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**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in any doubt** as to any aspect of the Offers, this document or as to the action to be taken, you should consult a licensed securities dealer or registered institution in securities, a bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or otherwise transferred** all your Shares, you should at once hand this document and the accompanying Form(s) of Acceptance to the purchaser(s) or transferee(s) or to the bank, licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s). This document should be read in conjunction with the accompanying Form(s) of Acceptance, the contents of which form part of the terms of the Offers contained therein.

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## **MAXX Capital International Limited**

*(incorporated in the British Virgin Islands with limited liability)*

### **OFFER DOCUMENT**

**Mandatory unconditional cash offers by**



太平洋基業證券有限公司  
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**

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Capitalised terms used in this cover page shall have the same meanings as those defined in the section headed "Definitions" in this document.

The procedures for acceptance and settlement of the Offers are set out from pages 21 to 29 of and in Appendix I to this document and in the accompanying Form(s) of Acceptance. Acceptances of the Offers should be received by the Registrar (as regards the Share Offer and Warrant Offer) or the Offeror (as regards the Option Offer) by no later than 4:00 p.m. on 22 September 2010 or such later time and/or date as the Offeror may determine and announce, with the consent of the Executive, in accordance with the Takeovers Code.

25 August 2010

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## CONTENTS

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|   | <i>Page</i> |
|---|-------------|
| <b>Expected timetable</b> .....                         | ii          |
| <b>Definitions</b> .....                                | 1           |
| <b>Letter from the Offeror</b> .....                    | 6           |
| <b>Letter from Pacific Foundation</b> .....             | 16          |
| <b>Appendix I — Further terms of the Offers</b> .....   | 21          |
| <b>Appendix II — General information</b> .....          | 30          |
| <b>Accompanying document(s) — Form(s) of Acceptance</b> |             |

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## EXPECTED TIMETABLE

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*The expected timetable set out below is indicative only and may be subject to change. Further announcement(s) will be made as and when appropriate.*

### Events

**2010**

*(Note 1)*

Commencement of the Offers . . . . . 25 August

Latest time and date for acceptance of the Offers  
on the first closing date *(Note 2)* . . . . . 4:00 p.m. on 22 September

First closing date of the Offers *(Note 2)* . . . . . 22 September

Announcement of the results of the Offers and the level  
of acceptances at the first closing date uploaded  
to the Stock Exchange's website . . . . . Not later than 7:00 p.m.  
on 22 September

Latest date for posting of remittance  
to the Shareholders, Optionholders and  
Warrantholders in respect of valid acceptances  
of the Offers lodged on or before  
the first closing date *(Note 3)* . . . . . 30 September

*Notes:*

1. All times and dates refer to Hong Kong local times and dates.
2. In accordance with the Takeovers Code, the Offers must initially be open for acceptance for at least 28 days following the date on which this document is posted since the offeree board circular will be despatched separately and later than this document. The latest time for acceptance of the Offers on the first closing date is 4:00 p.m. on 22 September 2010.
3. The amounts due to the Shareholders or the Optionholders or the Warrantholders (as the case may be) who accepts the Offers shall be paid for by the Offeror as soon as possible but in any event within 10 days of the date of receipt of a duly completed acceptance in accordance with the Takeovers Code.
4. The Offeror reserves its right to revise or extend the Offers until such date as it may determine in accordance with the Takeovers Code (or as permitted by the Executive in accordance with the Takeovers Code). The Offeror will issue an announcement in relation to any revision or extension of the Offers, which will state the next closing date or, that the Offers will remain open until further notice.

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## DEFINITIONS

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*In this document, unless the context otherwise requires, the following expressions have the following meanings.*

|                            |  |
|----------------------------|--|
| “acting in concert”        | has the meaning ascribed to it under the Takeovers Code  |
| “Announcement”             | the announcement dated 4 August 2010 made by the Offeror containing, among other matters, details of the Offers  |
| “associates”               | has the meaning ascribed to it in the GEM Listing Rules  |
| “Board”                    | the board of Directors   |
| “CCASS”                    | the Central Clearing and Settlement System established and operated by HKSCC   |
| “Debtor”                   | Opulent Oriental International Limited, the then controlling Shareholder prior to the enforcement of the Share Mortgage                                    |
| “Directors”                | the directors of Finet   |
| “Executive”                | the Executive Director of the Corporate Finance Division of the SFC or any of his delegates for the time being   |
| “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   |
| “Form(s) of Acceptance”    | the accompanying White Form of Acceptance and/or (as the case may be) the Yellow Form of Acceptance and/or (as the case maybe) the Pink Form of Acceptance |
| “GEM”                      | the Growth Enterprise Market of the Stock Exchange   |
| “GEM Listing Rules”        | the Rules Governing the Listing of Securities on GEM   |
| “HKSCC”                    | Hong Kong Securities Clearing Company Limited  |
| “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 enforcement of the Share Mortgage   |

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## DEFINITIONS

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|                           |   |
|---------------------------|---|
| “Latest Practicable Date” | 23 August 2010, being the latest practicable date for the purpose of ascertaining certain information for inclusion in this document  |
| “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  |
| “Offer Period”            | the period from 4 August 2010, being the date of the Announcement, until the date when the Offers close for acceptance  |
| “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, a company incorporated in the British Virgin Islands with limited liability, which is wholly and beneficially owned by Ms. Lo                               |
| “Offers”                  | the Share Offer, the Option Offer and the Warrant Offer   |
| “Option Offer”            | the mandatory unconditional cash offer 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  |
| “Overseas Shareholders”   | Shareholders whose addresses on the register of members of Finet are outside Hong Kong  |
| “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) |

