

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (“STOCK EXCHANGE”)

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

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This report, for which the directors (“Directors”, each a “Director”) of Finsoft Corporation (“Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (“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 report 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 report misleading.

FIRST QUARTERLY RESULTS

The board of Directors ("Board") is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (collectively, "Group") for the three months ended 31 March 2015 ("Period"), together with the unaudited comparative figures for the corresponding period in 2014, as follows:

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three months ended 31 March 2015

| | | Three months ended 31 March | |
|---|-------|--------------------------------|-----------------------------|
| | | 2015 HK\$ (Unaudited) | 2014 HK\$ (Unaudited) |
| | Notes | | |
| Revenue | 3 | 7,907,405 | 8,534,723 |
| Cost of sales | | (2,449,809) | (2,381,048) |
| Gross profit | | 5,457,596 | 6,153,675 |
| Other income | | 43,022 | 52,791 |
| Other gains and losses | | (20,667) | – |
| Administrative expenses | | (7,760,340) | (6,047,726) |
| Share of losses of an associate | | – | (3,090) |
| (Loss)/profit before tax | | (2,280,389) | 155,650 |
| Income tax expense | 4 | (495,221) | (292,746) |
| Loss and total comprehensive expense for the period | 5 | (2,775,610) | (137,096) |
| Loss and total comprehensive expense for the period attributable to: | | | |
| Owners of the Company | | (2,739,028) | (137,096) |
| Non-controlling interests | | (36,582) | – |
| | | (2,775,610) | (137,096) |
| Loss per share | | | |
| – Basic and diluted (HK cents per share) | 7 | (0.068) | (0.003) |

NOTES:

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands on 18 December 2012 as an exempted company with limited liability under the Companies Law of the Cayman Islands and its shares have been listed on the GEM of the Stock Exchange with effect from 26 September 2013. The address of the Company's registered office is Clifton House, 75 Fort Street, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands. The address of the Company's principal place of business in Hong Kong is 23/F, W Square, 318 Hennessy Road, Wanchai, Hong Kong.

The Group is principally engaged in the provision of financial trading software solutions, provision of other internet financial platforms, provision of referral services, money lending business, securities investments and provision of corporate finance advisory services.

The unaudited condensed consolidated results of the Group are presented in Hong Kong dollars ("HK\$"), which is the same as the functional currency of the Company.

2. BASIS OF PREPARATION

The unaudited condensed consolidated statement of comprehensive income of the Group for the Period has been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the applicable disclosure requirements of the GEM Listing Rules and the new Hong Kong Companies Ordinance (Cap. 622 of the Laws of Hong Kong).

It has been prepared on the historical cost basis, except for certain financial instruments that are measured at fair values at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

The accounting policies adopted in preparing the unaudited condensed consolidated results of the Group for the Period were consistent with those applied in the annual financial statements of the Group for the year ended 31 December 2014, except in relation to the adoption of the new and revised HKFRSs (collectively "New and Revised HKFRSs") issued by the HKICPA that are relevant to its operations and effective for its accounting periods beginning on 1 January 2015. The adoption of these New and Revised HKFRSs in the current period has had no material impact on the results of the Group for the current and prior periods. The Group has not early applied the New and Revised HKFRSs that have been issued but are not yet effective. The Directors anticipate that the application of the New and Revised HKFRSs will not have a material impact on the results of the Group.

It should be noted that accounting estimates and assumptions are used in the preparation of unaudited condensed consolidated results of the Group. Although these estimates are based on the management's best knowledge and judgement to current events and actions, actual results may ultimately differ from those estimates.

3. REVENUE

An analysis of the revenue of the Group from its major products and services is as follows:

| | Three months ended | |
|--|---------------------------|-------------|
| | 31 March | |
| | 2015 | 2014 |
| | HK\$ | HK\$ |
| | (Unaudited) | (Unaudited) |
| Sales of hardware | 307,670 | 356,269 |
| Sales of technology software systems | 365,200 | 1,132,000 |
| System customisation and network support | 1,306,124 | 735,055 |
| Software maintenance services | 2,292,864 | 2,268,823 |
| Software licensing fee | 3,832,154 | 2,842,470 |
| Hosting and related services fee | 540,749 | 350,106 |
| Referral services fee | – | 850,000 |
| Interest income on loan financing | 83,836 | – |
| Corporate finance advisory and related services fee | 107,000 | – |
| Other internet financial platform services fee | 120,000 | – |
| Net fair value loss on financial assets at fair value through profit or loss | (1,048,192) | – |
| | 7,907,405 | 8,534,723 |

4. INCOME TAX EXPENSE

| | Three months ended | |
|---|--------------------|-------------|
| | 31 March | |
| | 2015 | 2014 |
| | HK\$ | HK\$ |
| | (Unaudited) | (Unaudited) |
| Current tax | | |
| – Hong Kong Profits Tax | 436,719 | 196,945 |
| Deferred taxation | 58,502 | 95,801 |
| Total income tax recognised in profit or loss | 495,221 | 292,746 |

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit arising in or derived from Hong Kong for both periods.

