

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your Shares, you should at once hand this circular to the purchaser(s) or the transferee(s) or to the bank, licensed securities dealer, registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

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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)

**(1) MAJOR TRANSACTION CONCERNING PROPOSED
DISPOSAL OF A SUBSIDIARY;
AND
(2) NOTICE OF SPECIAL GENERAL MEETING**

A notice convening the SGM to be held at 30/F, Fortis Tower, 77–79 Gloucester Road, Wanchai, Hong Kong on Monday, 12 June 2017 at 10:00 a.m. is set out on pages SGM-1 to SGM-3 of this circular. A form of proxy for use at the SGM is enclosed.

Whether or not you intend to attend the SGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the branch share registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited, 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, as soon as possible but in any event not less than 48 hours before the time appointed for holding of the SGM. Completion and return of the proxy form shall not preclude you from attending, and voting in person at the SGM if you so desire.

This circular will remain on the "Latest Company Announcements" section of the GEM website (www.hkgem.com) for at least seven days from the date of its posting and on the website of the Company at (<http://www.finet.hk>).

CHARACTERISTICS OF GEM

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

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DEFINITIONS

In this circular, the following terms and expressions shall have the following respective meanings unless the context otherwise requires:

“associate(s)”	shall have the meaning as ascribed to it under the GEM Listing Rules
“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
“Bye-Laws”	the Bye-Laws of the Company, as amended, supplemented or modified from time to time
“Company”	Finet Group Limited, a company incorporated in the Cayman Islands and continued in Bermuda with limited liability 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(s)”	has the meaning ascribed to such term in the GEM Listing Rules
“CPO”	the Conveyancing and Property Ordinance (Chapter 219 of the Laws of Hong Kong)
“Cyber Feel”	Cyber Feel Limited, a company incorporated in Hong Kong with limited liability and wholly-owned by Ms. Lo, and a connected person
“Director(s)”	the director(s) of the Company
“Encumbrance(s)”	a mortgage, charge (whether fixed or floating), debenture, pledge, lien, option, restriction, right of first refusal, right of pre-emption, third-party right or interest, other encumbrance or security interest of any kind, or another type of preferential arrangement (including, without limitation, retention arrangement) having similar effect
“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

DEFINITIONS

“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM, as amended, supplemented or modified from time to time
“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 Third Party(ies)”	third party(ies) not connected with the Company and its subsidiaries, their respective directors, chief executives and substantial shareholders and any of their associates
“Latest Practicable Date”	23 May 2017, being the latest practicable date prior to the issuance of this circular for ascertaining certain information contained in this circular
“Ms. Lo”	Ms. Lo Yuk Yee, a controlling shareholder, the chairman and an executive director of the Company
“Pink Angel”	Pink Angel Investments Limited, the subject company in the Pink Angel Disposal, an investment holding company incorporated in the BVI with limited liability, whose principal asset is the ownership of the 100% interest in the Pink Angel Property
“Pink Angel Agent”	Midland Realty (comm.) Limited engaged in the Pink Angel Disposal
“Pink Angel Announcement”	the announcement made by the Company regarding the Pink Angel Disposal on 14 March 2017
“Pink Angel Completion Date”	on or before 12 June 2017, or such later date as the Pink Angel Vendor and Pink Angel Purchaser agree in writing
“Pink Angel Consideration”	the consideration of HK\$68,000,000 payable by the Pink Angel Purchaser to the Pink Angel Vendor for the Pink Angel Disposal (subject to adjustment)
“Pink Angel Disposal”	disposal of the Pink Angel Sale Shares and the Pink Angel Sale Debt by the Pink Angel Vendor to the Pink Angel Purchaser pursuant to the terms and conditions set out in the Pink Angel Provisional Agreement, or the Pink Angel Formal Agreement (if applicable)

DEFINITIONS

“Pink Angel Guaranteed Obligations”	the obligations, commitments, undertakings, warranties, indemnities, terms and conditions under the Pink Angel Formal Agreement and under all other documents relating to the Pink Angel Disposal of which the Pink Angel Vendor is a party
“Pink Angel Mortgage”	Allied Banking Corporate (Hong Kong) Limited, an Independent Third Party
“Pink Angel Property”	Units 901 & 920 on 9th floor, China Merchants Tower, Shun Tak Centre, Nos. 168–200 Connaught Road Central, Hong Kong
“Pink Angel Provisional Agreement”	the conditional sale and purchase agreement in relation to the Pink Angel Disposal entered into between the Pink Angel Purchaser, the Pink Angel Vendor and Ms. Lo as the guarantor of Pink Angel Vendor on 13 March 2017
“Pink Angel Purchaser”	BACOB Management Limited, a company incorporated in BVI with limited liability, and an Independent Third Party
“Pink Angel Sale Debt”	all loan(s) advanced by the Pink Angel Vendor to Pink Angel up to the Pink Angel Completion Date
“Pink Angel Sale Shares”	the entire issued share capital of Pink Angel, which as at the Latest Practicable Date, comprises 10,000 ordinary shares of US\$1.00 each in the share capital of Pink Angel
“Pink Angel Vendor”	Finet Group (BVI) Limited, a direct wholly-owned subsidiary of the Company
“PRC”	The People’s Republic of China and for the purpose of this circular, excluding Taiwan, Hong Kong and Macau
“Property A”	the property at Unit C, 11/F, Bank of East Asia Harbour View Center, Hong Kong, details of the proposed acquisition is made in the announcement made by the Company on 11 May 2017
“Property B”	the property at Flat C, 40/F, Tower 1 South Court, Festival City, Phase 1, Tai Wai, Shatin, Hong Kong, details of the proposed acquisition is made in the announcement made by the Company on 24 April 2017
“Property C”	the property at 5/F, Sui Hong Industrial Building, No. 543/549 Castle Peak Road, Kwai Chung, New Territories, details of the proposed acquisition is made in the announcement made by the Company on 11 May 2017

DEFINITIONS

“Renewed Property”	30th Floor, Fortis Tower, 77–79 Gloucester Road, Wanchai, Hong Kong, details of which were disclosed in the announcement made by the Company on 21 March 2017
“Renewed Tenancy Agreement”	the Renewed Tenancy Agreement dated 21 March 2017 and 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 with an option to renew the tenancy for a further term of twenty-four months at the then market rent exercisable by Finet Holdings, details of which were disclosed in the announcement made by the Company on 21 March 2017
“SFC”	Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“SGM”	the special general meeting of the Company to be held on Monday, 12 June 2017 at 10:00 a.m. (and any adjournment thereof) for the Shareholders (and where required pursuant to applicable laws, the Bye-laws, the GEM Listing Rules or by the Stock Exchange, the Independent Shareholders) to consider and, if thought fit, approve the Pink Angel Disposal, the notice of which is set out on pages SGM-1 to SGM-3 of this circular
“Share(s)”	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
“substantial shareholder”	has the meaning set out in the GEM Listing Rules
“%”	per cent.