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## DEFINITIONS

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|---------------------------|--|
| “Pink Form of Acceptance” | the form of acceptance and transfer of the Warrants in Pink in respect of the Warrant Offer which accompanies this document  |
| “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 Latest Practicable Date, 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 |
| “PRC”                     | the People’s Republic of China, which for the purpose of this document shall exclude Hong Kong, Macau Special Administrative Region of the People’s Republic of China 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 Latest Practicable Date, 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  |
| “Registrar”               | Computershare Hong Kong Investor Services Limited, being the Hong Kong branch share registrar and transfer office of Finet which is located at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Hong Kong  |
| “Relevant Period”         | the period between 9 January 2010, being the date falling on the six months before the date of the Share Purchases, and the Latest Practicable Date (both dates inclusive)   |
| “Sale Shares”             | 193,654,616 Shares, acquired by the Offeror from MCFL pursuant to the Share Purchases, representing approximately 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 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  |

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## DEFINITIONS

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|                            |   |
|----------------------------|---|
| “Share Offer”              | the mandatory unconditional cash offer 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 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 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  |
| “White Form of Acceptance” | the form of acceptance and transfer of the Options in WHITE in respect of the Option Offer which accompanies this document  |

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## DEFINITIONS

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|                             |   |
|-----------------------------|---|
| “Yellow Form of Acceptance” | the form of acceptance and transfer of the Offer Shares in YELLOW in respect of the Share Offer which accompanies this document |
| “HK\$” and “cents”          | Hong Kong Dollars and cents respectively, the lawful currency of Hong Kong  |
| “%”                         | per cent.   |



## MAXX Capital International Limited

*(incorporated in the British Virgin Islands with limited liability)*

*Registered address:*

P.O. Box 957  
Offshore Incorporations Centre  
Road Town, Tortola  
British Virgin Islands

*Correspondence address:*

Room C, 11/F.  
Bank of East Asia Harbour View Centre  
56 Gloucester Road  
Wanchai, Hong Kong

25 August 2010

*To the Independent Shareholders,  
Optionholders and Warrantholders,*

Dear Madam or Sir,

**Mandatory unconditional cash offers by  
Pacific Foundation Securities Limited  
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**

### INTRODUCTION

On 4 August 2010, the Offeror announced 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.

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

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## LETTER FROM THE OFFEROR

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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 offer document, 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 offer document.

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 Latest Practicable Date, 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.

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 offer document, 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 Latest Practicable Date, 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.

Details of the Offers are set out in this letter and the “Letter from Pacific Foundation” of this document, Appendix I to this document and the accompanying Form(s) of Acceptance.

Finet is required to despatch the offeree board circular to the Shareholders, containing, among other things, the respective advice of the independent board committee of Finet and the independent financial adviser in respect of the Offers within 14 days after the posting of this document.

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## LETTER FROM THE OFFEROR

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### THE OFFERS

Pacific Foundation, on behalf of the Offeror, is making 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 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 Rule 13 of the Takeovers Code to make comparable offers for all the Options and Warrants as part of the Offers. As at the Latest Practicable Date, 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 Latest Practicable Date, Finet has Warrants entitling the relevant Warrantheolders 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 Warrantheolders 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.

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## LETTER FROM THE OFFEROR

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### 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;
- (e) a discount of approximately 69.42% to the closing price of HK\$1.17 per Share as quoted by the Stock Exchange on the Latest Practicable Date, which has been suspended since 12 July 2010; and
- (f) 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 Latest Practicable Date).

### Total consideration

As at the Latest Practicable Date, 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 Offer 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.

The Offeror will finance the Offers from its internal resources. Veda Capital 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.

No payment of interest on, repayment of or security for any liability (contingent or otherwise) will depend to any significant extent on the business of Finet.

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## LETTER FROM THE OFFEROR

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### **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 jurisdiction. 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 the provision of financial services, information solutions services, development and operations of online games and investment holding.

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## LETTER FROM THE OFFEROR

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### 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, United States of America 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 2002 and 2006.

Mr. Chiu is the person-in-charge of foreign exchange department in a private company. Mr. Chiu has solid knowledge and experience in financial markets. Mr. Chiu has dedicated his career in finance and brokerage industries and has experience in several sizable financial institutions 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 The Hong Kong Polytechnic University.

Mr. Wong has more than 8 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.

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## LETTER FROM THE OFFEROR

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

The Offeror has no intention to avail itself of any powers of compulsory acquisition and 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.

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 an 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 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. Any removal of existing Directors by the Offeror or parties acting in concert with it will take place after the first 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. Information of the proposed new Directors are set out as below:

**Mr. Siu Siu Ling, Robert**, aged 58, is a partner of Messrs. Robert Siu & Co., Solicitors. Mr. Siu is now an independent non-executive director of Incutech Investments Limited (which is listed on the main board of the Stock Exchange) and Kaisun Energy Group Limited (which is listed on GEM). Mr. Siu holds a bachelor

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## LETTER FROM THE OFFEROR

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degree in law and a postgraduate certificate in law from the University of Hong Kong. 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. Mr. Siu's legal practice is mainly in the field of commercial and corporate finance.

Mr. Siu has not entered into any service contract with Finet and no specified length of service has been agreed between Mr. Siu and Finet. Mr. Siu's tenure as a Director is subject to retirement by rotation and re-election at annual general meetings of Finet in accordance with the articles of association of Finet.

Save as disclosed above, Mr. Siu does not (1) have any relationships with any directors, senior management or substantial or controlling shareholders (as defined in the GEM Listing Rules) of Finet; (2) have any interests in shares of Finet or any of its associated corporations (within the meaning of Part XV of the SFO); (3) hold any directorships in listed public companies in the last three years; and (4) have any other information that needs to be disclosed pursuant to any of the requirements as set out in Rules 17.50(2)(h) to 17.50(2)(v) of the GEM Listing Rules and there is no other matters that need to be brought to the attention of the shareholders of Finet.

