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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 TRANSACTION CONCERNING PROPOSED DISPOSAL OF A SUBSIDIARY AND RECONVENING OF THE ADJOURNED SPECIAL GENERAL MEETING

References are made to the circular (the “**Circular**”) of Finet Group Limited (the “**Company**”) and the notice of special general meeting (the “**Notice**”), both dated 23 May 2017, in relation to the major transaction concerning proposed disposal of a subsidiary and the announcement of the Company dated 12 June 2017 (“**Announcement**”) in relation to the adjournment of the SGM. Capitalised terms used herein shall have the same meanings as defined in the Circular and the Announcement unless otherwise specified herein.

This announcement should be read in conjunction with the Circular.

As set out in the Announcement, the SGM has been adjourned pending further notice to allow the entering into of the Pink Angel Formal Agreement prior to the Resolution to be put to vote.

PINK ANGEL FORMAL AGREEMENT

The Board announces that Pink Angel Vendor as vendor, Pink Angel Purchaser as purchaser and Ms. Lo as the guarantor of the Pink Angel Vendor entered into the Pink Angel Formal Agreement on 16 June 2017 in respect of the Pink Angel Disposal. Save for (a) an additional condition precedent contained in the Pink Angel Formal Agreement that the beneficial owner of the Pink Angel Vendor, namely, the Company, shall have obtained (i) the approval of its Shareholders on the Pink Angel Disposal by way of ordinary resolution(s) at a general meeting of the Company; and (ii) any necessary approval required by the Stock Exchange (if any), which is a usual and customary condition precedent for a transaction of this type; and (b) the Pink Angel Completion Date being changed to 12 July 2017 (or such other date as the Pink Angel Vendor and the Pink Angel Purchaser may agree in writing), the other terms of the Pink Angel Formal Agreement are similar to those of the Pink Angel Provisional Agreement, including the amount of the Pink Angel Consideration and the payment schedule as disclosed in the Circular, and contains provisions on representations, warranties, undertakings and indemnities which are usual and customary for a formal sale and purchase agreement of a transaction of this type.

According to the paragraph headed “Conditions Precedent” as stated in the Circular in the section headed “Letter from the Board”, as at the date of the announcement (the “**Announcement Date**”), except for conditions (a), (e) and (f), none of the other conditions precedent had been fulfilled or waived.

The Board has been informed by Ms. Lo that, despite that her interests are in line with the other Shareholders in relation to the Pink Angel Disposal and has obtained no benefit or fee or security from the Group in guaranteeing the obligations of the Pink Angel Vendor under the Pink Angel Provisional Agreement and the Pink Angel Formal Agreement, since she is considered to be materially interested in the transaction by her agreeing to give the guarantee, Ms. Lo has indicated that solely for the purpose of dispelling any doubts any Shareholder may have about the transaction, she and her associates will abstain from voting in favour of the Pink Angel Disposal at the forthcoming Reconvened SGM (as defined below).

Save as mentioned above, to the best of the Directors’ knowledge, information and belief, and having made all reasonable enquiries, no other Shareholder has a material interest in the Pink Angel Disposal, and accordingly, no other Shareholder is required to abstain from voting on the resolutions to be proposed at the Reconvened SGM in relation to the Pink Angel Disposal.

According to the announcement made by the Company dated 21 June 2017, the acquisition of Property B and Property C has been terminated. As such, based on the Pink Angel Consideration of HK\$68,000,000 and the associated estimated direct cost of the Pink Angel Disposal of approximately HK\$235,000, the Group is expected to receive a net proceeds of approximately HK\$67,765,000 from the Pink Angel Disposal which Directors intend to use as follows:

1. HK\$26,531,790 will be used for repayment of bank loans; and
2. remaining proceeds will be used to partially fund the acquisition of Property A.

INDEBTEDNESS

Borrowings

At the close of business on 31 May 2017, the Group had outstanding borrowings of approximately HK\$89,550,331, comprising guaranteed and secured bank borrowings of approximately HK\$26,531,790, unsecured and unguaranteed convertible bonds of approximately HK\$63,018,541.

Security

As at 31 May 2017, there were guaranteed bank borrowings secured by certain land and buildings.

Save as aforesaid and normal trade and other payables in the ordinary course of business, as at the close of business on 31 May 2017, the Group did not have any loan capital issued and outstanding or agreed to be issued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances or acceptance credits, debentures, mortgages, charges, hire purchases commitments, guarantee or other material contingent liabilities.

