

**FINET GROUP LTD:
ENTER THE DRAGON; EXIT THE RABBIT**

For about 5 years, ever since the company was first listed on The **G**rowth **E**nterprise **M**arket (**The GEM**) of The Stock Exchange of Hongkong Ltd in 2005, **TARGET** () has been following the misadventures of [Finet Group Ltd](#) () (Code: 8317, The GEM), led by Chairman Dr George Yu Gang ().

The opinion of this medium was, and always has been, that, sooner or later, it would come a cropper.

What this medium did not expect, however, was for its Chairman to do something as stupid as to trade beyond the level that could be supported by his financial means by, inter alia, overtrading in the scrip of the company, using somebody else's money, or, alternatively, he overplayed his hand, borrowing a substantial amount of money that, today, he is unable to repay.

Now, he is finished, as far as this Finet Group Ltd is concerned.

The new 'broom' at Finet Group Ltd is going to be Ms Lo Yuk Yee (), who is, inter alia, the beneficial owner of MAXX Capital International Ltd.

On August 25, 2010, MAXX Capital International Ltd, published its Offer Document in order to gather up all of the Issued and Fully Paid-Up Share Capital of the Company, other than those shares, already beneficially in the hands of the Offeror and/or parties acting in concert with it.

The Offer is for 35.78 cents per share.

This price has been determined as to reference in respect of:

- a. The loan and the outstanding interest accrued thereon due to MAXX Capital Finance Ltd by the Debtor (Chairman Dr George Yu Gang), as at July 9, 2010; and,
- b. The estimated expenses incurred for the full recovery of the loan and interest, aggregating about \$HK69,273,808.

At Pages 6 and 7 of the Offer Document, it is stated:

'On 4 August 2010, the Offeror announced that on 9 July 2010, the Offeror (MAXX Capital International Ltd) purchased the Sale Shares from MCFL (MAXX Capital Finance Ltd) and WCIL (Wise Capital International Ltd), representing approximately 52.65 % of the entire issued share capital of Finet (Finet Group Ltd), at an aggregate consideration of HK\$60,000,000 (equivalent to approximately HK\$0.3098 per Sale Share). The sales of the Sale Shares by MCFL and WCIL were made pursuant to the exercise of powers of sales as a result of the default in the repayment of the loan due to MCFL by the debtor.

'The Sales Shares were pledged by the Debtor in favour of MCFL and WCIL which sold the Sale Shares to the Offeror pursuant to the exercise of powers of sale on 9 July 2010 as a result of the default in the repayment of the loan in the amount of approximately HK\$60,632,075.03 and outstanding interest accrued thereon in the amount of approximately

HK\$6,772,732.59 due to MCFL by the Debtor as at 9 July 2010. The expenses incurred for full recovery of the loan and interest by MCFL is expected to be approximately HK\$1,869,000. The bought and sold notes in respect of the Sale Shares were executed on 9 July 2010 and the transactions were completed on the same day... '.

The ... [CLICK TO ORDER FULL ARTICLE](#)

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