In this circular, the terms “associate”, “connected person”, “connected transaction”, “controlling shareholder”, “subsidiary” and “substantial shareholder” shall have the meanings given to such terms in the GEM Listing Rules, unless the context otherwise requires.

Certain amounts and percentage figures included in this circular have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them.



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

(Stock Code: 8317)

Executive Directors:

Lo Yuk Yee (*Chairman*)
Chow Wing Chau
Yiu Wing Hei

Registered Office:

Clarendon House
2 Church Street
Hamilton HM11
Bermuda

Independent non-executive Directors:

Wong Wai Kin
Siu Siu Ling, Robert
Leung Chi Hung

*Principal Place of Business
in Hong Kong:*

30/F., Fortis Tower
77–79 Gloucester Road
Wanchai, Hong Kong

23 May 2017

To the Shareholders

Dear Sirs or Madams,

**(1) MAJOR TRANSACTION CONCERNING PROPOSED
DISPOSAL OF A SUBSIDIARY;
AND
(2) NOTICE OF SGM**

INTRODUCTION

Reference is made to the Pink Angel Announcement of the Company in relation to the major transaction in relation to the disposal of entire issued shares in Pink Angel and the Pink Angel Sale Debt advanced by the Pink Angel Vendor.

On 13 March 2017 (after trading hours), the Pink Angel Vendor, a direct wholly-owned subsidiary of the Company, entered into the Pink Angel Provisional Agreement with, amongst others, the Pink Angel Purchaser and Ms. Lo as the guarantor of the Pink Angel Vendor, pursuant to which the Pink Angel Vendor conditionally agreed to sell and the Pink Angel Purchaser conditionally agreed to purchase the Pink Angel Sale Shares representing the entire issued share capital of Pink Angel together with the Pink Angel Sale Debt at a Pink Angel Consideration of HK\$68,000,000 (subject to adjustment).

LETTER FROM THE BOARD

As one or more of the applicable percentage ratios in respect of the Pink Angel Disposal is or are more than 25% but all of them are less than 75%, the Pink Angel Disposal constitutes a major transaction and is subject to reporting, announcement and approval of Shareholders at the SGM by way of poll pursuant to Chapter 19 of the GEM Listing Rules.

As Ms. Lo, the guarantor of the Pink Angel Vendor, is a controlling shareholder of the Company, she is a connected person under the GEM Listing Rules. The guarantee given by Ms. Lo in favour of the Pink Angel Purchaser for the Pink Angel Vendor Guaranteed Obligations constitutes a connected transaction under Chapter 20 of the GEM Listing Rules. However, such guarantee was given on better than normal commercial terms to the Group and it is not secured by the assets of the Group. Hence, the guarantee constitutes financial assistance received by the Group from a connected person that is fully exempt from announcement, independent shareholders' approval requirements as a result of application of Rule 20.88 of the GEM Listing Rules.

The purpose of this circular is to provide you with, among other things (i) information regarding the Pink Angel Disposal; (ii) a notice convening the SGM at which resolutions will be proposed to consider and, if thought fit, approve the Pink Angel Disposal; and (iii) other information required under the GEM Listing Rules.

As at the Latest Practicable Date, Cyber Feel was 100% owned by Ms. Lo, the controlling shareholder of the Company. As at Latest Practicable Date, the Pink Angel Sale Debt was HK\$16,160,365. Hence, 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.

MAJOR TRANSACTION CONCERNING PROPOSED DISPOSAL OF A SUBSIDIARY

Major Terms of the Pink Angel Provisional Agreement

Date: 13 March 2017

Parties

Pink Angel Vendor: Finet Group (BVI) Limited, a direct wholly-owned subsidiary of the Company.

Pink Angel Purchaser: BACOB Management Limited. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Pink Angel Purchaser and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons.

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Pink Angel Agent:	Midland Realty (comm.) Limited. To the best of the Directors' knowledge, information and belief, having made all reasonable enquires, the agent and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons.
Guarantor of Pink Angel Vendor:	Ms. Lo, the controlling shareholder of the Company
Subject matter to be disposed:	100% of the issued shares of Pink Angel and the Pink Angel Sale Debt

Pink Angel Consideration

The Pink Angel Consideration is HK\$68,000,000 and shall be fully payable by Pink Angel Purchaser to the Pink Angel Vendor in cash. The Pink Angel Property is currently subject to mortgage given by Pink Angel to the Pink Angel Mortgagee. As a condition precedent for Pink Angel Completion, the Pink Angel Vendor shall have discharged all liabilities and indebtedness of Pink Angel, including but not limited to the mortgage, but excluding the Pink Angel Sale Debt.

The Pink Angel Consideration for the Pink Angel Disposal is HK\$68,000,000, which has been, or is to be paid in the following manner:

- (1) HK\$3,290,000, being the first deposit and part payment of the Pink Angel Consideration (the “**First Deposit**”), was paid by the Pink Angel Purchaser to the Pink Angel Vendor on the date of signing of the Pink Angel Provisional Agreement;
- (2) HK\$3,510,000, being a further deposit and part payment of the Pink Angel Consideration (the “**Further Deposit**”), was paid by the Pink Angel Purchaser to the Pink Angel Vendor on 27 March 2017 (the First Deposit and Further Deposit collectively, the “**Deposits**”); and
- (3) HK\$61,200,000, being the balance of the Pink Angel Consideration, will be paid by the Pink Angel Purchaser to the Pink Angel Vendor upon Pink Angel Completion, which shall take place on or before 3:00 p.m. on the Pink Angel Completion Date.

The Deposits have been paid to the solicitors of the Pink Angel Vendor, Messrs. Fan Wong & Tso, as stakeholders pending Pink Angel Completion.

As at the Latest Practicable Date, the Deposits in the aggregate sum of HK\$6.8 million had been received by the solicitors of the Pink Angel Vendor (on behalf of the Pink Angel Vendor) in accordance with the terms of the Pink Angel Completion.

The Pink Angel Consideration has been determined after arm's length negotiations between Pink Angel Vendor and Pink Angel Purchaser by reference to the prevailing market conditions, the location of Pink Angel Property and the transacted prices of other market

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comparables to the Pink Angel Property and Pink Angel being free and clear of all debts except the Pink Angel Sale Debt, which will be assigned to the Pink Angel Purchaser at Pink Angel Completion.

