THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your shares in Finet Group Limited (the "Company"), you should at once hand this circular and the accompanying form of proxy to the purchaser or the transferee or to the bank, licensed securities dealer, registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

財華社
FINET

FINET GROUP LIMITED
財華社集團有限公司*

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

(Stock Code: 8317)

MAJOR AND CONNECTED TRANSACTION IN RELATION TO ACQUISITION OF 100% EQUITY INTEREST AND THE SHAREHOLDER'S LOAN OF PINK ANGEL INVESTMENTS LIMITED

Independent financial adviser to the Independent Board Committee and the Independent Shareholders

寶橋 BRIDGE PARTNERS

BRIDGE PARTNERS CAPITAL LIMITED

Terms used in this cover shall have the same meanings as defined in this circular.

A letter from the Board is set out on pages 5 to 16 of this circular. A letter from the Independent Board Committee containing its recommendation to the Independent Shareholders in connection with the Acquisition are set out on pages 17 to 18 of this circular. A letter from Bridge Partners Capital Limited, the independent financial adviser to the Independent Board Committee and the Independent Shareholders, containing its advice and recommendation in connection with the Acquisition, is set out on pages 19 to 30 of this circular.

A notice convening a special general meeting of the Company to be held on Monday, 10 October 2011 at 11:00 a.m. at 19/F, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong is set out on pages 81 to 83 of this circular. Whether or not you are able to attend the meeting in person, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon and deposit it to the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited at Rooms 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for holding the SGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjournment thereof should you so wish.

* *For identification purposes only*

21 September 2011

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

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

CONTENTS

In this circular, the following terms shall have the meanings set out below unless the context requires otherwise:

"Acquisition"	acquisition of the Sale Shares and the Shareholder's Loan by the Purchaser from the Vendor pursuant to the terms and conditions set out in the Agreement
"Agreement"	the conditional sale and purchase agreement in relation to the Acquisition entered into between the Purchaser and the Vendor on 29 August 2011
"associate(s)"	shall have the meaning as ascribed to it under the GEM Listing Rules
"Board"	the board of Directors of the Company
"Bridging Loan"	the banking facility granted by a licensed bank to the Target Company in the principal amount of HK$15,000,000 on 27 April 2011 and secured by the Mortgage, the Rental Assignment and an unlimited guarantee from the Vendor
"Business Day(s)"	a day (not being a Saturday, Sunday or days on which a typhoon signal No. 8 or above or black rainstorm warning is hosted in Hong Kong at 10:00 a.m.) on which licensed banks are generally open for general banking business in Hong Kong
"Company"	Finet Group Limited, a company incorporated in the Cayman Islands and continued in Bermuda with limited liability and the Shares of which are listed on the GEM of the Stock Exchange
"Completion"	completion of the Acquisition in accordance with the terms and conditions of the Agreement
"Completion Accounts"	the unaudited consolidated balance sheet of the Target Company as at the Completion Date and the unaudited consolidated income statement of the Target Company in respect of the accounting reference period of the Target Company ended on the Completion Date, which shall be delivered by the Vendor to the Purchaser within 10 Business Days after the Completion Date
"Completion Date"	the 5th Business Day after all the conditions precedent under the Agreement having been satisfied or waived (as the case may be) (or such other time and/or date as the parties of the Agreement may agree)
"connected person(s)"	has the meaning ascribed thereto under the GEM Listing Rules and the word "connected" shall be construed accordingly

"Consideration"	the consideration payable by the Purchaser to the Vendor for the Acquisition and subject to adjustment pursuant to the Agreement, the initial consideration being HK$24,000,000
"Director(s)"	the director(s) of the Company
"Encumbrance"	a mortgage, charge (whether fixed or floating), debenture, pledge, lien, option, restriction, right of first refusal, right of pre-emption, third-party right or interest, other encumbrance or security interest of any kind, or another type of preferential arrangement (including, without limitation, retention arrangement) having similar effect
"Enlarged Group"	the Company and its subsidiaries immediately after Completion
"GEM"	the Growth Enterprise Market operated by the Stock Exchange
"GEM Listing Rules"	the Rules Governing the Listing of Securities on GEM
"Group"	the Company and its subsidiaries
"HK$"	Hong Kong dollar(s), the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"Independent Board Committee"	an independent board committee of the Company comprising all the independent non-executive Directors, established for the purpose of advising the Independent Shareholders in respect of the Agreement
"Independent Financial Adviser"	Bridge Partners Capital Limited, the independent financial adviser appointed by the Company to the Independent Board Committee and the Independent Shareholders in relation to the Acquisition
"Independent Shareholders"	Shareholders other than Ms. Lo and her respective associates who are required under the GEM Listing Rules to abstain from voting on the resolutions to be proposed at the SGM to approve the Agreement
"Latest Practicable Date"	19 September 2011, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
"Long Stop Date"	31 October 2011 or such later date as shall be mutually determined and agreed by the parties to the Agreement in writing

"MCIL"	MAXX Capital International Limited, a company incorporated in the British Virgin Islands with limited liability, with its ultimate beneficial owner being Ms. Lo, is the controlling shareholder of the Company holding an aggregate of 268,552,984 Shares, representing approximately 60.92% of the entire issued share capital of the Company as at the Latest Practicable Date
"Mortgage"	the mortgage entered into between the Target Company and a licensed bank dated 15 May 2008 and registered in the Land Registry by Memorial No. 08052200030044 creating a charge over the Property as security in favour of the licensed bank
"Mortgage Loan"	the banking facility granted by a licensed bank to the Target Company in the principal amount of HK$21,218,000 on 29 April 2008 and secured by the Mortgage, the Rental Assignment and an unlimited guarantee from the Vendor
"Ms. Lo" or "Vendor"	Ms. Lo Yuk Yee, the chairman and an executive Director of the Company, and the sole ultimate beneficial owner of the entire issued share capital of MCIL
"Property"	Units 901 & 920 on 9th Floor, China Merchants Tower, Shun Tak Centre, Nos. 168–200 Connaught Road Central, Hong Kong
"Rental Assignment"	the rental assignment entered into between the Target Company and a licensed bank dated 15 May 2008 and registered in the Land Registry by Memorial No. 08052200030052 assigning all rights, title interest and benefit to and in any moneys whatsoever payable to the Target Company by a lessee and all other rights and benefits whatsoever accruing thereafter in respect of the Property or any part thereof in favour of the licensed bank
"Sale Shares"	10,000 shares of US$1.00 each in the issued share capital of the Target Company, representing the entire issued share capital of the Target Company as at the date of the Agreement
"SFO"	The Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"SGM"	the special general meeting of the Company to be convened to consider and, if thought fit, approve the Agreement and the transactions contemplated by the Independent Shareholders
"Share(s)"	ordinary share(s) of HK$0.01 each in the share capital of the Company
"Shareholder(s)"	holder(s) of the Shares

"Shareholder's Loan"	the outstanding shareholder's loan due to the Vendor by the Target Company from time to time
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Target Company"	Pink Angel Investments Limited, an investment holding company incorporated in the British Virgin Islands with limited liability, whose principal asset is the ownership of 100% interest in the Property
"Tenancy Agreement"	the existing tenancy agreement entered into between the Target Company and a tenant dated 30 March 2010, pursuant to which the Property has been let to the tenant for a term of 2 years commencing from 19 November 2009 and ending on 18 November 2011 at a monthly rental of HK$88,410 with an option to renew the tenancy agreement for a further term of 2 years at the then market rate. The aforesaid option has been exercised on 26 August 2011 by the tenant, whereby the tenancy has been renewed for a fixed term of 1 year, commencing from 19 November 2011 and ending on 18 November 2012 (both days inclusive) at a monthly rental of approximately HK$128,784, with a rent free period totaling 1 month (effective as from 19 October 2012 to 18 November 2012)
"US$"	United States dollars, the lawful currency of the United States of America
"%"	per cent

FINET GROUP LIMITED
財 華 社 集 團 有 限 公 司 *

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

(Stock Code: 8317)

Executive Directors:
Ms. Lo Yuk Yee
Mr. Chow Wing Chau
Mr. Yiu Wing Hei

Non-executive Director:
Mr. Ip Tze Fai, Alvin

Independent non-executive Directors:
Mr. Wong Wai Kin
Mr. Siu Siu Ling, Robert
Mr. Leung Chi Hung

Registered Office:
Clarendon House
2 Church Street,
Hamilton HM11,
Bermuda

Head Office and Principal Place of Business in Hong Kong:
Room C, 11/F.,
Bank of East Asia Harbour View Centre,
56 Gloucester Road,
Wanchai,
Hong Kong

21 September 2011

To the Shareholders

Dear Sir or Madam,

MAJOR AND CONNECTED TRANSACTION IN RELATION TO ACQUISITION OF 100% EQUITY INTEREST AND THE SHAREHOLDER'S LOAN OF PINK ANGEL INVESTMENTS LIMITED

INTRODUCTION

Reference is made to the announcement of the Company dated 29 August 2011. The purpose of this circular is to provide you with, among other things, further details of the Acquisition.

* *For identification purposes only*

THE AGREEMENT

Date:	29 August 2011	
Parties:	**(a) Purchaser:**	Finet Group (BVI) Limited, a direct wholly-owned subsidiary of the Company
	(b) Vendor:	Ms. Lo, being the sole legal and beneficial owner of the Target Company. As Ms. Lo is also an executive Director, the chairman of the Company and the sole ultimate beneficial owner of the controlling substantial shareholder of the Company, MCIL, as at the Latest Practicable Date, the Vendor is a connected person of the Company under Chapter 20 of the GEM Listing Rules

Sale and purchase:

Pursuant to the terms and conditions of the Agreement, the Purchaser has conditionally agreed to purchase and the Vendor has conditionally agreed to sell the Sale Shares, being the entire issued share capital of the Target Company, together with the Shareholder's Loan, at the Consideration of HK$24,000,000.

Assets to be acquired:

Pursuant to the Agreement, the Purchaser has conditionally agreed to purchase and the Vendor has conditionally agreed to sell the Sale Shares, together with the Shareholder's Loan, at the Consideration of HK$24,000,000 upon Completion.

The Sale Shares

The Sale Shares to be acquired under the Acquisition consists of 10,000 shares of US$1.00 each of the Target Company, representing the entire issued share capital of the Target Company.

The Shareholder's Loan

Pursuant to the Agreement, the Vendor shall assign all beneficial interests and rights attached, accrued or accruing to the Shareholder's Loan to the Purchaser upon

Completion, subject to the terms and conditions of the Agreement. The said assignment shall be effected by the entering into of the assignment of Shareholder's Loan by the Purchaser, the Vendor and the Target Company.

As at the Latest Practicable Date, the Vendor is the sole and beneficial owner of 100% equity interest of the Target Company. The shareholding structure of the Target Company is detailed below under the section headed "Shareholding Structure of the Target Company" of this circular. The only principal asset of the Target Company is the Property, which consists of two commercial premises located in Sheung Wan, Hong Kong with a saleable area of approximately 1,940 square feet.

The original purchase cost (excluding ancillary charges and stamp duty) of 100% interest in the Property paid by the Target Company is HK$35,364,000, which was, as advised by the Vendor, determined based on arm's length negotiations with reference to the then market condition and completed on 15 May 2008.

Consideration:

The Consideration in respect of the Acquisition is HK$24,000,000 (subject to adjustment), which will be settled by the Purchaser in cash.

The Consideration was determined between the Vendor and the Company after arm's length negotiations and on normal commercial terms, taking into account the followings:

(i) the preliminary valuation on the Property of HK$57,100,000 as at 19 August 2011 provided by the Purchaser's professional surveyor and arrived at using the income approach;

(ii) the net asset value of the Target Company of HK$15,071,792 as at 30 June 2011, as indicated in the unaudited management accounts of the Target Company;

(iii) the outstanding balance of the Shareholder's Loan of HK$4,213,270 as at 30 June 2011, as indicated in the unaudited management accounts of the Target Company;

(iv) the outstanding balance of the Mortgage Loan of HK$16,856,514 and the Bridging Loan of HK$15,000,000 due to a licensed bank as at 30 June 2011, as indicated in the unaudited management accounts of the Target Company;

(v) the aggregate of the net asset value and the balance of the Shareholder's Loan of HK$25,185,062 as at 30 June 2011, as adjusted for the preliminary valuation on the Property of HK$57,100,000 as at 19 August 2011.

A copy of the valuation report on the Property is set out in Appendix IV of this circular for your reference.

The Directors (including the independent non-executive Directors) are of the view that the Consideration is fair and reasonable and is in the interests of the Company and the Shareholders as a whole.

Terms of payment

The Consideration of HK$24,000,000 shall be payable in the following manner:

(i) HK$2,400,000 shall be payable in cash, as a refundable deposit, to the Vendor by the Purchaser upon the signing of the Agreement; and

(ii) the remaining of HK$21,600,000 (subject to adjustment) shall be payable in cash to the Vendor by the Purchaser within 15 Business Days after the Completion Date.

Adjustments to Consideration

As the net asset value of the Target Company and the balance of the Shareholder's Loan will vary from the date of the Agreement up to the Completion Date, the Consideration shall be subject to an adjustment in order to reflect the said variations, which shall be determined based on the following formula after the delivery of the Completion Accounts (which shall be delivered by the Vendor to the Purchaser within 10 Business Days after the Completion Date):

Adjustment = $(NAV_2 + \text{Shareholder's Loan}_2) - (NAV_1 + \text{Shareholder's Loan}_1)$

where:

Adjustment = the adjustment to be made to the Consideration of HK$24,000,000

NAV_2	=	the net asset value of the Target Company as at the Completion Date as shown in the Completion Accounts
NAV_1	=	the net asset value of the Target Company of HK$15,071,792 as at 30 June 2011 as shown in the unaudited management accounts of the Target Company
Shareholder's $Loan_2$	=	the balance of the Shareholder's Loan as at Completion Date as shown in the Completion Accounts
Shareholder's $Loan_1$	=	the balance of the Shareholder's Loan of HK$4,213,270 as at 30 June 2011 as shown in the unaudited management accounts of the Target Company

subject to the condition that the maximum Consideration to be provided by the Purchaser to the Vendor upon Completion shall be HK$26,000,000.

In the event that the Vendor shall fail to perform or comply with any of its obligations contained in the Agreement or if there is any material breach of the warranties, or if the transactions contemplated under the Agreement are not completed for any reason whatsoever, the Purchaser shall be entitled to rescind or terminate the Agreement, and the refundable deposit of HK$2,400,000 shall be refunded to the Purchaser by the Vendor within 5 Business Days upon termination.

Source of funding

The Acquisition will be funded by internal resources of the Company.

Conditions Precedent:

Completion of the Acquisition is conditional upon the satisfactory fulfillment (or if applicable, waiver) of the followings:

(i) it having been shown and proved that the Target Company has good and marketable title to the Property;

(ii) the warranties provided by the Vendor under the Agreement being true, accurate and complete in all respects on and as of the Completion Date by reference to the facts and circumstances subsisting as at the Completion Date;

(iii) there having been no material adverse change in the business, prospects, operations or position, financial or otherwise, of the Target Company since the date of the Agreement;

(iv) the passing of the ordinary resolution(s) by the Independent Shareholders of the Company to approve the Agreement and the transactions contemplated thereunder in accordance with the requirements of the GEM Listing Rules;

(v) the obtaining of any and all corporate approvals and any approvals or consents from any and all governmental or regulatory authorities (including the Stock Exchange and/or the Hong Kong Securities and Futures Commission) required for the transaction contemplated under the Agreement;

(vi) the obtaining of sufficient finance to the satisfaction of the Purchaser for the purpose of funding the Acquisition;

(vii) the Purchaser having conducted and being satisfied with the results of its legal, financial, business and other due diligence review, including but not limited to the report on title of the Property, in relation to the Target Company and other assets and rights held or controlled by the Target Company;

(viii) the Purchaser having received from the Purchaser's valuer a valuation report in respect of the Property showing that the market value of the Property is not less than HK$57,100,000 to the satisfaction of the Purchaser;

(ix) the obtaining by the Vendor of all relevant bank consents required for the change in ownership of the Target Company, including, but not limited to, consents which relate to the Mortgage, Rental Assignment and other relevant Encumbrances imposed on the Property;

(x) the Vendor undertaking a personal unlimited guarantee in relation to the Mortgage Loan and the Bridging Loan, which shall continue to remain effective and enforceable for as long as the Mortgage Loan and/or the Bridging Loan shall remain outstanding;

(xi) there having been no change in the controlling and substantial shareholders of the Company from the date of the Agreement to Completion;

(xii) the Vendor having obtained independent legal advice from a Hong Kong legal adviser in relation to the Acquisition and the transactions contemplated thereunder;

(xiii) the obtaining of a legal opinion issued by a British Virgin Islands legal adviser to the satisfaction of the Purchaser in relation to, amongst other things, the incorporation and establishment of the Target Company and the validity of its 100% beneficial interest in the Property;

(xiv) there being no claim, litigation, arbitration, prosecution or other legal proceedings or any investigation, enquiry or in any proceedings or hearings before any statutory or governmental body, department, board or agency against the Target Company, the Vendor, the Property or the Target Company's 100% beneficial interests in the Property as at the date of the Agreement;

(xv) there being no Encumbrances over the Property save and except as disclosed in the Agreement;

(xvi) a statement of indebtedness in relation to the Target Company having been provided by the Target Company to the satisfaction of the Purchaser;

(xvii) a confirmation of no material change in the financial position of the Target Company having been provided by the Target Company to the satisfaction of the Purchaser; and

(xviii) the Vendor having provided to the Purchaser a certificate of incumbency and certificate of good standing of the Target Company in satisfactory form and dated not more than 10 Business Days prior to the Completion Date.

