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## **MAXX Capital International Limited**

### **OFFER ANNOUNCEMENT**

**Mandatory unconditional cash offers by**



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

**on behalf of**

**MAXX Capital International Limited for**

- (i) all the issued shares of HK\$0.05 each in Finet Group Limited (Stock code: 8317)  
(other than those already owned or agreed to be acquired by  
MAXX Capital International Limited and parties acting in concert with it);**
- (ii) all outstanding options of Finet Group Limited;**
- and**
- (iii) all outstanding warrants of Finet Group Limited**

**Financial adviser to MAXX Capital International Limited**

**VEDA | CAPITAL  
智略資本**

The Offeror announces that on 9 July 2010, the Offeror purchased the Sale Shares from MCFL and WCIL, representing approximately 52.65% of the entire issued share capital of Finet, at an aggregate consideration of HK\$60,000,000 (equivalent to approximately HK\$0.3098 per Sale Share). The sales of the Sale Shares by MCFL and WCIL were made pursuant to the exercise of powers of sale as a result of the default in the repayment of the loan due to MCFL by the Debtor.

#### **MANDATORY UNCONDITIONAL CASH OFFERS**

Immediately prior to the Share Purchases, the Offeror and parties acting in concert with it did not own any Shares. Immediately upon the Share Purchases and as at the date of this announcement, the Offeror and parties acting in concert with it own in aggregate 193,654,616 Shares, representing approximately 52.65% of the issued share capital of Finet. Accordingly, the Offeror is required to make a mandatory unconditional cash offer for all the issued Shares (other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with it) pursuant to Rule 26 of the Takeovers Code. Pursuant to Rule 13 of the Takeovers Code, the Offeror is also required to make comparable offers for all the Options and all the Warrants respectively.

The principal terms of the Offers are set out under the section headed “Principal terms of the Offers” of this announcement. Veda Capital, the financial adviser to the Offeror, is satisfied that there are sufficient financial resources available to the Offeror to satisfy the amount of funds required to meet the full acceptance of the Offers.

## **GENERAL**

Pursuant to Rule 8.2 of the Takeovers Code, the Offeror is required to despatch the offer document containing the terms of the Offers, together with the forms of acceptance and transfer, to the Shareholders, the Optionholders and the Warrantholders within 21 days of the date of this announcement or such later date as the Executive may approve. Pursuant to the Takeovers Code, Finet is required to send the offeree board circular containing, inter alia, the advice from the independent board committee and the independent financial adviser to the Independent Shareholders, the Optionholders and the Warrantholders within 14 days after the posting of the offer document.

**Shareholders and investors are advised to exercise caution when dealing in the Shares during the offer period. If in any doubt, they are recommended to consult their professional advisers.**

Trading in the Shares on the Stock Exchange was suspended with effect from 12 July 2010.

## **BACKGROUND**

The Offeror announces that on 9 July 2010, the Offeror purchased from MCFL and WCIL the Sale Shares, representing approximately 52.65% of the entire issued share capital of Finet, at a consideration of HK\$60,000,000 (equivalent to approximately HK\$0.3098 per Sale Share). The sales of the Sale Shares by MCFL and WCIL were made pursuant to the exercise of powers of sale on 9 July 2010 as a result of the default in the repayment of the loan and interest accrued thereon due to MCFL by the Debtor.

## **THE SHARE PURCHASES**

Date: 9 July 2010

Vendors: i) MCFL; and  
ii) WCIL.

MCFL was incorporated in Hong Kong with limited liability and WCIL was incorporated in the British Virgin Islands. Both of the entire issued share capitals of MCFL and WCIL are wholly and beneficially owned by Ms. Lo.

Purchaser: the Offeror, a company incorporated in the British Virgin Islands with limited liability and the entire issued share capital of which is wholly and beneficially owned by Ms. Lo.

Sale Shares: 193,654,616 Shares, acquired by the Offeror from MCFL and WCIL pursuant to the Share Purchases, representing 52.65% of the existing issued share capital of Finet as at the date of this announcement. The Sale Shares were acquired by the Offeror free from all liens, charges, encumbrances, rights of pre-emption and any other third-party rights of any nature and together with all rights attaching to them, including the right to receive in full all dividends and other distributions, if any, declared, made or paid on or after the Share Purchases.