Conditions Precedent

Pink Angel Completion is conditional upon the satisfaction of the following conditions precedent:

- (a) Pink Angel management accounts including the balance sheet and the income statement of Pink Angel made up to the date of the Pink Angel Provisional Agreement and duly certified by the director of Pink Angel as true and correct shall be delivered to the Pink Angel Purchaser before the signing of the Pink Angel Formal Agreement;
- (b) audited completion accounts of Pink Angel made up to the Pink Angel Completion Date (whose details and figures shall be same as those in the unaudited completion accounts of Pink Angel containing the unaudited balance sheet as at the Pink Angel Completion Date and the unaudited income statement together with the tax computation made up to the Pink Angel Completion Date, prepared by the Pink Angel Vendor and certified as true and correct by a director of Pink Angel) shall be delivered to the Pink Angel Purchaser by the Pink Angel Vendor at the Pink Angel Vendor's sole expense within 30 days from the Pink Angel Completion Date;
- (c) the unaudited completion accounts together with the tax computation and apportionment accounts in respect of the current assets and current liabilities of Pink Angel (except the Pink Angel Sale Debt) as at Pink Angel Completion shall be delivered to the Pink Angel Purchaser within seven (7) business days before the actual Pink Angel Completion Date and the Pink Angel Purchaser and the Pink Angel Vendor shall use their respective best endeavours to agree the apportionment account before completion;
- (d) completion of the sale and purchaser of the Pink Angel Sale Shares and the Pink Angel Sale Debt shall take place contemporaneously;
- (e) the Pink Angel Vendor shall have proved and shown at its own costs good title of Pink Angel to the Pink Angel Property free from all encumbrances in accordance with Sections 13 and 13A of the CPO respectively;
- (f) the Pink Angel Vendor shall have proved at its own costs good title to the Pink Angel Sale Shares (free from all encumbrances);
- (g) (except the Pink Angel Sale Debt) the Pink Angel Vendor shall have discharged all indebtedness and liabilities (whether actual or contingent) of Pink Angel including but not limited to the existing mortgage and all other collateral documents incidental thereto before completion;

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- (h) the Pink Angel Sale Debt shall be transferred to the Pink Angel Purchaser at time of completion of the sale at consideration already included in the Pink Angel Consideration;
- (i) completion of financial, tax and legal due diligence to be conducted by the Pink Angel Purchaser or its appointed professional advisers and results of which are satisfactory to the Pink Angel Purchaser. To enable the Pink Angel Purchaser to conduct the due diligence exercise, the Pink Angel Vendor shall provide or procure the provision of such required information and documents to the Pink Angel Purchaser and the Pink Angel Vendor shall further procure and allow the Pink Angel Purchaser and any person authorized by the Pink Angel Purchaser from time to time as from the date of the Pink Angel Provisional Agreement up to Completion to have access to the followings:
 - (1) the accountants and auditors of Pink Angel;
 - (2) all contracts, agreements, books, accounts, accounting records, tax returns, correspondence with the Inland Revenue Department, financial ledgers, statutory books and any documents of Pink Angel; and
 - (3) such further information, documents, books, records and correspondence relating to Pink Angel, its affairs as may be reasonably required by the Pink Angel Purchaser; and
- (j) as at the Pink Angel Completion Date, all warranties and representations given by the Pink Angel Vendor under the Pink Angel Provisional Agreement shall remain true and correct in all respects.

As at Latest Practicable Date, none of the above conditions precedent had been fulfilled or waived.

Free from Encumbrances

The Pink Angel Sale Shares and the Pink Angel Sale Debt to be sold to the Pink Angel Purchaser shall be free from all Encumbrance and third party rights.

Guarantee

Under the Pink Angel Provisional Agreement, Ms. Lo, the guarantor of the Pink Angel Vendor, agreed to guarantee, in favour of the Pink Angel Purchaser, the due performance and observance by the Pink Angel Vendor of all its Pink Angel Guaranteed Obligations.

Ms. Lo unconditionally and irrevocably guarantees in favour of the Pink Angel Purchaser the due performance and observance by the Pink Angel Vendor of all its obligations, commitments, undertakings, warranties, indemnities, terms, conditions and covenants thereunder, under the Pink Angel Formal Agreement (if any) and under all other

LETTER FROM THE BOARD

documents relating to the transaction contemplated therein of which the Pink Angel Vendor is a party. Ms. Lo shall also join in the Pink Angel Formal Agreement (if any) as guarantor thereunder.

Pink Angel Completion Date

Subject to fulfillment of all conditions precedent, Pink Angel Completion of the Pink Angel Disposal is anticipated to take place on or before 3:00 p.m. on the Pink Angel Completion Date.

If a party (“**defaulting party**”) fails to complete the Pink Angel Disposal, it shall pay the other party an amount equals the Deposit(s) as agreed liquidated damages, and the defaulting party shall also be liable for the service fee payable by it and the other party to the Pink Angel Agent, in aggregate equals 2 percent of the Pink Angel Consideration.

Other Provisions

With respect to the Pink Angel Disposal, the Pink Angel Vendor and the Pink Angel Purchaser shall negotiate in good faith and use all their respective reasonable endeavours to enter into the Pink Angel Formal Agreement on or before 27 March 2017 or such later date as mutually agreed between the Pink Angel Purchaser and the Pink Angel Vendor. Due to the change in handling firms in relation to the Pink Angel Disposal which prolonged the progress, and in light of the public holidays in April and early May, as at Latest Practicable Date, the Pink Angel Vendor and the Pink Angel Purchaser are still in the progress of negotiating the terms of the Pink Angel Formal Agreement. As at Latest Practicable Date, based on the latest negotiations between the Pink Angel Vendor and Pink Angel Purchaser, the Directors confirm that the terms of the proposed Pink Angel Formal Agreement will be similar to those stated in the Pink Angel Provisional Agreement. As such, the Directors intend to enter into the Pink Angel Formal Agreement on or about the date of this circular. Further announcement will be made, if necessary, if the terms as stated in the Pink Angel Formal Agreement are different from the Pink Angel Provisional Agreement. In any event, as the terms of the Pink Angel Provisional Agreement will be similar to the Pink Angel Formal Agreement, the Directors view that the outstanding terms, if any, would not be material to the Company, the Group and the Shareholders as a whole which would affect their interest towards the transaction.

The Pink Angel Provisional Agreement also contains provisions on representations, warranties, undertakings and indemnities which are usual and customary for a transaction of this nature and scale including (i) title warranties for the shares of Pink Angel and the Pink Angel Property; (ii) no change to Pink Angel’s existing business; (iii) account warranties; (iv) compliance with laws; and (v) Pink Angel Vendor to discharge all pre-Pink Angel Completion liabilities of Pink Angel.

The Pink Angel Property will be delivered with the benefits of the existing tenancy agreement and rental deposit thereunder shall be transferred to the Pink Angel Purchaser without any deduction on completion.

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Particulars of the Relevant Parties in the Pink Angel Disposal

Finet Group (BVI) Limited, the Pink Angel Vendor, a direct wholly-owned subsidiary of the Company, is principally an investment holding company.

