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FINSOFT CORPORATION

匯財軟件公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8018)

INSIDE INFORMATION: FRAMEWORK AGREEMENT AND ESTABLISHMENT OF WHOLLY-OWNED SUBSIDIARY AND RESUMPTION OF TRADING

This announcement is made by the Company pursuant to Rule 17.10 of the GEM Listing Rules and the Inside Information Provisions (as defined in the GEM Listing Rules).

FRAMEWORK AGREEMENT

The Board wishes to announce that after 12:00 noon on 14 May 2015, the Company entered into the Framework Agreement with the Prospective Business Partners, namely 深圳市鑽石毛坯交易中心有限公司 (in English translation as “Shenzhen City Rough Diamond Trading Centre Company Limited”), 深圳市中非鑽石股份有限公司 (in English translation as “Shenzhen Sino-African Diamond Company Limited”) and 深圳市水貝珠寶有限公司 (in English translation as “Shenzhen City Shuibei Jewel Company Limited”), pursuant to which the Company and the Prospective Business Partners will establish a cross-border strategic alliance in relation to the provision of financial services for the Diamond Transactions, with an aim to developing innovative financial services and trading method for the Diamond Transactions.

ESTABLISHMENT OF WHOLLY-OWNED SUBSIDIARY

The Group is in the process of applying for the establishment the Subsidiary in Qianhai, Shenzhen, the PRC, which will be wholly-owned by the Group and can assist the Group to perform its obligations under the Framework Agreement and the cooperation contemplated thereunder (if materialised). It is currently proposed that both the investment amount and the registered capital of the Subsidiary will be RMB100,000,000. The principal business activities of the Subsidiary will be the provision of internet financial information consultation, financing services, financial value-added services and development of financial platforms in Qianhai, Shenzhen, the PRC and its authorised business scope will include the provision of internet financial information consultation, management and intermediary services; development and operation of internet financial services platforms; internet credit loan business and management; development and sales of internet financial products and other related services; private equity investment and trading services; provision of trustee services for the management of the capital investments by corporations or individuals; capital venture consultation business; equity investment in the private companies; consultation services for equity investment and initial public offerings.

The cooperation contemplated under the Framework Agreement may or may not materialise. Shareholders of the Company and potential investors should exercise caution when dealing in shares of the Company.

RESUMPTION OF TRADING

At the request of the Company, trading in the shares of the Company on the Stock Exchange has been halted with effect from 1:00 p.m. on 14 May 2015 pending the release of this announcement.

Application has been made to the Stock Exchange for the resumption of trading of the shares of the Company on the Stock Exchange with effect from 9:00 a.m. on 15 May 2015.

This announcement is made by Finsoft Corporation (“**Company**”, together with its subsidiaries, “**Group**”) pursuant to Rule 17.10 of the Rules (“**GEM Listing Rules**”) Governing the Listing of Securities on the Growth Enterprise Market (“**GEM**”) of The Stock Exchange of Hong Kong Limited (“**Stock Exchange**”) and the Inside Information Provisions (as defined in the GEM Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571, the Laws of Hong Kong).

FRAMEWORK AGREEMENT

The board (“**Board**”) of directors (“**Directors**”, each a “**Director**”) of the Company wishes to announce that after 12:00 noon on 14 May 2015, the Company entered into a framework agreement (“**Framework Agreement**”) with the following three parties (“**Prospective Business Partners**”):

- (a) 深圳市鑽石毛坯交易中心有限公司 (in English translation as “Shenzhen City Rough Diamond Trading Centre Company Limited”) (“**Party B**”), a company incorporated in the People’s Republic of China (“**PRC**”) with limited liability which is authorised by the Shenzhen Municipal Government to operate a trading centre established in Shenzhen, the PRC in accordance with the international rules for diamond transactions, carry on business and provide the services in relation to the exhibition and the trading of rough diamonds and the provision of a venue for the international and domestic diamond companies to exhibit rough diamonds. Party B has adopted a membership system and regularly holds members’ meetings for self management;
- (b) 深圳市中非鑽石股份有限公司 (in English translation as “Shenzhen Sino-African Diamond Company Limited”) (“**Party C**”), a company incorporated in the PRC with limited liability, principally engaged in the trading, designing and processing of rough diamonds, and building up the direct trading relationships with the diamond mines and the rough diamond suppliers in South Africa, Boz Varna, Canada, Russia, Zimbabwe and Belgium to provide sufficient supplies of rough diamonds to meet the market demand in the PRC; and
- (c) 深圳市水貝珠寶有限公司 (in English translation as “Shenzhen City Shuibei Jewel Company Limited”) (“**Party D**”), a company incorporated in the PRC with limited liability, principally engaged in the provision of transaction platform, wholesale business of colour gemstones, retail business of luxury jewels and the provision of financial service platform for the jewelry industry.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of the Prospective Business Partners and their respective ultimate beneficial owners is a third party independent of the Company and its connected persons and their respective associates (within the meaning of the GEM Listing Rules).