Consideration: HK\$60,000,000 (equivalent to approximately HK\$0.3098 per Sale Share), which was negotiated at arm's length between the Offeror and, MCFL and WCIL.

The Sale Shares were pledged by the Debtor in favour of MCFL and WCIL which sold the Sale Shares to the Offeror pursuant to the exercise of powers of sale on 9 July 2010 as a result of the default in the repayment of the loan in the amount of approximately HK\$60,632,075.03 and outstanding interest accrued thereon in the amount of approximately HK\$6,772,732.59 due to MCFL by the Debtor as at 9 July 2010. The expenses incurred for full recovery of the loan and interest by MCFL is expected to be approximately HK\$1,869,000. The bought and sold notes in respect of the Sale Shares were executed on 9 July 2010 and the transactions were completed on the same day. Save as disclosed in this announcement, there was no other loan owed by the Debtor and/or Dr. Yu Gang, George to companies owned by Ms. Lo as at the date of this announcement.

#### **MANDATORY UNCONDITIONAL CASH OFFERS**

Immediately prior to the Share Purchases, the Offeror and parties acting in concert with it did not own any Shares. Immediately upon the Share Purchases and as at the date of this announcement, the Offeror and parties acting in concert with it own in aggregate 193,654,616 Shares, representing approximately 52.65% of the issued share capital of Finet. Accordingly, the Offeror is required to make a mandatory unconditional cash offer for all the issued Shares (other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with it) pursuant to Rule 26 of the Takeovers Code. Pursuant to Rule 13 of the Takeovers Code, the Offeror is also required to make comparable offers for all the Options and Warrants respectively.

Pursuant to the WCIL Option Deed, WCIL was granted by the Debtor the rights to acquire 35,600,000 Shares at a consideration of HK\$0.275 (as adjusted) per Share. Pursuant to MFML Option Deed, MFML was granted by the Debtor the rights to acquire 18,000,000 Shares at a consideration of HK\$0.275 (as adjusted) per Share. As at the date of this announcement, each of WCIL and MFML has not exercised its rights under the WCIL Option Deed and MFML Option Deed respectively. Both WCIL and MFML are wholly and beneficially owned by Ms. Lo.

As at the date of this announcement, save for 193,654,616 Shares, the WCIL Option Deed and the MFML Option Deed, there was:

- (A) no outstanding derivative in respect of securities in Finet entered into by the Offeror or any person acting in concert with it; and

(B) no existing holding of voting rights and rights over Shares (i) which the Offeror owns or over which it has control or direction; (ii) which is owned or controlled or directed by any person acting in concert with the Offeror; (iii) in respect of which the Offeror or any person acting in concert with it has received an irrevocable commitment to accept the Offers; and (iv) in respect of which the Offeror or any person acting in concert with it holds convertible securities, warrants or options.

As at the date of this announcement, there are 367,813,053 Shares in issue, 4,403,933 Options and 9,981,898 Warrants. Save as disclosed in this announcement, there are no outstanding warrants or options or securities convertible into Shares or any other derivatives in respect of securities in Finet.

Taking into account of 193,654,616 Shares owned by the Offeror, 174,158,437 Offer Shares (including (i) 35,600,000 Shares pursuant to the WCIL Option Deed and (ii) 18,000,000 Shares pursuant to the MFML Option Deed) will be subject to the Share Offer.

As at the date of this announcement, (i) there are no arrangements (whether by way of option, indemnity or otherwise) in relation to shares of the Offeror or Finet and which might be material to the Offers; (ii) there are no agreements or arrangements to which the Offeror is a party which relate to circumstances in which it may or may not invoke or seek a pre-condition or a condition to the Offers; and (iii) no relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in Finet which the Offeror or any person acting in concert with it has borrowed or lent.

The Offers will be made solely in cash on the terms set out below.