5. LOSS FOR THE PERIOD

| | Three months ended | |
|---|--------------------|-------------|
| | 31 March | |
| | 2015 | 2014 |
| | HK\$ | HK\$ |
| | (Unaudited) | (Unaudited) |
| Loss for the period has been arrived at after charging/(crediting): | | |
| Amortisation of intangible assets | 116,816 | 67,701 |
| Depreciation of property, plant and equipment | 318,503 | 89,937 |
| Dividend income from listed equity securities (included in revenue) | (58,920) | – |
| Operating lease payments in respect of rented premises | 1,041,305 | 574,377 |

| | Three months ended | |
|--|---------------------------|-------------|
| | 31 March | |
| | 2015 | 2014 |
| | HK\$ | HK\$ |
| | (Unaudited) | (Unaudited) |
| Employee benefits expense: | | |
| Salaries and other benefits | 5,673,837 | 4,637,293 |
| Contributions to retirement benefits scheme | 198,152 | 151,932 |
| Total employee benefits expense, including directors' emoluments | 5,871,989 | 4,789,225 |
| Less: Amounts capitalised in development costs | (471,375) | (648,313) |
| | 5,400,614 | 4,140,912 |

During the Period, total employee benefits expense amounted to HK\$1,494,287 (three months ended 31 March 2014: HK\$1,655,159) was included in cost of sales and amounted to HK\$3,906,327 (three months ended 31 March 2014: HK\$2,485,753) was included in administrative expenses.

6. DIVIDEND

The Board does not recommend the payment of any dividend in respect of the Period (three months ended 31 March 2014: Nil).

7. LOSS PER SHARE

| | Three months ended | |
|---|---------------------------|-------------|
| | 31 March | |
| | 2015 | 2014 |
| | HK\$ | HK\$ |
| | (Unaudited) | (Unaudited) |
| Loss | | |
| Loss for the period attributable to owners of the Company for the purpose of basic loss per share | 2,739,028 | 137,096 |

Three months ended**31 March**

| 2015 | 2014 |
|--------------------|-------------|
| (Unaudited) | (Unaudited) |
| | (Restated) |

| Number of shares | | |
|---|----------------------|---------------|
| Weighted average number of ordinary shares for the purpose of basic loss per share | 4,000,000,000 | 4,000,000,000 |

The weighted average number of ordinary shares for the purpose of basic loss per share for the three months ended 31 March 2015 and 31 March 2014 was derived from 4,000,000,000 shares in issue throughout the three months ended 31 March 2015 and 31 March 2014, assuming the First Share Subdivision and Second Share Subdivision, as defined on page 11 under the section headed "Capital Structure-Share Subdivisions and Change of Board Lot Size", were conducted on 1 January 2014.

The diluted loss per share is equal to the basic loss per share as there were no dilutive potential ordinary shares in issue during the three months ended 31 March 2015 and 31 March 2014.

8. CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Attributable to owners of the Company

| | Share capital HK\$ | Share premium HK\$ | Merger reserve HK\$ | Retained profits HK\$ | Sub-total HK\$ | Attributable to non- controlling interests HK\$ | Total HK\$ |
|---|--------------------------|--------------------------|---------------------------|-----------------------------|-------------------|---|-------------------|
| Balance at 1 January 2014 (Audited) | 2,000,000 | 34,609,605 | 77,794 | 12,260,173 | 48,947,572 | - | 48,947,572 |
| Loss and total comprehensive expense for the period (Unaudited) | - | - | - | (137,096) | (137,096) | - | (137,096) |
| Balance at 31 March 2014 (Unaudited) | 2,000,000 | 34,609,605 | 77,794 | 12,123,077 | 48,810,476 | - | 48,810,476 |
| Balance at 1 January 2015 (Audited) | 2,000,000 | 34,609,605 | 77,794 | 23,579,128 | 60,266,527 | - | 60,266,527 |
| Loss and total comprehensive expense for the period (Unaudited) | - | - | - | (2,739,028) | (2,739,028) | (36,582) | (2,775,610) |
| Change in ownership interests in subsidiaries without change of control (Unaudited) <i>(Note)</i> | - | - | - | 42,537 | 42,537 | (38,715) | 3,822 |
| Balance at 31 March 2015 (Unaudited) | 2,000,000 | 34,609,605 | 77,794 | 20,882,637 | 57,570,036 | (75,297) | 57,494,739 |