**Mr. Chiu Pui Yu**, aged 25, has solid knowledge and experience in financial markets. Mr. Chiu has dedicated his career in finance and brokerage industries and has worked in several sizable financial institutions and brokerage firms.

Mr. Chiu has not entered into any service contract with Finet and no specified length of service has been agreed between Mr. Chiu and Finet. Mr. Chiu's tenure as a Director is subject to retirement by rotation and re-election at annual general meetings of Finet in accordance with the articles of association of Finet.

Save as disclosed above, Mr. Siu does not (1) have any relationships with any directors, senior management or substantial or controlling shareholders (as defined in the GEM Listing Rules) of Finet; (2) have any interest in shares of Finet or any of its associated corporations (within the meaning of Part XV of the SFO); (3) hold any directorship in listed public companies in the last three years; and (4) have any other information that needs to be disclosed pursuant to any of the requirements as set out in Rules 17.50(2)(h) to 17.50(2)(v) of the GEM Listing Rules and there is no other matter that need to be brought to the attention of the shareholders of Finet.

**Mr. Wong Po Tin**, aged 33, holds a Honor Diploma in Accountancy and is a fellow member of the Association of Chartered Certified Accountants. Mr. Wong has more than 8 years of experience in financial and audit control in public accounting firms and multi-national corporations.

Mr. Wong has not entered into any service contracts with Finet and no specified length of service has been agreed between Mr. Wong and Finet. Mr. Wong's tenure as a Director is subject to retirement by rotation and re-election at annual general meetings of Finet in accordance with the articles of association of Finet.



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## LETTER FROM THE OFFEROR

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Save as disclosed above, Mr. Chiu does not (1) have any relationships with any directors, senior management or substantial or controlling shareholders (as defined in the GEM Listing Rules) of Finet; (2) have any interest in shares of Finet or any of its associated corporations (within the meaning of Part XV of the SFO); (3) hold any directorship in listed public companies in the last three years; and (4) have any other information that needs to be disclosed pursuant to any of the requirements as set out in Rules 17.50(2)(h) to 17.50(2)(v) of the GEM Listing Rules and there is no other matter that needs to be brought to the attention of the shareholders of Finet.

**Mr. Wong Wai Kin**, aged 51, is a practicing 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 20 years of professional and commercial experience in accounting, auditing, taxation and corporate finance.

Mr. Wong has not entered into any service contracts with Finet and no specified length of service has been agreed between Mr. Wong and Finet. Mr. Wong's tenure as a Director is subject to retirement by rotation and re-election at annual general meetings of Finet in accordance with the articles of association of Finet.

Save as disclosed above, Mr. Wong does not (1) have any relationships with any directors, senior management or substantial or controlling shareholders (as defined in the GEM Listing Rules) of Finet; (2) have any interest in shares of Finet or any of its associated corporations (within the meaning of Part XV of the SFO); (3) hold any directorship in listed public companies in the last three years; and (4) have any other information that needs to be disclosed pursuant to any of the requirements as set out in Rules 17.50(2)(h) to 17.50(2)(v) of the GEM Listing Rules and there is no other matter that needs to be brought to the attention of the shareholders of Finet.

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.

### TAX IMPLICATIONS

**None of the Offeror, Veda Capital, Pacific Foundation or any of their respective directors or any other parties involved in the Offers is in a position to advise the Independent Shareholders, the Optionholders or the Warranholders on their individual tax implications. The Independent Shareholders, Optionholders and Warranholders are recommended to consult their own professional advisers as to the tax implications that may arise from accepting the Offers. None of the Offeror, Veda Capital, Pacific Foundation or any of their respective directors or any other parties involved in the Offers accepts any responsibility for any tax effect on, or liabilities of, the Independent Shareholders, the Optionholders or the Warranholders.**

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## LETTER FROM THE OFFEROR

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### FURTHER TERMS OF THE OFFER

Further terms and conditions of the Offers, including, among other things, procedures for acceptance and settlement, the acceptance period and taxation matters are set out in Appendix I to this document and in the Form(s) of Acceptance.

### GENERAL

To ensure equality of treatment of all Shareholders, those registered Shareholders who hold Shares as nominee for more than one beneficial owner should, as far as practicable, treat the holding of each beneficial owner separately. In order for the beneficial owners of the Shares whose investments are registered in nominee names to accept the Share Offer, it is essential that they provide instructions to their nominees of their intentions with regard to the Share Offer.

All documents and remittances sent to the Independent Shareholders by ordinary post will be sent to them at their own risk. Such documents and remittances will be sent to the Independent Shareholders at their respective addresses as they appear in the register of members of Finet or in the case of joint Independent Shareholders, to the Independent Shareholder whose name appears first in the register of members of Finet. None of the Offeror, Veda Capital, Pacific Foundation or any of their respective directors or professional advisers or any other parties involved in the Offers will be responsible for any loss or delay in transmission or any other liabilities that may arise as a result thereof.

The Independent Shareholders, Optionholders and Warrantholders are strongly advised to consider carefully the information contained in the offeree board circular to be despatched by Finet, containing, among other things, the respective advice of the independent board committee of Finet and the independent financial adviser in respect of the Offers before making decisions on whether or not to accept the Offers.

Your attention is drawn to the additional information set out in the Appendices to this document, which form part of this document.

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

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LETTER FROM PACIFIC FOUNDATION

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

**Pacific Foundation Securities Limited**

11/F, New World Tower II  
16-18 Queen's Road Central  
Hong Kong

25 August 2010

*To the Independent Shareholders,  
Optionholders and Warrantholders,*

Dear Madam or Sir,

**Mandatory unconditional cash offers by  
Pacific Foundation Securities Limited  
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**

## INTRODUCTION

On 4 August 2010, the Offeror announced 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.