Ms. Lo, the guarantor of the Pink Angel Vendor, is the controlling shareholder of the Company. The Company holds the entire issued shares of the Pink Angel Vendor.

BACOB Management Limited, the Pink Angel Purchaser, is a company incorporated in the BVI with limited liability and is principally engaged in the business of investment holdings. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Pink Angel Purchaser and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons.

Midland Realty (comm.) Limited, the Pink Angel Agent, is a company incorporated in Hong Kong with limited liability, and is principally engaged in provision of property agency and management services. To the best of the Directors' knowledge, information and belief, having made all reasonable enquires, the agent and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons.

Pink Angel is an investment holding company incorporated in the BVI with limited liability and wholly-owned by the Pink Angel Vendor. As at the date of this circular, the major asset of Pink Angel is the legal and beneficial interest in the Pink Angel Property.

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.

Information on the Pink Angel Property

The Pink Angel Property comprises two office units situated at Units 901 and 920 on 9th Floor, China Merchants Tower, Shun Tak Centre, Central, Hong Kong with a saleable area of approximately 1,940 square feet and is subject to a mortgage.

As at Latest Practicable Date, Pink Angel has entered into tenancy agreement with Four Seasons Credit Limited, an Independent Third Party, at a monthly rental of HK\$135,562 for the period from 16 January 2017 to 15 January 2019 (both dates inclusive) for commercial office use. Upon Pink Angel Completion, the Pink Angel Property will be delivered with the benefit of this existing tenancy agreement and the rental deposit shall be transferred to the Pink Angel Purchaser without any deduction on Pink Angel Completion. As such, the Pink Angel Vendor will be responsible for all the outgoings payable in respect of the Pink Angel Property until the Pink Angel Completion.

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Financial Information of Pink Angel

Based on the audited financial statements of Pink Angel for the two financial years ended 31 March 2015 and 31 March 2016 respectively and the unaudited management accounts for the year ended 31 March 2017, the revenue, profit/(loss) before and after income tax and the net assets value of Pink Angel as of 31 March 2015, 31 March 2016 and 31 March 2017 were as follows:

	For the year ended 31 March 2017 (unaudited) HK\$'000	For the year ended 31 March 2016 (audited) HK\$'000	2015 (audited) HK\$'000
Revenue	271	1,446	1,485
Profit before income tax	7,189	(1,032)	(852)
Profit after income tax	7,170	(1,051)	(871)

	As at 31 March 2017 (unaudited) HK\$'000	As at 31 March 2016 (audited) HK\$'000	2015 (audited) HK\$'000
Total Assets value	68,435	58,817	58,510
Net assets value	25,130	17,961	19,012

Based on the financial statements of Pink Angel, the net profit after tax increased from a loss of HK\$871,000 and HK\$1,051,000 for the two years ended 31 March 2016 to a gain of HK\$7,170,000 for the year ended 31 March 2017 due to the property valuation conducted in relation to the Pink Angel Disposal by the Company which resulted in a surplus of HK\$9,800,000 being recorded into the management accounts of Pink Angel for the year ended 31 March 2017.

Financial Effects of the Pink Angel Disposal and Proposed Use of Proceeds

The net book value of the Pink Angel Property as at the date of the latest unaudited financial statement, that is, 31 March 2017, amounted to approximately HK\$67,765,000. The Pink Angel Consideration represents an excess of approximately HK\$235,000 over the net book value of the Pink Angel Property as at 31 March 2017.

Based on Ascent Partners' valuation of the Pink Angel Property of HK\$68,000,000 as at 31 March 2017 and the net book value of HK\$58,200,000 of the Pink Angel Property before revaluation, the Group will record a gain on revaluation of investment properties of approximately HK\$9,800,000 for the year ended 31 March 2017. As at 31 March 2017, the Pink Angel Property was pledged to secure bank borrowings of approximately of

LETTER FROM THE BOARD

HK\$26,667,000. Based on the management accounts of Pink Angel as at 31 March 2017, the amount of total assets of Pink Angel, comprising non-current assets only, is HK\$67,765,000 and the total liability (excluding inter-Group balances) is HK\$26,667,000. Accordingly, upon Pink Angel Completion, non-current assets of the Group will be decreased by HK\$67,765,000, the current assets of the Group will be increased by HK\$41,098,000 (being the difference between the Pink Angel Consideration and the said secured bank borrowings along with the estimated direct cost of the Pink Angel Disposal of approximately HK\$235,000) and the total liabilities of the Group will be decreased by HK\$26,667,000 and the said secured bank borrowings will be fully repaid.

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\$26,667,000 will be used for repayment of bank loans; and
2. remaining proceeds will be used to partially fund the acquisition of Property A, Property B and Property C (collectively the “**Properties**”).

Upon Pink Angel Completion, the Company will not hold any interest in Pink Angel, which will cease to be a subsidiary of the Company and its financial results after the Pink Angel Completion Date will not be consolidated into the financial statements of the Group.

Reasons for and Benefits of the Pink Angel Disposal

The Directors consider the Pink Angel Disposal is an appropriate opportunity to realise the Group’s investment in Pink Angel so as to partially fund the recent acquisition plan of the Group for the three properties, namely Property A, Property B and Property C, as disclosed in the announcements made by the Company on 24 April 2017 and 11 May 2017, because:

- (1) the Pink Angel Property is not readily available as it is subject to an existing lease agreement with an Independent Third Party under a fixed term until 15 January 2019 as disclosed in page 11 of this circular whereas Property A is located at a prime location near Central with pre-existing equipment, installations and decorations that are more suitable for and can enhance, our securities and futures trading business, particularly, the asset management business (SFO licensed Type 9 regulated activity) of the Group. Hence, the Group disposes of the Pink Angel Property and proposes to acquire Property A;
- (2) Property B will be continued to be used as staff quarters and the acquisition of which can reduce the Group’s cash outflow in providing accommodation to staff; and
- (3) (i) the Pink Angel Disposal is the appropriate opportunity to maximise its return as the Pink Angel Property has already been placed on the market for sale for more than one year and the Group has now managed to find an interested buyer,

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the Pink Angel Purchaser, and entered into an agreement with the Pink Angel Purchaser; and (ii) the Group intends to set up a property investment fund to hold investment properties for investment purposes, the Group also proposes to acquire Property C, which is located in an industrial building as an investment property.

By renewing its Renewed Tenancy Agreement, the Renewed Property can be used for FinTV production and operation with the existing facilities and equipment that have already been installed at the Renewed Property, so that it can fulfil the continuing business needs of the Company. There are substantial relocation costs, as well as dismantling and reinstallation costs of such facilities and equipment if these existing installation and equipment are located from the Renewed Property to the Pink Angel Property. Accordingly, it is in the interest of the Company as a whole to first realise the investment in Pink Angel Property which can in turn partially fund the acquisition of the Properties and to continue using the Renewed Property for its existing purpose.