### **Principal terms of the Offers**

Pacific Foundation will, on behalf of the Offeror, make the Offers in compliance with the Takeovers Code on the following basis:

#### **The Share Offer**

For each Share . . . . . HK\$0.3578 in cash

#### **The Option Offer**

For each Pre-IPO Option . . . . . HK\$0.0001 in cash

For each Post-IPO Option . . . . . HK\$0.0001 in cash

#### **The Warrant Offer**

For each Warrant . . . . . HK\$0.0001 in cash

The price of HK\$0.3578 per Offer Share was determined with reference to the aggregate amount of (i) the loan and the outstanding interest accrued thereon due to MCFL by the Debtor as at 9 July 2010; and (ii) the estimated expenses incurred for the full recovery of the loan and interest, of approximately HK\$69,273,808 (equivalent to approximately HK\$0.3577 per Sale Share).

The Offeror is required under the Takeovers Code to make comparable offers for all the Options and Warrants as part of the Offers. As at the date of this announcement, Finet has Options entitling the relevant Optionholders to subscribe for an aggregate of 4,403,933 new

Shares at the exercise prices of HK\$0.608 per Share, HK\$1.1345 per Share, HK\$1.479 per Share or HK\$2.707 per Share. The Offeror offers to pay HK\$0.0001 in cash in respect of each Option in consideration of the surrender by the Optionholders of all their rights in respect of such Options. As at the date of this announcement, Finet has Warrants entitling the relevant Warrantholders to subscribe for an aggregate of 9,981,898 new Shares at the subscription price of HK\$0.45 per Share. The Offeror offers to pay HK\$0.0001 in cash in respect of each Warrant in consideration of the surrender by the Warrantholders of all their rights in respect of such Warrants. The price for the Option Offer and the Warrant Offer has been determined with reference to the exercise prices under the Options and the Warrants, which are higher than the price for the Share Offer of HK\$0.3578. Accordingly, the price for the Option Offer and Warrant Offer is equivalent to a nominal value of HK\$0.0001.

### **Condition of the Offers**

The Offers are unconditional.

### **Comparisons of value**

The price of HK\$0.3578 per Offer Share represents:

- (a) a premium of approximately 15.49% over the consideration per Sale Share of approximately HK\$0.3098;
- (b) a discount of approximately 69.42% to the closing price of HK\$1.170 per Share as quoted by the Stock Exchange on the Last Trading Day;
- (c) a discount of approximately 64.22% to the average of the closing prices of approximately HK\$1.00 per Share for the five trading days up to and including the Last Trading Day;
- (d) a discount of approximately 64.15% to the average of the closing prices of approximately HK\$0.998 per Share for the ten trading days up to and including the Last Trading Day; and
- (e) a premium of approximately 56.93% over the audited consolidated net asset value per Share of approximately HK\$0.228 as at 31 March 2010 (based on the audited accounts of Finet for the financial year ended 31 March 2010 and the number of outstanding Shares as at the date of this announcement).

### **Total consideration**

As at the date of this announcement, there are 367,813,053 Shares in issue. Based on the price of HK\$0.3578 per Offer Share, the entire issued share capital of Finet is valued at approximately HK\$131,603,510 and the 174,158,437 Offer Shares under the Share Offer are valued at approximately HK\$62,313,889. Assuming that all 4,403,933 Options are tendered at a price of HK\$0.0001 per Option, the aggregate amount payable by the Offeror under the Option Offers is approximately HK\$440. Assuming that all 9,981,898 Warrants tendered at a price of HK\$0.0001 per Warrant, the aggregate amount payable by the Offeror under the Warrant Offer is approximately HK\$998.

Veda Capital, the financial adviser of the Offeror, is satisfied that there are sufficient financial resources available to the Offeror to satisfy the amount of funds required to meet the full acceptance of the Offers.

## **Dealings in Shares**

Save for the Share Purchases, there have been no dealings in the securities of Finet by the Offeror, Ms. Lo and parties acting in concert with any one of them during the six-month period prior to and including the date of this announcement.