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 Latest Practicable Date, 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.

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## LETTER FROM PACIFIC FOUNDATION

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### THE OFFERS

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

#### The Share Offer

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

The Offeror is required under Rule 13 of the Takeovers Code to make comparable offers for all the Options and Warrants as part of the Offers. 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.

#### The Option Offer

For Option . . . . . HK\$0.0001 in cash

#### The Warrant Offer

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

#### 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;
- (e) a discount of approximately 69.42% to the closing price of HK\$1.17 per Share as quoted by the Stock Exchange on the Latest Practicable Date, which has been suspended since 12 July 2010; and

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## LETTER FROM PACIFIC FOUNDATION

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- (f) 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 Latest Practicable Date).

### **Total consideration**

As at the Latest Practicable Date, 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.

### **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 jurisdiction. 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.

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## LETTER FROM PACIFIC FOUNDATION

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### **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.

### **TAX IMPLICATIONS**

**None of the Offeror, Veda Capital, Pacific Foundation or any of their respective directors or any other parties involved in the Offers is in a position to advise the Independent Shareholders, the Optionholders or the Warranholders on their individual tax implications. The Independent Shareholders, Optionholders and Warranholders are recommended to consult their own professional advisers as to the tax implications that may arise from accepting the Offers. None of the Offeror, Veda Capital, Pacific Foundation or any of their respective directors or any other parties involved in the Offers accepts any responsibility for any tax effect on, or liabilities of, the Independent Shareholders, the Optionholders or the Warranholders.**

### **FURTHER TERMS OF THE OFFERS**

Further terms and conditions of the Offers, including, among other things, procedures for acceptance and settlement, the acceptance period and taxation matters are set out in Appendix I to this document and in the Form(s) of Acceptance.

### **GENERAL**

To ensure equality of treatment of all Shareholders, those registered Shareholders who hold Shares as nominee for more than one beneficial owner should, as far as practicable, treat the holding of each beneficial owner separately. In order for the beneficial owners of the Shares whose investments are registered in nominee names to accept the Share Offer, it is essential that they provide instructions to their nominees of their intentions with regard to the Share Offer.

All documents and remittances sent to the Independent Shareholders by ordinary post will be sent to them at their own risk. Such documents and remittances will be sent to the Independent Shareholders at their respective addresses as they appear in the register of members of Finet or in the case of joint Independent Shareholders, to the Independent Shareholder whose name appears first in the register of members of Finet. None of the

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**LETTER FROM PACIFIC FOUNDATION**

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Offeror, Veda Capital, Pacific Foundation or any of their respective directors or professional advisers or any other parties involved in the Offers will be responsible for any loss or delay in transmission or any other liabilities that may arise as a result thereof.

The Independent Shareholders, Optionholders and Warrantholders are strongly advised to consider carefully the information contained in the offeree board circular to be despatched by Finet, containing, among other things, the respective advice of the independent board committee of Finet and the independent financial adviser in respect of the Offers before making decisions on whether or not to accept the Offers.

Your attention is drawn to the additional information set out in the Appendices to this document, which form part of this document.

Yours faithfully,  
For and on behalf of  
**Pacific Foundation Securities Limited**  
**Benson Lo**  
*Executive Director*

## 1. PROCEDURES FOR ACCEPTANCE

### A. The Share Offer

If the Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title in respect of your Shares are in your name, and you wish to accept the Share Offer, you must send the duly completed relevant Yellow Form of Acceptance together with the relevant Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title and/or any indemnity or indemnities required in respect thereof, for not less than the number of Shares in respect of which you intend to accept the Share Offer by post or by hand, to the Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Hong Kong, marked “Finet Group Limited — Cash Offers” on the envelope as soon as possible, but in any event not later than 4:00 p.m. on 22 September 2010 or such later time and/or date as the Offeror may determine and announce in accordance with the Takeovers Code.

If the Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title in respect of your Shares is/are in the name of a nominee company or some name other than your own and you wish to accept the Share Offer whether in full or in respect of part of your holding of Shares, you must either:

- (a) lodge your Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title, with the nominee company, or other nominee, and with instructions authorizing it to accept the Share Offer on your behalf and requesting it to deliver the relevant Yellow Form of Acceptance duly completed together with the relevant Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title to the Registrar; or
- (b) arrange for the Shares to be registered in your name by Finet through the Registrar and send the relevant Yellow Form of Acceptance duly completed together with the relevant Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title to the Registrar; or
- (c) if your Shares have been lodged with your licensed securities dealer/custodian bank through CCASS, instruct your licensed securities dealer/custodian bank to authorize HKSCC Nominees Limited to accept the Share Offer on your behalf on or before the deadline set by HKSCC Nominees Limited. In order to meet the deadline set by HKSCC Nominees Limited, you should check with your licensed securities dealer in your securities/custodian bank for the timing on processing of your instruction, and submit your instruction to your licensed securities dealer/custodian bank as required by them; or
- (d) if your Shares have been lodged with your Investor Participant’s Account with CCASS, authorise your instruction via the CCASS Phone System or CCASS Internet System on or before the deadline set by HKSCC Nominees Limited.



If the Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares is/are not readily available and/or is/are lost, as the case may be, and you wish to accept the Share Offer, the Yellow Form of Acceptance should nevertheless be completed and delivered to the Registrar together with a letter stating that you have lost one or more of your Share certificate(s) and/or transfer receipts and/or other document(s) of title or that it/they is/are not readily available. If you find such document(s) or if it/they become available, it/they should be forwarded to the Registrar as soon as possible thereafter. If you have lost your Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title, you should also write to the Registrar a letter of indemnity which, when completed in accordance with the instruction given, should be returned to the Registrar.