The Directors confirm that, following the Pink Angel Disposal, there will not be any potential material change on the Company existing businesses. The Company and the Board of Directors as a whole also has no intention to dispose, terminate or scale down any of the Company's existing business, inject any new business to the Company and change the shareholding structure of the Company.

The Board (including the independent non-executive Directors) considers the terms of the Pink Angel Disposal to be normal commercial terms, fair and reasonable and in the interests of the Company and its shareholders as a whole.

Whilst Ms. Lo as the guarantor of the Pink Angel Vendor is materially interested in the giving of the guarantee, her interests are in line with the other Shareholders in relation to the Pink Angel Disposal. Nevertheless, Ms. Lo abstained from voting on the relevant Board resolutions approving the Pink Angel Disposal and the guarantee.

Warning of the Risks of Dealings in the Shares

Shareholders and potential investors of the Company shall be fully aware that the Pink Angel Completion may or may not proceed, as it is subject to fulfillment of conditions precedent. Accordingly, Shareholders are advised to exercise extreme cautions when dealing in the securities of the Company, and if they are in any doubt about their position, they should consult their professional advisers.

IMPLICATIONS UNDER THE GEM LISTING RULES

Major Transaction Concerning Proposed Disposal of a Subsidiary

As one or more of the applicable percentage ratios for the Company in respect of the Pink Angel Disposal is or are more than 25% but all of them are less than 75%, the Pink Angel Disposal constitutes a major transaction of the Company under Chapter 19 of the GEM Listing Rules and is therefore subject to Shareholders' approval pursuant to Rule 19.40 of the GEM Listing Rules.

LETTER FROM THE BOARD

As Ms. Lo, the guarantor of Pink Angel Vendor, is a controlling shareholder of the Company, she is a connected person under the GEM Listing Rules. The guarantee given by Ms. Lo in favour of the Pink Angel Purchaser for the Pink Angel Vendor's Guaranteed Obligations constitutes a connected transaction under Chapter 20 of the GEM Listing Rules. However, such guarantee was given on better than normal commercial terms to the Group and it is not secured by the assets of the Group. Hence, the guarantee constitutes financial assistance received by the Group from a connected person that is fully exempt from announcement, independent shareholders' approval requirements as a result of application of Rule 20.88 of the GEM Listing Rules.

SGM

A notice convening the SGM is set out on pages SGM-1 to SGM-3 of this circular, ordinary resolution(s) will be proposed to approve, among other things, the Pink Angel Disposal.

A proxy form for use at the SGM is enclosed with this circular. Whether or not a Shareholder intends to attend the SGM in person, such Shareholder is requested to complete the form of proxy in accordance with the instructions printed thereon and return the same to the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time fixed for holding of the SGM (or any adjournment thereof). Completion and return of the form of proxy will not preclude a Shareholder from attending and voting in person at the SGM (or any adjournment thereof) should they so wish, and in such event, the form of proxy shall be deemed to be revoked.

Any Shareholder and his/her/its associate(s) with a material interest in the Pink Angel Disposal are required to abstain from voting on the resolutions approving the Pink Angel Disposal. As at Latest Practicable Date, whilst Ms. Lo is materially interested in the giving of the guarantee, her interests are in line with the other Shareholders in relation to the Pink Angel Disposal. Furthermore, Ms. Lo 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. As such, no Shareholder of the Company is required to abstain from voting at the SGM for approving the Pink Angel Disposal. As stated in the announcement made by the Company on 10 April 2017, Ms. Lo and her associates have already indicated that they will vote in favour of the Pink Angel Disposal.

Pursuant to Rule 17.47(4) of the GEM Listing Rules, any vote of shareholders at a general meeting must be taken by poll. Therefore, all resolutions proposed at the SGM shall be voted by poll.

Saved as disclosed, 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 the transactions contemplated thereunder. Accordingly, saved as disclosed, no other Shareholder is required to abstain from voting on the resolutions to be proposed at the SGM in relation to the Pink Angel Disposal.

LETTER FROM THE BOARD

RECOMMENDATION

The Board considers that the Pink Angel Disposal is fair and reasonable. Accordingly, the Board recommends the Shareholders to vote in favour of the ordinary resolution(s) to be proposed at the SGM to approve the Pink Angel Disposal.

FURTHER INFORMATION

Your attention is also drawn to the additional information set out in the appendices to this circular.

Yours faithfully,
By order of the Board
Finet Group Limited
Chow Wing Chau
Director

1. FINANCIAL INFORMATION OF THE GROUP

The financial information of the Group (i) for the six months ended 30 September 2016 can be found in the interim report of the Company for the six months ended 30 September 2016; (ii) for each of the three years ended 31 March 2014, 2015 and 2016 can be found in the annual reports of the Company for the years ended 31 March 2014, 2015 and 2016 respectively.

The above-mentioned financial information has been published on both website of the Stock Exchange at www.hkex.com.hk and the Company's website at ir.finet.hk.

2. INDEBTEDNESS

Borrowings

At the close of business on 31 March 2017, being the latest practicable date for the purpose of this statement of indebtedness prior to the printing of this circular, the Group had outstanding borrowings of approximately HK\$89,525,301, comprising guaranteed and secured bank borrowings of approximately HK\$26,666,835, unsecured and unguaranteed convertible bonds of approximately HK\$62,858,466.

Security

As at 31 March 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 March 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.

3. 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 date of this circular, in the absence of unforeseeable circumstances.

4. FINANCIAL AND TRADING PROSPECTS

The Group is principally engaged in media business with an emphasis on investor relationship business ("**IR Business**"). The Group also engages in property investment business, money lending business, financial information service business and securities and futures business.

The Group is able to leverage its experience in media business into different fields including the production and distribution of programmes through FinTV and the development of IR Business. The Group has an experienced production team and content team to develop its FinTV and to generate high quality programme for the audience. As such, the Company and FinTV mobile apps have made a significant penetration into the viewers in China that result in an increase in the number of our video programme and channels of portals in global market including MSN, Yahoo and Tencent.

Furthermore, our experienced FinTV teams can also support the growth of its IR Business. IR Business covers both listed companies and pre-IPO assignments. The services that we have been providing include (1) production of promotional videos; (2) arrangement of press conferences and celebration events; (3) arrangement of investor meetings; (4) preparing of investor relationship articles; and (5) news distribution for listed companies and pre-IPO assignments. With our FinTV production team contributing to the growth and expansion of our IR Business, it forms a good foundation for developing our event management business.

In addition, with the business opportunities brought by the Shanghai-Hong Kong Stock Connect Program and the Shenzhen Hong Kong Stock Connect Program, the Company plans to continue to allocate resources to the securities and futures business of the Group, in particular, the asset management business (SFO licensed Type 9 regulated activity) of the Group and to expand its fund management business by way of setting up a property investment fund.

