

**FINET GROUP LTD:
DR GEORGE YU GANG STANDS ACCUSED**

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The former Chairman of [Finet Group Ltd \(\)](#) (Code: 8317, The Growth Enterprise Market of The Stock Exchange of Hongkong Ltd) has been accused by the relatively new Chairman of the company of holding onto about \$HK4.70 million of the company's money.

Exactly of what this is suggestive, **TARGET ()** can only surmise, but it appears very evident that Dr George Yu Gang () has fallen out with the lady that has come to stay at Finet Group Ltd, on a permanent basis.

Dr George Yu Gang ceased to be an Executive Director of Finet Group Ltd with effect from September 30, 2010, when, at the Company's Annual General Meeting, he was not re-elected.

In short, he was booted out of office.

On the date of that Annual General Meeting, it is stated in the Third Quarterly Report of Finet Group Ltd, that Dr George Yu Gang was holding onto about \$HK4.70 million, that amount of money, belonging to the company, but having been placed with Dr George Yu Gang as Trustee in order to facilitate the company's operations in the People's Republic of China (PRC), proper, being separate and distinct from the Hongkong Special Administrative Region (HKSAR) of the PRC.

With Dr George Yu Gang, no longer being an Executive Director of Finet Group Ltd, Ms Lo Yuk Yee (), the current Chairman, asked, on behalf of the publicly listed company, for the return of \$HK4.70 million.

But it is alleged, today, that Dr George Yu Gang continues to hold onto the money for the past 5 months and does not want to part with it.

At Pages 17 and 18 of the Third Quarterly Report of Finet Group Ltd, it is stated, among other things:

'POTENTIAL LEGAL PROCEEDINGS

'(1) Dispute over legal fees

During the period under review, the Group was in dispute with one of its legal advisors on certain billings totaling approximately HK\$2.5 million. Although the full amount was included as part of the general and administrative expenses in the results for the nine months ended 31 December 2010, the Group contended that the billings were excessive and is negotiating with that legal advisor for settlement. In the event that settlement cannot be reached, the Board would seek to have the bills taxed before the court.

'(2) Working capital funds of the Group held by Dr. Yu Gang, George

In order to facilitate its operation in the PRC, the Group had entrusted Dr. Yu Gang, George, a former executive Director who was not re-elected in the annual general meeting of the Company held on 30 September 2010, to manage the working capital of the Group as a trustee. Following the cessation of Dr. Yu Gang, George as a Director

on 30 September 2010, the Group decided to terminate the trust arrangement and demanded return of the working capital funds of the Group totaling approximately HK\$4.7 million from Dr. Yu Gang, George. Notwithstanding repeated demands by the Group, Dr. Yu Gang, George failed to return the funds to the Group. The Group is now considering taking appropriate legal actions against Dr. Yu Gang, George, and is assessing its financial impact on the Group.'

Dr George Yu Gang, the former ... [CLICK TO ORDER FULL ARTICLE](#)

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