

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



財華社
FINET

FINET GROUP LIMITED

財華社集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8317)

**PLACING OF NEW SHARES
UNDER GENERAL MANDATE
AND
RESUMPTION OF TRADING**

Placing Agent



太平基業證券有限公司
PACIFIC FOUNDATION SECURITIES LTD

SUMMARY

On 29 September 2010, the Company entered into the conditional Placing Agreement with the Placing Agent for the placing of up to 73,000,000 new Shares to not fewer than six Places at the Placing Price of HK\$0.42 per Placing Share on a best-efforts basis.

The Placing Shares represent approximately 19.85% of the existing issued share capital of the Company and approximately 16.56% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares, assuming that all the 73,000,000 Placing Shares are successfully placed out.

The Placing Price of HK\$0.42 represents (i) a discount of 12.50% to the closing price of HK\$0.48 per Share as quoted on the Stock Exchange on the date immediately prior to the date of the Placing Agreement; and (ii) a discount of approximately 18.92% to the average closing price of HK\$0.518 per Share as quoted on the Stock Exchange for the last 5 consecutive trading days immediately prior to the date of the Placing Agreement.

Assuming all the 73,000,000 Placing Shares are successfully placed out, the gross proceeds of the Placing will amount to approximately HK\$30.66 million and the net proceeds receivable by the Company under the Placing are estimated to be approximately HK\$30.00 million after deducting the placing commission and all costs, fees and expenses to be borne by the Company. The net proceeds of the Placing is intended to be used as the general working capital of the Group.

The Placing is conditional upon the GEM Listing Committee granting approval for listing of, and permission to deal in, the Placing Shares.

Trading in the Shares on the Stock Exchange was suspended at the request of the Company from 9:30 a.m. on 29 September 2010 pending the release of this announcement. The Company has applied for the resumption of trading in the Shares on the Stock Exchange with effect from 9:30 a.m. on 30 September 2010.

THE PLACING AGREEMENT

Date: 29 September 2010

Issuer: The Company

Placing Agent: The Placing Agent

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Placing Agent and its ultimate beneficial owners are Independent Third Parties.

Placee(s)

The Placing Shares will be placed, on a best-efforts basis, to not fewer than six Placees which will be individual, institutional or other professional investors procured by or on behalf of the Placing Agent. All Placees and their respective ultimate beneficial owner(s) will be Independent Third Parties. To the best knowledge of the Company, none of them will become a substantial shareholder (as defined in the Listing Rules) of the Company after the Placing.

Placing Shares

Up to 73,000,000 Placing Shares will be allotted and issued to the Placee(s), representing approximately 19.85% of the existing issued share capital of the Company of 367,813,053 Shares and approximately 16.56% of the issued share capital of the Company of 440,813,053 Shares as enlarged by the allotment and issue of the Placing Shares, assuming that all the 73,000,000 Placing Shares are successfully placed out. The aggregate nominal value of the Placing Shares will be HK\$3,650,000.

The Placing Shares will rank, upon issue, pari passu in all respects among themselves and with the Shares in issue as at the date of allotment and issue of the Placing Shares.

Placing Price

The Placing Price of HK\$0.42 per Placing Share represents (i) a discount of 12.50% to the closing price of HK\$0.48 per Share as quoted on the Stock Exchange on the date immediately prior to the date of the Placing Agreement; and (ii) a discount of approximately 18.92% to the average closing price of HK\$0.518 per Share as quoted on the Stock Exchange for the last 5 consecutive trading days immediately prior to the date of the Placing Agreement.

The Placing Price, net of estimated expenses, is approximately HK\$0.411 per Placing Share. The Placing Price was arrived at after arms' length negotiations between the Company and the Placing Agent with reference to the closing prices as shown above. The Directors consider that the Placing Price and the terms and conditions of the Placing Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

Placing Costs

Upon completion of the Placing Agreement, the Company shall pay to the Placing Agent a placing commission of HK\$375,000 and the Stock Exchange transaction levy (if any).

General mandate to issue the Placing Shares

The Placing Shares will be allotted and issued pursuant to the general mandate granted to the Directors at the extraordinary general meeting of the Company held on 11 February 2010 to issue up to a total of 73,320,839 Shares. No new Share has been issued under the above general mandate since 11 February 2010.

Condition of the Placing

The Placing is conditional upon the Stock Exchange granting approval for listing of, and permission to deal in, the Placing Shares.

In the event that the condition of the Placing is not fulfilled on or before 26 October 2010 (or such later date as the Parties may agree in writing), the Placing Agreement shall terminate and none of the Parties shall have any claim against the other for any costs or losses under the Placing Agreement (save for any prior breaches of the Placing Agreement).

Completion of the Placing

Completion of the Placing will take place on or before 29 October 2010 (or such other date as the Parties may agree in writing).

Application for listing

Application will be made by the Company to the GEM Listing Committee for listing of, and permission to deal in, all the Placing Shares.

REASONS FOR THE PLACING AND USE OF PROCEEDS

The Group is principally engaged in the development, production and provision of financial information services and technology solutions to corporate clients and retail investors in Greater China and to develop and operate online games in mainland China.

The Board has considered various ways of raising funds and believes that taking into account of the current market conditions, the Placing represents an opportunity to raise capital for the Group while broadening its shareholder and capital base.