If you have lodged transfer(s) of any of your Shares for registration in your name and have not yet received your Share certificate(s), and you wish to accept the Share Offer, you should nevertheless complete the Yellow Form of Acceptance and deliver it to the Registrar together with the transfer receipt(s) duly signed by yourself. Such action will be deemed to be an irrevocable authority to any of Pacific Foundation, Finet, the Offeror or their respective agent(s) to collect from Finet or the Registrar on your behalf the relevant Share certificate(s) when issued and to deliver such Share certificates to the Registrar and to authorise and instruct the Registrar to hold such Share certificate(s), subject to the terms and conditions of the Share Offer, as if it/they were delivered to the Registrar with the relevant Yellow Form of Acceptance.

Acceptance of the Share Offer may not be counted as valid unless:

- (a) it is received by the Registrar on or before the latest time for acceptance on the first closing date at 4:00 p.m. on 22 September 2010 (or such later time and/or date as the Offeror may determine and announce with the consent of the Executive) and the Registrar has recorded that the acceptance and any relevant documents required under paragraph (b) below have been so received; and
- (b) the Yellow Form of Acceptance is duly completed and is: (i) accompanied by Share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of the relevant Shares and, if that/those Share certificate(s) is/are not in your name, such other documents (e.g. a duly stamped transfer of the relevant Shares in blank or in favour of the acceptor executed by the registered holder) in order to establish your right to become the registered holder of the relevant Shares; or (ii) from a registered Shareholder or his personal representatives (but only up to the amount of the registered holding and only to the extent that the acceptance relates to the Shares which are not taken into account under the other subparagraph of this paragraph (b)); or (iii) certified by the Registrar or the Stock Exchange.

If the Yellow Form of Acceptance is executed by a person other than the registered Shareholder, appropriate documentary evidence of authority (e.g. grant of probate or certified copy of a power of attorney) to the satisfaction of the Registrar must be produced.

No acknowledgement of receipt of any Yellow Form of Acceptance, Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) will be given.

### **B. The Warrant Offer**

If the Warrant certificate(s) and/or transfer receipt(s) and/or any other document(s) of title in respect of your Warrant(s) are in your name, and you wish to accept the Warrant Offer, you must send the duly completed relevant Pink Form of Acceptance together with the relevant Warrant certificate(s) and/or transfer receipt(s) and/or any other document(s) of title and/or any indemnity or indemnities required in respect thereof, for not less than the number of Warrants in respect of which you intend to accept the Warrant Offer by post or by hand, to the Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Hong Kong, marked “Finet Group Limited — Cash Offers” on the envelope as soon as possible, but in any event not later than 4:00 p.m. on 22 September 2010 or such later time and/or date as the Offeror may determine and announce in accordance with the Takeovers Code.

If the Warrant certificate(s) and/or transfer receipt(s) and/or any other document(s) of title in respect of your Warrant(s) is/are in the name of a nominee company or some name other than your own and you wish to accept the Warrant Offer whether in full or in respect of part of your holding of Warrants, you must either:

- (a) lodge your Warrant certificate(s) and/or transfer receipt(s) and/or any other document(s) of title, with the nominee company, or other nominee, and with instructions authorizing it to accept the Warrant Offer on your behalf and requesting it to deliver the relevant Pink Form of Acceptance duly completed together with the relevant Warrant certificate(s) and/or transfer receipt(s) and/or any other document(s) of title to the Registrar; or
- (b) arrange for the Warrant to be registered in your name by Finet through the Registrar and send the relevant Pink Form of Acceptance duly completed together with the relevant Warrant certificate(s) and/or transfer receipt(s) and/or any other document(s) of title to the Registrar.

If the Warrant certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Warrants is/are not readily available and/or is/are lost, as the case may be, and you wish to accept the Warrant Offer, the Pink Form of Acceptance should nevertheless be completed and delivered to the Registrar together with a letter stating that you have lost one or more of your Warrant certificate(s) and/or transfer receipts and/or other document(s) of title or that it/they is/are not readily

available. If you find such document(s) or if it/they become available, it/they should be forwarded to the Registrar as soon as possible thereafter. If you have lost your Warrant certificate(s) and/or transfer receipt(s) and/or any other document(s) of title, you should also write to the Registrar a letter of indemnity which, when completed in accordance with the instruction given, should be returned to the Registrar.

If you have lodged transfer(s) of any of your Warrants for registration in your name and have not yet received your Warrant certificate(s), and you wish to accept the Warrant Offer, you should nevertheless complete the Pink Form of Acceptance and deliver it to the Registrar together with the transfer receipt(s) duly signed by yourself. Such action will be deemed to be an irrevocable authority to any of Pacific Foundation, Finet, the Offeror or their respective agent(s) to collect from Finet or the Registrar on your behalf the relevant Warrant certificate(s) when issued and to deliver such Warrant certificates to the Registrar and to authorise and instruct the Registrar to hold such Warrant certificate(s), subject to the terms and conditions of the Warrant Offer, as if it/they were delivered to the Registrar with the relevant Pink Form of Acceptance.

Acceptance of the Warrant Offer may not be counted as valid unless:

- (a) it is received by the Registrar on or before the latest time for acceptance on the first closing date at 4:00 p.m. on 22 September 2010 (or such later time and/or date as the Offeror may determine and announce with the consent of the Executive) and the Registrar has recorded that the acceptance and any relevant documents required under paragraph (b) below have been so received; and
- (b) the Pink Form of Acceptance is duly completed and is: (i) accompanied by Warrant certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of the relevant Warrants and, if that/those Warrant certificate(s) is/are not in your name, such other documents (e.g. a duly stamped transfer of the relevant Warrants in blank or in favour of the acceptor executed by the registered holder) in order to establish your right to become the registered holder of the relevant Warrants; or (ii) from a registered Warrantholder or his personal representatives (but only up to the amount of the registered holding and only to the extent that the acceptance relates to the Warrants which are not taken into account under the other subparagraph of this paragraph (b)); or (iii) certified by the Registrar or the Stock Exchange.