## **Effect of accepting the Offers**

Acceptance of the Share Offer by any Shareholder will be deemed to constitute a warranty by such Shareholder that all Shares sold by such Shareholder under the Share Offer are free from all liens, charges, options, claims, equities, adverse interests, third-party rights or encumbrances whatsoever and together with all rights accruing or attaching thereto, including, without limitation, the right to receive dividends and other distributions declared, made or paid, if any, on or after the date of despatch of the offer document.

By accepting the Option Offer, the Optionholders will agree to the cancellation of the Options and to surrender all rights attached thereto with effect from the date of despatch of the offer document.

By accepting the Warrant Offer, the Warrantheolders will agree to the cancellation of the Warrants and to surrender all rights attached thereto with effect from the date of despatch of the offer document.

The making of the Offers to persons with a registered address in jurisdictions outside Hong Kong may be affected by the applicable laws of the relevant jurisdictions. Shareholders, Optionholders and Warrantheolders who are citizens or residents or nationals of jurisdictions outside Hong Kong should inform themselves about and observe any applicable legal requirements in their own jurisdictions.

## **Payment**

Payment in cash in respect of acceptances of the Offers will be made as soon as possible but, in any event, within 10 days of the date of receipt of a duly completed acceptance of the Offers.

## **Stamp duty**

Seller's ad valorem stamp duty arising in connection with acceptances of the Share Offer, amounting to HK\$1.00 for every HK\$1,000 or part thereof of the greater of (i) the consideration payable by the Offeror in respect of the relevant acceptance; and (ii) the market value of the Shares, will be payable by the Independent Shareholders who accept the Share Offer and will be deducted from the consideration payable to such Independent Shareholders. The Offeror will pay the buyer's ad valorem stamp duty on its own behalf and the seller's ad valorem stamp duty on behalf of the accepting Independent Shareholders in respect of the Shares accepted under the Share Offer.

No stamp duty is payable in connection with the acceptances of the Option Offer and the Warrant Offer.

## **INFORMATION ON THE FINET GROUP**

Finet is an investment holding company and its subsidiaries are principally engaged in provision of financial services, information solutions services, development and operations of online games and investment holding.

## **INFORMATION ON THE OFFEROR**

The Offeror was incorporated in the British Virgin Islands with limited liability and the entire issued share capital of which is wholly and beneficially owned by Ms. Lo. The Offeror is principally engaged in investing in financial products such as foreign exchange and interest rate swap in financial capital markets. The directors of the Offeror are Mr. Chiu Pui Yu, Mr. Wong Po Tin and Mr. Ang Li Ling.

Ms. Lo is an experienced investor in cutting-edge technology and venture capital in the past 20 years, her experience covers a broad range of industries crossing biotechnology, internet business, and finance field in the PRC, USA and Hong Kong. Ms. Lo also worked in the banking, insurance and finance fields before she became an entrepreneur. She was the Chief Executive Officer and Chairman of a listed company in Hong Kong between 2001 and 2007.

Mr. Chiu is the person in-charge of foreign exchanges department in a private company. Mr. Chiu has solid knowledge and experience in financial markets and is a specialist in foreign exchanges. Mr. Chiu has dedicated his career in finance and brokerage industries and has experience in several sizable financial information and brokerage firms.

Mr. Ang has more than 12 years of experience in foreign exchange market analysis and commentaries in a sizable financial information company. He graduated with a Bachelor of Science degree from Hong Kong Polytechnic University.

Mr. Wong has more than 10 years of experience in financial and audit control in public accounting firm and multi-national corporation. He is a fellow member of the Association of Chartered Certified Accountants.

## **INTENTION OF THE OFFEROR REGARDING FINET**

### **Business**

The Offeror intends to continue the existing businesses of Finet and has no intention to dispose of Finet's businesses immediately after completion of the Offers. The Offeror will, following the completion of the Offers, conduct a detailed review of the operations of Finet with a view to developing corporate strategy to enhance its existing businesses and asset base and broaden its income stream, which may include further investing in and expansion of existing businesses or divesting of loss-making operations of Finet should appropriate opportunities arise. However, the Offeror has no plan of injecting any of its assets into Finet (and any proposed injection of assets in the future will be made in compliance with the GEM Listing Rules) or redeploying the employees and fixed assets of Finet other than in the ordinary course of business.