The Purchaser shall have the right to waive any of the conditions in writing (save and except for conditions (iii), (iv), (v), (viii) and (x) as mentioned above). If any of the conditions have not been fulfilled (or where waivable, to be waived by the Purchaser in writing) on or before the Long Stop Date, the Purchaser shall not be bound to proceed with the purchase of the Sale Shares (together with the Shareholder's Loan) and the Agreement (other than the clauses relating to conditions precedent, confidentiality, costs and expenses and governing law and jurisdiction) shall become void and of no further effect from the Long Stop Date and, save in respect of any antecedent breaches, all liabilities and obligations of the parties to the Agreement shall cease and determine provided that such termination shall be without prejudice to any rights or remedies of the Vendor and the Purchaser which shall have accrued prior to such termination. Any and all monies paid to the Vendor pursuant to the Agreement shall be refunded to the Purchaser by the Vendor within 5 Business Days upon termination.

Completion

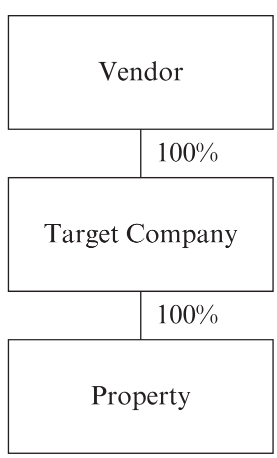
Completion shall take place on the Completion Date.

Upon completion of the Acquisition, the Target Company will become an indirect wholly-owned subsidiary of the Company.

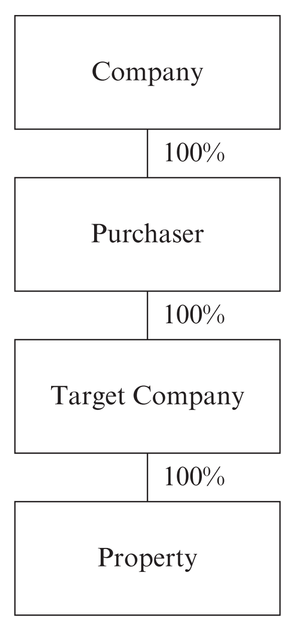
Shareholding Structure of the Target Company

The following charts show the shareholding structure of the Target Company (i) as at the Latest Practicable Date and (ii) immediately upon Completion:

Shareholding structure as at the Latest Practicable Date



Shareholding structure immediately upon completion



INFORMATION ON THE COMPANY

The Company is an investment holding company and its subsidiaries are principally engaged in the securities and futures business that specializes in the provision of online securities and futures trading, and the development, production and provision of financial information services and technology solutions to corporate and retail clients.

INFORMATION ON THE VENDOR

The Vendor, Ms. Lo, a Hong Kong resident, is the legal and beneficial owner of the Target Company. Ms. Lo is the chairman and executive Director of the Company, and is the sole ultimate beneficial owner of MCIL, the controlling substantial shareholder of the Company, currently holding 268,552,984 Shares of the Company, representing 60.92% of the entire issued share capital of the Company. Therefore, the Vendor is a connected person of the Company as defined in Chapter 20 of the GEM Listing Rules.

INFORMATION ON THE PURCHASER

The Purchaser is an investment holding company incorporated in the British Virgin Islands with limited liability, and is a direct wholly-owned subsidiary of the Company.

INFORMATION ON THE TARGET COMPANY

The Target Company is an investment holding company incorporated in the British Virgin Islands on 21 November 2007 with limited liability and is wholly-owned by the Vendor. As at the Latest Practicable Date, the only major asset of the Target Company is its ownership of 100% interest in the Property.

Upon Completion, the Company will become the sole shareholder of the Target Company through the Purchaser and therefore, be effectively interested in 100% beneficial interest in the Property. The financial results of the Target Company will be consolidated into the financial statements of the Group.

INFORMATION ON THE PROPERTY

The Property comprises of 2 office units situated on 9th Floor, China Merchants Tower, Shun Tak Centre, Central, Hong Kong with a saleable area of approximately 1,940 square feet.

As at the Latest Practicable Date, the Property is subject to a tenancy for a term of 2 years commencing from 19 November 2009 and expiring on 18 November 2011 at a monthly rental of HK$88,410 under the Tenancy Agreement.

Pursuant to the Tenancy Agreement, the tenant has the right to exercise its option to renew the tenancy for a further term of 2 years after its expiry on 18 November 2011. The aforesaid option has been exercised by the tenant on 26 August 2011, whereby the tenancy has been renewed for a fixed term of 1 year commencing from 19 November 2011 and ending on 18 November 2012 (both days inclusive) at a monthly rental of approximately HK$128,784, with a rent free period totaling 1 month (effective as from 19 October 2012 to 18 November 2012).

The Property is currently yielding a return of approximately HK$1,060,920 per year based on the monthly rental income received under the Tenancy Agreement.

The Property is indirectly owned by Ms. Lo through her 100% shareholding in the Target Company.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Property is located at China Merchants Tower, Shun Tak Centre, Nos. 168-200 Connaught Road Central, Sheung Wan, Hong Kong.

The Company is currently renting the present business premises at a monthly rent of approximately HK$295,000. In view of the soaring rental prices of Grade A offices located in the central business district, the Board plans to acquire the Property for self-use and to relocate the Company's business office to the Property upon expiry of the term of tenancy under the Tenancy Agreement in order to reduce the rental expenses of Company.

Due to the rapidly increasing rental prices for commercial offices, it is expected that the Property shall be used for self-use purposes after the Acquisition and the expiry of the Tenancy Agreement as renewed for a fixed term of 1 year on 26 August 2011, commencing from 19 November 2011 and ending on 18 November 2012 (both days inclusive).

As the option to renew has been exercised by the tenant pursuant to the Tenancy Agreement, it is expected that the Property shall be yielding a return of approximately HK$1,416,623 per year based on the monthly rental income of approximately HK$128,784 for the period commencing from 19 November 2011 and ending on 18 November 2012 (both days inclusive) with a rent free period totaling 1 month (effective as from 19 October 2012 to 18 November 2012).

The Directors are of the view that the Acquisition would generate stable rental revenue and return and provide capital appreciation potential to the Group.

Further, the Directors are of the view that it is fair and reasonable for the Company to acquire the commercial premises for its ordinary course of business to reduce the risk exposure on the increasing rental expenses in the future.

Taking into account the above factors, the Directors are of the view that the terms of the Acquisition are in normal commercial terms, which are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

IMPLICATION UNDER THE GEM LISTING RULES

Since the relevant percentage ratio (as defined under the GEM Listing Rules) in respect of the Acquisition is greater than 25% but less than 100%, the Acquisition constitutes a major transaction for the Company under Chapter 19 of the GEM Listing Rules and is therefore subject to the reporting, announcement, circular and shareholders' approval requirements under Chapter 19 of the GEM Listing Rules.

By virtue of Ms. Lo, being an executive Director, the chairman of the Company and the sole ultimate beneficial owner of MCIL, the controlling substantial shareholder of the Company, is also the Vendor in this Acquisition, the Vendor is a connected person of the Company under Chapter 20 of the GEM Listing Rules. Therefore, the Acquisition also constitutes a connected transaction for the Company and is subject to the approval of the Independent Shareholders by way of poll at the SGM.

In view of Ms. Lo's capacity as both the Vendor and a connected person of the Company, Ms. Lo is considered to have material interest in the Acquisition. As at the Latest Practicable Date, Ms. Lo and her respective associates hold an aggregate of 268,552,984 Shares, representing approximately 60.92% of the entire issued share capital of the Company.

Accordingly, Ms. Lo and her respective associates are required to abstain from voting at the SGM in respect of the ordinary resolution to approve the Agreement and the transactions contemplated thereunder.

As aforesaid, the SGM will be held to consider and, if thought fit, approve by the Independent Shareholders the ordinary resolution in respect of the Agreement and the transactions contemplated thereunder.

SGM

A notice of the SGM to be held at 19/F, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong on Monday, 10 October 2011 at 11:00 a.m. is set out on pages 81 and 83 of this circular. At the SGM, an ordinary resolution will be proposed to consider and, if thought fit, to approve the Agreement and the transactions contemplated thereunder.

The ordinary resolution to be proposed at the SGM to approve the Agreement and the transactions contemplated thereunder will be determined by way of poll by the Independent Shareholders in accordance with the GEM Listing Rules.

Any Shareholder with a material interest in the Acquisition and his associates will abstain from voting on the ordinary resolution approving the Acquisition at the SGM.

A form of proxy for use in connection with the SGM is enclosed with this circular. Whether or not you intend to attend the SGM, please complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the share registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited at Rooms 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, as soon as possible and in any event by not less than 48 hours before the time appointed for holding the SGM or any adjourned meeting thereof. Completion and return of the form of proxy will not preclude you from attending the voting in person at the SGM (or any adjourned meeting thereof) should you so wish.

ADDITIONAL INFORMATION

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

Yours faithfully,
For and on behalf of
Finet Group Limited
Lo Yuk Yee
Chairman

FINET GROUP LIMITED
財 華 社 集 團 有 限 公 司 *

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

(Stock Code: 8317)

21 September 2011

To the Independent Shareholders,

Dear Sir or Madam,

MAJOR AND CONNECTED TRANSACTION

We refer to the circular dated 21 September 2011 of the Company (the "Circular") of which this letter forms part. Terms defined in the Circular bear the same meanings herein unless the context otherwise requires.

We have been appointed as members of the Independent Board Committee to consider and advise the Independent Shareholders as to whether, in our opinion, the terms of the Agreement are fair and reasonable so far as the Independent Shareholders are concerned and whether the Acquisition is in the interests of the Company and the Shareholders as a whole. Bridge Partners Capital Limited has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Acquisition.

We wish to draw your attention to the "Letter from the Board" set out on pages 5 to 16 of the Circular which contains, among other things, information about the Acquisition, and the "Letter from the Independent Financial Adviser" set out on pages 19 to 30 of the Circular which contains the Independent Financial Adviser's advice in respect of the Acquisition.

* *For identification purposes only*

Having considered (i) the reasons for and the benefits of the Acquisition as set out in the "Letter from the Board"; and (ii) the principal factors and reasons taken into account by Bridge Partners Capital Limited in arriving at its opinion regarding the Acquisition set out in the "Letter from the Independent Financial Adviser", we consider that the terms of the Agreement are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned and the Acquisition is in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolution set out in the notice of the SGM in respect of the Acquisition.

Yours faithfully,
For and on behalf of
Independent Board Committee

Mr. Wong Wai Kin	**Mr. Siu Siu Ling, Robert**	**Mr. Leung Chi Hung**
Independent Non-executive Director	*Independent Non-executive Director*	*Independent Non-executive Director*

The following is the text of a letter of advice to the Independent Board Committee and the Independent Shareholders from the Independent Financial Adviser relating to the terms of the Agreement and the transactions contemplated thereunder, prepared for the purpose of incorporation in this circular:

寶橋 BRIDGE PARTNERS

BRIDGE PARTNERS CAPITAL LIMITED

Unit 605, 6/F, Grand Millennium Plaza
181 Queen's Road Central
Central, Hong Kong

21 September 2011

*To the independent board committee
and the independent shareholders of
Finet Group Limited*

Dear Sirs,

**MAJOR AND CONNECTED TRANSACTION
IN RELATION TO ACQUISITION OF 100%
EQUITY INTEREST AND THE SHAREHOLDER'S LOAN OF PINK ANGEL
INVESTMENTS LIMITED**

INTRODUCTION

We refer to our appointment as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the terms of Agreement and the transactions contemplated thereunder, details of which are set out in the letter from the board (the "Letter from the Board") contained in the circular of the Company dated 21 September 2011 (the "Circular"), of which this letter forms part. Terms defined in the Circular shall have the same meanings in this letter unless the context otherwise requires.

The Board announced that on 29 August 2011 (after trading hours), the Purchaser entered into the Agreement with the Vendor pursuant to which the Vendor conditionally agreed to sell and the Purchaser conditionally agreed to purchase the Sale Shares, representing the entire issued share capital of the Target Company, together with the Shareholder's Loan, at an initial consideration of HK$24,000,000 (subject to adjustment) (the "Initial Consideration").

Since the relevant percentage ratio (as defined under the GEM Listing Rules) in respect of the Acquisition is greater than 25% but less than 100%, the Acquisition constitutes a major transaction for the Company under Chapter 19 of the GEM Listing Rules and is therefore subject to the reporting, announcement, circular and shareholders' approval requirements under Chapter 19 of the GEM Listing Rules. Furthermore, by virtue of Ms. Lo, being an executive Director, the chairman of the Company and the sole ultimate beneficial owner of the entire issued share capital of MCIL, the controlling substantial shareholder of the Company, is also the Vendor in the Acquisition, the Vendor is a connected person of the Company under Chapter 20 of the GEM Listing Rules. Therefore, the Acquisition also constitutes a connected transaction for the Company and is subject to the approval of the Independent Shareholders by way of poll at the SGM. In view of Ms. Lo's capacity as both the Vendor and a connected person of the Company, Ms. Lo is considered to have material interest in the Acquisition. Accordingly, Ms. Lo and her respective associates are required to abstain from voting at the SGM in respect of the ordinary resolutions to approve the Agreement and the transactions contemplated thereunder.

The Independent Board Committee, comprising all the independent non-executive Directors, namely, Mr. Wong Wai Kin, Mr. Siu Siu Ling, Robert and Mr. Leung Chi Hung, has been established to make recommendations to the Independent Shareholders as to whether the terms of the Agreement are fair and reasonable so far as the Independent Shareholders are concerned and whether the Acquisition is in the interests of the Company and the Shareholders as a whole and to advise the Independent Shareholders on how to vote in respect of the Acquisition.

BASIS OF OUR OPINION

In arriving at our opinion and recommendation, we have relied on the information supplied, the opinion and representations expressed by the Directors and the management of the Company. We have assumed that the information and representations contained or referred to in the Circular and the information and representations that have been provided by the Company and/or the Directors and/or the management of the Company, for which they are solely and wholly responsible, are true, accurate and complete at the time they were made and continue to be true up to and including the date of the Circular. We have also assumed that all statements of belief, opinion, expectation and intention made by the Directors in the Circular were reasonably made after due enquiries and careful considerations. We consider that we have received sufficient information to enable us to reach an informed view and to justify reliance on the accuracy of the information contained in the Circular to provide a reasonable basis for our opinions and recommendations. We have no reason to suspect that any material fact or information has been withheld or to doubt the truth, accuracy and completeness of the information and facts contained in the Circular, or the reasonableness of the opinions expressed by the Company, its advisers and/or the Directors, which have been provided to us.

The Directors have collectively and individually accepted full responsibility, includes particulars given in compliance with the GEM Listing Rules, for the purpose of giving information with regard to the Company. The Directors have confirmed, having made all reasonable enquiries, which to the best of their knowledge and belief, the information contained in the Circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or the Circular misleading.

We consider that we have been provided sufficient information to reach an informed view and to provide a reasonable basis for our recommendation. We have not, however, carried out any independent verification on the information provided by the Directors and/or the management of the Company, nor have we conducted an independent investigation into the business and affairs of the Company, or its subsidiaries or associated companies, nor have we considered the taxation implication on the Group or the Shareholders as a result of the Acquisition.

This letter is issued for the information for the Independent Board Committee and the Independent Shareholders solely in connection with their consideration of the Agreement and the transactions contemplated thereunder and, except for its inclusion in the Circular, is not to be quoted or referred to, in whole or in part, nor shall this letter be used for any other purposes, without our prior written consent. Nothing contained in this letter should be construed as a recommendation to hold, sell or buy any Shares or any other securities of the Company.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion and recommendation to the Independent Board Committee and the Independent Shareholders in respect of the Acquisition, we have taken the following principal factors and reasons into consideration:

I. Background information of the Company

Principal business of the Group

The Group is principally engaged in (i) the development, production and provision of financial information services and technology solutions to corporate and retail clients in Hong Kong and Greater China; and (ii) the securities and futures business that specializes in the provision of online securities and futures trading.

Historical financial information

Set out below is a summary of the audited consolidated financial information of the Group for the two years ended 31 March 2011 as extracted from the annual report of the Company for the year ended 31 March 2011 (the "2011 Annual Report"):

	Year ended 31 March	
	2011	**2010**
	HK$'000	*HK$'000*
	(Audited)	(Audited)
Revenue *(Note)*	34,005	30,935
Loss before income tax *(Note)*	(27,950)	(6,297)
Loss for the year from continuing operations *(Note)*	(34,880)	(6,400)
Loss for the year	(41,486)	(48,242)

	As at 31 March	
	2011	**2010**
	HK$'000	*HK$'000*
	(Audited)	(Audited)
Non-current assets	31,598	24,359
Current assets	75,118	72,403
Current liabilities	25,907	9,814
Non-current liabilities	9,561	2,940
Net assets	71,248	84,008
Cash and cash equivalents	20,106	33,681

Note: The figure represents the financial results of the Group generated from its continuing operations.