If the Pink Form of Acceptance is executed by a person other than the registered Warrantholder, appropriate documentary evidence of authority (e.g. grant of probate or certified copy of a power of attorney) to the satisfaction of the Registrar must be produced.

No acknowledgement of receipt of any Pink Form of Acceptance, Warrant certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) will be given.

**C. The Option Offer**

- (a) If you accept the Option Offer, you should complete the relevant White Form of Acceptance in accordance with the instructions printed thereon, which form part of the terms and conditions of the Option Offer.
- (b) The completed White Form of Acceptance should be forwarded, together with the relevant Option certificate(s) (if any) and/or any other document(s) of title stating the number of outstanding Options in respect of which you intend to accept the Option Offer, by post or by hand to the Offeror at Room C, 11/F., Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong, marked "Finet Group Limited — Option Offer" on the envelope, as soon as possible and in any event so as to reach the Offeror at the aforesaid address by no later than 4:00 p.m. on 22 September 2010.

**2. SETTLEMENT**

**A. The Share Offer**

Provided that the Yellow Form(s) of Acceptance and relevant Share certificate(s) and/or transfer receipt(s) and/or any document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) are in complete and good order and have been received by the Registrar by not later than 4:00 p.m. on 22 September 2010 being the latest time for acceptance of the Share Offer (or such later time and/or date as the Offeror may determine and announce with the consent of the Executive), a cheque for the amount due to the accepting Shareholders in respect of the Shares tendered by them under the Share Offer, less seller's ad valorem stamp duty payable by them, will be despatched to the accepting Shareholders to the addresses specified on the Yellow Forms of Acceptance by ordinary post at their own risk as soon as possible but in any event within 10 days of the date on which all the relevant documents are received by the Registrar to render such acceptance complete and valid.

**B. The Warrant Offer**

Provided that the Pink Form(s) of Acceptance and relevant Warrant certificate(s) and/or transfer receipt(s) and/or any document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) are in complete and good order and have been received by the Registrar by not later than 4:00 p.m. on 22 September 2010 being the latest time for acceptance of the Warrant Offer (or such later time and/or date as the Offeror may determine and announce with the consent of the Executive), a cheque for the amount due to the accepting Warrantholders in respect of the Warrants tendered by them under the Warrant Offer, will be despatched to the accepting Warrantholders to the addresses specified on the Pink Forms of Acceptance

by ordinary post at their own risk as soon as possible but in any event within 10 days of the date on which all the relevant documents are received by the Registrar to render such acceptance complete and valid.

### **C. The Option Offer**

Provided that the White Form(s) of Acceptance of the outstanding Options and Option certificate(s) (if any) are in complete and good order and have been received by the Offeror not later than 4:00 p.m. on 22 September 2010 (or such later time and/or date as the Offeror may determine and announce with the consent of the Executive), a cheque for the amount due to each of the Optionholders in respect of the Options respectively, surrendered by the relevant Optionholders under the Option Offer will be despatched to each of them as soon as possible but in any event within 10 days of the date on which all the relevant documents are received by the Offeror to render such acceptance complete and valid.

Settlement of the consideration to which any accepting Shareholder(s) or Optionholder(s) or Warrantholder(s) is/are entitled under the Offers will be implemented in full in accordance with the terms of the Offers, without regard to any lien, right of set-off, counterclaim or other analogous right to which the Offeror may otherwise be, or claim to be, entitled against such accepting Shareholder and Optionholder and Warrantholder.

### **3. ACCEPTANCE PERIOD AND REVISIONS**

Unless the Offers have previously been revised, the latest time and date for acceptance will be 4:00 p.m. on 22 September 2010. The Offeror reserves the right to revise the Offers after the despatch of this document until such day as it may determine and in accordance with the Takeovers Code. If the Offeror revises its terms, all Independent Shareholders, Optionholders and Warrantholders, whether or not they have already accepted the Offers, will be entitled to accept the revised Offers under the revised terms.

If the Offers are revised, the announcement of such revision will state the next closing date. If the Offers are revised, it will remain open for acceptance for a period of not less than 14 days from the posting of the revised offer document.

In order to be valid, Yellow Form(s) of Acceptance for the Share Offer and Pink Form(s) of Acceptance for the Warrant Offer must be received by the Registrar and White Form(s) of Acceptance for the Option Offer must be received by the Offeror in accordance with the instructions printed thereon by 4:00 p.m. on 22 September 2010.

#### **4. ANNOUNCEMENTS**

By 6:00 p.m. on 22 September 2010, which is the first closing date of the Offers, or such later time and/or date as the Executive may in exceptional circumstances permit, the Offeror must inform the Executive and the Stock Exchange of its decisions in relation to revision, extension, expiry of the Offers. The Offeror shall publish an announcement to be posted on the Stock Exchange's website by 7:00 p.m. on the first closing date of the Offers stating whether the Offers have been revised or extended, have expired. The announcement shall specify the number of Shares/Options/Warrants and rights over Shares, (a) for which valid acceptances have been received; (b) held, controlled or directed by the Offeror or persons acting in concert with it before the period of the Offers; and (c) acquired or agreed to be acquired by the Offeror or any person acting in concert with it during the period of the Offers.