Lastly, the Group intends to continue to maintain its property investment business and money lending business. As such, the property of the Group which is located in the PRC will continue to provide the Group with a stable source of rental income. Our money lending business will provide the Group with a stable income as well.

In view of the above, the Group expects that FinTV will be one of the major drivers for future growth in business and that the IR Business will be the profit centre of the Group in the coming years. Furthermore, the Company expects to continue to generate a stable source of income, including management fee income and performance income, from its securities and fund management business. The Group will also continue to allocate resources to other business segments to sustain a stable source of income of the Group and will take measures, if necessary, to improve operations. The Group also plans to primarily strengthen our sales and marketing team and to continuously recruit experienced news writer and anchor to join our Group in the media business field to boost the income of FinTV. This can in turn provide a strong support to our IR Business.

The following is the text of a letter and valuation certificate prepared for the purpose of incorporation in this circular received from Ascent Partners Valuation Service Limited, an independent valuer, in connection with its valuation as at 31 March 2017 of the property interests to be disposed of by the Group.



Suite 2102, Hong Kong Trade Centre
161–167 Des Voeux Road Central
Hong Kong
Tel: 3679-3890
Fax: 3579-0884

Date: 23 May 2017

The Board of Directors
Finet Group Limited
Room C, 11/F
Bank of East Asia Harbour View Centre
56 Gloucester Road
Wan Chai, Hong Kong

Dear Sir/Madam,

RE: Valuation of Units 901 and 920 on 9th Floor, China Merchants Tower, Shun Tak Centre, Nos. 168–200 Connaught Road Central, Hong Kong (the “Property”)

In accordance with the instructions received from Finet Group Limited (the “**Company**”) and its subsidiaries (hereinafter together referred to as the “**Group**”) for us to carry out a valuation of the Property to be disposed of, we confirm that we have carried out property inspections, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market value of the property interests as at 31 March 2017 (referred to as the “**Valuation Date**”) for the purpose of incorporation in the circular of the Group.

BASIS OF VALUATION

Our valuation of the property interests represents the market value which we would define as intended to mean “the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s-length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion”.

Market value is understood as the value of an asset or liability estimated without regard to costs of sale or purchase (or transaction) and without offset for any associated taxes or potential taxes.

In valuing the property interests, we have complied with all the requirements contained in Chapter 8 of the Rules Governing the Listing of Securities on the Growth Enterprise Market issued by The Stock Exchange of Hong Kong Limited and the HKIS Valuation Standards (2012 Edition) published by The Hong Kong Institute of Surveyors.

VALUATION METHODOLOGY

We have valued the property interests on market basis and the direct comparison method is adopted where comparison based on prices realised on actual sales price of comparable property is made. Comparable properties of similar size, character, and location are analysed and carefully weighted against all the respective advantages and disadvantages of each property in order to arrive at a fair comparison of values.

VALUATION ASSUMPTIONS

Our valuations have been made on the assumption that the seller sells the property interests on the open market in their existing states without the benefit of a deferred term contracts, leasebacks, joint ventures, management agreements or any similar arrangements, which could serve to affect the values of the property interests.

No allowance has been made in our valuation for any charges, mortgages or amount owing on any property interests nor for any expense or taxation which may be incurred in effecting a sale. Unless otherwise stated, we have assumed that the properties are free from encumbrances, restrictions and outgoings of an onerous nature which could affect their value.

Unless stated as otherwise, we have assumed that the Property has been constructed, occupied and used in full compliance with, and without contravention of all laws. We have further assumed that, for any use of the Property upon which this report is based, all required licenses, permit, certificate and authorizations have been obtained.

Other special assumptions of the property interests, if any, have been stated out in the footnotes of the valuation certificate attached herewith.

TITLE INVESTIGATION

We have carried out title searches at the Land Registry for the property interests located in Hong Kong. We have been, in some instances, provided with the extracts of the documents relating to the Property. However, we have not verified ownership of the Property to verify the existence of any amendments which do not appear on the copies handed to us. All documents have been used for reference only.

VALUATION CONSIDERATIONS

We have relied to a considerable extent on information provided by the Group and have accepted advice given to us on such matters, in particular, but not limited to, the sales records, tenure, planning approvals, statutory notices, easements, particulars of occupancy, site and floor areas and all other relevant matters in the identification of the property interests. We have had no reason to doubt the truth and accuracy of the information provided to us by the Group. We have also been advised by the Group that no material factors have been omitted from the information supplied. We consider that we have been provided with sufficient information to reach an informed view, and we have no reason to suspect that any material information has been withheld.

We have inspected the exterior and, wherever possible, the interior of the Property but no structural survey had been made. In the course of our inspection, we did not note any serious defects. We are not, however, able to report that the Property is free from rot, infestation or any other structural defects. Further, no test has been carried out on any of the building services. All dimensions, measurements and areas are only approximates. We have not been able to carry out detailed on-site measurements to verify the site and floor areas of the Property and we have assumed that the areas shown on the copies of documents handed to us are correct.

REMARKS

Unless otherwise stated, all monetary amounts stated in this report are in Hong Kong Dollars (HKD).

Our valuation certificate in respect of the property interests is herewith attached.

Yours faithfully,
For and on behalf of
Ascent Partners Valuation Service Limited
Stephen Y. W. Yeung
MFin BSc(Hons) Land Adm. MHKIS MCIREA RPS(GP)
Principal

Mr. Stephen Y. W. Yeung is a Registered Professional Surveyor (General Practice Division) and a Professional Member of The Hong Kong Institute of Surveyors with over 10 years' experience in valuation of properties in HKSAR and mainland China. Mr. Yeung is also a valuer on the List of Property Valuers for Undertaking Valuations for Incorporation or Reference in Listing Particulars and Circulars and Valuations in Connection with Takeovers and Mergers published by HKIS.

VALUATION CERTIFICATE

Property interests held for investment and to be disposed of by the Group in Hong Kong

Property	Description and tenure	Particular of Occupancy	Market value in existing state as at 31 March 2017
Units 901 and 920 on 9th Floor, China Merchants Tower, Shun Tak Centre, Nos. 168–200 Connaught Road Central, Hong Kong	Shun Tak Centre comprises of two 30-storey office towers namely the China Merchants Tower and West Tower erected upon a 9-storey commercial podium plus three basement floors completed in 1985.	As at the Valuation Date, the Property was leased for office purpose as stated in Note 4.	HKD68,000,000 (Hong Kong Dollar Sixty Eight Million)
40/33888th shares of and in Inland Lot No. 8517	The Property comprises two adjoining office units on 9th Floor of the China Merchants Tower with a total saleable area of approximately 1,940 sq.ft. Inland Lot No. 8517 is held under Conditions of Grant No. UB11612 for a term of 75 years renewable for 75 years commencing on 31 December 1980. The Government rent payable for the lot is at HKD1,000 per annum.		