As illustrated from the table above, the Group recorded revenue of approximately HK$34.01 million for the year ended 31 March 2011, representing an increase of approximately 9.92% as compared with approximately HK$30.94 million for the year ended 31 March 2010. According to the 2011 Annual Report, the net increase in revenue was primarily attributable to the contribution from the newly acquired securities and futures business of approximately HK$5.67 million.

For the year ended 31 March 2011, the Group recorded a net loss from continuing operation of HK$34.88 million, representing approximately 4.45 times as compared with the net loss of HK$6.40 million for the year ended 31 March 2010. The increase in net loss from continuing operations was mainly due to the increase in general and administrative expenses of approximately HK$14.00 million and the increase in other operating expenses of approximately HK$21.58 million. The increase in general and administrative expenses was mainly due to the inclusion of expenses from the securities and future business and the increase in legal and professional fees. On the other hand, the increase in other operating expenses was primary attributable to (i) the impairment loss on amount due from a former director of the Company of approximately HK$4.66 million, (ii) the impairment loss on amounts due from former subsidiaries of approximately HK$9.00 million, and (iii) the fair value loss on held for trading investments of approximately HK$6.51 million.

In February 2011, the Group disposed all of its interests in the online game business and the financial results of the online game segment were recorded under the discontinued operation in the 2011 Annual Report. The loss from the Group's online game segment was reduced from approximately HK$41.84 million to approximately HK$6.61 million, representing a decrease of 84.21% from that of 2010.

The cash and cash equivalents of the Group had a significant decrease of approximately 40.30%, from approximately HK$33.68 million as at 31 March 2010, to approximately HK$20.11 million as at 31 March 2011. According to the 2011 Annual Report, the bank borrowings of the Group had reduced from approximately HK$3.00 million in 2010 to approximately HK$2.76 million in 2011. As at 31 March 2011, the audited consolidated net assets of the Group was approximately HK$71.25 million.

In order to strengthen the Group's business fundamentals in the existing business lines and to seize strategic business opportunities in the future through mergers and acquisitions, the Group has enlarged its financial resources and raised approximately HK$30.66 million (before expenses) through a placing of new shares in October 2010 and approximately HK$88.16 million (before expenses) through an open offer of new shares in June 2011. The Group also re-deployed its financial resources to other business areas and sold all of its interests in the online game business to an independent third party in February 2011.

II. Reasons for and benefits of the Acquisition

At present, the Company is renting commercial premises for business operation at a monthly rent of approximately HK$295,000. In view of the recent soaring rental prices of Grade A offices located in the central business district, the Board plans to acquire the Property for self-use and to relocate the Company's business office to the Property upon expiry of the term of tenancy under the Tenancy Agreement in order to reduce the rental expenses of the Company.

As noted from the Letter from the Board, it is expected that the Company would only be able to relocate its business office to the Property no earlier than November 2012 given that the existing tenant of the Property has exercised its option to renew the tenancy for a fixed term of 1 year commencing from 19 November 2011 and ending on 18 November 2012. Although the Company would not be able to reduce its rental expenses in near term, the Acquisition would generate stable rental revenue (before the Company relocates its business office to the Property) which can partially offset its rental expense and also reduce the risk exposure of the Group on the increasing rental expenses in the future.

To understand the commercial property market in Hong Kong, we have analyzed Hong Kong's Grade A office market, which includes the Property which situated in Sheung Wan. Further details are set out in the sub-paragraph headed "Overview of the commercial property market in Hong Kong" below. We also noted from the "Hong Kong Property Review 2011" published by the Rating and Valuation Department of Hong Kong (the "Property Review"), all of the new completions of Grade A commercial buildings in 2010 come from non-core districts. According to the Property Review, it is anticipated that the new completions of Grade A commercial buildings in 2011 will come predominantly from non-core districts such as Quarry Bay, Kwun Tong, Shatin, Southern District, Tsuen Wan and Yau Ma Tei, of which Kwun Tong and Southern District will account for 95% of the total new supply. Completions of commercial buildings in 2012 will reduce sharply after several years' of high rate of completions. Taking into consideration the limited supply of commercial premises at prime locations in Hong Kong and the recent surge of rent in the commercial premises, we are of the view that it is in the interests of the Company to acquire the Property for self-use in order to reduce the rental expenses.

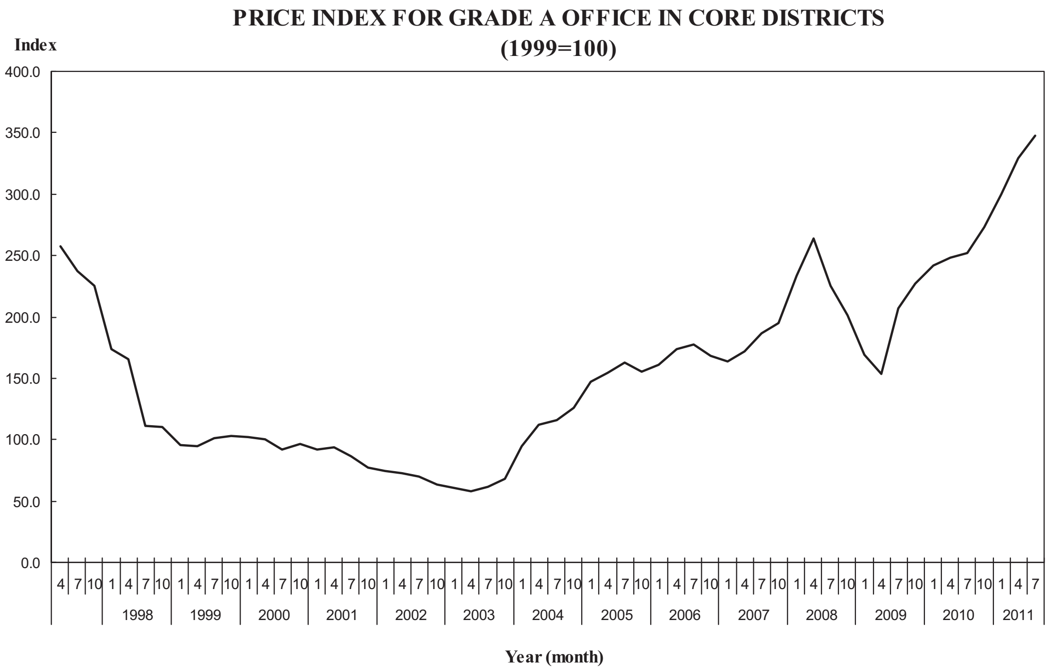
Furthermore, the Acquisition provides a stable source of rental income to the Group (before the Company relocates its business office to the Property) and the Company may enjoy a potential capital appreciation of the Property if the Hong Kong commercial property market continues to grow. Therefore, we concur with the view of the Directors that the Acquisition is in the interests of the Company and the Shareholders as a whole.

III. Overview of the commercial property market in Hong Kong

Owing to the increasing demand and the decreasing vacancy rate for offices located in the central business district, the Directors are optimistic about the long term prospect of commercial properties in Hong Kong. According to the research reports "Hong Kong Prime Office Monthly Report — July 2011" published by Knight Frank Hong Kong Limited and "Greater China Office And Residential Market — 2Q11" published by Colliers International (Hong Kong) Limited, it is expected that the Hong Kong commercial properties market will remain steady in near future due to various supporting factors such as low borrowing costs, expected increasing inflation rate, strong end-users demand and limited supply of office premises in Hong Kong.

We noted from the market statistics released by the Rating and Valuation Department of the HKSAR Government, the price index of the Grade A office in core districts in Hong Kong has rebounded since the second quarter of 2003 and has been in a continuously upward trend until the outbreak of the financial tsunami in 2008. The growth momentum picked up again in the second quarter of 2009 and the price index has reached 348.0 in July 2011 which indicates a substantial increase in the market price of private offices.

The following chart illustrates the price index for Grade A office in core districts in Hong Kong from 1 January 1997 to 30 June 2011:



Source: Rating and Valuation Department, HKSAR Government

We are of the view that even though the Acquisition is not in the ordinary and usual course of business of the Company, the Acquisition allows the Company to control the rental expenses for its operation, and therefore is in the interests of the Company and the Shareholders as a whole.

IV. Principal terms of the Agreement

Assets to be acquired

Pursuant to the Agreement, the Purchaser has conditionally agreed to purchase and the Company has conditionally agreed to sell the Sale Shares, together with the Shareholder's Loan at the Initial Consideration of HK$24,000,000 (subject to adjustment). The Sale Shares to be acquired under the Acquisition consists of 10,000 shares of US$1.00 each of the Target Company, representing the entire issued share capital of the Target Company.

Information on the Target Company

The Target Company is an investment holding company incorporated in the British Virgin Islands on 21 November 2007 with limited liability and is wholly-owned by the Vendor. As at the Latest Practicable Date, the only major asset of the Target Company is its ownership of 100% interest in the Property.

Set out below is a summary of the financial information of the Target Company for the two financial years ended 31 March 2011 and the period from 21 November 2007 to 31 March 2009 as extracted from Appendix II to the Circular:

	For the period from 21 November 2007 to 31 March 2009	**For the year ended 31 March 2010**	**2011**
	HK$'000	*HK$'000*	*HK$'000*
Revenue	886	354	1,017
(Loss)/Profit before taxation	(15,395)	11,501	18,819
(Loss)/Profit for the period/year attributable to owners of the Target Company	(15,433)	11,576	18,700

	As at 31 March 2009	**2010**	**2011**
	HK$'000	*HK$'000*	*HK$'000*
Total assets	21,195	33,420	51,567
Total liabilities	(36,550)	(37,199)	(36,645)
Net (liabilities)/assets	(15,355)	(3,779)	14,922

For the year ended 31 March 2011, the Target Company recorded an audited revenue of approximately HK$1.02 million, which were entirely attributed to the rental income of the Property, representing approximately 2.87 times as compared with that of the corresponding period of the preceding financial year. The audited net profits before and after taxation of the Target Company for the year ended 31 March 2011 were approximately HK$18.82 million and HK$18.70 million respectively, which were mainly attributed to the fair value gain of the Property. As at 31 March 2011, the total assets of the Target Company amounted to HK$51.57 million, which mainly consisted of the Property. Total liabilities of the Target Group amounted to HK$36.65 million, which mainly consisted of the unsecured, interest-free Shareholder's Loan of approximately HK$18.85 million and the Mortgage Loan of approximately HK$17.21 million with an interest rate of 1.25% per annum over 1 month Hong Kong Interbank Offered Rate ("HIBOR"). The audited net assets of the Target Company was approximately HK$14.92 million as at 31 March 2011.

For the period from 21 November 2007 to 31 March 2009, the Target Company recorded an audited revenue of approximately HK$0.89 million. The net loss before and after taxation of the Target Company for the period from 21 November 2007 to 31 March 2009 were approximately HK$15.39 million and HK$15.43 million respectively. As at 31 March 2009, the total liabilities of the Target Group amounted to HK$36.55

million, which was mainly consisted of the unsecured, interest-free Shareholder's Loan of approximately HK$16.20 million, and the secured bank loans of HK$20.04 million with an interest rate of 2.75% per annum over 1 month HIBOR. The net liabilities of the Target Company as at 31 March 2009 was approximately HK$15.36 million.

Information on the Property

The Property comprises of 2 office units situated on 9th Floor, China Merchants Tower, Shun Tak Centre, Sheung Wan, Hong Kong with a saleable area of approximately 1,940 square feet.

As at the Latest Practicable Date, the Property is subject to a tenancy agreement (the "Tenancy Agreement") for a term of 2 years commencing from 19 November 2009 and ending on 18 November 2011 at a monthly rental of HK$88,410. The annual rental of the Property is approximately HK$1,060,920 per year based on the monthly rental income of HK$88,410 under the Tenancy Agreement.

Pursuant to the Tenancy Agreement, the tenant has the right to exercise its option to renew the tenancy for a further term of 2 years after its expiry on 18 November 2011. The aforesaid option has been exercised by the tenant on 26 August 2011 at a monthly rental of approximately HK$128,784 for a fixed term of 1 year commencing from 19 November 2011 to 18 November 2012 (both days inclusive) with a one-month rent free period (effective as from 19 October 2012 to 18 November 2012).

Consideration

According to the Agreement, the Initial Consideration in respect of the Acquisition shall be HK$24,000,000 (subject to adjustment), payable in the following manner:

(i) HK$2,400,000 shall be payable in cash, as a refundable deposit, to the Vendor by the Purchaser upon the signing of the Agreement; and

(ii) the remaining of HK$21,600,000 (subject to adjustment) shall be payable in cash to the Vendor by the Purchaser within 15 Business Days after the Completion Date.

As set out in the Letter from the Board, the Initial Consideration is subject to certain adjustment mechanism (as disclosed in the Letter from the Board) and shall be determined based on the formulae after the delivery of the Completion Accounts (which shall be delivered by the Vendor to the Purchaser within 10 Business Days after the Completion Date). Details of the adjustment mechanism and formulae are set out in the Letter from the Board. The adjustment is also subject to the condition that the maximum consideration of the Acquisition to be provided by the Purchaser to the Vendor upon Completion shall be HK$26,000,000.

As advised by the Company, the Initial Consideration was determined between the Vendor and the Company after arm's length negotiations and on normal commercial terms, taking into account of the following factors: (i) the preliminary valuation on the Property of HK$57,100,000 as at 19 August 2011 provided by the Purchaser's valuer and arrived at using the income approach; (ii) the net asset value of the Target Company of HK$15,071,792 as at 30 June 2011, as indicated in the unaudited management accounts of the Target Company; (iii) the outstanding balance of the Shareholder's Loan of HK$4,213,270 as at 30 June 2011, as indicated in the unaudited management accounts of the Target Company; (iv) the outstanding balance of the Mortgage Loan of HK$16,856,514 and the Bridging Loan of HK$15,000,000 due to a licensed bank as at 30 June 2011, as indicated in the unaudited management accounts of the Target Company; and (v) the aggregate of the net asset value and the balance of the Shareholder's Loan of HK$25,185,062 as at 30 June 2011, as adjusted for the preliminary valuation on the Property of HK$57,100,000 as at 19 August 2011.

In assessing the fairness and reasonableness of the Initial Consideration, we have considered the financial position of the Target Company as discussed in the paragraph headed "Information on the Target Company" above and the valuation of Property as at 19 August 2011 conducted by an independent professional valuer (the "Valuer"). The full text of the valuation report prepared by the Valuer is set out in Appendix IV to the Circular.

As disclosed in the aforesaid valuation report, the valuation on the Property as at 19 August 2011 was amounted to HK$57,100,000. We have discussed with the Valuer and have reviewed and assessed the basis, assumptions and methodology adopted by the Valuer in conducting the valuation of the Property. In arriving at the value of the Property, we note that the Valuer has adopted the investment method of the income approach by taking into account the current rent receivable from the existing tenancy agreement and the reversionary potential of the property interest.

As confirmed by the Valuer, the abovementioned approach is a commonly adopted approach for valuation of properties that is subject to the existing tenancy agreement and it is also consistent with normal market practice. During the course of our discussion with the Valuer, we have not identified any major factors which cause us to doubt the fairness and reasonableness of the principal basis and assumptions used by the Valuer in arriving at the valuation and we consider the aforesaid valuation basis is fair and reasonable.

As the principal asset of the Target Company is the Property, we consider it is appropriate to determine the consideration of the Acquisition by making reference to the net asset value of the Target Group, the value of the Property and the balance of the Shareholder's Loan. Based on the unaudited net asset value of the Target Company of HK$15,071,792 as at 30 June 2011 and the excess of the valuation on the Property over the carrying amount of the Property of approximately HK$5,900,000, the adjusted net asset value of the Target Company ("Adjusted NAV") would be approximately HK$20,971,792. Given that the balance of the Shareholder's Loan as at 30 June 2011 was approximately HK$4,213,270, the Initial Consideration therefore represents a discount of approximately 4.71% to the aggregate of the Adjusted NAV and the balance of the Shareholder's Loan as at 30 June 2011.

In light of fact that (i) the Initial Consideration represents a discount of approximately 4.71% to the aggregate of the Adjusted NAV and the balance of the Shareholder's Loan as at 30 June 2011; (ii) the consideration of the Acquisition was determined primarily with reference to the independent valuation which represents the prevailing market valuation of the Property; and (iii) the adjustment to the Initial Consideration is to reflect the variation of the net asset value of the Target Company and the balance of the Shareholder's Loan from the date of the Agreement to the Completion Date, we are of the opinion that the consideration of the Acquisition is fair and reasonable so far as the Independent Shareholders are concerned.