### **Maintaining the listing status of Finet**

The Offeror has no intention to privatize Finet. The Offeror intends to maintain the listing of the Shares on GEM. The Offeror had undertaken to the Stock Exchange to take appropriate steps following the close of the Offers to maintain the minimum public float as required under the GEM Listing Rules.

## Directors and management

It is the intention of the Offeror to appoint new Directors to the Board upon the despatch of the offer document relating to the Offers. Any appointment of new Directors by the Offeror will be in full compliance with the requirements pursuant to the Takeovers Code and the GEM Listing Rules. Details of the new proposed Directors will be set out in the offer document.

Before exercising of the powers of sale of the Sale Shares, with a view to safeguard Finet's assets and improving the transparency of Finet's financial affairs, it was agreed between the Board and MCFL that MCFL would nominate four new Directors to the Board, being Mr. Chow Wing Chau ("**Mr. Chow**"), Mr. Yiu Wing Hei ("**Mr. Yiu**"), Ms. Chan Siu Lai ("**Ms. Chan**") and Mr. Lui Tin Nang ("**Mr. Lui**"). On 29 June 2010, Mr. Chow, Mr. Yiu and Ms. Chan were appointed as executive Directors and Mr. Lui was appointed as an independent non-executive Director. However, Finet did not issue announcement on the appointments of Mr. Chow, Mr. Yiu, Ms. Chan and Mr. Lui in accordance to the GEM Listing Rules. Legal opinion has been obtained to confirm the appointments of Mr. Chow, Mr. Yiu, Ms. Chan and Mr. Lui with effect from 29 June 2010 are valid and enforceable under the law of the Cayman Islands. On 4 August 2010, the Offeror has deposited with Finet a requisition notice requiring Finet to convene a general meeting of Finet pursuant to Article 58 of the Articles of Association of Finet for the purpose of considering and, if thought fit, amongst others, passing the ordinary resolutions to (i) remove each of Mr. Lin Peng, Ben and Mr. Wu Tak Lung from the office as a Director effective from the date of passing of the relevant resolution or the first closing date of the Offers, whichever is later; (ii) remove any Director appointed between the date of passing of the relevant resolution or the first closing date of the Offers, whichever is later; (iii) confirm the appointments of Mr. Chow, Mr. Yiu, Ms. Chan and Mr. Lui as Directors with effect from 29 June 2010 and ratify such appointments; and (iv) appoint each of Mr. Chiu Pui Yu, Mr. Wong Wai Kin, Mr. Siu Siu Ling Robert and Mr. Wong Po Tin as Director on the date of passing of the relevant resolution or the date after which the offer document in respect of the Offers has been posted, whichever is later. Information of the proposed new Directors shall be set out in the offer document in relation to the Offers. Any removal of existing Directors by the Offeror or parties acting in concert with it will take place after the closing date of the Offers. Any appointment of new Directors by the Offeror or parties acting in concert with it will take place after the offer document in relation to the Offers has been posted.

The Offeror does not intend to make any material changes to the continued employment of the employees of the Finet Group or to the employment terms or conditions of the employees of the Finet Group as a result of the Offers.

## SHAREHOLDING STRUCTURE

Based on the annual report of Finet for the year ended 31 March 2010, the following table summarises the shareholding structure of Finet prior to and immediately after the Share Purchases and as at the date of this announcement:

	Prior to Share Purchases		Immediately after the Share Purchases		As at the date of this announcement	
	Shares	Approximate %	Shares	Approximate %	Shares	Approximate %
Debtor (Note 1)	193,654,616	52.65	0	0.00	0	0.00
Offeror and its parties acting in concert	0	0.00	193,654,616	52.65	193,654,616	52.65
Public (Note 2)	<u>174,125,771</u>	<u>47.35</u>	<u>174,125,771</u>	<u>47.35</u>	<u>174,158,437</u>	<u>47.35</u>
Total	<u><u>367,780,387</u></u>	<u><u>100.00</u></u>	<u><u>367,780,387</u></u>	<u><u>100.00</u></u>	<u><u>367,813,053</u></u>	<u><u>100.00</u></u>