GENERAL INFORMATION

Disclosure of Interests

Directors' and Chief Executive's Interests and Short Positions in the Shares and Underlying Shares

As at the Announcement Date, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the required standard of dealings by directors of listed issuers as referred to in Rule 5.46 of the GEM Listing Rules, are as follows:

Long positions in the shares and underlying shares of the Company and its associated corporations

Name of Director	Name of Group member/ associated corporations	Number of shares and capacity in which the shares were held		Number of underlying shares and capacity in which the shares were held		Total number of shares	% of shares in issue <i>(note 2)</i>
		Beneficial owner	Interest of controlled corporation	Beneficial owner	Interest of controlled corporation		
Executive Directors:							
Ms. Lo	The Company	58,058,058 (L)	239,439,784 (L) 26,184,539 (S)	— —	— —	— —	56.24% (L) 4.95% (S)
Ms. Lo	Maxx Capital International Limited (“ Max Capital ”) <i>(Note 1)</i>	—	2 shares of US\$1 each	—	—	2 shares of US\$1 each	100%
Ms. Lo	Pablos International Limited (“ Pablos ”) <i>(Note 1)</i>	1,000 shares of US\$1 each	—	—	—	1,000 shares of US\$1 each	100%
Mr. Chow Wing Chau (“ Mr. Chow ”)	The Company	—	—	500,000 (L)	—	500,000 (L)	0.09%

(L) denotes long positions

(S) denotes short positions

Notes:

- 206,439,784 ordinary shares of HK\$0.01 each were held by Maxx Capital International Limited (“**Maxx Capital**”) which was wholly-owned by Pablos International Limited (“**Pablos**”), and Pablos was wholly owned by Ms. Lo. Accordingly, Ms. Lo was deemed by virtue of the SFO to be interested in 260,384,642 ordinary shares of HK\$0.01 each.
- As at Announcement Date, the Company has 528,980,880 ordinary shares of HK\$0.01 each in issue.

Save as disclosed above, as at Announcement Date, none of the Directors or chief executive of the Company nor their respective associates have any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the required standard of dealings by directors of listed issuers as referred to in Rule 5.46 of the GEM Listing Rules.

Substantial Shareholders' Interest and Short Position in the Shares of the Company

As at Announcement Date, so far as the Directors are aware, persons other than Directors or chief executives of the Company who had interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO, were as follows:

(i) Long Position in the Shares

Name of Shareholders	Capacity	Number of Shares held	Number of Underlying Shares held	Total Number of Shares	Approximate percentage of existing shareholding (note 2)
Substantial shareholders					
Ms. Lo (Note 1)	Beneficial Owner	58,058,058 (L)	—	297,497,842 (L)	56.24%
	Interest of Controlled Corporation	239,439,784 (L)			
Pablos (Note 1)	Interest of Controlled Corporation	206,439,784 (L)	—	206,439,784 (L)	39.03%
Maxx Capital (Note 1)	Beneficial Owner	206,439,784 (L)	—	206,439,784 (L)	39.03%
Wise Capital Limited	Interest of Controlled Corporation	33,000,000 (L)	—	33,000,000 (L)	6.24%
Central Huijin Investment Ltd.	Interest of Controlled Corporation	160,799,924 (L)	—	160,799,924 (L)	30.4%
China Construction Bank Corporation	Interest of Controlled Corporation	160,799,924 (L)	—	160,799,924 (L)	30.4%
Wang Yuan	Beneficial Owner	39,000,000 (L)	—	39,000,000 (L)	7.37%
Broadgain International Limited	Beneficial Owner	43,800,000 (L)	—	43,800,000 (L)	8.28%

(L) denotes long positions

(ii) *Short Positions in the Shares*

Name of Shareholders	Capacity	Number of Shares held	Number of Underlying Shares held	Total Number of Shares	Approximate percentage of existing shareholding (note 2)
Substantial Shareholders					
Ms. Lo (Note 1)	Interest of Controlled Corporation	26,184,539 (S)	—	26,184,539 (S)	4.95%
Pablos (Note 1)	Interest of Controlled Corporation	26,184,539 (S)	—	26,184,539 (S)	4.95%
Maxx Capital (Note 1)	Interest of Controlled Corporation	26,184,539 (S)	—	26,184,539 (S)	4.95%

(S) denotes short positions

Notes:

1. 206,439,784 ordinary shares of HK\$0.01 each were held by Maxx Capital, which was wholly-owned by Pablos and Pablos was wholly-owned by Ms. Lo, a director of the Company. Ms. Lo is a director of each of Maxx Capital and Pablos.
2. As at Announcement Date, the Company has 528,980,880 ordinary Shares held HK\$0.01 each in issue.