V. Financial effects of the Acquisition

Upon Completion, the Target Company will become an indirectly wholly-owned subsidiary of the Company and its results will be consolidated into the financial statements of the Company.

Earnings

According to the 2011 Annual Report, the Group recorded a net loss of HK$41.49 million for the year ended 31 March 2011. It is expected that the Acquisition would generate rental income to the Group before expiry of the term of the Tenancy Agreement. On the other hand, the Acquisition could reduce the Company's risk exposure on the increasing rental expenses in the future.

Working capital

As advised by the Company, it is intended that the Acquisition will be funded by internal resources of the Company. According to the unaudited pro forma financial information of the Enlarged Group as set out in Appendix III to the Circular, assuming the Acquisition took place on 31 March 2011, the current assets of the Enlarged Group would decrease from approximately HK$75.12 million to approximately HK$51.44 million and the net current assets of the Enlarged Group would dropped from approximately HK$49.21 million to net current liabilities of approximately HK$11.48 million.

Net assets

According to the Annual Report 2011, the audited net assets of the Group amounted to approximately HK$71.25 million as at 31 March 2011. As advised by the Directors, it is expected that there will not be significant effect on the net assets of the Group as a result of the Acquisition.

RECOMMENDATION

Having considered the above principal factors and reasons, we are of the view that (i) the terms of the Agreement are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned; and (ii) even though the Acquisition is not in the ordinary and usual course of business of the Company, the Acquisition is in the interests of the Company and the Shareholders as a whole.

Accordingly, we recommend the Independent Shareholders, as well as the Independent Board Committee to advise the Independent Shareholders, to vote in favour of the ordinary resolution(s) to be proposed at the SGM to approve the Agreement and the transactions contemplated thereunder. Therefore, we recommend the Independent Shareholders to vote in favour of the resolution(s) in this regard.

Yours faithfully,
For and on behalf of
Bridge Partners Capital Limited
Monica Lin
Managing Director

A. THREE- YEARS FINANCIAL INFORMATION

The financial information of the Group for (i) the three months ended 30 June 2011 is disclosed in the first quarterly report of the Company for the three months ended 30 June 2011 published on 12 August 2011, from pages 2 to 6; (ii) for the year ended 31 March 2011 is set out on pages 28 to 93 of the annual report of the Company for the year ended 31 March 2011 published on 30 June 2011; (iii) for the year ended 31 March 2010 is set out on pages 28 to 87 of the annual report of the Company for the year ended 31 March 2010 published on 30 June 2010; and (iv) for the year ended 31 March 2009 is set out on pages 28 to 81 of the annual report of the Company for the year ended 31 March 2009 published on 1 July 2009. All of the above annual reports and quarterly report have been published on the website of the Stock Exchange (www.hkex.com.hk) and the website of the Company (www.finet.hk).

B. INDEBTEDNESS STATEMENT

At the close of business on 31 July 2011, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this Circular, the Enlarged Group had outstanding indebtedness of approximately HK$49,826,000, comprising secured bank loans of approximately HK$49,538,000 and obligations under finance leases of approximately HK$288,000. As at 31 July 2011, the secured bank loans of approximately HK$2,681,000 were secured by legal charges over the Group's investment properties, and the secured bank loans of approximately HK$46,857,000 were secured by the legal charges over Pink Angel's investment properties and were guaranteed by the Vendor.

Save as disclosed above and apart from intra-group liabilities and normal trade payables in the ordinary course of business, the Enlarged Group did not have any outstanding loan capital issued or agreed to be issued, bank overdrafts, loans, debt securities or other similar indebtedness, liabilities under acceptance or acceptance credits, debentures, mortgages, charges, finance leases or hire purchase commitments, guarantees or other material contingent liabilities at the close of business on 31 July 2011.

There has been no material change in the indebtedness or contingent liabilities of the Group since 31 July 2011.

C. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors confirmed that there had been no material adverse change in the financial or trading position of the Group since the date to which the latest published audited financial statements of the Group were made up.

D. WORKING CAPITAL STATEMENT

The Directors, after due and careful consideration, are of the opinion that, taking into consideration the financial resources available to the Enlarged Group including internally generated funds, the existing available credit facilities and the net proceeds from the recently completed open offer, and in the absence of unforeseen circumstances, and upon Completion, the Enlarged Group will have sufficient working capital for its present requirements for at least twelve months from the date of this Circular.

HLB 國衛會計師事務所
Hodgson Impey Cheng
Chartered Accountants
Certified Public Accountants

31/F, Gloucester Tower
The Landmark
11 Pedder Street
Central
Hong Kong

21 September 2011

The Directors
Finet Group Limited

Dear Sirs,

We set out below our report on the financial information (the "Financial Information") regarding Pink Angel Investments Limited ("Pink Angel") for the period from 21 November 2007 (date of incorporation) to 31 March 2009, the years ended 31 March 2010 and 2011 (the "Relevant Periods"), for inclusion in the circular (the "Circular") dated 21 September 2011 issued by Finet Group Limited (the "Company") in connection with its proposed acquisition of the entire issued share capital of Pink Angel (the "Acquisition") by the Company pursuant to a sale and purchase agreement dated 29 August 2011.

Pink Angel was incorporated in the British Virgin Islands (the "BVI") as a limited liability company under the BVI Business Companies Act, 2004, of the BVI on 21 November 2007 with an authorized share capital of US$50,000 divided into 50,000 ordinary shares of US$1 each.

No audited financial statements have been issued for Pink Angel since the date of its incorporation as there is no such statutory requirement in the BVI.

For the purpose of this report, the directors of Pink Angel have prepared the financial statements of Pink Angel for the Relevant Periods in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") (the "Underlying Financial Statements").

We have undertaken an independent audit on the Underlying Financial Statements for the Relevant Periods in accordance with Hong Kong Standards on Auditing issued by the HKICPA. We have examined the Underlying Financial Statements in accordance with the Auditing Guideline 3.340 "Prospectuses and the Reporting Accountant" as recommended by the HKICPA.

The Financial Information of Pink Angel for the Relevant Periods set out in this report has been prepared from the Underlying Financial Statements. No adjustments to the Underlying Financial Statements for the Relevant Periods are considered necessary in the preparation of this report for inclusion in the Circular.

The Underlying Financial Statements are the responsibility of the directors of Pink Angel who approved their issue. The directors of the Company are responsible for the contents of the Circular in which this report is included. It is our responsibility to compile the Financial Information set out in this report from the Underlying Financial Statements, to form an independent opinion on the Financial Information and to report our opinion to you.

In our opinion, the Financial Information together with the notes thereto gives, for the purpose of this report, a true and fair view of the state of affairs of Pink Angel as at 31 March 2009, 2010 and 2011 and of the results and cash flows of Pink Angel for the Relevant Periods.

Without qualifying our opinion, we draw attention to note 3 to the Financial Information which indicates that, as of 31 March 2011, Pink Angel's total current liabilities exceeded its total current assets by HK$36,285,835. This condition, along with other matters as set forth in note 3, indicates the existence of a material uncertainty which may cast significant doubt about Pink Angel's ability to continue as a going concern.

A. FINANCIAL INFORMATION

STATEMENT OF COMPREHENSIVE INCOME

		For the period from 21 November 2007 to 31 March 2009	Year ended 31 March 2010	Year ended 31 March 2011
	Note	*HK$*	*HK$*	*HK$*
Revenue	6	886,322	353,640	1,016,715
Fair value (loss)/gain on investment properties	12	(15,742,090)	11,950,000	18,100,000
General and administrative expenses		(33,287)	(268,329)	(43,814)
Finance costs	7	(505,554)	(533,920)	(253,754)
(Loss)/Profit before income tax	8	(15,394,609)	11,501,391	18,819,147
Income tax (expense)/credit	9	(38,447)	74,766	(118,659)
(Loss)/Profit for the period/year attributable to owners of Pink Angel		(15,433,056)	11,576,157	18,700,488
Other comprehensive income for the period/year		—	—	—
Total comprehensive income for the period/year attributable to owners of Pink Angel		(15,433,056)	11,576,157	18,700,488

STATEMENT OF FINANCIAL POSITION

	Note	As at 31 March 2009 HK$	2010 HK$	2011 HK$
Non-current assets				
Property, plant and equipment	11	—	58,760	45,200
Investment properties	12	21,150,000	33,100,000	51,200,000
Deferred tax assets	17	—	93,654	—
		21,150,000	33,252,414	51,245,200
Current assets				
Prepayments		—	—	14,886
Cash and cash equivalents	13	44,585	167,739	307,029
Tax recoverable		—	—	104
		44,585	167,739	322,019
Total assets		21,194,585	33,420,153	51,567,219
Current liabilities				
Accruals and other payables	14	268,703	543,763	544,436
Amount due to the Vendor	15	16,203,270	17,973,270	18,853,270
Borrowings	16	20,039,221	18,624,684	17,210,148
Current tax liabilities		38,447	38,447	—
		36,549,641	37,180,164	36,607,854
Net current liabilities		(36,505,056)	(37,012,425)	(36,285,835)
Total assets less current liabilities		(15,355,056)	(3,760,011)	14,959,365
Non-current liabilities				
Deferred tax liabilities	17	—	18,888	37,776
Net (liabilities)/assets		(15,355,056)	(3,778,899)	14,921,589
Equity				
Capital and reserves attributable to the equity holders of Pink Angel				
Share capital	18	78,000	78,000	78,000
(Accumulated losses)/Retained profits		(15,433,056)	(3,856,899)	14,843,589
Total equity		(15,355,056)	(3,778,899)	14,921,589

STATEMENT OF CHANGES IN EQUITY

	Share capital	Reserve	(Accumulated losses)/ Retained profits	Total equity
	HK$	*HK$*	*HK$*	*HK$*
	(Note 18)			
Issuance of shares upon incorporation	78,000	—	—	78,000
Loss for the period	—	—	(15,433,056)	(15,433,056)
Balance at 31 March 2009	78,000	—	(15,433,056)	(15,355,056)
Profit for the year	—	—	11,576,157	11,576,157
Balance at 31 March 2010	78,000	—	(3,856,899)	(3,778,899)
Profit for the year	—	—	18,700,488	18,700,488
Balance at 31 March 2011	78,000	—	14,843,589	14,921,589

STATEMENT OF CASH FLOWS

	Note	For the period from 21 November 2007 to 31 March 2009	Year ended 31 March 2010	2011
		HK$	*HK$*	*HK$*
Cash flows from operating activities				
(Loss)/Profit before income tax		(15,394,609)	11,501,391	18,819,147
Adjustments for:				
— Depreciation of property, plant and equipment		—	9,040	13,560
— Interest expenses		505,554	533,920	253,754
— Fair value loss/(gain) on investment properties		15,742,090	(11,950,000)	(18,100,000)
Changes in working capital:				
— Prepayments		—	—	(14,886)
— Accruals and other payables		268,703	275,060	673
— Amount due to the Vendor		16,203,270	1,770,000	880,000
Cash generated from operations		17,325,008	2,139,411	1,852,248
Income tax paid		—	—	(44,668)
Interest paid		(505,554)	(533,920)	(253,754)
Net cash generated from operating activities		16,819,454	1,605,491	1,553,826
Cash flows from investing activities				
Acquisition of investment properties		(36,892,090)	—	—
Purchases of property, plant and equipment		—	(67,800)	—
Net cash used in investing activities		(36,892,090)	(67,800)	—
Cash flows from financing activities				
Proceeds from issuance of ordinary shares		78,000	—	—
Proceeds from bank loans		21,218,000	—	—
Repayments of bank loans		(1,178,780)	(1,414,537)	(1,414,536)
Net cash generated from/(used in) financing activities		20,117,220	(1,414,537)	(1,414,536)
Net increase in cash and cash equivalents		44,585	123,154	139,290
Cash and cash equivalents at beginning of period/year		—	44,585	167,739
Cash and cash equivalents at end of period/year	13	44,585	167,739	307,029

NOTES TO THE FINANCIAL INFORMATION

1 GENERAL INFORMATION

Pink Angel was incorporated in the British Virgin Islands (the "BVI") as a limited liability company under the BVI Business Companies Act, 2004, of the BVI on 21 November 2007 with an authorized share capital of US$50,000 divided into 50,000 ordinary shares of US$1 each. The principal activity of Pink Angel is property investment. The registered office of Pink Angel is Palm Grove House, P.O. Box 438, Road Town, Tortola, British Virgin Islands and its principal place of business is located at Room C, 11/F., Bank of East Asia, Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong.

The Financial Information is presented in Hong Kong dollars (HK$) which is the functional currency of Pink Angel.

2 APPLICATION OF HONG KONG FINANCIAL REPORTING STANDARDS

For the purpose of preparing and presenting the Financial Information for the Relevant Periods, Pink Angel has throughout the Relevant Periods consistently adopted Hong Kong Financial Reporting Standards ("HKFRS"), Hong Kong Accounting Standards ("HKAS"), amendments and interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), which are effective for annual periods beginning on or after 1 April 2010.

At the date of this report, the HKICPA has issued the following new and revised standards, amendments or interpretations that have been issued but are not yet effective:

HKFRSs (Amendments)	Improvements to HKFRSs issued in 2010[1]
HKFRS 1 (Amendments)	Limited exemption from Comparative HKFRS 7 Disclosures for First-time Adopters[2]
HKFRS 1 (Amendments)	Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters[4]
HKFRS 7 (Amendments)	Disclosures: Transfer of Financial Assets[4]
HKFRS 9	Financial Instruments[7]
HKFRS 10	Consolidated Financial Statements[7]
HKFRS 11	Joint Arrangements[7]
HKFRS 12	Disclosures of Interests in Other Entities[7]
HKFRS 13	Fair Value Measurement[7]
HKAS 1 (Amendments)	Presentation of Item of Other Comprehensive Income[6]
HKAS 12 (Amendments)	Deferred Tax: Recovery of Underlying Assets[5]
HKAS 19 (2011)	Employee Benefits[7]
HKAS 24 (Revised)	Related Party Disclosures[3]
HKAS 27 (2011)	Separate Financial Statements[7]
HKAS 28 (2011)	Investments in Associates and Joint Ventures[7]
HK (IFRIC) — Int 14 (Amendments)	Prepayments of a Minimum Funding Requirement[3]
HK (IFRIC) — Int 19	Extinguishing Financial Liabilities with Equity Instruments[2]

1 Effective for annual periods beginning on or after 1 July 2010 or 1 January 2011, as appropriate.
2 Effective for annual periods beginning on or after 1 July 2010.
3 Effective for annual periods beginning on or after 1 January 2011.
4 Effective for annual periods beginning on or after 1 July 2011.
5 Effective for annual periods beginning on or after 1 January 2012.
6 Effective for annual periods beginning on or after 1 July 2012.
7 Effective for annual periods beginning on or after 1 January 2013.

HKFRS 9 "Financial instruments" introduces new requirements for the classification and measurement of financial assets and will be effective from 1 January 2013, with earlier application permitted. The standard requires all recognized financial assets that are within the scope of HKAS 39 "Financial instruments: Recognition and measurement" to be measured at either amortized cost or fair value. Specifically, debt investments that (i) are held within a business model whose objective is to collect the contractual cash flows and (ii) have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortized cost. All other debt investments and equity investments are measured at fair value. The application of HKFRS 9 might affect the classification and measurement of the Pink Angel's financial assets.

The directors of Pink Angel anticipate that the application of the other new or revised standards, amendments and interpretations will have no material effect on how the results and financial position of Pink Angel are prepared and presented.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The Financial Information has been prepared in accordance with HKFRS issued by the HKICPA. In addition, the Financial Information includes applicable disclosures required by the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited and by the Hong Kong Companies Ordinance.

The Financial Information has been prepared under the historical cost convention, as modified by the revaluation of investment properties, which are carried at fair value.

The preparation of Financial Information in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying Pink Angel's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the Financial Information, are disclosed in Note 5.

Going concern

The financial information has been prepared on a going concern basis. As of 31 March 2011, Pink Angel's total current liabilities exceeded its total current assets by HK$36,285,835. Its continuance in business as a going concern is dependent upon the continuing financial support from its shareholder. Pink Angel's shareholder, Ms. Lo, has confirmed her intention to provide continuing financial support to Pink Angel so as to enable Pink Angel to meet its liabilities as and when they fall due and to continue as a going concern. Accordingly, the financial information has been prepared on a going concern basis.

Property, plant and equipment

Property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to Pink Angel and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Depreciation on property, plant and equipment is calculated using the straight-line method to allocate their costs to their residual values over their estimated useful lives, as follows:

Leasehold improvements: 5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains or losses on disposals are determined by comparing the proceeds with the carrying amount and recognized within "Other (losses)/gains - net" in the statement of comprehensive income. When revalued assets are sold, the amounts included in other reserves are transferred to retained earnings.

Investment properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by Pink Angel, is classified as investment property.

Investment property comprises land held under operating leases and buildings. Land held under operating leases are classified and accounted for as investment property when the rest of the definition of investment property is met.

Investment property is measured initially at its cost, including related transaction costs. After initial recognition, investment property is carried at fair value. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. These valuations are reviewed annually by external valuers.

The fair value of investment property reflects, among other things, rental income from current leases and assumptions about rental income from future leases in the light of current market conditions.