Pursuant to the Framework Agreement, the Company and the Prospective Business Partners agree that:

- (1) leveraging on their respective brand, geographical and industrial advantages, they will establish a cross-border strategic alliance in relation to the provision of financial services for transactions relating to diamond ("**Diamond Transactions**"), with an aim to developing innovative financial services and trading method for the Diamond Transactions;
- (2) Qianhai, Shenzhen, the PRC, shall be the trial place for developing innovative financial services and trading method for the Diamond Transactions;
- (3) the Company shall assist Party B to introduce more corporate clients in the diamond industry and to drive Party B's diamond trading volume and amount; the Company shall set up a wholly-owned subsidiary ("**Subsidiary**") in Qianhai, Shenzhen, the PRC to satisfy the financial needs of Party B's members who are involved in the Diamond Transactions by providing the matching services and other financial services including internet financial services and cross-border financing services. For the domestic financing services in the PRC, Party B and its members may choose the Subsidiary as the provider of such services in accordance with their respective needs;
- (4) the Company shall provide the comprehensive financial value-added services and the professional information technology services on the development of electronic trading platform for Party B's Diamond Transactions and Party D's jewel transactions;
- (5) for those clients who undertake the Diamond Transactions through Party B and make the financing requests to the Subsidiary, Party B shall carry out the relevant activities in relation to the Subsidiary's financing platform (e.g. supervision of the charges of the diamonds, bonded warehousing, customs clearance, logistics escort, issuance of the warehouse warrant and etc.) and shall be obliged to provide the relevant proofing documents to the Subsidiary;
- (6) Party C shall act as the Subsidiary's professional diamond quality technology consultant and provide the risk management services (e.g. the quality appraisal, evaluation, warranty, insurance and buy-back assurance) to the Subsidiary against such charged diamonds delivered to Party B in consideration of the Subsidiary's financing, with an aim to ensuring the safety of the financing money;
- (7) Party D, as a leading company in the jewelry industry in Shenzhen, the PRC who has vast upstream and downstream client connections in such industry, shall assist the Company and Party B to develop, introduce and expand the high quality client sources in order to increase the business volume;
- (8) the Subsidiary agrees to, on the best endeavour basis and as far as practicable, satisfy Party B and its members' needs of the cross-border financing services and in general, the terms of such services shall not be less favourable than those reasonable terms offered by other similar service providers; all the parties to the Framework Agreement have agreed to cooperate with each other on an exclusive basis and undertaken not to cooperate with any third party who engages in similar business;

- (9) after the signing of the Framework Agreement, the parties thereto shall conduct analysis and research on the feasibility of the cooperation contemplated under the Framework Agreement. The parties shall enter into the definitive cooperation agreement, which will finalise the terms and conditions of the cooperation, the details of the cooperation projects and the annual operation targets, before 31 August 2015 (or such later date agreed by the parties in writing); and
- (10) the term of the Framework Agreement shall be one year from the date of the Framework Agreement.

Further announcement will be made by the Company in accordance with the GEM Listing Rules if the Company and the Prospective Business Parties enter into the definitive cooperation agreement as mentioned above.

ESTABLISHMENT OF WHOLLY-OWNED SUBSIDIARY

The Group is in the process of applying for the establishment of the Subsidiary in Qianhai, Shenzhen, the PRC, which will be wholly-owned by the Group and can assist the Group to perform its obligations under the Framework Agreement and the cooperation contemplated thereunder (if materialised). It is currently proposed that both the investment amount and the registered capital of the Subsidiary will be RMB100,000,000 (“**Investment Amount**”), and it is expected that the registered capital will be paid up within six months after the establishment of the Subsidiary. The principal business activities of the Subsidiary will be the provision of internet financial information consultation, financing services, financial value-added services and development of financial platforms in Qianhai, Shenzhen, the PRC and its authorised business scope will include the provision of internet financial information consultation, management and intermediary services; development and operation of internet financial services platforms; internet credit loan business and management; development and sales of internet financial products and other related services; private equity investment and trading services; provision of trustee services for the management of the capital investments by corporations or individuals; capital venture consultation business; equity investment in the private companies; consultation services for equity investment and initial public offerings.

The Company proposes to fund the Investment Amount from the net proceeds from the 10% per annum notes which may be issued by the Company as set out in the Company’s announcement dated 10 April 2015 and the internal resources of the Group.

Barring any unforeseeable matters, the Company expects that the Subsidiary will be established within three months (including obtaining the required business licence) and is expected to commence business after the establishment.

As disclosed above, one of the principal business activities of the Subsidiary is to provide financing services to the eligible diamond companies which undertake the Diamond Transactions through Party B. Given that the amount of the Diamond Transactions (if materialised) is usually large, the Company expects that the Subsidiary would utilise a significant portion of its paid up registered capital for the financing transactions within six months after its establishment and commencement of business.

The cooperation contemplated under the Framework Agreement may or may not materialise. Shareholders of the Company and potential investors should exercise caution when dealing in shares of the Company.

RESUMPTION OF TRADING

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Application has been made to the Stock Exchange for the resumption of trading of the shares of the Company on the Stock Exchange with effect from 9:00 a.m. on 15 May 2015.

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

Hong Kong, 14 May 2015

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 the chairman of the Board and Ms. Lee Kwun Ling, May Jean, Mr. Yuen Shiu Wai, Mr. Chan Yee Por, Simon and Mr. Cheng Wen 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 “Latest Company Announcements” page of the website of the GEM of the Stock Exchange at www.hkgem.com for at least 7 days from the date of its publication and on the website of the Company at www.finsoftcorp.com.