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FINSOFT CORPORATION

匯財軟件公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8018)

UPDATES ON DISCLOSEABLE TRANSACTION:

IN RELATION TO THE INVESTMENT IN THE JOINT VENTURE COMPANY

Reference is made to the Announcement in relation to, among other matters, the Previous Shareholders Agreement.

With the consent of the Original JV Parties, Mr. Kwok transferred all his shares in the JV Company to Ms. Oei on 30 April 2014. As a result of the change of shareholders of the JV Company, on 30 April 2014:

- (a) the parties to the Previous Shareholders Agreement entered into the Termination Agreement to cancel the Previous Shareholders Agreement with effect from the date of the Termination Agreement; and
- (b) the JV Parties entered into the New Shareholders Agreement to govern the shareholdings and the management of the JV Company.

Under the New Shareholders Agreement, the aggregate capital contribution by Winrange to the JV Company remains to be HK\$4,861,530 and Winrange remains to hold 30% of the issued share capital of the JV Company.

INTRODUCTION

Reference is made to the Announcement in which the Company announced that after trading hours on 9 January 2014, Winrange (a wholly-owned subsidiary of the Company) entered into the Previous Shareholders Agreement with Mr. Kwok, Time Smart and the JV Company, pursuant to which the Original JV Parties have agreed to invest in the JV Company. Upon the signing of the Previous Shareholders Agreement, each of the Original JV Parties has completed the first tranche of subscription in the shares of the JV Company pursuant to the Previous Shareholders Agreement in the following proportion (“**First Subscription**”):

Party	Number of new shares of the JV Company subscribed	Amount paid	Percentage of shareholding held in the JV Company upon completion of the First Subscription
Mr. Kwok	49	HK\$247,499	50%
Winrange	30	HK\$151,530	30%
Time Smart	20	HK\$101,020	20%
Total	<u>99</u>	<u>HK\$500,049</u>	<u>100%</u>

TERMINATION OF THE PREVIOUS SHAREHOLDERS AGREEMENT

With the consent of the Original JV Parties, Mr. Kwok transferred all his shares in the JV Company to Ms. Oei on 30 April 2014. As a result of the change of shareholders of the JV Company, on 30 April 2014:

- (a) the parties to the Previous Shareholders Agreement entered into the Termination Agreement to cancel the Previous Shareholders Agreement with effect from the date of the Termination Agreement; and
- (b) the JV Parties entered into the New Shareholders Agreement to govern the shareholdings and the management of the JV Company.

As disclosed in the Announcement, the JV Company proposes to acquire the Target Company and it remains the intention of the JV Company to proceed with the Acquisition subject to the terms and conditions of the New SPA. For further details of the Acquisition, please refer to the sub-section headed “Principal Business Activities and Use of Capital Contribution” below.

NEW SHAREHOLDERS AGREEMENT

The principal terms of the New Shareholders Agreement are largely the same as the Previous Shareholders Agreement, save for the following terms:

Date

30 April 2014

Parties

- (a) Ms. Oei;
- (b) Winrange (a wholly-owned subsidiary of the Company);
- (c) Time Smart; and
- (d) JV Company.

Ms. Oei is one of the Vendors and is currently holding 50% of the issued share capital of the Target Company.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, (i) the principal business of Time Smart is investment holding; (ii) Ms. Oei is an Independent Third Party; and (iii) each of Time Smart and the JV Company and their respective ultimate beneficial owners is an Independent Third Party.

Business of the JV Company

The JV Company shall only engage in the business of investment holding (including holding interest in the Target Company) or business or activity reasonably incidental thereto except with the prior approval of all shareholders of the JV Company.

Capital contribution

First tranche

As at the time of the signing of the New Shareholders Agreement, the JV Company has 100 issued shares and are owned as to 50%, 30% and 20% by Ms. Oei, Winrange and Time Smart respectively. The JV Company has been accounted for as an associate of the Company.

