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財華社  
FINET

**FINET GROUP LIMITED**  
**財華社集團有限公司**

*(incorporated in the Cayman Islands with limited liability)*

(Stock code: 8317)

**ANNOUNCEMENT**  
**HIGH CONCENTRATION OF SHAREHOLDING**

The Stock Exchange has indicated that based on information it had received from the SFC, there was a high concentration of the Company's public float in the hands of a limited number of shareholders as at 10th November, 2005.

Based on the information provided by the SFC, as at 10th November, 2005, (i) an aggregate of 74,310,000 Shares, representing approximately 15.05% of the then entire issued share capital of the Company, were held by 9 shareholders; (ii) an approximately 82.21% of the then entire issued share capital of the Company, were held by two shareholders, FIHL and TCCL; and (iii) accordingly, only approximately 2.74% of the then issued share capital of the Company was in the hands of other shareholders.

**In view of the high concentration of Shares in the hands of a small number of shareholders, the price of the Shares could fluctuate substantially even with a small number of Shares traded. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

To the best knowledge of the Directors having made all reasonable enquiries, save as disclosed herein, the Board is not aware of any of its connected persons (as defined in the GEM Listing Rules) having interests in 5% or more of the issued share capital of the Company as at 7th December, 2005.

This announcement is issued at the request of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") to provide information to the public in respect of possible concentration of public float in the hands of a limited number of shareholders.

On 7th December, 2005, Finet Group Limited (the "Company") was informed by the Stock Exchange that, according to information provided by the Securities and Futures Commission (the "SFC"), there appeared to be a high concentration of the Company's public float in the hands of a limited number of shareholders as at 10th November, 2005. Based on the information provided by the SFC, as at 10th November, 2005, (i) an aggregate of 74,310,000 shares ("Shares"), representing approximately 15.05% of the then entire issued share capital of the

Company, were held by 9 shareholders; (ii) an approximately 82.21% of the then entire issued share capital of the Company, were held by two shareholders, Finet International Holdings Limited (“FIHL”) and T&C Capital Limited (“TCCL”); and (iii) accordingly, only approximately 2.74% of the then issued share capital of the Company was in the hands of other shareholders.

The share price of the Company has traded around the offer price of HK\$0.25 since its trading debut on 7th January, 2005. However, both the share price and trading volume started to increase since 6th September, 2005. During the period from 6th September, 2005 to 10th November, 2005, the share price of the Company has increased from HK\$0.28 to HK\$0.91, representing an increase of 225%. Save for the information disclosed in the Company’s announcements, the Company is not aware of any reasons for such increase in the share price and trading volume during this period.

On 11th November, 2005, the Company announced the interim results of the Company and its subsidiaries (the “Group”) for the 3 months and 6 months ended 30th September, 2005. During the 6 months ended 30th September, 2005, the Group recorded an unaudited consolidated net profit of HK\$23,000, representing a decrease of 97% compared to the figure in the last correspondence period in 2004 (HK\$709,000).

Upon notification of the Stock Exchange, the board (the “Board”) of directors (the “Directors”) of the Company has made enquiries with the directors, chief executive, substantial shareholders and management shareholders of the Company and its subsidiaries. To the best knowledge of the Directors having made all reasonable enquiries, and based on the interests in shares recorded in the register of interests required to be disclosed to the Company under the provision of Divisions 2 and 3 of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), the Directors have compiled the following table which shows the shareholding structure of the Company as at 7th December, 2005:

	<b>Registered shareholders</b>	<b>Number of Shares</b>	<b>Approximate % of the issued share capital of the Company</b>
Controlling shareholder	FIHL ( <i>Note 1</i> )	365,840,000	74.08%
Significant shareholder	TCCL ( <i>Note 2</i> )	40,160,000	8.13%
Other shareholders	HKSCC Nominees Limited ( <i>Note 3</i> )	87,839,000	17.79%
	Independent third party	1,000	0%
	<b>Total</b>	<b>493,840,000</b>	<b>100%</b>

*Notes:*

- (1) 365,840,000 Shares were held by FIHL and registered in its own name. Mr. Yu Gang, George, the Chairman of the Company controlled 75% of Opulent Oriental International Limited which in turn controlled 59.85% of the total voting rights of FIHL.

- (2) 40,160,000 Shares were held by TCCL and registered in the name of a CCASS participant for and on account of TCCL.
- (3) According to the CCASS Participant Shareholding Report generated by the Hong Kong Securities Clearing Company Limited as at 7th December, 2005, without taking into account the 40,160,000 Shares held by TCCL mentioned in Note (2) above, 87,839,000 Shares were held by 37 CCASS participants, in which 490,000 Shares were held by Mr. Kwan Pun Fong, Vincent, a non-executive Director of the Company. To the best knowledge of the Directors having made all reasonable enquiries, these CCASS participants (except Mr. Kwan Pun Fong, Vincent) are independent of and not connected with the Company and its subsidiaries or their respective associates (as defined in the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange (the “GEM Listing Rules”)).

To the best knowledge of the Directors having made all reasonable enquiries, save as disclosed herein, the Board is not aware of any of its connected persons (as defined in the GEM Listing Rules) having interests in 5% or more of the issued share capital of the Company as at 7th December, 2005.

**In view of the high concentration of Shares in the hands of a small number of shareholders, the price of the Shares could fluctuate substantially even with a small number of Shares traded. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

By Order of the Board  
**Yu Gang, George**  
Chairman

Hong Kong, 13th December, 2005

*As at the date of this announcement, executive directors of the Company are Dr. Yu Gang, George and Mr. Au Siu Lun, Allen and the non-executive director is Dr. Kwan Pun Fong, Vincent, and the independent non-executive directors are Dr. Lam Lee G., Mr. Ng Ching Wo and Mr. Wu Tak Lung.*

*This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (1) the information contained in this announcement is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.*

*This announcement will remain on the “Latest Company Announcements” page of the GEM website for at least seven days from the day of its posting and on the website of the Company at [www.e-finet.com](http://www.e-finet.com).*