The fair value also reflects, on a similar basis, any cash outflows that could be expected in respect of the property. Some of those outflows are recognized as a liability, including finance lease liabilities in respect of land classified as investment property; others, including contingent rent payments, are not recognized in the financial statements.

Subsequent expenditure is charged to the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to Pink Angel and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed in the statement of comprehensive income during the financial period in which they are incurred.

Changes in fair values are recognized in the statement of comprehensive income, as part of other income and gains.

Gains or losses on disposal of an investment property are recognized in the statement of comprehensive income in the year of disposal.

Impairment of non-financial assets

Assets that have an indefinite useful life — for example goodwill or intangible assets not ready to use — are not subject to amortization and are tested annually for impairment. Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

Financial assets

Classification

Pink Angel classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivable and available-for-sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

(a) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Assets in this category are classified as current assets.

(b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. Pink Angel's loans and receivables comprise "cash and cash equivalents" in the statement of financial position.

(c) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the end of the reporting period.

Recognition and measurement

Regular way purchases and sales of financial assets are recognized on the trade-date - the date on which the Group commits to purchase or sell the asset. Investments are initially recognized at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognized at fair value, and transaction costs are expensed in the statement of comprehensive income. Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and Pink Angel has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets are subsequently carried at fair value. Loans and receivables are carried at amortized cost using the effective interest method.

Gains or losses arising from changes in the fair value of the "financial assets at fair value through profit or loss" category are presented in the statement of comprehensive income within "other (losses)/ gains — net" in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognized in the statement of comprehensive income as part of other income when Pink Angel's right to receive payments is established.

Changes in the fair value of monetary and non-monetary securities classified as available for sale are recognized in other comprehensive income.

When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognized in equity are included in the statement of comprehensive income as gains and losses from investment securities.

Interest on available-for-sale securities calculated using the effective interest method is recognized in the statement of comprehensive income as part of other income. Dividends on available-for-sale equity instruments are recognized in the statement of comprehensive income as part of other income when Pink Angel's right to receive payments is established.

Impairment of financial assets

(a) Assets carried at amortized cost

Pink Angel assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

The criteria that Pink Angel uses to determine that there is objective evidence of an impairment loss include:

- Significant financial difficulty of the issuer or obligor;
- A breach of contract, such as a default or delinquency in interest or principal payments;
- Pink Angel, for economic or legal reasons relating to the borrower's financial difficulty, granting to the borrower a concession that the lender would not otherwise consider;
- It becomes probable that the borrower will enter bankruptcy or other financial reorganization;
- The disappearance of an active market for that financial asset because of financial difficulties; or
- Observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the portfolio, including:

  (i) adverse changes in the payment status of borrowers in the portfolio;

  (ii) national or local economic conditions that correlate with defaults on the assets in the portfolio.

Pink Angel first assesses whether objective evidence of impairment exists.

For loans and receivables category, amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The asset's carrying amount of the asset is reduced and the amount of the loss is recognized in the statement of comprehensive income. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, Pink Angel may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized (such as an improvement in the debtor's credit rating), the reversal of the previously recognized impairment loss is recognized in the statement of comprehensive income.

(b) Assets classified as available for sale

Pink Angel assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. For debt securities, Pink Angel uses the criteria refer to (a) above. In the case of equity investments classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is also evidence that the assets are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognized in profit or loss — is removed from equity and recognized in the separate statement of comprehensive income. Impairment losses recognized in the separate statement of comprehensive income on equity instruments are not reversed through the separate statement of comprehensive income. If, in a subsequent period, the fair value of a debt instrument classified as available for sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognized in profit or loss, the impairment loss is reversed through the separate statement of comprehensive income.

Trade and other receivables

Trade and other receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment. A provision for impairment of trade and other receivables is established when there is objective evidence that Pink Angel will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the assets is reduced through the use of an allowance account, and the amount of the loss is recognized in the statement of comprehensive income. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited to the statement of comprehensive income.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and financial institutions, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statements of financial position.

Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

Borrowings

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the consolidated statement of comprehensive income over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognized in the statement of comprehensive income, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting period in the countries where Pink Angel operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognized, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Provisions

Provisions are recognized when Pink Angel has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

Revenue recognition

Pink Angel recognizes revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity, on the following bases:

(a) Rental income from property letting is recognized in the period in which the properties are let and on a straight-line basis over the lease terms.

Leases

Leases where substantially all the risks and rewards of ownership of assets remain with the lessors are accounted for as operating leases. Leases that substantially transfer to the lessees all the risks and rewards of ownership of assets are accounted for as finance leases.

Where Pink Angel is the lessor (operating leases)

When assets are leased out under an operating lease, the asset is included in the statement of financial position based on the nature of the asset.

Lease income is recognized over the term of the lease on a straight-line basis.

Contingent liabilities and contingent assets

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of Pink Angel. It can also be a present obligation arising from past events that is not recognized because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably. A contingent liability is not recognized but is disclosed in the notes to the financial statements. When a change in the probability of an outflow occurs so that outflow is probable, it will then be recognized as a provision.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain events not wholly within the control of Pink Angel. Contingent assets are not recognized but are disclosed in the notes to the financial statements when an inflow of economic benefits is probable. When inflow is virtually certain, an asset is recognized.

4 FINANCIAL RISK MANAGEMENT

4.1 Financial risk factors

Pink Angel's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. Pink Angel's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on Pink Angel's financial performance.

(a) Market risk

(i) Foreign exchange risk

Pink Angel has no significant transactional currency exposures. Pink Angel manages the foreign exchange exposure arising from its normal course of business activities and investments in foreign operations by funding its local operations and investments through cash flows generated from business transactions locally. Pink Angel currently does not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure closely and will consider hedging significant foreign currency exposure should the need arise.

(ii) Price risk

The directors consider that Pink Angel is not exposed to significant price risk during the Relevant Periods.

(iii) Cash flow and fair value interest rate risk

Pink Angel's exposure to the risk of changes in market interest rates relates primarily to Pink Angel's interest-bearing bank borrowings with floating interest rates.

Pink Angel's policy to manage its interest rate risk is to reduce or maintain its current level of interest-bearing borrowings. As Pink Angel does not expect to significantly increase its level of interest-bearing borrowings, it has not used any interest rate swaps to hedge its exposure to interest rate risk.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of Pink Angel's (loss)/profit before income tax (through the impact on floating rate borrowings) and Pink Angel's equity.

	Increase/ (decrease) in basis points	**Increase/ (decrease) in (loss)/profit before income tax**	**Increase/ (decrease) in equity***
		HK$	*HK$*
2011			
Hong Kong dollar	50	12,688	—
Hong Kong dollar	(50)	(12,688)	—
2010			
Hong Kong dollar	50	26,696	—
Hong Kong dollar	(50)	(26,696)	—
2009			
Hong Kong dollar	50	25,278	—
Hong Kong dollar	(50)	(25,278)	—

* *Excluding retained earnings*

(b) Credit risk

Pink Angel reviews the recoverability of its financial assets periodically to ensure that potential credit risk of the counterparty is managed at an early stage and sufficient provision is made for possible defaults. In addition, receivable balances are monitored on an ongoing basis and Pink Angel's exposure to bad debts is not significant.

Pink Angel has no significant concentrations of credit risk. The credit risk of Pink Angel's other financial assets, which comprise cash and cash equivalents arises from default of the counterparty, with a maximum exposure equal to the carrying amounts of these instruments.

(c) Liquidity risk

Ultimate responsibility for liquidity risk management rests with the board of directors of Pink Angel. It manages liquidity risk by maintaining adequate reserves and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The maturity profile of Pink Angel's financial liabilities as at the end of each of the Relevant Periods, based on the contractual undiscounted payments, was as follows:

	On demand or within 1 year	More than 1 year but less than 5 years	Over 5 years	Total
	HK$	*HK$*	*HK$*	*HK$*
2011				
Accruals and other payables	535,460	—	—	535,460
Amount due to the Vendor	18,853,270	—	—	18,853,270
Borrowings	17,210,148	—	—	17,210,148
2010				
Accruals and other payables	535,460	—	—	535,460
Amount due to the Vendor	17,973,270	—	—	17,973,270
Borrowings	18,624,684	—	—	18,624,684
2009				
Accruals and other payables	268,703	—	—	268,703
Amount due to the Vendor	16,203,270	—	—	16,203,270
Borrowings	20,039,221	—	—	20,039,221

For the purpose of managing liquidity risk, the management reviews the expected cash flow information of Pink Angel's borrowings based on the scheduled repayment dates set out in the loan agreements as set out in the table below:

	On demand or within 1 year	More than 1 year but less than 5 years	Over 5 years	Total
	HK$	*HK$*	*HK$*	*HK$*
2011				
Borrowings	1,414,536	5,658,144	10,137,468	17,210,148
2010				
Borrowings	1,414,536	5,658,144	11,552,004	18,624,684
2009				
Borrowings	1,414,536	5,658,144	12,966,541	20,039,221

4.2 Capital risk management

Pink Angel's objectives when managing capital are to safeguard Pink Angel's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, Pink Angel may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

Pink Angel monitors capital on the basis of the gearing ratio. This ratio is calculated as total borrowings divided by total equity, as shown in the statement of financial position. The gearing ratios at 31 March 2009, 2010 and 2011 were as follows:

	2009	2010	2011
	HK$	*HK$*	*HK$*
Total borrowings *(Notes 14, 15 and 16)*	36,247,491	36,602,954	36,068,418
Total equity	(15,355,056)	(3,778,899)	14,921,589
Gearing ratio	N/A	N/A	242%

4.3 Fair value estimation

The table below analyzes financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the assets or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

As at 31 March 2009, 2010 and 2011, Pink Angel did not have any assets and liabilities that are measured at the above fair value measurements hierarchy.

4.4 Financial instruments by category

The accounting policies for financial instruments have been applied to the line items below:

	2009	**2010**	**2011**
	HK$	*HK$*	*HK$*
Financial assets as per statement of financial position			
Loans and receivables:			
Cash and cash equivalents	44,585	167,739	307,029

	2009	**2010**	**2011**
	HK$	*HK$*	*HK$*
Financial liabilities as per statement of financial position			
Amortized cost:			
Financial liabilities included in accruals and other payables	268,703	535,460	535,460
Amount due to the Vendor	16,203,270	17,973,270	18,853,270
Borrowings	20,039,221	18,624,684	17,210,148
Total	36,511,194	37,133,414	36,598,878

5 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Pink Angel makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Estimated fair values of investment properties

The fair values of investment properties are determined annually by independent qualified valuers on market value, existing use basis calculated on the net income allowing for reversionary potential. In making the judgment, considerations have been given to assumptions that are mainly based on market conditions existing at the end of each of the Relevant Periods.

6 REVENUE AND SEGMENT INFORMATION

Revenue, which is also Pink Angel's turnover, represents the gross rental income received and receivables from property letting.

7 FINANCE COSTS

	For the period from 21 November 2007 to 31 March 2009	Year ended 31 March 2010	Year ended 31 March 2011
	HK$	*HK$*	*HK$*
Interest expenses on bank borrowings not wholly repayable within five years	505,554	533,920	253,754

8 (LOSS)/PROFIT BEFORE INCOME TAX

(Loss)/Profit before income tax is arrived at after charging:

	For the period from 21 November 2007 to 31 March 2009	Year ended 31 March 2010	Year ended 31 March 2011
	HK$	*HK$*	*HK$*
Auditors' remuneration	—	—	—
Directors' remuneration	—	—	—
Depreciation of property, plant and equipment	—	9,040	13,560
Staff costs *(note)*	—	—	—

Note: Throughout the Relevant Periods, no staff has been employed by Pink Angel.

9 INCOME TAX

Hong Kong profits tax is calculated at the rate of 16.5% on the estimated assessable profit arising in or derived from Hong Kong for the Relevant Periods.

	For the period from 21 November 2007 to 31 March 2009	Year ended 31 March 2010	2011
	HK$	*HK$*	*HK$*
Current tax — Hong Kong profits tax	38,447	—	6,118
Deferred tax *(Note 17)*	—	(74,766)	112,541
Income tax expense/(credit)	38,447	(74,766)	118,659

The tax on Pink Angel's (loss)/profit before income tax differs from the theoretical amount that would arise using the Hong Kong profits tax rate of 16.5% as follows:

	For the period from 21 November 2007 to 31 March 2009	Year ended 31 March 2010	2011
	HK$	*HK$*	*HK$*
(Loss)/Profit before income tax	(15,394,609)	11,501,391	18,819,147
Tax calculated at Hong Kong profits tax rate	(2,540,110)	1,897,729	3,105,159
Tax effect of temporary differences not recognized	(18,888)	(745)	—
Effect of revaluation of properties	2,597,445	(1,971,750)	(2,986,500)
Income tax expense/(credit)	38,447	(74,766)	118,659

10 DIVIDEND

No dividend has been paid or declared by Pink Angel since its incorporation on 21 November 2007.

11 PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvements *HK$*	Total *HK$*
At 31 March 2009 and 1 April 2009, net of accumulated depreciation	—	—
Addition	67,800	67,800
Depreciation provided for the year	(9,040)	(9,040)
Closing net book amount	58,760	58,760
At 31 March 2010		
Cost	67,800	67,800
Accumulated depreciation	(9,040)	(9,040)
Net book amount	58,760	58,760
At 31 March 2010 and 1 April 2010, net of accumulated depreciation	58,760	58,760
Depreciation provided for the year	(13,560)	(13,560)
Closing net book amount	45,200	45,200
At 31 March 2011		
Cost	67,800	67,800
Accumulated depreciation	(22,600)	(22,600)
Net book amount	45,200	45,200

12 INVESTMENT PROPERTIES

	As at 31 March		
	2009 *HK$*	**2010** *HK$*	**2011** *HK$*
Beginning of the period/year	—	21,150,000	33,100,000
Addition	36,892,090	—	—
Fair value (loss)/gain	(15,742,090)	11,950,000	18,100,000
End of the period/year	21,150,000	33,100,000	51,200,000

The fair values of the investment properties at 31 March 2009, 2010 and 2011 were arrived at on the basis of a valuation carried out at that date by LCH (Asia-Pacific) Surveyors Limited, an independent professional surveyor, on market value, existing use basis calculated on the net income allowing for reversionary potential.

Pink Angel's investment properties are situated in Hong Kong and are held under long term leases.

At 31 March 2009, 2010 and 2011, bank loans (Note 16) are secured by the above investment properties with carrying amounts of HK$21,150,000, HK$33,100,000 and HK$51,200,000 respectively.

The future aggregate minimum rentals receivable under non-cancelable operating leases are as follows:

	As at 31 March		
	2009	**2010**	**2011**
	HK$	*HK$*	*HK$*
Not later than 1 year	—	1,016,715	884,100
Later than 1 year and no later than 5 years	—	884,100	—
	—	1,900,815	884,100

13 CASH AND CASH EQUIVALENTS

The bank balance is deposited with creditworthy bank with no recent history of default.

14 ACCRUALS AND OTHER PAYABLES

	As at 31 March		
	2009	**2010**	**2011**
	HK$	*HK$*	*HK$*
Accrual	5,000	5,000	5,000
Rental deposits received	263,703	530,460	530,460
Receipt in advance	—	8,303	8,976
	268,703	543,763	544,436

15 AMOUNT DUE TO THE VENDOR

	As at 31 March		
	2009	**2010**	**2011**
	HK$	*HK$*	*HK$*
Ms. Lo Yuk Yee	16,203,270	17,973,270	18,853,270

The amount due represented cash advances to Pink Angel, which were non-trade in nature. The amount due is unsecured, non-interest bearing and repayable on demand.

16 BORROWINGS

	As at 31 March		
	2009	**2010**	**2011**
	HK$	*HK$*	*HK$*
Current liabilities			
Secured bank loans — floating rates	20,039,221	18,624,684	17,210,148

The scheduled principal repayment dates of Pink Angel with reference to the loan agreements and ignore the effect of any repayment on demand clause are as follows:

	2009	2010	2011
The bank loans are repayable as follows:			
Within 1 year	1,414,536	1,414,536	1,414,536
Between 1 and 2 years	1,414,536	1,414,536	1,414,536
Between 2 and 5 years	4,243,608	4,243,608	4,243,608
Over 5 years	12,966,541	11,552,004	10,137,468
	20,039,221	18,624,684	17,210,148

The bank loans are secured by charges over the investment properties of Pink Angel and by unlimited personal guarantee issued by the Vendor.

As at 31 March 2011, 31 March 2010 and 31 March 2009, the interest rates (which are also equal to contracted interest rates) on the floating rate bank loans are the HIBOR plus 1.25%, HIBOR plus 1.25%, HIBOR plus 2.75% per annums respectively.

The carrying amounts of the bank loans approximate their fair values, as the impact of discounting is not significant.

The carrying amounts of the bank loans are denominated in Hong Kong dollars.

