

**FINET GROUP LTD:  
THE CHAIRMAN IS SUED FOR ABOUT \$HK61 MILLION**

The Chairman of [Finet Group Ltd \(\)](#) (Code: 8317, The Growth Enterprise Market [The GEM] of The Stock Exchange of Hongkong Ltd) has just been sued for about \$HK61 million.

He is Dr George Yu Gang () who, beneficially, owns 56.38 percent of the Issued and Fully Paid-Up Share Capital of this GEM company.

Along with Dr George Yu Gang, the other Defendant in Action Number 715, filed in the High Court of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), is Opulent Oriental International Ltd, a company, domiciled in the British Virgin Islands (BVI), according to the database of TOLFIN () (The Computerised, Online Financial Intelligence Service and Web-Based, Credit-Checking Provider) at its British Virgin Islands's archives.

Opulent Oriental International Ltd is beneficially owned by Dr George Yu Gang.

This BVI company is interested in 197,364,617 Shares in the Issued and Fully Paid-Up Share Capital of Finet Group Ltd and those shares form the major part of the shareholdings of Dr George Yu Gang.

The Plaintiff to this Action is Maxx Capital Finance Ltd (), a company, legally owned as to 99.99 percent by the BVI company: Pablos International Ltd

The Endorsement of Claim, attached to the Writ of Summons in HKSAR High Court Action, Number 715, reads as follows:

**'ENDORSEMENT OF CLAIM**

*'The Plaintiff claims against the 1st Defendant and/or the 2nd Defendant for repayment of principal and interest under a loan agreement dated 18 November 2009 (the "Loan Agreement") between the Plaintiff as lender, the 1st Defendant as borrower and the 2nd Defendant as guarantor. The Plaintiff claims for the following relief and/or remedies:-*

- (1) The sum of HKD60,632,075.03;*
- (2) Interest accruing on the sum of HKD60,632,075.03 pursuant to the terms of the Loan Agreement, or at judgement rate, until payment in full;*
- (3) Costs of and incidental to this action to be taxed if not agreed; and*
- (4) Further or other relief as this Honourable Court deems fit.'*

The share price of Finet Group Ltd, today, is about \$HK1.20, having fallen from a high of about \$HK1.71 on March 12, 2010.

On February 8, 2010, Finet Group Ltd put out its Third Quarterly Report in respect of the 9 months, ended December 31, 2009.

In that Report, it is stated that, on a Turnover of about \$HK23.87 million, the company had logged in a Net

Loss Attributable to Shareholders of about \$HK16.69 million.

This company launched 2, cash-raising exercises in the past year, one in the middle of 2009 and one in November of 2009.

It is noted that one of the allegations, made by the Plaintiff, is that Dr George Yu Gang entered into a purported Loan Agreement, dated November 18, 2009 – at about the same time of the second, cash-raising exercise of Finet Group Ltd.

In respect of the November 26, 2009, Open Offer of Shares, the company raised about \$HK61.50 million ...

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