Assuming all the 73,000,000 Placing Shares are successfully placed out, the gross proceeds of the Placing will amount to approximately HK\$30.66 million. The net proceeds receivable by the Company, after deducting the placing commission and all costs, fees and expenses to be borne by the Company, are estimated to be approximately HK\$30.00 million. The net proceeds of the Placing is intended to be used as general working capital of the Group.

The Directors, including independent non-executive Directors, consider that the Placing Agreement is entered into under normal commercial terms following arms' length negotiations between the Company and the Placing Agent and that the terms of the Placing Agreement are fair and reasonable so far as the interests of the Company and the Shareholders as a whole are concerned.

FUND RAISING EXERCISE BY THE COMPANY IN THE PAST TWELVE MONTHS

Save as disclosed below, the Company has not conducted any other fund raising exercises in the past twelve months before the date of this announcement:

Date of announcements	Event	Net proceeds (approximately)	Intended use of proceeds as announced	Actual use of proceeds
25 September 2009	Open offer of 899,465,189 shares of the Company of HK\$0.01 each (before the consolidation of 5 shares of HK\$0.01 each into one share of HK\$0.05 each, which became effective on 30 November 2009) on the basis of one offer share for every existing share, and on a fully underwritten basis	HK\$61.0 million	General working capital to grow the Group's two core business lines, particularly the online game business in the mainland China, and for investment in new business should any opportunities arise in the future	Used as intended

CHANGES TO SHAREHOLDING STRUCTURE OF THE COMPANY

The changes of the shareholding structure of the Company as a result of the Placing, assuming all the 73,000,000 Placing Shares are successfully placed out, are as follows:

Shareholders	At the date of this announcement		Immediately after completion of the Placing	
	<i>No. of Shares</i>	<i>Approximate Percentage (%)</i>	<i>No. of Shares</i>	<i>Approximate Percentage (%)</i>
Maxx Capital International Limited (Note)	203,266,790	55.26	203,266,790	46.11
Placees	—	—	73,000,000	16.56
Other public Shareholders	<u>164,546,263</u>	<u>44.74</u>	<u>164,546,263</u>	<u>37.33</u>
Total	<u><u>367,813,053</u></u>	<u><u>100.00</u></u>	<u><u>440,813,053</u></u>	<u><u>100.00</u></u>

Note: The entire issued share capital of Maxx Capital International Limited is wholly and beneficially owned by Ms. Lo Yuk Yee.

RESUMPTION OF TRADING

Trading in the Shares on the Stock Exchange was suspended at the request of the Company from 9:30 a.m. on 29 September 2010 pending the release of this announcement. The Company has applied for the resumption of trading in the Shares on the Stock Exchange with effect from 9:30 a.m. on 30 September 2010.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings when used herein:

“Board”	the board of Directors
“Business Day”	any day (not being a Saturday) on which banks are generally open for business in Hong Kong
“Company”	Finet Group Limited (Stock Code: 8317), a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on GEM
“Directors”	directors of the Company from time to time
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Committee”	the Listing Committee of GEM
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries

“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	any person(s) or company(ies) who, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, is/are independent of, and not connected with, the Company, any director(s), chief executive(s) or substantial shareholder(s) (as defined in the GEM Listing Rules) of the Company or any of its subsidiaries or their respective associates (as defined in the GEM Listing Rules)
“Parties”	the Company and the Placing Agent, and “Party” shall mean any of them
“Placee(s)”	any individual, institutional or other professional investors procured by or on behalf of the Placing Agent to purchase any of the Placing Shares pursuant to the Placing Agent’s obligations under the Placing Agreement
“Placing”	the offer by way of placing of the Placing Shares by or on behalf of the Placing Agent to the Placees pursuant to the Placing Agreement
“Placing Agent”	Pacific Foundation Securities Limited, a corporation licensed under the Securities and Futures Ordinance (Cap 571 of the Laws of Hong Kong) to conduct types 1 and 9 regulated activities
“Placing Agreement”	the agreement dated 29 September 2010 entered into between the Company and the Placing Agent in respect of the Placing
“Placing Price”	the placing price of HK\$0.42 per Placing Share
“Placing Shares”	up to a total of 73,000,000 new Shares to be allotted and issued pursuant to the terms and conditions of the Placing Agreement and which will rank pari passu in all respects with the Shares in issue as at the date of allotment of the Placing Shares
“Share(s)”	ordinary share(s) of HK\$0.05 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

By order of the Board of
Finet Group Limited
Wong Po Tin
Executive Director

Hong Kong, 29 September 2010

As at the date of this announcement, the executive Directors are Dr. Yu Gang, George, Mr. Lin Peng, Ben, Mr. Chow Wing Chau, Mr. Yiu Wing Hei and Mr. Wong Po Tin, and the independent non-executive Directors are Dr. Lam Lee G., Mr. Lam Ka Wai, Graham, Mr. Lui Tin Nang, Mr. Wong Wai Kin and Mr. Siu Siu Ling, Robert.

This announcement, 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. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (i) the information contained in this announcement is accurate and complete in all material respects and not misleading; (ii) there are no other matters the omission of which would make any statement in this announcement misleading; and (iii) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

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.