Second tranche

As at the date of this announcement, completion of the Acquisition has not yet taken place. Simultaneously with completion of the Acquisition, each of Winrange and Time Smart shall subscribe for 30 and 20 additional shares of the JV Company respectively (“**Second Subscription**”). The subscription money to be payable by Winrange and Time Smart towards the Second Subscription shall be HK\$4,710,000 and HK\$3,140,000 respectively. Pursuant to the New SPA, Ms. Oei shall transfer her shares in the Target Company to the JV Company at completion of the Acquisition and in return, the JV Company shall allot and issue the Consideration Shares to Ms. Oei. Immediately after allotment and issue of the Consideration Shares and the Second Subscription which will take place simultaneously, the shareholdings of the JV Parties in the JV Company shall be as follows:

Party	Number of shares of the JV Company	Percentage of shareholding held in the JV Company after the allotment and issue of the Consideration Shares and the Second Subscription
Ms. Oei	100	50%
Winrange	60	30%
Time Smart	40	20%
Total	<u>200</u>	<u>100%</u>

There is no change to the amount of the aggregate capital contribution by Winrange to the JV Company, which remains to be HK\$4,861,530.

Other terms

There are no changes to the terms relating to “Board composition”, “Restriction on encumbrances and transfer of JV Shares”, “Dividend policy” and “Reserved matters” as set out in the Announcement.

PRINCIPAL BUSINESS ACTIVITIES AND USE OF CAPITAL CONTRIBUTION

The JV Company is a company incorporated in the British Virgin Islands on 25 November 2013. Save for entering to the Previous SPA and the New SPA, it has not commenced any business since its incorporation.

As Ms. Oei, who is one of the Vendors, has become one of the shareholders of the JV Company, on 30 April 2014, the JV Company entered into the New SPA with the Vendors pursuant to which the parties agreed to cancel the Previous SPA and release each other from all past, present and future obligations and liabilities under the Previous SPA. Pursuant to the New SPA, the JV Company has agreed to acquire from the Vendors the entire issued share capital of the Target Company at the same consideration under the Previous SPA of HK\$16,040,000, subject to dollar-to-dollar downward adjustment if the net assets value of the Target Company as at completion of the Acquisition is less than HK\$14,539,256. The major differences between the Previous SPA and the New SPA are:

- (i) the consideration of the acquisition of 50% of the issued share capital of the Target Company to be paid to Mr. Que (being one of the Vendors and holding 50% of the issued share capital of the Target Company) is HK\$8,020,000 (subject to adjustment) and Mr. Que will receive cash consideration upon completion of the Acquisition;
- (ii) Mr. Que shall refund HK\$250,000 deposit he received pursuant to the Previous SPA to the JV Company upon the signing of the New SPA; and
- (iii) the consideration of the acquisition of 50% of the issued share capital of the Target Company to be paid to Ms. Oei (being one of the Vendors and holding 50% of the issued share capital of the Target Company) is HK\$8,020,000 (subject to adjustment). Ms. Oei agreed that the HK\$250,000 deposit she received pursuant to the Previous SPA shall be treated as deposit paid by the JV Company under the New SPA. The remaining balance of consideration to be paid to Ms. Oei in the amount of HK\$7,770,000 (subject to adjustment) shall be satisfied by the JV Company's allotment and issue, credited as fully paid, of 50 Consideration Shares to Ms. Oei at completion of the Acquisition.

The Target Company is a company incorporated in Hong Kong with limited liability on 11 May 1998. It is a licensed corporation to carry out on businesses in Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO.

The JV Parties agree that the subscription money received by the JV Company under the Second Subscription pursuant to the New Shareholders Agreement shall be applied to settle the consideration payable by the JV Company to Mr. Que under the Acquisition.

GENERAL

The Group is principally engaged in the development, sale and lease of financial trading software solutions with the principal products being trading and settlement systems of financial products for financial institutions and provision of referral services to source, identify and refer prospective deal opportunities to interested parties.

The Directors are of the view that the terms of the New Shareholders Agreement are on normal commercial terms and are fair and reasonable and in the interests of the Group and the Shareholders as a whole.

