

**FINET GROUP LTD:
THIS IS AKIN TO THROWING GOOD MONEY AFTER BAD**

It had to happen, of course, and, in fact, **TARGET** () has been forecasting its coming for some time.

And, now, it has materialised: [Finet Group Ltd \(\)](#) (Code: 8317, The **G**rowth **E**nterprise **M**arket (**The GEM**) of The Stock Exchange of Hongkong Ltd) has passed around the begging bowl, imploring shareholders for cash contributions.

On Tuesday night, Finet Group Ltd announced that it was proposing an Open Offer of Shares to its shareholders in order to raise about \$HK13.60 million, net of expenses.

The Open Offer is underwritten by Opulent Oriental International Ltd, a company that is, beneficially, owned by Dr George Yu Gang (), the Chairman of Finet Group Ltd.

This would suggest, strongly, that Management of Finet Group Ltd has been unable to find an underwriter in respect of the Open Offer and so Chairman George Yu Gang has stepped up to the plate, himself.

Dr George Yu Gang owns approximately 30.59 percent of the Issued and Fully Paid-Up Share Capital of Finet Group Ltd and has, since its flotation on The GEM, been the driving force behind the company.

Finet Group Ltd, by its own admission, needs the \$HK13.60 million from its shareholders for Working Capital purposes, primarily.

The announcement with regard to the Open Offer of Shares follows on from the company's announcement, dated April 8, 2009: The '**PROFIT WARNING**'.

The Profit Warning stated, among other things:

'The Board of Directors (the "Board") of Finet Group Limited (the "Company") wishes to inform the shareholders of the Company and potential investors that the earnings of the Group for the year ended 31 March 2009 will be significantly worse than those of the previous year, and the Company is expected to record a loss for the full year. Such expected losses are mainly attributable to the realized and unrealized losses relating to the decrease in fair value of investment properties, an increase in expenses attributable to the Company's gaming segment and the impairment of the Group's goodwill arising from the acquisition in 2007.

'The Company is evaluating its financial position and may consider various alternatives to strengthen its capital base and enhance its financial position.

'The information as contained in this announcement is only the preliminary assessment by the Company's management based on to the management accounts of the Group for the year ended 31 March 2009, which has not been confirmed by the Company's auditors. Shareholders of the Company and potential investors should read the Company's annual results announcement for the year ended 31 March 2009 carefully, which is expected to be published in June 2009... '.

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