The announcement must include details of any relevant securities in Finet which the Offeror or any person acting in concert with it has borrowed or lent, save for any borrowed Shares which have been either on-lent or sold.

The announcement must specify the percentages of the relevant classes of share capital, and the percentages of voting rights of Finet represented by these numbers of Shares.

#### **5. RIGHT OF WITHDRAWAL**

Acceptances of the Offers by the Independent Shareholders and Optionholders and Warrantholders shall be irrevocable and cannot be withdrawn except in the circumstances set out in Rule 19.2 of the Takeovers Code which is to the effect that if the Offeror is unable to comply with any of the requirements of making announcements relating to the Offers as described under the section headed "Announcements" above, the Executive may require that acceptors be granted a right of withdrawal on terms acceptable to the Executive until such requirements can be met.

#### **6. STAMP DUTY**

Hong Kong stamp duty at a rate of HK\$1.00 for every HK\$1,000 (or part thereof) of the greater of (i) the consideration payable by the Offeror; and (ii) the market value of the Shares (at the discretion of the Collector of Stamp Duty) in respect of relevant acceptances will be deducted from the consideration payable to the accepting Shareholders. The Offeror will then, on behalf of the accepting Shareholders, pay such amount to the Inland Revenue Department of Hong Kong.

The Offeror will also pay stamp duty payable by it as purchaser of the Shares pursuant to the Share Offer based on the gross consideration payable to the accepting Shareholders in respect of the Share Offer.

**7. TAXATION**

The Independent Shareholders, Optionholders and Warranholders are recommended to consult their own professional advisers if they are in any doubt as to the tax implications of their accepting the Offers. It is emphasised that none of the Offeror, Veda Capital, Pacific Foundation or any of their respective directors or any persons involved in the Offers accept responsibility for any tax effects or liabilities of any person or persons as a result of their acceptance of the Offers.

**8. OVERSEAS SHAREHOLDERS**

The making of the Offers to persons with a registered address in jurisdictions outside Hong Kong may be prohibited or affected by the laws of the relevant jurisdiction. Shareholders, Optionholders and Warranholders who are citizens or residents or nationals of jurisdictions outside Hong Kong should obtain appropriate legal advice on, inform themselves about and observe any applicable legal requirement. It is the responsibility of each person who wishes to accept the Offers to satisfy himself, herself or itself as to the full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required, the compliance with other necessary formalities or legal requirements and the payment of any transfer or other taxes due in respect of such jurisdiction.

**9. GENERAL**

- (i) Acceptance of the Offers by any person or persons holding Shares/Options/Warrants will be deemed to constitute a warranty by such person or persons to the Offeror that the Shares/Options/Warrants acquired under the Offers are sold by any such person or persons free from all liens, charges, encumbrances, equities and third party rights and together with all rights attaching thereto, including the right to receive all dividends and distributions declared, made or paid on or after the date of despatch of the offer document. The Optionholders, in accepting the Option Offers, and the Warranholders, in accepting the Warrant Offer, as the case may be, will surrender to Finet all of their existing rights, if any, in respect of the Options and/or Warrants, following which such Options and/or Warrants will be cancelled and extinguished.
- (ii) All communications, notices, Forms of Acceptance, Share certificates, Option certificates, Warrant certificates, transfer receipts, other documents of title (and/or any satisfactory indemnity or indemnities required in respect thereof) and remittances to be delivered by or sent to or from the Shareholders or the Optionholders or the Warranholders will be delivered by or sent to or from them, or their designated agents, through post at their own risk, and none of the Offeror, Finet, Veda Capital, Pacific Foundation or the Registrar or any of their respective agents, accepts any liability for any loss in postage or any other liabilities that may arise as a result thereof.
- (iii) The provisions set out in the Form(s) of Acceptance form part of the terms of the Offers.

- (iv) The accidental omission to despatch this document and/or the Form(s) of Acceptance or any of them to any person to whom the Offers are made will not invalidate the Offers in any way.
- (v) The Offers and all acceptances will be governed by and construed in accordance with the laws of Hong Kong.
- (vi) Due execution of a Form of Acceptance will constitute an authority to Finet, the Offeror, any director of the Offeror, Veda Capital, Pacific Foundation or such person or persons as the Offeror may direct, to complete and execute any document on behalf of the person or persons accepting the Offers and to do any other act that may be necessary or expedient for the purposes of vesting in the Offeror, or such person or persons as it may direct, the Shares or the Options in respect of which such person or persons has/have accepted the Offers.
- (vii) References to the Offers in this document and in the Form(s) of Acceptance shall include any revision thereof.
- (viii) The English text of this document and of the Form(s) of Acceptance shall prevail over their respective Chinese text.



## 1. RESPONSIBILITY STATEMENT

The directors of the Offeror jointly and severally accept full responsibility for the accuracy of the information contained in this document and confirm, having made all reasonable enquires, that to the best of their knowledge, opinions expressed in this document have been arrived at after due and careful consideration and there are no other facts not contained in this document, the omission of which would make any statement contained in this document misleading. The information relating to the Finet Group contained in this document has been taken from the announcements and reports issued by Finet as published on the website of the Stock Exchange. The only responsibility accepted by the directors of the Offeror in respect of information relating to the Finet Group is to ensure that it has been correctly and fairly reproduced or presented.

## 2. DISCLOSURE OF INTERESTS

In this section, references to any “interest” shall have the meanings ascribed thereto in Part XV of the SFO; and “shareholdings” means the Shares and any other securities of Finet which carry voting rights, and convertible securities, warrants, options and derivatives in respect of any of them.