Notes:

- (1) The registered owner of the Property is Pink Angel Investments Limited vide Memorial No. 08052200030030 dated 15 May 2008.
- (2) Pursuant to the Land Register records dated 10 April 2017, the Property is subject to the following encumbrances:
 - (i) A Re-registration of Deed of Mutual Covenant vide Memorial No. UB4861400 dated 4 March 1986 (Previously registered vide Memorial No. UB3018018 dated 4 March 1986);
 - (ii) A Letter of Certificate of Compliance vide Memorial No. UB3084129 dated 27 June 1986;
 - (iii) A Sub-Deed of Mutual Covenant vide Memorial No. UB6748378 dated 23 August 1996;
 - (iv) A Letter of Compliance vide Memorial No. UB6935042 dated 9 December 1996;
 - (v) A Sub-Sub-Deed of Mutual Covenant vide Memorial No. UB7768219 dated 5 May 1999;
 - (vi) A Sub-Sub-Sub-Deed of Mutual Covenant vide Memorial No. UB9354830 dated 25 September 2004;
 - (vii) A Mortgage in favour of Allied Banking Corporation (Hong Kong) Limited vide Memorial No. 16111101800099 dated 17 October 2016; and
 - (viii) An Assignment of Rental in favour of Allied Banking Corporation (Hong Kong) Limited vide Memorial No. 16111101800105 dated 17 October 2016.

- (3) Pursuant to a tenancy agreement dated 23 January 2017 entered into between Pink Angel Investments Limited (the “**Lessor**”) and Four Seasons Credit Limited (the “**Lessee**”), the Property was leased for a term of two years commencing on 16 January 2017 and expiring on 15 January 2019 at a monthly rental of HKD135,562 exclusive of air-conditioning and management fees, government rates, utility charges and other outgoings with a rent free period from 16 January 2017 to 31 January 2017 and from 16 December 2018 to 14 January 2019 (total of forty six days) for office purpose.
- (4) The property lies within an area zoned “Commercial” under the approved Central District Outline Zoning Plan No. S/H4/16 exhibited on 11 November 2016.
- (5) The inspection was performed by Ms. Isabella Qiu (MSc in Construction and Real Estate) on 12 April 2017.

RESPONSIBILITY STATEMENT

This circular, 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 the information contained in this circular 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 circular misleading.

DISCLOSURE OF INTERESTS

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

As at the Latest Practicable 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, were 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 (note 2)
		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”) (Note 1)	—	2 shares of US\$1 each	—	—	2 shares of US\$1 each	100%
Ms. Lo	Pablos International Limited (“Pablos”) (Note 1)	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:

1. 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.
2. As at Latest Practicable Date, the Company had 528,980,880 ordinary shares of HK\$0.01 each in issue.

Save as disclosed above, as at Latest Practicable Date, none of the Directors or chief executive of the Company nor their respective associates had 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 Latest Practicable 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 (<i>Note 1</i>)	Beneficial Owner	58,058,058 (L)	—	297,497,842 (L)	56.24%
	Interest of Controlled Corporation	239,439,784 (L)			
Pablos (<i>Note 1</i>)	Interest of Controlled Corporation	206,439,784 (L)	—	206,439,784 (L)	39.03%
Maxx Capital (<i>Note 1</i>)	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:

- 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.
- As at Latest Practicable Date, the Company had 528,980,880 ordinary Shares held HK\$0.01 each in issue.

DIRECTORS' INTERESTS IN ASSETS, CONTRACTS OR ARRANGEMENT SIGNIFICANT TO THE GROUP

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

DIRECTORS SERVICES CONTRACTS

As at the Latest Practicable Date, none of the Directors had 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 Latest Practicable Date, none of the Directors, controlling shareholders or their respective close associates was 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.

MATERIAL CONTRACTS

Save as disclosed below, 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 circular that are or may be material:

- Source Mega Properties Limited (“**Source Mega**”) and Pablos International Limited entered into a new provisional agreement dated 11 May 2017 in relation to the 1 share and a sale loan amounted to approximately HK\$17,896,267 in Maxon Management Limited for the consideration of HK\$58,000,000 (subject to adjustment) in relation to Property A;
- Source Mega and Ms. Lo entered into the provisional agreement dated 11 May 2017 in relation to 10,000 shares and sale loan amounted to approximately HK\$17,896,267 in Herrick Investments Limited for the consideration of HK\$23,000,000 (subject to adjustment) in relation to Property C;
- Source Mega and Ms. Lo entered into a provisional agreement dated 24 April 2017 in relation to 10,000 shares and sale loan amounted to approximately HK\$592,421 in Avaya Lane Limited for the consideration of HK\$15,000,000 (subject to adjustment) in relation to Property B;
- the Pink Angel Provisional Agreement dated 13 March 2017 and the Pink Angel Formal Agreement (if any) entered into among the Pink Angel Vendor, the Pink Angel Purchaser and Ms. Lo as the guarantor of the Pink Angel Vendor in respect of the Pink Angel Property at a Pink Angel Consideration of HK\$68,000,000 (subject to adjustment);
- the sale and purchase agreement dated 1 September 2016 in which Ms. Lo and the Company in respect of the sale of shares of China Finance Holdings Limited at the consideration of HK\$5,000,000; and
- the subscription agreement dated 8 September 2015 as supplemented and amended by the supplemental agreement dated 29 September 2015 entered into between the Company and Maxx Capital International Limited in respect of the subscription of the convertible bonds.

EXPERTS AND CONSENT

The following sets out the qualification of the expert who has been named in this 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 this 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 Latest Practicable Date, Ascent Partners Valuation Service Limited had 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 Latest Practicable Date, Ascent Partners Valuation Service Limited had 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 Latest Practicable Date, no member of the Group was 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.

AUDIT COMMITTEE

The audit committee of the Company (the “**Audit Committee**”) comprises three independent non-executive Directors, being Mr. Wong Wai Kin (“**Mr. Wong**”), Mr. Siu Siu Ling, Robert (“**Mr. Siu**”) and Mr. Leung Chi Hung (“**Mr. Leung**”), of whom Mr. Wong is the chairman of the Audit Committee.

Our Audit Committee has primary responsibility including monitoring the quality of internal control and ensuring the financial performance of the Company is properly measured and reported on, receiving and reviewing reports from management and the auditors relating to the annual and interim accounts, and monitoring the accounting and internal control system in use throughout the Group.

The backgrounds of our Audit Committee members are as follows:

Mr. Wong, aged 59, is a practising certified public accountant and a proprietor of a public accounting firm in Hong Kong. Mr. Wong holds a Diploma in Accounting and is a member of the Association of Chartered Certified Accountants and the Hong Kong Institute of Certified Public Accountants. Mr. Wong has over 32 years of professional and commercial experience in accounting, auditing, taxation and corporate finance. Mr. Wong joined our Group on 13 September 2010.