Notes:

1. A company wholly-owned by Dr. Yu Gang, George, an executive Director. Pursuant to the terms of the Share Mortgage, the Debtor has assigned the Sale Shares to MCFL and WCIL (as nominees of MCFL) as security for the repayment of a loan.
2. Pursuant to the WCIL Option Deed and MFML Option Deed, WCIL and MFML was granted by the Debtor the rights to acquire 35,600,000 existing Shares representing approximately 9.68% of the issued share capital of Finet and 18,000,000 existing Shares representing approximately 4.89% of the issued share capital of Finet respectively. As at the date of this announcement, each of WCIL and MFML has not exercised its rights under the WCIL Option Deed and MFML Option Deed respectively. As the Debtor does not hold any Shares as at the date of this announcement, upon the exercise of rights to acquire the underlying Shares pursuant to the WCIL Option Deed and MFML Option Deed, the Debtor will be required to acquire Shares to be sold to each of WCIL and MFML respectively. As such, the underlying Shares of the WCIL Option Deed and MFML Option Deed are considered as Shares held in public hands. Both WCIL and MFML are wholly-owned fellow subsidiaries of the Offeror.

## DEALING DISCLOSURE

In accordance with Rule 3.8 of the Takeovers Code, the associates (as defined under the Takeovers Code) of the Offeror (within the meaning of the Takeovers Code) are hereby reminded to disclose their dealings in the securities of Finet pursuant to the Takeovers Code.

In accordance with Rule 3.8 of the Takeovers Code, the full text of Note 11 to Rule 22 of the Takeovers Code is reproduced as follows:

### ***“Responsibilities of stockbrokers, banks and other intermediaries***

*Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates and other persons under Rule 22 of the Takeovers Code and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant rules of the Takeovers Code. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7-day period is less than HK\$1 million.*

*This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved. Intermediates are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediates will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”*

## **GENERAL**

Pursuant to Rule 8.2 of the Takeovers Code, the Offeror is required to despatch the offer document containing the terms of the Offers, together with the forms of acceptance and transfer, to the Shareholders, the Optionholders and the Warrantholders within 21 days of the date of this announcement or such later date as the Executive may approve. Pursuant to the Takeovers Code, Finet is required to send the offeree board circular containing, inter alia, the advice from the independent board committee and the independent financial adviser to the Independent Shareholders, the Optionholders and the Warrantholders within 14 days after the posting of the offer document.

**Shareholders and investors are advised to exercise caution when dealing in the Shares during the offer period. If in any doubt, they are recommended to consult their professional advisers.**

Trading in the Shares on the Stock Exchange was suspended with effect from 12 July 2010.

## **DEFINITIONS**

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

“acting in concert”	has the meaning ascribed to it under the Takeovers Code
“Board”	the board of Directors
“Debtor”	Opulent Oriental International Limited, the then controlling Shareholder prior to the enforcement of the Share Mortgage
“Directors”	directors of Finet
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any of his delegates
“Finet”	Finet Group Limited (Stock code: 8317), a company incorporated in Cayman Islands with limited liability and the issued Shares of which are listed on GEM
“Finet Group”	Finet and its subsidiaries
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Shareholders”	Shareholders other than the Offeror, Ms. Lo and parties acting in concert with any one of them