17 DEFERRED TAX ASSETS/LIABILITIES

The movement on the deferred tax assets account is as follows:

	As at 31 March		
	2009	**2010**	**2011**
	HK$	*HK$*	*HK$*
Beginning of the period/year	—	—	93,654
Credited/(Charged) to statement of comprehensive income	—	93,654	(93,654)
End of the period/year	—	93,654	—

The deferred tax assets are attributable to the unused tax loss recognised.

The movement on the deferred tax liabilities account is as follows:

	As at 31 March		
	2009	2010	2011
	HK$	*HK$*	*HK$*
Beginning of the period/year	—	—	18,888
Charged to statement of comprehensive income	—	18,888	18,888
End of the period/year	—	18,888	37,776

The deferred tax liabilities are attributable to the accelerated tax depreciation.

18 SHARE CAPITAL

	As at 31 March		
	2009	2010	2011
Authorized:			
50,000 ordinary shares of US$1 each	US$50,000	US$50,000	US$50,000
Equivalent to	HK$390,000	HK$390,000	HK$390,000
Issued and fully paid:			
10,000 ordinary shares of US$1 each	US$10,000	US$10,000	US$10,000
Equivalent to	HK$78,000	HK$78,000	HK$78,000

19 OPERATING LEASE COMMITMENTS

Pink Angel leases certain of its office properties under operating lease arrangements. Leases for properties are negotiated for terms ranging from one to two years.

At the end of each of the Relevant Periods, the future aggregate minimum lease receivables under non-cancelable operating leases are as follows:

	As at 31 March		
	2009	2010	2011
	HK$	*HK$*	*HK$*
No later than 1 year	—	1,016,715	884,100
Later than 1 year and no later than 5 years	—	884,100	—
	—	1,900,815	884,100

20 EVENTS AFTER THE REPORTING PERIOD

On 27 April 2011, Pink Angel has been granted by a licensed bank a banking facility in the principal amount of HK$15,000,000, which is secured by charges over the investment properties of Pink Angel and an unlimited guarantee from the Vendor.

21 SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements of Pink Angel have been prepared in respect of any period subsequent to 31 March 2011.

Yours faithfully,
HLB Hodgson Impey Cheng
Chartered Accountants
Certified Public Accountants
Hong Kong

1. UNAUDITED PRO FORMA STATEMENT OF ASSETS AND LIABILITIES OF THE ENLARGED GROUP

The following is the unaudited pro forma statement of assets and liabilities of the Enlarged Group (the "Unaudited Pro Forma Financial Information of the Enlarged Group") which has been prepared in accordance with Rule 7.31 of the GEM Listing Rules, for illustrative purposes only, to provide information about how the Acquisition might have affected the net assets of the Group as if these transactions had taken place on 31 March 2011.

The Unaudited Pro Forma Financial Information of the Enlarged Group has been prepared for illustrative purposes only, based on the judgments and assumptions of the directors of the Company, and, because of its hypothetical nature, does not provide any assurance or indication that any event will take place in the future and may not be indicative of the financial position of the Group as at 31 March 2011 or any future date.

	The Group as at 31 March 2011	**Pink Angel as at 31 March 2011**	**Pro forma adjustments**	*Notes*	**Proforma Enlarged Group**
	HK$'000	*HK$'000*	*HK$'000*		*HK$'000*
	(Note 1)	*(Note 2)*			
Non-current assets					
Property, plant and equipment	3,911	45			3,956
Investment properties	25,848	51,200	5,900	3	82,948
Intangible assets	950	—			950
Goodwill	—	—	3,179	4	3,179
Statutory deposits and other assets	405	—			405
Available-for-sale financial assets	484	—			484
	31,598	51,245			91,922
Current assets					
Accounts receivable	6,681	—			6,681
Prepayments, deposits and other receivables	8,308	15			8,323
Held for trading investments	30,879	—			30,879
Client trust bank balances	9,145	—			9,145
Cash and cash equivalents	20,105	307	(24,000)	5	(3,588)
	75,118	322			51,440
Current liabilities					
Accounts payable	14,664	—			14,664
Amount due to the Vendor	—	18,853			18,853
Accruals and other payables	8,822	544	402	6	9,768
Deferred income	1,827	—			1,827
Finance lease payables — due within one year	345	—			345
Borrowings — due within one year	249	17,211			17,460
	25,907	36,608			62,917

	The Group as at 31 March 2011 HK$'000 (Note 1)	Pink Angel as at 31 March 2011 HK$'000 (Note 2)	Pro forma adjustments HK$'000	Notes	Proforma Enlarged Group HK$'000
Non-current liabilities					
Finance lease payables — due over one year	177	—			177
Borrowings — due after one year	2,514	—			2,514
Deferred tax liabilities	6,870	38			6,908
	9,561	38			9,599
Net assets	71,248	14,921			70,846

Notes:

1. The figures have been extracted from the audited consolidated statement of financial position of the Group as at 31 March 2011 as disclosed in the published annual report of the Company for the year ended 31 March 2011.

2. The figures have been extracted from the audited statement of financial position of Pink Angel as at 31 March 2011 as disclosed in Appendix II "Financial Information on Pink Angel" to this Circular.

3. This represents the fair value adjustment of the investment properties of Pink Angel based on the valuation report as set out in Appendix IV "Property Valuation" to this Circular and is calculated as follows:

	HK$'000
Fair value of investment properties as at 19 August 2011	57,100
Less: Fair value of investment properties as at 31 March 2011	(51,200)
Fair value adjustment	5,900

4. This represents the goodwill arising from the Acquisition and is calculated as follows:

	HK$'000
Consideration for acquisition of Pink Angel	24,000
Less: Net fair value of identifiable assets and liabilities *(note (i))*	(20,821)
Goodwill	3,179

(i) The net fair value of identifiable assets and liabilities of Pink Angel, based on the carrying amounts of its assets and liabilities as at 31 March 2011 of approximately HK$14,921,000 and adjusted by the fair value changes in investment properties of approximately HK$5,900,000 *(note 3)*.

Since the fair value of assets and liabilities of Pink Angel at the Completion date of the Acquisition substantially different from the fair values used in the preparation of the Unaudited Pro Forma Financial Information of the Enlarged Group, the actual amounts of net fair value of identifiable assets and liabilities and goodwill to be recognised arising from the Acquisition may be different from the amounts stated in this Appendix III.

5. The Consideration of HK$24,000,000 is to be satisfied by cash and comprises the refundable deposit of HK$2,400,000 which has been paid in full at 29 August 2011; and the remaining of HK$21,600,000 (subject to adjustment) shall be payable within 15 Business Days after the Completion Date. For the purpose of preparation of the Unaudited Pro Forma Financial Information of the Enlarged Group, it has been assumed that the Consideration of HK$24,000,000 was settled by cash at 31 March 2011.

   Since the actual dates of settlement of the Consideration will be different from the assumptions used in the preparation of the Unaudited Pro Forma Financial Information of the Enlarged Group presented above, the actual financial position arising from the Acquisition may be different from the financial position shown in this Appendix.

6. This represents the legal and professional fees of approximately HK$402,000 which are directly attributable to the Acquisition.

7. The pro forma financial information of the Enlarged Group does not take account of any trading or other transactions subsequent to the date of the financial statements included in the pro forma financial information of the Enlarged Group (i.e. 31 March 2011). In particular, no adjustment has been made to reflect the open offer which was announced by the Company on 18 April 2011 and completed in around June 2011. On 20 May 2011, the Company implemented the share consolidation of every five issued and unissued share of HK$0.05 each in the share capital of the Company into one consolidated share of HK$0.25 each. On 8 June 2011, the Company completed the open offer on the basis of four offer shares for every one consolidated share, resulting in the issue of 352,655,104 shares of HK$0.25 each at the subscription price of HK$0.25 per offer share, from which the Company raised net proceeds of approximately HK$85 million.

2. ACCOUNTANTS' REPORT ON THE UNAUDITED PRO FORMA STATEMENT OF ASSETS AND LIABILITIES OF THE ENLARGED GROUP

The following is the text of a report received from the auditors of the Company, HLB Hodgson Impey Cheng, Chartered Accountants, Certified Public Accountants, Hong Kong, addressed to the directors of the Company and prepared for the sole purpose of inclusion in this circular.

HLB 國衛會計師事務所
Hodgson Impey Cheng
Chartered Accountants
Certified Public Accountants

31/F, Gloucester Tower
The Landmark
11 Pedder Street
Central
Hong Kong

21 September 2011

The Directors
Finet Group Limited

Dear Sirs,

ACCOUNTANTS' REPORT ON THE UNAUDITED PRO FORMA STATEMENT OF ASSETS AND LIABILITIES OF THE ENLARGED GROUP

INTRODUCTION

We report on the unaudited pro forma statement of assets and liabilities (the "Unaudited Pro Forma Financial Information") of Finet Group Limited (the "Company") and its subsidiaries (the "Group") and Pink Angel Investments Limited (collectively referred to as the "Enlarged Group"), which has been prepared by the directors of the Company for illustrative purposes only, to provide information about how the proposed acquisition of the entire issued share capital of Target Company (the "Acquisition"), might have affected the net assets of the Group as if these transactions had taken place on 31 March 2011, for inclusion in the Company's circular dated 21 September 2011 (the "Circular"). The basis of preparation of the Unaudited Pro Forma Financial Information of the Enlarged Group is set out in Section 1 of Appendix III of the Circular.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS OF THE COMPANY AND REPORTING ACCOUNTANTS

It is the responsibility solely of the directors of the Company to prepare the Unaudited Pro Forma Financial Information of the Enlarged Group in accordance with Rule 7.31 of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the "GEM Listing Rules") and with reference to

Accounting Guideline 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

It is our responsibility to form an opinion, as required by Rule 7.31(7) of the GEM Listing Rules, on the Unaudited Pro Forma Financial Information of the Enlarged Group and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information of the Enlarged Group beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

BASIS OF OPINION

We conducted our engagement in accordance with Hong Kong Standard on Investment Circular Reporting Engagements (HKSIR) 300 "Accountants' Reports on Pro Forma Financial Information in Investment Circulars" issued by the HKICPA. Our work consisted primarily of comparing the unadjusted financial information with source documents, considering the evidence supporting the adjustments and discussing the Unaudited Pro Forma Financial Information of the Enlarged Group with the directors of the Company. This engagement did not involve independent examination of any of the underlying financial information.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Unaudited Pro Forma Financial Information of the Enlarged Group has been properly compiled by the directors of the Company on the basis stated, that such basis is consistent with the accounting policies of the Group and that the adjustments are appropriate for the purposes of the Unaudited Pro Forma Financial Information of the Enlarged Group as disclosed pursuant to Rule 7.31(1) of the GEM Listing Rules.

The Unaudited Pro Forma Financial Information of the Enlarged Group is for illustrative purposes only, based on the judgments and assumptions of the directors of the Company, and, because of its hypothetical nature, does not provide any assurance or indication that any event will take place in the future and may not be indicative of the financial position of the Group as at 31 March 2011 or any future date.

OPINION

In our opinion:

a. the Unaudited Pro Forma Financial Information of the Enlarged Group has been properly compiled by the directors of the Company on the basis stated;

b. such basis is consistent with the accounting policies of the Group; and

c. the adjustments are appropriate for the purposes of the Unaudited Pro Forma Financial Information of the Enlarged Group as disclosed pursuant to Rule 7.31(1) of the GEM Listing Rules.

Yours faithfully,
HLB Hodgson Impey Cheng
Chartered Accountants
Certified Public Accountants
Hong Kong

The following is the text of a letter and a valuation certificate prepared for the purpose of incorporation in this circular received from LCH (Asia-Pacific) Surveyors Limited, an independent professional surveyor, in connection with its valuation as at 19 August 2011 of the property interest to be acquired by the Group.

利駿行測量師有限公司
LCH (Asia-Pacific) Surveyors Limited
PROFESSIONAL SURVEYOR
PLANT AND MACHINERY VALUER
BUSINESS & FINANCIAL SERVICES VALUER

The readers are reminded that the report which follows has been prepared in accordance with the guidelines set by the HKIS Valuation Standards on Properties, First Edition, 2005 (the "HKIS Standards") published by The Hong Kong Institute of Surveyors ("The HKIS"). The standards entitle the valuers to make assumptions which may on further investigation, for instance by the readers' legal representative, prove to be inaccurate. Any exception is clearly stated below. Headings are inserted for convenient reference only and have no effect in limiting or extending the language of the paragraphs to which they refer. Translation of terms in English or in Chinese are for readers' identification purpose only and have no legal status or implication in this report. This report is prepared and signed off in English format, translation of this report in language other than English shall only be used as a reference and should not be regarded as a substitute to this report. Piecemeal reference to this report is considered to be inappropriate and no responsibility is assumed from our part for such piecemeal reference. It is emphasised that the findings and conclusion presented below are based on the documents and facts known to the valuers at the date of this report. If additional documents and facts are made available, the valuers reserve the right to amend this report and its conclusions.

17th Floor
Champion Building
Nos. 287–291 Des Voeux Road Central
Hong Kong

21 September 2011

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

Dear Sirs,

In accordance with the instructions given by the management of Finet Group Limited (hereinafter referred to as the "Company") to us to value a property in which the Company and its subsidiaries (collectively, hereinafter together with the Company referred to as the "Group") intend to acquire in Hong Kong, we confirm that we have conducted inspections, made relevant enquiries and obtained such further information as we consider necessary to support our findings and our conclusion of value of the property interest as at 19 August 2011 (hereinafter referred to as the "Date of Valuation") for the Company's internal management reference purpose.

We understand that the use of our work product (regardless of form of presentation) will form part of the Company's due diligence but we have not been engaged to make specific sale or purchase recommendations, or give opinion for financing arrangement. We further understand that the use of our work product will not supplant other due diligence which the management of the Company should conduct in reaching its business decision regarding the property valued. Our work is designed solely to provide information that will give the management of the Company a reference in its due diligence process, and our work should not be the only factor to be referenced by the Company.

At the request of the management of the Company, we prepared this summary report (including this letter and a valuation certificate) to summarise our findings and conclusions as documented in the valuation report for the purpose of inclusion in this circular at today's date for the Company's shareholders' reference. Terms herein used without definition shall have the same meanings as in the valuation report, and the assumptions and caveats adopted in the valuation report also applied to this summary report.

BASIS OF VALUATION AND ASSUMPTIONS

According to the HKIS Standards, there are two valuation bases, namely market value basis and valuation bases other than market value. In this engagement, we have provided our conclusion of value of the property on market value basis.

The term "Market Value" is defined by the HKIS Standards as "the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion".

Unless otherwise stated, our valuation of the property interest has been made on the assumptions that, as at the Date of Valuation,

1. the legally interested party in the property has free and uninterrupted rights to assign its relevant property interest for the whole of the unexpired terms as granted, and any premium payable have already been fully paid; and

2. the legally interested party in the property sells its relevant property interest in the market in its existing state without the benefit of a deferred terms contract, leaseback, joint venture, management agreement or any other similar arrangement which could serve to increase the value of the property interest.

Should any of the above not be the case, it will have adverse impact to the value as reported.

APPROACH TO VALUE

There are three generally accepted approaches in arriving at the market value of a property on an absolute title basis, namely the Sales Comparison Approach (or known as the Market Approach), the Cost Approach and the Income Approach.

In valuing the property, we have adopted the investment method of the Income Approach (or sometimes referred to as a method of the Market Approach for the reversionary interests and the rate of return are market-derived) by taking into account the current rent receivable from the existing tenancy agreement and the reversionary potential of the property interest. The underlying assumption of this method is that an investor will pay no more for the property than he or she would have to be paid for another property with an income stream of comparable amount, duration, and certainty.

MATTERS THAT MIGHT AFFECT THE VALUE REPORTED

No allowance has been made in our valuation for any charges, mortgages, outstanding premium or amounts owing on the property valued nor any expenses or taxation which may incurred in effecting a sale. Unless otherwise stated, it is assumed that the property is free from encumbrances, restrictions, and outgoings of an onerous nature which could affect its value.

In our valuation, we have assumed that the property is able to be sold and purchased in the market without any legal impediment (especially from the regulators). Should this not be the case, it will affect the reported value significantly. The readers are reminded to have their own legal due diligence work on such issues. No responsibility or liability is assumed.

As at the Latest Practicable Date of this circular, we were unable to identify any adverse news against the property which may affect the reported value in our work product. Thus, we are not in the position to report and comment on its impact (if any) to the property. However, should it be established subsequently that such news did exist at the Date of Valuation, we reserve the right to adjust the value reported herein.

ESTABLISHMENT OF TITLES

We have caused searches to be made at the Land Registry of Hong Kong and we have been provided with copy of the tenancy agreement regarding the property. We have not examined the original documents to verify the ownership and encumbrances, or to ascertain the existence of any agreement amendments which may not appear on the copies handed to us. We are not legal professionals and are not qualified to ascertain the titles and to report any encumbrances that may be registered against the property. All documents and agreement have been used as reference only. No responsibility and liability is assumed.