Mr. Siu, aged 65, has been appointed as independent non-executive Director of the Company with effect from 13 September 2010. He is a sole proprietor of the firm, Messrs. Robert Siu & Co., Solicitors. He is an independent non-executive director of Central Wealth Financial Group Limited (formerly known as China For You Group Company

Limited) (stock code: 0572) and Skyway Securities Group Limited (formerly known as Mission Capital Holdings Limited (stock code: 1141), a company listed on the Main Board of the Stock Exchange, and independent non-executive director of Kaisun Energy Group Limited (stock code: 8203) is listed on the Growth Enterprise Market of the Stock Exchange. Mr. Siu was a director of MBMI Resources Inc. during the period from November 2012 to March 2015, a company listed on the Toronto Stock Exchange. Mr. Siu holds a bachelor's degree in laws from University of London in the United Kingdom and a postgraduate certificate in laws from The University of Hong Kong and a master degree in laws from University of Greenwich. He has been admitted as a solicitor in Hong Kong since 1992 and has been admitted as a solicitor in England and Wales since 1993. His legal practice is mainly in the field of commercial and corporate finance.

Mr. Leung, aged 61, has commenced his accountancy professional training since 1976 and is a member of certain international accountancy bodies. Mr. Leung is also a Certified Public Accountant (Practising) in Hong Kong and a director of Philip Leung & Co. Limited, Certified Public Accountants (Practising). He is an independent non-executive director of Daido Group Limited, a company listed on the Main Board of the Stock Exchange (stock code: 544). Mr. Leung also became an independent non-executive director of eForce Holdings Limited, a company listed on the Main Board of the Stock Exchange (stock code: 943), on 13 December 2013. Mr. Leung is also an independent non-executive director of REF Holdings (stock code: 8177). He was an independent non-executive director of China Investment Development Limited (formerly known as Temujin International Investments Limited), a company listed on the Main Board of the Stock Exchange (stock code: 204) from 30 April 2009 to 11 April 2011. He was an independent non-executive director of Dore Holdings Limited, a company listed on the Main Board of the Stock Exchange (stock code: 628) from 17 April 2002 to 1 June 2010. Mr. Leung joined our Group on 23 February 2011.

GENERAL

- (1) the registered office of the Company is at Clarendon House, 2 Church Street, Hamilton HM11, Bermuda, and the principal place of business of the Company in Hong Kong is at Room C, 11/F, Bank of East Asia, Harbour View Centre, 56 Gloucester Road, Wanchai Hong Kong;
- (2) the registered office of Pink Angel Investments Limited is Palm Grove House, P.O. Box 438, Road Town, Tortola, British Virgin Islands;
- (3) the Hong Kong branch share registrar of the Company is Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong;
- (4) the compliance officer to the Company is Yiu Wing Hei, who is the Investment Director of General Nice Resources (Hong Kong) Limited and the Investment Consultant of Abterra Limited, a company listed in the Singapore Exchange Securities Trading Limited. He graduated from the University of Hong Kong with a Bachelor degree, majoring in Economics and Finance;

- (5) the company secretary of the Company is Mr. Po Eric, a member of the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants; and
- (6) in the event of any inconsistency, the English language text of this circular shall prevail over the Chinese language text.

DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents 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 circular up to and including the date of the SGM:

- (1) the memorandum of association and Bye-Laws of the Company;
- (2) the annual reports of the Company for each of the two years ended 31 March 2015 and 2016;
- (3) Valuation Report issued by Ascent Partners Valuation Service Limited, the text of which is set out on pages II-1 to II-5 of this circular;
- (4) the material contracts referred to in the above paragraph headed “Material Contracts” in this Appendix III;
- (5) the letter of consent from Ascent Partners Valuation Service Limited referred to in the above paragraph headed “8. Experts and Consents” in this Appendix III; and
- (6) this circular.



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)

NOTICE OF THE SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that a special general meeting of shareholders (the “SGM”) of Finet Group Limited (the “**Company**”) will be held at 30/F, Fortis Tower, 77–79 Gloucester Road, Wanchai, Hong Kong on Monday, 12 June 2017 at 10:00 a.m. for the purpose of considering and, if thought fit, passing the following resolution as ordinary resolution. Capitalised terms defined in the circular dated 23 May 2017 issued by the Company (the “**Circular**”) shall have the same meanings when used in this notice unless otherwise specified.

ORDINARY RESOLUTION

“THAT

1. the entering into and signing of, and the terms and conditions of the Pink Angel Provisional Agreement dated 13 March 2017 (as defined in the Circular) entered into between Finet Group (BVI) Limited and BACOB Management Limited (a copy of which is marked “A” and initialed by the chairman of the meeting for the purpose of identification) and the transactions contemplated thereunder and their implementation and completion be and hereby approved, confirmed and ratified and any director of the Company be and is hereby authorized to give, make, sign, execute (under hand, seal or as a deed) and deliver any document and all such deeds, agreements (including but not limited to the Pink Angel Formal Agreement (where applicable)), letters, notices, certificates, applications, acknowledgements, receipts, authorisations, instructions, releases, waivers, proxies, appointments of agents for service of process and other document (whether of a like nature or not) as the Director may consider necessary or desirable for the purpose of giving effect to, or in connection with this resolution.”

By order of the Board
Finet Group Limited
Chow Wing Chau
Director

Hong Kong, 23 May 2017

NOTICE OF THE SGM

Notes:

1. Any member of the Company entitled to attend and vote at the above meeting is entitled to appoint a proxy to attend and vote instead of him. A proxy need not be a member of the Company. A member who is the holder of two or more shares of the Company may appoint more than one proxy to represent him to attend and vote on his behalf. If more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed.
2. To be effective, a form of proxy together with the power of attorney or other authority, if any, under which it is signed or a certified copy of that power or authority, must be deposited at the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not less than 48 hours before the time appointed for the holding of the meeting or any adjournment thereof. Delivery of the form of proxy shall not preclude a member of the Company from attending and voting in person at the meeting and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
3. To be valid, the form of proxy duly completed and signed in accordance with the instructions printed thereon together with the power of attorney or other authority, if any, under which it is signed or a certified copy thereof must be delivered to the branch share registrar of the Company, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.

NOTICE OF THE SGM

4. Whether or not you propose to attend the meeting in person, you are requested to complete and return the form of proxy in accordance with the instructions printed thereon. Completion and return of the form of proxy will not preclude you from attending the meeting and voting in person if you so wish. In the event that you attend the meeting after having lodged the form of proxy, the appointment of the proxy will be deemed to have been revoked.
5. In compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market (“**GEM**”) of The Stock Exchange of Hong Kong Limited, all resolutions to be proposed at the meeting convened by this notice will be voted on by way of poll.

As at the date of this notice, 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.