As at the Latest Practicable Date, the interest of the Offeror in the Shares were as follows:

| Name    | Capacity/nature of interest | Long position | Short position | Approximate Percentage of holding |
|---------|-----------------------------|---------------|----------------|-----------------------------------|
| Offeror | Beneficial interest         | 193,654,616   | —              | 52.65%                            |

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 Latest Practicable Date, 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 Latest Practicable Date, 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.

As at the Latest Practicable Date, save as disclosed above, none of the Offeror, or directors of the Offeror, Ms. Lo or parties acting in concert with any of them, owned or controlled any Shares, Options, Warrants, convertible securities or derivatives of Finet.

**3. ADDITIONAL DISCLOSURE OF INTERESTS**

- (a) As at the Latest Practicable Date, there is no agreement, arrangement or understanding of transferring, charging or pledging any Offer Shares acquired in pursuance of the Share Offer to any other person.
- (b) As at the Latest Practicable Date, no benefit (other than statutory compensation) will be or have been given to any Director as compensation for loss of office in any members of the Finet Group or otherwise in connection with the Offers.
- (c) As at the Latest Practicable Date, no agreement, arrangement or understanding (including any compensation arrangement) exists between the Offeror or any person acting in concert with it and any of the Directors, recent Directors, Shareholders or recent Shareholders having any connection with or dependence upon the Offers.
- (d) As at the Latest Practicable Date and during the Relevant Period, no Shares or any convertible securities, warrants, options or derivatives issued by Finet had been borrowed or lent by the Offeror, Ms Lo or parties acting in concert with any of them.
- (e) As at the Latest Practicable Date, the Offeror, Ms. Lo or parties acting in concert with any of them or their respective associates had no arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code with any person. No person with whom the Offeror, Ms. Lo or parties acting in concert with any of them or their respective associates had any arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code owned or controlled any Shares, Options, Warrants, convertible securities or derivatives of Finet as at the Latest Practicable Date. During the Relevant Period, no Shares, Options, warrants, convertible securities or derivatives of Finet was owned or controlled by a person with whom the Offeror, Ms. Lo or any person acting in concert with any of them had any arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code, and no such person had dealt in any Shares, Options, Warrants, convertible securities or derivatives of Finet during the Relevant Period.
- (f) As at the Latest Practicable Date, no person has irrevocably committed themselves to accept or reject the Offers.
- (g) There is no arrangement (whether by way of option, indemnity or otherwise) in relation to shares of the Offeror or Finet which might be material to the Offers. There are no agreements or arrangements to which the Offeror is a party which relate to the circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the Offers.

#### 4. DEALINGS IN SECURITIES OF FINET

During the Relevant Period, save for the Share Purchases, none of the Offeror, or directors of the Offer, Ms. Lo or parties acting in concert with any of them has dealt for value in any Shares, Options, Warrants, convertible securities or derivatives of Finet.

#### 5. MARKET PRICES

- (a) The highest and lowest closing prices of the Shares as quoted on the Stock Exchange during the Relevant Period was HK\$1.68 on 24 March 2010 and HK\$0.71 on 11 January 2010, respectively.
- (b) The table below sets out the closing prices of the Shares as quoted on the Stock Exchange on the last business day of each of the calendar months during the Relevant Period on which trading of the Shares took place:

| Date                    | Closing Price<br>HK\$ |
|-------------------------|-----------------------|
| 29 January 2010         | 1.08                  |
| 26 February 2010        | 1.25                  |
| 31 March 2010           | 1.62                  |
| 30 April 2010           | 1.40                  |
| 31 May 2010             | 0.88                  |
| 30 June 2010            | 0.99                  |
| Last Trading Day        | 1.17                  |
| 30 July 2010            | 1.17*                 |
| Latest Practicable Date | 1.17*                 |

\* *Trading in the Shares was suspended*

#### 6. GENERAL

- (a) The registered office of the Offeror is at the offices of Offshore Incorporations Limited, P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands.
- (b) The Offeror is wholly and beneficially owned by Ms. Lo.
- (c) The correspondence address of the Offeror and Ms. Lo is at Room C, 11/F, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong.
- (d) The registered office of Veda Capital is at Suite 3214, 32/F., COSCO Tower, 183 Queen's Road Central, Hong Kong.
- (e) The registered office of Pacific Foundation is at 11/F, New World Tower II, 16-18 Queen's Road Central, Hong Kong.

- (f) The English language text of this document and the accompanying Form(s) of Acceptance shall prevail over their respective Chinese language text.

## 7. EXPERTS AND CONSENTS

The followings are the names and qualifications of the experts who have given opinion or advice which is contained in this document:

| <b>Name</b>        | <b>Qualification</b>   |
|--------------------|--|
| Pacific Foundation | a licensed corporation under the SFO permitted to engage in types 1 and 9 regulated activities (dealing in securities and asset management respectively) which makes the Offers on behalf of the Offeror |
| Veda Capital       | a licensed corporation to carry out type 6 (advising on corporate finance) regulated activity under the SFO and the financial adviser to the Offeror   |

Veda Capital has given and has not withdrawn its written consent to the issue of this document with the references to its name included herein in the form and context in which it is included.

Pacific Foundation has given and has not withdrawn its written consent to the issue of this document with the references to its name and the copy of its letter included herein in the form and context in which they are respectively included.

## 8. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection on the respective websites of the SFC ([www.sfc.hk](http://www.sfc.hk)) and the Offeror ([www.maxxcapi.com](http://www.maxxcapi.com)) from the date of this document until the final closing date of the Offers:

- (a) the memorandum and articles of association of the Offeror;
- (b) the letter from the Offeror, the text of which is set out on pages 6 to 15 of this document;
- (c) the letter from Pacific Foundation, the text of which is set out on pages 16 to 20 of this document; and
- (d) the written consents referred to in section headed “Experts and Consents” in this appendix to this document.