INSPECTIONS AND INVESTIGATIONS OF THE PROPERTY IN ACCORDANCE WITH VALUATION STANDARD 4 OF THE HKIS STANDARDS

We have conducted inspections to the exterior, and where possible, the interior of the property in respect of which we have been provided with such information as we have requested for the purpose of this engagement. We have not inspected those parts of the property which were covered, unexposed or inaccessible and such parts have been assumed to be in a reasonable condition. We cannot express an opinion about or advise upon the condition of uninspected parts and our work product should not be taken as making any implied representation or statement about such parts. No structural survey, investigation or examination has been made, but in the course of our inspections we did not note any serious defects in the property inspected. We are not, however, able to report that the property is free from rot, infestation or any other structural defects. No tests were carried out to the utilities (if any) and we are unable to identify those utilities covered, unexposed or inaccessible.

We have not carried out on-site measurements to verify the correctness of the areas of the property, but have assumed that the areas and the official layout plans shown on the documents handed to us are correct. All dimensions, measurements and areas are approximations.

We have not arranged for any investigation to be carried out to determine whether or not any deleterious or hazardous material has been used in the construction of the property, or has since been incorporated, and we are therefore unable to report that the property is free from risk in this respect, and therefore we have not considered such factor in our valuation.

SOURCES OF INFORMATION AND ITS VERIFICATION IN ACCORDANCE WITH VALUATION STANDARD 5 OF THE HKIS STANDARDS

In the course of our work, we have provided with copies of the documents regarding the property, and these copies have been referenced without further verifying with the relevant bodies and/or authorities. Our procedures to value did not require us to conduct any searches or inspected the original documents to verify ownership or to verify any amendment which may not appear on the copies handed to us. We need to state we are not legal professional, therefore, we are not in the position to advise and comment on the legality and effectiveness of the documents provided by the management of the Company.

We have relied solely on the information provided by the management of the Company or its appointed personnel without further verification and have fully accepted advice given to us on such matters as planning approvals or statutory notices, locations, titles, easements, tenure, occupation, lettings, rentals, site and floor areas and all other relevant matters.

The scope of valuation has been determined by reference to the property list provided by the management of the Company. The property on the list has been included in our valuation. The management of the Company has confirmed to us that the Target Company (as defined in this Circular) has no property interest other than those specified on the list supplied to us.

Information furnished by others, upon which all or portions of our report are based, is believed to be reliable but has not been verified in all cases. Our procedures to value or work do not constitute an audit, review, or compilation of the information provided. Thus, no warranty is made nor liability is assumed for the accuracy of any data, advice, opinions, or estimates identified as being furnished by others which have been used in formulating our report.

When we adopted the work products from other professions, external data providers and the management of the Company or its appointed personnel in our works, the assumptions and caveats adopted by them in arriving at their figures also apply in this report. The procedures we have taken do not provide all the evidence that would be required in an audit and, as we have not performed an audit, accordingly, we do not express an audit opinion.

We are unable to accept any responsibility for the information that has not been supplied to us by the management of the Company or its appointed personnel. Also, we have sought and received confirmation from the management of the Company or its appointed personnel that no materials factors have been omitted from the information supplied. Our analysis and valuation are based upon full disclosure between us and the Company of material and latent facts that may affect our work.

We have had no reason to doubt the truth and accuracy of the information provided to us by the management of the Company or its appointed personnel. We consider that we have been provided with sufficient information to reach an informed view, and have had no reason to suspect that any material information has been withheld.

Unless otherwise stated, all monetary amounts are in Hong Kong dollars ("HK$").

LIMITING CONDITIONS IN THIS SUMMARY REPORT

Our findings and conclusion of value of the property in this summary report are valid only for the stated purpose and only for the Date of Valuation, and for the sole use of the named Company. We or our personnel shall not be required to give testimony or attendance in court or to any government agency by reason of this summary report, and the valuers accept no responsibility whatsoever to any other person.

Our valuation has been made on the assumption that no unauthorised alteration, extension or addition has been made in the property, and that the inspections and the use of this report do not purport to be a building survey of the property. We have assumed that the property is free of rot and inherent danger or unsuitable materials and techniques.

No responsibility is taken for changes in market conditions and local government policy, and no obligation is assumed to revise this summary report to reflect events or conditions, which occur or make known to us subsequent to the date hereof.

Neither the whole nor any part of this summary report or any reference made hereto may be included in any published documents, circular or statement, or published in any way, without our written approval of the form and context in which it may appear. Nonetheless, we consent to the publication of this summary report in this circular to the Company's shareholders' reference.

Our maximum liability relating to services rendered under this engagement (regardless of form of action, whether in contract, negligence or otherwise) shall be limited to the charges paid to us for the portion of its services or work products giving rise to liability. In no event shall we be liable for consequential, special, incidental or punitive loss, damage or expense (including without limitation, lost profits, opportunity costs, etc.), even if it has been advised of their possible existence.

The Company is required to indemnify and hold us and our personnel harmless from any claims, liabilities, costs and expenses (including, without limitation, attorney's fees and the time of our personnel involved) brought against, paid or incurred by us at a time and in any way based on the information made available in connection with our report except to the extent that any such loses, expenses, damages or liabilities are ultimately determined to be the result of gross negligence of our engagement team in conducting its work. This provision shall survive even after the termination of this engagement for any reason.

STATEMENTS

Our report is prepared in line with the requirements contained in Chapter 8 of the Rules Governing the Listing Securities on The Growth Enterprise Market of The Stock Exchange of Hong Kong Limited as well as the guidelines contained in the HKIS Standards. The work has been undertaken by valuers (see End Notes), acting as external valuers, qualified for the purpose of the valuation.

We retain a copy of this report together with the data from which it was prepared, and these data and documents will, according to the Laws of Hong Kong, keep for a period of 6 years from the date of this report and to be destroyed thereafter. We considered these records confidential, and we do not permit access to them by anyone, with the exception for law enforcement authorities or court order, without the Company's authorisation and prior arrangement made with us. Moreover, we will add the Company's information into our client list for our future reference.

The valuation of the property depends solely on the assumptions made in our report and not all of which can be easily quantified or ascertained exactly. Should some or all of the assumptions prove to be inaccurate at a later date, it will affect the reported value significantly.

We hereby certify that the fee for this service is not contingent upon our conclusion of value and we have no significant interest in the property, the Group, the Target Company or the value reported.

The valuation certificate is attached.

Yours faithfully,
For and on behalf of
LCH (Asia-Pacific) Surveyors Limited

Elsa Ng Hung Mui
B.Sc. M.Sc. RPS(GP)
Director

Yuki Chan Wan Yuk
B.Com RPS(GP)
Associate Director

Contributing valuer:
Terry Fung Chi Hang *B.Sc. M.Sc.*

Notes:

1. Ms. Elsa Ng Hung Mui is a Registered Professional Surveyor who has been conducting valuation of real estate properties since 1994. She has rich experience in valuing properties in Hong Kong and the mainland China. She is a Member of The HKIS and a valuer on the List of Property Valuers for Undertaking Valuation for Incorporation or Reference in Listing Particulars and Circulars and Valuation in Connection with Takeovers and Mergers published by The HKIS.

2. Ms Yuki Chan Wan Yuk is a Member of The HKIS, an Associate Member and a Certified Practising Valuer of The Australian Property Institute, who has more than 6 years of experience in valuing properties in Hong Kong and more than 4 years of experience in valuing properties in the PRC.

3. Mr Terry Fung Chi Hang is a graduate surveyor who has been involved in valuation of real estate properties both in Hong Kong and in the PRC for more than 6 years. He obtained a Master Degree in Real Estate and involved in various assets valuations, mine valuation and agriculture property assets valuation.

VALUATION CERTIFICATE

Property to be acquired by the Group in Hong Kong for investment and valued on market value basis

Property	Description and tenure	Particulars of occupancy	Amount of valuation in its existing state as at 19 August 2011 *HK$*
Units 901 and 920 on 9th Floor China Merchants Tower Shun Tak Centre Nos. 168–200 Connaught Road Central Hong Kong 40/33,888th shares of and in Inland Lot No. 8517 (the "Lot")	The property comprises 2 adjoining office units on the 9th Floor of a 39-storey commercial building plus 3 levels of basement which was completed in about 1985. The property has a total saleable area of approximately 180.23 sq. m. (or 1,940 sq. ft.). The Lot is subject to a Conditions of Grant No. UB11612 for a term of 75 years renewable for 75 years commencing from 31 December 1980. The annual rent payable for the Lot is HK$1,000.	As inspected and confirmed by the management of the Company, as at the Date of Valuation, the property was subject to a tenancy agreement for office purpose. *(See Note 3)*	57,100,000 (100 per cent.)

Notes:

1. The registered owner of the property is Pink Angel Investments Limited vide an Assignment dated 15 May 2008 and registered in the Land Registry by Memorial No. 08052200030030 on 22 May 2008 at a consideration of HK$35,640,000.

2. The property is subject to the following encumbrances:

   (i) a mortgage in favour of The HongKong and Shanghai Banking Corporation Limited dated 15 May 2008 and registered in the Land Registry by a Memorial No. 08052200030044 on 22 May 2008; and

   (ii) a rental assignment in favour of The HongKong and Shanghai Banking Corporation Limited dated 15 May 2008 and registered in the Land Registry by a Memorial No. 08052200030052 on 22 May 2008.

3. Pursuant to a tenancy agreement signed between Pink Angel Investments Limited and Money Swap Exchange Limited (hereinafter referred to as "Tenant") dated 30 March 2010, the property was leased to the Tenant for a term of 2 years commencing from 19 November 2009 to 18 November 2011 at a monthly rental of HK88,410, exclusive of air-conditioning charge, management fee, government rent and rates. Moreover, the Tenant has the first option to renew the tenancy agreement for a further term of 2 years at the then market rent. According to the information made available to us, the tenant exercised the option to renew the tenancy agreement for a term of 1 year (commencing from 19 November 2011 and to be expired on 18 November 2012) at a monthly rental of approximately HK$128,784 exclusive of management fee, air-conditioning charge, rates and other tenant's outgoings with a rent free period of 1 month (effective as from 19 October 2012 to 18 November 2012).

1. RESPONSIBILITY STATEMENT

This document, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief the information contained in this document is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this document misleading.

2. DISCLOSURE OF INTERESTS

(a) Directors' and Chief Executive's interests and short positions in the shares and underlying Shares

As at the Latest Practicable Date, the interests and short positions of the Directors or the chief executive of the Company in the shares, underlying shares or debentures of the Company and its associate corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Division 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO) or required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein or as otherwise notified to the Company and the Stock Exchange pursuant to the required standard of dealings by directors of listed issuers as referred to in Rule 5.46 to 5.67 of the GEM Listing Rules, were as follows:

Long positions in the Shares and underlying Shares of the Company

	Number of Shares		Number of Underlying Shares			
Name of Director	**Beneficial owner**	**Interest of controlled corporation**	**Beneficial owner**	**Interest of controlled corporation**	**Total of Shares number**	**% of Shares in issue** *(Note 2)*
Executive Director:						
Ms. Lo	—	268,552,984 *(Note 1)*	—	—	268,552,984	60.92%

Notes:

1. 268,552,984 Shares were held by MAXX Capital International Limited ("MCIL"), which was wholly-owned by Pablos International Limited ("Pablos"), and Pablos was wholly owned by Ms. Lo. Accordingly, Pablos and Ms. Lo were deemed by virtue of the SFO to be interested in 268,552,984 Shares held by MCIL.

2. As at the Latest Practicable Date, the Company had 440,818,880 Shares in issue.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executive of the Company nor their respective associates had any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO) and as recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the required standard of dealings by directors of listed issuers as referred to in Rule 5.46 to 5.67 of the GEM Listing Rules.

(b) Substantial shareholders' interest and short position in the Shares

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

	Number of Shares and capacity in which the Share were held		Number of Underlying Shares and capacity in which the Share were held			
	Beneficial owner	Interest of controlled corporation	Beneficial owner	Interest of controlled corporation	Total of Shares number	% of Shares in issue *(Note 2)*
Substantial shareholder						
MCIL *(Note 3)*	268,552,984 *(Note 1)*	268,552,984	—	—	268,552,984	60.92%
Pablos *(Note 3)*	—	268,552,984	—	—	268,552,984	60.92%

Notes:

1. 268,552,984 Shares were held by MAXX Capital International Limited ("MCIL"), which was wholly-owned by Pablos International Limited ("Pablos"), and Pablos was wholly owned by Ms. Lo. Accordingly, Pablos and Ms. Lo were deemed by virtue of the SFO to be interested in 268,552,984 Shares held by MCIL.

2. As at the Latest Practicable Date, the Company had 440,818,880 Shares in issue.

3. Each of MCIL and Pablos is a holding company of the Company and is thus an associated corporation (within the meaning of Part XV of the SFO) of the Company.

(c) Other persons who are required to disclose their interests

Save as disclosed above, the Directors are not aware of other person who, as at the Latest Practicable Date, had interests or short positions in the Shares or underlying Shares of the Company as recorded in the register required to be kept under section 336 of the SFO.

3. DIRECTORS' SERVICES CONTRACTS

Save as disclosed below, none of the Directors had entered into any service contract with the Company or any member of the Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation)).

(a) On 26 August 2010, each of Mr. Chow Wing Chau ("Mr. Chow") and Mr. Yiu Wing Hei ("Mr. Yiu"), entered into a letter of appointment with the Company pursuant to which each of Mr. Chow and Mr. Yiu were appointed as executive Directors effective from 26 August 2010 for a term of one year and expiring on 25 August 2011 at a fixed director's fee of HK$60,000 per annum and on 26 August 2011, the respective term of appointment of Mr. Chow and Mr. Yiu was extended from 26 August 2011 to 25 August 2012 at a fixed director's fee of HK$60,000 per annum. In addition, the Company may, at its sole discretion, grant Mr. Chow and Mr. Yiu options to subscribe for shares of the Company. Save for the said letter of appointment, no earlier contract has been entered into between the Company and Mr. Chow or Mr. Yiu.

(b) On 13 September 2010, each of Mr. Siu Siu Ling, Robert ("Mr. Siu") and Mr. Wong Wai Kin ("Mr. Wong"), entered into a letter of appointment with the Company pursuant to which each of Mr. Siu and Mr. Wong were appointed as an independent non-executive Director effective from 13 September 2010 for a term of one year and expiring on 12 September 2011 at a fixed director's fee of HK$60,000 per annum and on 26 August 2011, the term of appointment of Mr. Siu and Mr. Wong was extended from 26 August 2011 to 25 August 2012 at a fixed director's fee of HK$60,000 per annum. In addition, the Company may, at its sole discretion, grant Mr. Siu and Mr. Wong options to subscribe for shares of the Company. Save for the said letter of appointment, no earlier contract has been entered into between the Company and Mr. Siu or Mr. Wong.

(c) The Company has also entered into a service agreement on 23 February 2011 with Ms. Lo, for a term of two years commencing on 1 February 2011 which shall continue thereafter until terminated by either party giving to the other not less than three months' written notice, subject to retirement by rotation and re-election at general meeting of the Company in accordance with the articles of association of the Company.

Under the service agreement, Ms. Lo is entitled to a monthly salary of HK$300,000. In addition, the Company may, at its sole discretion, (i) pay Ms. Lo additional bonus at the end of each financial year depending on her performance and the overall business conditions of the Group; and (ii) grant Ms. Lo options to subscribe for shares in one or more companies within the Group. Save for the said letter of appointment, no earlier contract has been entered into between the Company and Ms. Lo.

(d) On 9 March 2011, Mr. Leung Chi Hung ("Mr. Leung") entered into a letter of appointment with the Company pursuant to which Mr. Leung was appointed as an independent non-executive Director effective from 23 February 2011 for a term of one year and expiring on 22 February 2012 at a fixed director's fee of HK$60,000 per annum and on 26 August 2011, the term of appointment of Mr. Leung was extended from 26 August 2011 to 25 August 2012 at a fixed director's fee of HK$60,000 per annum. In addition, the Company, may at its sole discretion, grant Mr. Leung options to subscribe for shares of the Company. Save for the said letter of appointment, no earlier contract has been entered into between the Company and Mr. Leung.

(e) On 26 August 2011, Mr. Ip Tze Fai, Alvin ("Mr. Ip"), entered into a letter of appointment with the Company pursuant to which Mr. Ip was appointed as a non-executive Director effective from 26 August 2011 for a term of one year and expiring on 25 August 2012 at a fixed director's fee of HK$60,000 per annum. In addition, the Company may, at its sole discretion, grant Mr. Ip options to subscribe for shares of the Company. Save for the said letter of appointment, no earlier contract has been entered into between the Company and Mr. Ip.

4. DIRECTORS' INTEREST IN COMPETING BUSINESS

As at the Latest Practicable Date, so far as the Directors are aware, none of the Directors or their respective associates were considered to have interest in any business which competes or may compete, either directly or indirectly, with the business of the Group or have or may have any other conflicts of interest with the Group pursuant to the GEM Listing Rules.

5. DIRECTORS' INTEREST IN CONTRACTS AND ASSETS

Save as disclosed in this Appendix V or the Acquisition, no contract or arrangement in which any of the Directors is materially interested and which is significant in relation to the business of the Group subsisted as at the Latest Practicable Date.

