

**FINET GROUP LTD:
THE COMPANY EMBARKS ON SELLING OFF SOME ‘FAMILY JEWELS’**

Well, That’s One Way Of Raising Money, Isn’t It ?

With cash, starting to evaporate into the ether, publicly listed [Finet Group Ltd \(\)](#) (Code: 8317, The Growth Enterprise Market (**The GEM**) of The Stock Exchange of Hongkong Ltd) has embarked on selling off some of the company’s ‘family jewels’ as a way to put a finger into the potentially leaking financial dyke.

In today’s marketplace, it is almost impossible to locate brave investors to take a punt on the shares of a GEM company, such as Finet Group Ltd, and so, Dr George Yu Gang (), the Executive Chairman, Chief Executive Officer and dogsbody of this little company, has determined that selling off some of the assets, held by the company, is a reasonable method of raising money – money, that is, that the company does not have to repay and on which there will be no debt service in the future.

To this end, the announcement of October 16, 2008, (last Thursday) makes perfectly good sense, from Dr George Yu Gang’s point of view.

The announcement of last Thursday states that Finet Group Ltd will obtain an Extraordinary Net Profit Attributable to Shareholders of about \$HK22.80 million on the disposal of the company’s equity interest in Hangzhou Tianchang Network Technology Company Ltd ().

The sole asset of Hangzhou Tianchang Network Technology Company Ltd is that company’s interest in land, located at Wen Yi Village and Wu Chang Village of Xian Lin Township at Yu Hang District of Hangzhou.

The net proceeds from the disposal will be used as General Working Capital, Finet Group Ltd has stated.

As to the reasons for the disposal, Dr George Yu Gang states:

‘REASONS FOR THE DISPOSALS

‘The Group’s core business strategy is to develop and provide financial information services and technology solutions to corporate clients and retail investors in Greater China and to develop and operate online games in Mainland China. The Group’s interests in the Land was acquired along with the acquisition of Tianchang (Hangzhou Tianchang Network Technology Company Ltd) in 2007. The Group is not currently involved in any real estate development business in China. Accordingly, the Directors believe that the Company should dispose of the Land (which is a non-core asset) and focus its financial resources on its core business.

‘The consideration for the Disposal was arrived at after arm’s length negotiations between the Purchasers and the PRC Seller, taking into consideration of current market conditions in China’s real estate market and a valuation report conducted by an independent valuer appointed by the Company to provide a valuation report of the Land. The aggregate consideration under the Disposal Agreement represents a premium of 11.11% to the valuation amount of the Land.

'After considering the terms of the Disposal and comparing the consideration for the Disposal against the market price of land in the locality of the Land, the Board considers that the consideration for the Disposal is fair and reasonable and the Disposal is in the interests of the shareholders of the Company as a whole.'

The purchasers of the land are ... [CLICK TO ORDER FULL ARTICLE](#)

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