”	the property at Flat C, 40/F, Tower 1 South Court, Festival City, Phase 1, Tai Wai, Shatin, Hong Kong
“Property C”	the property at 5/F, Sui Hong Industrial Building, No. 543/549 Castle Peak Road, Kwai Chung, New Territories
“Provisional Agreements”	Provisional Agreement A, Provisional Agreement B and Provisional Agreement C
“Provisional Agreement A”	the provisional agreement for sale and purchase dated 24 April 2017 entered into between the Purchaser and the Vendor A in relation to the acquisition of the TCA Sale Share and the TCA Sale Loan
“Provisional Agreement B”	the provisional agreement for sale and purchase dated 24 April 2017 entered into between the Purchaser and Ms. Lo in relation to the acquisition of the TCB Sale Shares and the TCB Sale Loan
“Provisional Agreement C”	the provisional agreement for sale and purchase dated 24 April 2017 entered into between the Purchaser and Ms. Lo in relation to the acquisition of the TCC Sale Shares and the TCC Sale Loan
“Purchaser”	Source Mega Properties Limited, a company incorporated in Hong Kong with limited liability and its registered office address is Flat C, 11/F, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai
“Sale Loan”	together, the TCA Sale Loan, the TCB Sale Loan and the TCC Sale Loan
“Sale Shares”	together, the TCA Sale Share, the TCB Sale Shares and the TCC Sale Shares
“SGM”	a special general meeting of the Company to be convened and held to consider and, if thought fit, approve the Acquisitions and the transactions contemplated thereunder
“Share(s)”	shares of HK\$0.01 each in the capital of the Company

“Shareholder(s)”	holders of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Companies”	Target Company A, Target Company B and Target Company C
“Target Company A”	Maxon Management Limited, a company incorporated in Hong Kong with limited liability
“Target Company B”	Avaya Lane Limited, a company incorporated in the BVI with limited liability
“Target Company C”	Herrick Investments Limited, a company incorporated in the BVI with limited liability
“TCA Sale Loan”	all obligations, liabilities and debts owing or incurred by the Target Company A to Vendor A on or at any time prior to the Completion whether actual, contingent or deferred and irrespective of whether or not the same is due and payable on Completion which as at 31 March 2017 amounted to approximately HK\$0
“TCA Sale Share”	1 share of HK\$1 each in the issued share capital of the Target Company A, representing the entire issued share capital of the Target Company A
“TCB Sale Loan”	all obligations, liabilities and debts owing or incurred by the Target Company B to Ms. Lo on or at any time prior to the Completion whether actual, contingent or deferred and irrespective of whether or not the same is due and payable on Completion which as at 31 March 2017, amounted to approximately HK\$592,421
“TCB Sale Shares”	10,000 share of US\$1 each in the issued share capital of the Target Company B, representing the entire issued share capital of the Target Company B
“TCC Sale Loan”	all obligations, liabilities and debts owing or incurred by the Target Company C to Ms. Lo on or at any time prior to the Completion whether actual, contingent or deferred and irrespective of whether or not the same is due and payable on Completion which as at 31 March 2017, amounted to approximately HK\$17,896,267
“TCC Sale Shares”	10,000 share of US\$1 each in the issued share capital of the Target Company C, representing the entire issued share capital of the Target Company C
“Total Net Consideration”	the sum of Net Consideration A, Net Consideration B, and Net Consideration C
“Valuer”	Ascent Partners Valuation Service Limited, an independent professional valuer
“Vendors”	Vendor A and Ms. Lo

“Vendor A”	Pablos International Limited, a company incorporated in the BVI with limited liability, its registered office address is PO Box 957, Offshore Incorporations Centre Road Town, Tortola, British Virgin Islands and indirectly wholly-owned by Ms. Lo
“Vendor Guarantor”	Ms. Lo
“HK\$”	Hong Kong dollar(s), lawful currency of Hong Kong
“sq. ft.”	square foot
“US\$”	United States dollars, the lawful currency in the United States of America
“%”	per cent

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

Hong Kong, 24 April 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.