Save as disclosed in this Appendix V or the Acquisition, as at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which have been, since 31 March 2011 (the date to which the latest published audited consolidated accounts of the Group were made up), acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

6. LITIGATION

The Company has received various letters in April and May 2011 from two minority shareholders of China Game & Digital Entertainment Limited (a former subsidiary of the Company, "China Game"), namely The Pride of Treasure Fund and The Pride Venture Capital Fund (collectively, the "Claimants"), through their legal advisers. The Claimants claimed that the Company has, through its then chairman and Director, Dr. Yu Gang, George ("Dr. Yu"), made certain misrepresentations and has breached certain terms of the agreements between the Company and each of the Claimants in connection with their investments in China Game totaling US$5,000,000 in 2007 and the Claimants indicated that they may seek damages against the Company for no less than US$5,000,000 plus interest and costs. Dr. Yu ceased to be a Director from 30 September 2010.

On 20 May 2011, the Company received a writ of summons (High Court Action number 849 of 2011) ("Writ") from the Claimants, claiming against the Company for damages for breach of the alleged share subscription agreement in 2007 made between the Company and The Pride of Treasure Fund, the alleged share subscription agreement in 2007 made between the Company and The Pride Venture Capital Fund, an alleged shareholders' agreement made orally between the Claimants and the Company and misrepresentation on the value of the East Treasure Limited business made through Dr. Yu, plus interest and costs.

On 27 June 2011, the Company received an amended writ of summons ("Amended Writ") (High Court Action number 849 of 2011) and a statement of claim ("Statement of Claim") from the Claimants (i.e. The Pride of Treasure Fund ("First Plaintiff") and The Pride Venture Capital Fund ("Second Plaintiff")). Pursuant to the Amended Writ, it was claimed against the Company for, inter alia, damages for breach of (i) the alleged share subscription agreement in 2007 made between the Company and the First Plaintiff: (ii) the alleged share subscription agreement in 2007 made between the Company and the Second Plaintiff: and (iii) the alleged misrepresentation made through Dr. Yu, plus interest and costs.

The Claimants further, alleged, in the Statement of Claim, inter alia, that certain representations given by the Company in the above share subscription agreements were false and untrue or recklessly not caring whether they were true or false and there was breach of implied terms of the above share subscription agreements, and claimed against the Company for (i) damages to be assessed; (ii) interest; (iii) costs; and (iv) further or other relief.

The Board has been conducting investigation on such alleged breaches and possible claims and has sought legal advice from the legal adviser to the Company in this respect. Based on the preliminary advice of the legal adviser to the Company, the Company has reasonable grounds to defend such claims. The Company has filed a defence against such claims on 22 August 2011. Based on the information currently available, the Company believes that it has good defence against the said claims.

Save as disclosed above, as at the Latest Practicable Date, no member of the Group was engaged in any litigation or arbitration of material importance and no litigation or claim of material importance known to the Directors to be pending or threatened against any member of the Group.

7. EXPERTS AND CONSENT

The following are the qualifications of the experts whose letters and reports are contained in this circular:

Name	Qualification
Bridge Partners Capital Limited ("Bridge Partners")	a licensed corporation to carry on Type 1 (dealing on securities) and Type 6 (advising on corporate finance) regulated activities under the SFO
HLB Hodgson Impey Cheng ("HLB")	Chartered Accountants Certified Public Accountants
LCH (Asia-Pacific) Surveyors Limited ("LCH")	Professional surveyor

Each of Bridge Partners, HLB and LCH has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and/or report and the reference to its name in the form and context in which they appear.

As at the Latest Practicable Date, Bridge Partners, HLB and LCH did not have any shareholding in any member of the Group and did not have any right, whether legally enforceable or not, to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, Bridge Partners, HLB and LCH did not have any direct or indirect interest in any assets which have been, since 31 March 2011 (the date to which the latest published audited consolidated accounts of the Group were made up), acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

8. MATERIAL CONTRACTS

Within the two years immediately preceding the date of the Announcement, the following are contracts (not being contracts entered into in the ordinary course of business) entered into by the members of the Group which are or may be material:

(a) the underwriting agreement dated 22 September 2009 entered into between the Company and Opulent Oriental International Limited ("Opulent") in relation to the offer for subscription at the subscription price of HK$0.07 per share of HK$0.01 each then in issue by the Company to the then qualifying shareholders of the Company in the proportion of one offer share for every then existing share held on 30 October 2009 by way of open offer, as set out in the announcement of the Company dated 25 September 2009 and the prospectus of the Company dated 4 November 2009;

(b) the irrevocable undertakings dated 22 September 2009 given by Dr. Yu to Opulent and the Company in relation to the offer for subscription at the subscription price of HK$0.07 per share of HK$0.01 each then in issue by the Company to the then qualifying shareholders of the Company in the proportion of one offer share for every then existing share held on 30 October 2009 by way of open offer, as set out in the announcement of the Company dated 25 September 2009 and the prospectus of the Company dated 4 November 2009;

(c) the memorandum of understanding dated 26 January 2010 entered into between the Company and 深圳市瓦爾雷思科技開發有限公司 (Shenzhen Wireless Technology Development Co., Ltd*) in relation to the proposed acquisition of the entire equity interests in 深圳市瓦爾雷思科技開發有限公司 (Shenzhen Wireless Technology Development Co., Ltd*) for a consideration of HK$220 million;

(d) the sale and purchase agreement dated 11 February 2010 entered into between Wong Kin Man, Iso Masahito and Hanai Mitsuru as vendors and the Company as purchaser in respect of the acquisition by the Company of the entire issued share capital of Fukoku Investment (Asia) Limited for an aggregate consideration of approximately HK$10,245,000;

(e) the supplemental memorandum of understanding dated 16 April 2010 entered into between the Company and 深圳市瓦爾雷思科技開發有限公司 (Shenzhen Wireless Technology Development Co., Ltd*) in relation to the proposed acquisition of the entire equity interests in 深圳市瓦爾雷思科技開發有限公司 (Shenzhen Wireless Technology Development Co., Ltd*) for a consideration of HK$220 million;

(f) the placing agreement dated 29 September 2010 between the Company and Pacific Foundation Securities Limited in respect of placing of 73,000,000 new Shares;

(g) the sale and purchase agreement dated 28 February 2011 between the Company and Joint Success Top Rich Limited in relation to the disposal of the entire holding of equity interest in China Game by the Group for a cash consideration of HK$435,000;

(h) the conditional sale and purchase agreement dated 21 March 2011 between Opulent, Dr. Yu and Finet Asset Management Limited, a wholly-owned subsidiary of the Company in relation to the proposed acquisition of the entire issued share capital of China Capital Management Limited by the Group for a cash consideration of HK$3,100,000;

(i) the underwriting agreement dated 25 March 2011 entered into between the Company and MCIL in relation to the underwriting arrangement in respect of the offer for subscription at the subscription price of HK$0.25 per share by the Company to the then qualifying shareholders of the Company in the proportion of four offer share for every then existing share held on 19 May 2011 by way of

* *For identification purposes only*

open offer, as set out in the announcement of the Company dated 25 March 2011, the circular of the Company dated 26 April 2011 and the prospectus of the Company dated 20 May 2011;

(j) the irrevocable undertaking dated 25 March 2011 given by Ms. Lo to the Company in respect of the offer for subscription at the subscription price of HK$0.25 per share by the Company to the then qualifying shareholders of the Company in the proportion of four offer share for every then existing share held on 19 May 2011 by way of open offer, as set out in the announcement of the Company dated 25 March 2011, the circular of the Company dated 26 April 2011 and the prospectus of the Company dated 20 May 2011;

(k) the irrevocable undertaking dated 25 March 2011 given by Ms. Lo to the Company and MCIL in respect of the offer for subscription at the subscription price of HK$0.25 per share by the Company to the then qualifying shareholders of the Company in the proportion of four offer share for every then existing share held on 19 May 2011 by way of open offer, as set out in the announcement of the Company dated 25 March 2011, the circular of the Company dated 26 April 2011 and the prospectus of the Company dated 20 May 2011;

(l) the irrevocable undertaking dated 25 March 2011 given by MCIL to the Company in respect of the offer for subscription at the subscription price of HK$0.25 per share by the Company to the then qualifying shareholders of the Company in the proportion of four offer share for every then existing share held on 19 May 2011 by way of open offer, as set out in the announcement of the Company dated 25 March 2011, the circular of the Company dated 26 April 2011 and the prospectus of the Company dated 20 May 2011; and

(m) the Agreement.

9. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection on any business day from the date of this circular up to and including the date of the SGM during normal business hours from 9:00 a.m. to 5:00 p.m. (except Saturdays and public holidays) at the principal office of the Company at Room C, 11/F., Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong, and will also be available on the websites of the Company at www.finet.hk:

(a) the bye-laws of the Company;

(b) the annual report of the Company for the two financial years ended 31 March 2011;

(c) the quarterly report of the Company for the three months ended 30 June 2011;

(d) the material contracts referred to in the paragraph headed "MATERIAL CONTRACTS" in this Appendix V;

(e) the service contracts referred to under the paragraph headed "DIRECTORS' SERVICE CONTRACTS" in this Appendix V;

(f) a copy of each of the circulars issued by the Company pursuant to the requirements set out in Chapter 19 and/or 20 of the GEM Listing Rules since 31 March 2011 (being the date to which the latest published audited consolidated financial statements of the Company was made);

(g) the letter from the Board, the text of which is set out on pages 5 to 16 of this circular;

(h) the letter of recommendation from the Independent Board Committee, the text of which is set out on pages 17 to 18 of this circular;

(i) the letter of advice from Bridge Partners, the text of which is set out on pages 19 to 30 of this circular;

(j) the accountants' report on Pink Angel from HLB, the text of which is set out in Appendix II of this circular;

(k) the consent letters from Bridge Partners, LCH and HLB referred to the section headed "EXPERTS AND CONSENT" in this Appendix V;

(l) the letter from HLB in respect of the unaudited pro forma financial information of the Enlarged Group, the text of which is set out in Appendix III of this circular;

(m) the valuation report on the Property as set out in Appendix IV to this circular; and

(n) the Agreement.

10. PARTICULARS OF DIRECTORS

Executive Directors

Ms. Lo Yuk Yee ("Ms. Lo")

Ms. Lo, aged 51, 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 People's Republic of China, 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. Chow Wing Chau ("Mr. Chow")

Mr. Chow, aged 45, is a director of CFD Associates Limited since May 2006. He has more than 15 years of experience on financial control, company secretary, enterprise risk management and fund raising activities. Since 1995, Mr. Chow has held various senior finance and management positions with public companies and private companies in Hong Kong. He graduated with Bachelor of Economics degree from Macquarie University in Australia and is a member of Hong Kong Institute of Certified Public Accountants and is a member of CPA Australia.

Mr. Yiu Wing Hei ("Mr. Yiu")

Mr. Yiu, aged 31, graduated with a Bachelor degree majoring in Economics and Finance from the University of Hong Kong. He has vast experience in securities trading in Asia and asset management. Mr. Yiu has over 5 years of experience in development of mining projects in Asia, such as Indonesia and the Philippines. He is currently responsible for commodity trading mainly in heavy metal and rare commodities.

Non-executive Directors

Mr. Ip Tze Fai, Alvin ("Mr. Ip")

Mr. Ip, aged 42, has more than 20 years of experience in the securities and futures business. Mr. Ip has obtained a Master Degree in Financial Management from Macquarie University in Sydney, Australia in 2002. Mr. Ip is also a Responsible Officer of Broadwood Asset Management Limited, a licensed corporation to carry out Type 9 (asset management) regulated activity under the Securities and Futures Ordinance.

Independent non-executive Directors

Mr. Wong Wai Kin ("Mr. Wong")

Mr. Wong, aged 52, 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 28 years of professional and commercial experience in accounting, auditing, taxation and corporate finance.

Mr. Siu Siu Ling, Robert ("Mr. Siu")

Mr. Siu, aged 58, is a partner of the firm 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 (stock code: 356) and Kaisun Energy Group Limited which is listed on GEM (stock code: 8203). Mr. Siu holds a bachelor 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. Leung Chi Hung ("Mr. Leung")

Mr. Leung, aged 55, has commenced his accountancy professional training since 1976 and is a member of certain international accountancy bodies. Mr. Leung is also a Certified Public Accountant (Practising) in Hong Kong and a director of Philip Leung & Co. Limited, Certified Public Accountants (Practising). He is an independent non-executive director of Daido Group Limited (stock code: 544) and Temujin International Investments Limited (stock code: 204). He was an independent non-executive director of Dore Holdings Limited (stock code: 628) from 17 April 2002 to 1 June 2010.

14. GENERAL

(a) The registered address of the Company is at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda.

(b) The head office and principal place of business of the Company in Hong Kong is at Room C, 11/F., Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong.

(c) The principal share registrar and transfer office of the Company is at Codan Services Limited, Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda.

(d) The Hong Kong branch share registrar and transfer office of the Company is at Computershare Hong Kong Investor Services Limited, Rooms 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.

(e) The company secretary of the Company is Mr. Wong Ka Man. Mr. Wong has been appointed as the company secretary of the Company with effect from 23 February 2011. Mr. Wong is a fellow member of the Association of Chartered Certified Accountants and a member of the Hong Kong Institute of Certified Public Accountants. He has over 20 years of experience in professional accounting, auditing and taxation.

(f) The Company has established an audit committee with written terms of reference in accordance with Rule 5.28 of the GEM Listing Rules. The audit committee of the Company comprises three members who are independent non-executive directors, namely, Mr. Wong Wai Kin, Mr. Siu Siu Ling, Robert and Mr. Leung Chi Hung with Mr. Wong Wai Kin as the chairman thereof. The principal duties of the audit committee of the Company are to review and supervise the financial reporting process and internal control procedures of the Group.

(g) In the event of any inconsistency, the English text of this circular shall prevail over the Chinese text.

FINET GROUP LIMITED
財 華 社 集 團 有 限 公 司 *

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

(Stock Code: 8317)

NOTICE OF SGM

NOTICE IS HEREBY GIVEN that the special general meeting (the "SGM") of Finet Group Limited (the "Company", together with its subsidiaries, the "Group") will be held at 19/F, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong on Monday, 10 October 2011 at 11:00 a.m. for the purpose of considering and, if thought fit, passing, with or without amendments or modifications, the following resolutions which will be proposed as an ordinary resolutions:

ORDINARY RESOLUTION

"THAT

(a) the sale and purchase agreement dated 29 August 2011 entered into between Finet Group (BVI) Limited, a direct wholly-owned subsidiary of the Company (the "Purchaser"), and Ms. Lo Yuk Yee (the "Vendor"), an executive director and the chairman of the Company, and the sole ultimate beneficial owner of the entire issued share capital of MAXX Capital International Limited, the controlling shareholder of the Company holding an aggregate of 268,552,984 shares of the Company (representing approximately 60.92% of the entire issued share capital of the Company as at the date of this notice) in relation to the acquisition by the Purchaser of 100% equity interest and the shareholder's loan of Pink Angel Investments Limited (the "Acquisition") at a consideration of HK$24,000,000 (subject to adjustment based on aggregate of the net asset value of the Target Company and the balance of the Shareholder's Loan as at the date of completion), which shall be settled in cash (the "Agreement", a copy of which has been produced to this meeting marked "A" and initialed by the chairman of the meeting for the purpose of identification) and the transactions contemplated thereunder be and are hereby approved, ratified and confirmed;

* *For identification purposes only*

(b) the directors of the Company be and is hereby authorized for and on behalf of the Company to execute (and, if necessary, affix the common seal of the Company to) any documents, instruments and agreements and to do any acts or things as may be deemed by them in their absolute discretion to be necessary or incidental to, ancillary to or in connection with the matters contemplated in the Agreement.

By Order of the Board
Lo Yuk Yee
Chairman

Hong Kong, 21 September 2011

Registered Office:
Clarendon House,
2 Church Street,
Hamilton HM 11,
Bermuda

Head office and principal place of business in Hong Kong:
Room C, 11/F.,
Bank of East Asia Harbour View Centre,
56 Gloucester Road,
Wanchai, Hong Kong

Notes:

1. A form of proxy for use at the meeting is enclosed herewith.

2. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under its seal or under the hand of any officer, attorney or other person authorised to sign the same.

3. Any shareholder of the Company entitled to attend and vote at the meeting convened by the above notice shall be entitled to appoint one or more than one proxy to attend and vote instead of him. A proxy needs not be a shareholder of the Company.

4. In order to be valid, the form of proxy, together with the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power of attorney or authority, must be deposited at the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Rooms 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding of the above meeting or any adjournment thereof.

5. Completion and return of the form of proxy will not preclude a shareholder of the Company from attending and voting in person at the meeting convened or at any adjourned meeting and in such event, the form of proxy will be deemed to be revoked.

6. Where there are joint holders of any share of the Company, any one of such joint holders may vote, either in person or by proxy, in respect of such share as if he/she were solely entitled thereto, but if more than one of such joint holders are present at the meeting, the most senior shall alone be entitled to vote, whether in person or by proxy. For this purpose, seniority shall be determined by the order in which the names stand on the register of members of the Company in respect of the joint holding.

7. The votes to be taken at the meeting will be by way of poll.