“Last Trading Day”	9 July 2010, being the last trading day of the Shares prior to the date of the suspension of trading of the Shares
“MCFL”	MAXX Capital Finance Limited, a company incorporated in Hong Kong with limited liability, the entire issued share capital of which is wholly and beneficially owned by Ms. Lo
“MFML”	Mass Faith Management Limited, a company incorporated in British Virgin Islands with limited liability, the entire issued share capital of which is wholly and beneficially owned by Ms. Lo
“MFML Option Deed”	the call option deed entered into between the Debtor and MFML in relation to the granting of option to acquire 18,000,000 Shares by the Debtor to MFML
“Ms. Lo”	Ms. Lo Yuk Yee, the beneficial owner of the entire issued share capital of MCFL, MFML and WCIL
“Offer Shares”	issued Shares other than those already owned or agreed to be acquired by the Offeror, Ms. Lo and parties acting in concert with any one of them
“Offeror”	MAXX Capital International Limited
“Offers”	the Share Offer, the Option Offer and the Warrant Offer
“Option Offer”	the mandatory unconditional cash offer to be made by Pacific Foundation, on behalf of the Offeror, for all outstanding Options in accordance with the Takeovers Code
“Optionholders”	holders of the Pre-IPO Options and the Post-IPO Options
“Options”	the Pre-IPO Options and the Post-IPO Options
“Pacific Foundation”	Pacific Foundation Securities Limited, a licensed corporation under the SFO permitted to engage in types 1 and 9 regulated activities (dealing in securities and asset management respectively)
“PRC”	The People’s Republic of China, but excluding, for the purpose of this announcement, Hong Kong, Macau and Taiwan
“Pre-IPO Options”	options which were granted on 21 September 2004 pursuant to the share option scheme of Finet adopted on 23 July 2004 and terminated on 6 January 2005. As at the date of this announcement, 3,157,723 Pre-IPO Options entitling the holders thereof to subscribe for new Shares at an adjusted exercise price of HK\$0.608 per Share remain outstanding

“Post-IPO Options”	options which were granted on 5 September 2005, 29 September 2005 and 6 December 2006 pursuant to the share option scheme of Finet adopted on 16 December 2004. As at the date of this announcement, 1,246,210 Post-IPO Options entitling the holders thereof to subscribe for new Shares at adjusted exercise prices of HK\$1.1345 per Share, HK\$1.479 per Share or HK\$2.707 per Share remain outstanding
“Sale Shares”	193,654,616 Shares, acquired by the Offeror from MCFL pursuant to the Share Purchases, representing 52.65% of the existing issued share capital of Finet
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share Offer”	the mandatory unconditional cash offer to be made by Pacific Foundation, on behalf of the Offeror, to acquire all the issued Shares (other than those already owned or agreed to be acquired by the Offeror, Ms. Lo and parties acting in concert with any one of them) in accordance with the Takeovers Code
“Share Mortgage”	the share mortgage entered into between the Debtor and MCFL in relation to the mortgage of Shares by the Debtor in favour of MCFL as security for the repayment of a loan
“Share Purchases”	the purchases of the Sale Shares by the Offeror from MCFL and WCIL for an aggregate consideration of HK\$60,000,000 on 9 July 2010
“Shareholders”	holders of the Shares
“Shares”	shares of HK\$0.05 each in the share capital of Finet
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Veda Capital”	Veda Capital Limited, a licensed corporation to carry out type 6 (advising on corporate finance) regulated activity under the SFO, the financial adviser to the Offeror in respect of the Offers
“Warrant Offer”	the mandatory unconditional cash offer to be made by Pacific Foundation, on behalf of the Offeror, for all outstanding Warrants in accordance with the Takeovers Code
“Warrantholders”	holders of the Warrants

“Warrants”	the warrants issued by Finet on 3 August 2009 by way of capitalisation issue entitling the holders thereof to subscribe, at any time between the date of issue and the date immediately preceding the date falling on the second anniversary of the date of issue of the Bonus Warrants (both dates inclusive) entitling the holders thereof to subscriber for new Shares at an adjusted subscription price of HK\$0.45 per Share
“WCIL”	Wise Capital International Limited, a company incorporated in the British Virgin Islands with limited liability, the entire issued share capital of which is wholly and beneficially owned by Ms. Lo
“WCIL Option Deed”	the call option deed entered into between the Debtor and WCIL in relation to the granting of option to acquire 35,600,000 Shares by the Debtor to WCIL
“HK\$” and “cents”	Hong Kong Dollars and cents respectively, the lawful currency of Hong Kong
“%”	per cent.

By Order of the Board of  
**MAXX Capital International Limited**  
**Mr. Wong Po Tin**  
*Director*

Hong Kong, 4 August 2010

*The directors of the Offeror jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any of the statements in this announcement misleading.*