Directors' Interests in Asset, Contract or Arrangement Significant to the Group

As at the Announcement Date, none of the Directors have any direct or indirect interests in any assets which were acquired or disposed of by, or leased to, or were proposed to be acquired or disposed of by, or leased to, the Company or any of its subsidiaries since 31 March 2016, the date to which the latest published audited consolidated financial statements of the Company were made up.

As at the Announcement Date, none of the Directors are materially interested in any contract or arrangement which was significant in relation to the business of the Group.

Directors Services Contracts

As at the Announcement Date, none of the Directors have a service contract with any member of the Group which was not determinable by the relevant members of the Group within one year without payment of compensation, other than statutory compensation.

Interest in Competing Business and Conflict of Interests

As at the Announcement Date, none of the Directors, controlling shareholders or their respective close associates are interested in any business apart from the Group's business which competed or was likely to compete, either directly or indirectly, with the Group's businesses.

Experts and Consent

The following sets out the qualification of the expert who has been named in the Circular:

Name	Qualifications
Ascent Partners Valuation Service Limited	Independent Property Valuer

Ascent Partners Valuation Service Limited has given and has not withdrawn its written consent to the issue of the Circular with the inclusion herein of its letter and references to its name, in the form and context in which they respectively appear.

As at the Announcement Date, Ascent Partners Valuation Service Limited has no shareholding, directly or indirectly, in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for shares in any member of the Group.

As at the Announcement Date, Ascent Partners Valuation Service Limited has no interest, direct or indirect, in any assets which since 31 March 2016, the date to which the latest published audited financial statements of the Company were made up, had been acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

Litigation

As at the Announcement Date, no member of the Group is engaged in any litigation or claim of material importance and, so far as the Directors are aware, no litigation or claim of material importance was pending or threatened against any member of the Group.

Working Capital

The Directors are of the opinion that, after taking into account the Group's available financial resources, including the existing credit facilities and internal resources, and the Pink Angel Disposal can be completed as currently envisaged, the Group will have sufficient working capital to satisfy its present requirements for at least the next 12 months from the Announcement Date, in the absence of unforeseeable circumstances.

Material Contracts

Save for the Pink Angel Formal Agreement and those disclosed in the subsection headed "General information — Material contracts" in Appendix III to the Circular, none of the members of the Group has entered into any contracts (not being contracts entered into in the ordinary course of business) within the two years immediately preceding the date of this announcement that are or may be material.

Document Available for Inspection

Copy of the Pink Angel Formal Agreement will be available for inspection during normal business hours (Saturdays and public holidays excepted) from 10:00 a.m. to 1:00 p.m. and from 2:00 p.m. to 5:00 p.m. at the head office and principal place of business of the Company at 30/F., Fortis Tower 77–79 Gloucester Road Wanchai, Hong Kong from the date of this Announcement Date up to and including the date of the Reconvened SGM.

This announcement, together with the Circular (which should be read in conjunction herewith), for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company.

Saved as disclosed above, the Directors, having made all reasonable enquiries, confirm that to the best of their knowledge, information and belief, the information contained in the Circular remained accurate, true and complete in all material respects and not misleading and deceptive as at the Announcement Date.

RECONVENING OF THE ADJOURNED SGM

Computershare Hong Kong Investor Services Limited, the branch share registrar and transfer office of the Company in Hong Kong, was appointed as the scrutineer for the vote-taking at the adjourned SGM. The adjournment of the SGM was approved by all shareholders present with all votes voting in favour of the adjournment.

The Board also announces that the adjourned SGM will be reconvened to be held at on Tuesday, 11 July 2017 at 10:00 a.m. at 30/F, Fortis Tower, 77–79 Gloucester Road, Wanchai, Hong Kong, to consider and, if thought fit, pass the resolution as set out in the notice of the reconvened SGM (“**Reconvened SGM**”) dated 26 June 2017 (“**Notice of Reconvened SGM**”), being the same resolution (save for the addition of the Pink Angel Formal Agreement to be approved, confirmed and ratified in the same resolution) as set out in the Notice dated 23 May 2017. Shareholders should refer to the Notice of Reconvened SGM for details.

The adjournment and the reconvening of the adjourned SGM do not violate the Bye-laws of the Company.

A revised proxy form will be enclosed in the Notice of Reconvened SGM and despatched to the Shareholders for use by the Shareholders at the forthcoming Reconvened SGM.

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

Hong Kong, 26 June 2017

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