DEFINITIONS

In this announcement, the following expression shall, unless the context requires otherwise, have the following meanings:

“Acquisition”	the proposed acquisition of the entire issued share capital of the Target Company by the JV Company from the Vendors
“Announcement”	the announcement of the Company dated 9 January 2014 in relation to, among other matters, the Previous Shareholders Agreement and the Previous SPA
“Board”	the board of Directors
“Company”	Finsoft Corporation, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on GEM
“Consideration Shares”	50 shares of US\$1.00 each in the JV Company to be allotted and issued by the JV Company, credited as fully paid, to Ms. Oei as part payment of the consideration payable by the JV Company to Ms. Oei under the Acquisition
“Director(s)”	the director(s) of the Company
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party”	third party independent of the Company and connected persons (as defined in the GEM Listing Rules) of the Company
“JV Company”	Gavottes International Limited, a company incorporated in the British Virgin Islands which as at the time of signing of the New Shareholders Agreement was owned as to 50%, 30% and 20% by Ms. Oei, Winrange and Time Smart respectively
“JV Parties”	collectively, Ms. Oei, Winrange and Time Smart and a “JV Party” shall be construed accordingly
“Mr. Kwok”	Mr. Kwok Shun Tim, being one of the Original JV Parties

“Mr. Que”	Mr. Que Bon Tan Gerald, who as at the date of this announcement, holds 50% of the issued share capital of the Target Company
“Ms. Oei”	Ms. Oei Hong Eng, who as at the date of this announcement, holds 50% of the issued share capital of the Target Company
“New Shareholders Agreement”	the shareholders agreement dated 30 April 2014 entered into between the JV Parties and the JV Company to record the respective rights and obligations of the JV Parties and the arrangements between them and the JV Company and amongst themselves with respect to the ownership, management and operations of the JV Company
“New SPA”	the sale and purchase agreement dated 30 April 2014 entered into between the JV Company and the Vendors in relation to the sale and purchase of the entire issued share capital of the Target Company
“Original JV Parties”	collectively, Mr. Kwok, Winrange and Time Smart
“Previous Shareholders Agreement”	the shareholders agreement dated 9 January 2014 entered into between the Original JV Parties and the JV Company to record the respective rights and obligations of the Original JV Parties and the arrangements between them and the JV Company and amongst themselves with respect to the ownership, management and operations of the JV Company
“Previous SPA”	the sale and purchase agreement dated 9 January 2014 entered into between the JV Company and the Vendors in relation to the sale and purchase of the entire issued share capital of the Target Company
“SFO”	the Securities and Futures Ordinance (Chapter 571 of Laws of Hong Kong)
“Share(s)”	the shares of the Company of HK\$0.01 each
“Shareholders”	holders of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Gransing Securities Co., Limited 鼎成證券有限公司, a company incorporated in Hong Kong with limited liability and is a licensed corporation to carry out on businesses in Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO

“Termination Agreement”	the termination agreement dated 30 April 2014 entered into between the Original JV Parties and the JV Company to terminate the Previous Shareholders Agreement
“Time Smart”	Time Smart Development Limited, a company incorporated in the British Virgin Islands, being one of the JV Parties
“Vendors”	Mr. Que and Ms. Oei, being the shareholders of the Target Company and each of them is an Independent Third Party
“Winrange”	Winrange Investments Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company

On behalf of the Board
Finsoft Corporation
Mr. Chan Sek Keung, Ringo
Chairman

Hong Kong, 30 April 2014

As at the date of this announcement, the Board consists of Mr. Li Hoi Kong and Mr. Lawrence Tang being the executive Directors, Mr. Chan Sek Keung, Ringo being the non-executive Director and Chairman and Ms. Lee Kwun Ling, May Jean, Mr. Tai Man Hin, Tony and Mr. Yuen Shiu Wai being the independent non-executive Directors.

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 the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the GEM website at www.hkgem.com on the “Latest Company Announcements” page for at least 7 days from the date of its publication and on the website of the Company at www.finsoftcorp.com.