Note:

Immediately before the Subscription (as defined below), Winrange Investments Limited ("Winrange"), a wholly-owned subsidiary of the Company, held 100% of the issued share capital of Sky Luck International Limited ("Sky Luck"), a company incorporated in the British Virgin Islands with limited liability, which in turn held 100% of the issued share capital of KL Securities Investment Services Limited ("KL Securities"), a company incorporated in Hong Kong with limited liability. On 4 February 2015, new shares of Sky Luck were allotted and issued to each of Winrange and two independent third parties ("Subscription"), resulting in each of them holding 51%, 24.5% and 24.5% of the issued share capital of Sky Luck respectively. The Subscription constituted a dilution of equity interest of Sky Luck and KL Securities by the Company and immediately after the Subscription, each of Sky Luck and KL Securities became an indirect 51%-owned subsidiary of the Company.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

Provision of Financial Trading Software Solutions

With the launch of Shanghai-Hong Kong Stock Connect in the fourth quarter of 2014, the financial trading software solutions business division has benefited from the rising demand for its multi-functional and comprehensive financial trading solutions. For the Period, this business division recorded a segment revenue from the external customers of approximately HK\$8,645,000 (three months ended 31 March 2014: approximately HK\$7,685,000).

During the Period, pleasing development and enhancement progress for the new and existing products are seen in iAsia Online Systems Limited (“iAsia”), the core operating subsidiary of this business division. Both of the enhanced version of the Securities Front Office System for the banking sector with two new functions and the iOS version of the Mobile App for retail investors have been launched to the market in March 2015 while the order management system, namely Connect X, was expected to be officially launched by mid-May 2015.

Provision of Other Internet Financial Platforms

For the Period, the other internet financial platforms business division contributed a segment revenue of HK\$120,000 (three months ended 31 March 2014: Nil).

During the Period, the internal development of “LENDWISE”, the instant B2C (Business to Customer)/O2O (Online to Offline) money lending platform connecting licensed money lending companies in Hong Kong and potential borrowers, has been completed and this new platform was officially launched to the market in April 2015. As for the project of developing an integrated fund administration and portfolio analysis management system (“Fund Platform”) which commenced in late 2014, the design of platform infrastructure and system framework and the capturing of module requirement have been accomplished. The system development work has commenced during the Period.



Provision of Referral Services

During the Period, the referral business division team worked closely with the corporate finance advisory business division team in exploring new business opportunities, identifying quality investments with good potentials for clients and expanding the cross-segment client base. No revenue (three months ended 31 March 2014: HK\$850,000) was generated from this business division for the Period.

Money Lending Business

For the Period, revenue derived from the money lending business division amounted to approximately HK\$84,000 (three months ended 31 March 2014: Nil). The interest rate charged to customers during the Period ranged from 8.5% to 9.0% per annum. No default event occurred as of the date of this report and no provision for the impairment of loan receivables was considered necessary during the Period.

Securities Investments

The Group continues to adopt a prudent investment approach in trading of listed securities in the Hong Kong stock market. During the Period, the securities investments business division recorded a net fair value loss on financial assets at fair value through profit or loss of approximately HK\$1,048,000 (three months ended 31 March 2014: Nil).

Provision of Corporate Finance Advisory Services

The Group commenced its business of advising on corporate finance in early November 2014 to provide corporate finance advisory and related services to its clients upon obtaining the Type 6 Licence from the Securities and Futures Commission of Hong Kong to carry out Type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) ("SFO") in late October 2014. The Group has successfully entered into certain service contracts with the clients for this business division since January 2015 and contributed a segment revenue from the external customers of HK\$107,000 (three months ended 31 March 2014: Nil) for the Period.

Financial Review

Revenue

Revenue of the Group for the Period was approximately HK\$7,907,000 (three months ended 31 March 2014: approximately HK\$8,535,000), representing a decrease of approximately HK\$627,000 or 7.35% as compared with that of the corresponding period in 2014. The decrease was mainly due to the net fair value loss on financial assets at fair value through profit or loss of approximately HK\$1,048,000 recorded by the securities investments business division for the Period.

Gross profit and gross profit margin

Gross profit of the Group for the Period was approximately HK\$5,458,000 (three months ended 31 March 2014: approximately HK\$6,154,000), representing a decrease of approximately 11.31% as compared with that of the corresponding period in 2014. Gross profit margin of the Group for the Period was approximately 69.02% (three months ended 31 March 2014: approximately 72.10%).

Loss and total comprehensive expense for the period

The Group incurred a net loss and total comprehensive expense of approximately HK\$2,776,000 (three months ended 31 March 2014: a loss of approximately HK\$137,000) for the Period. The increase of net loss and total comprehensive expense of the Group of approximately HK\$2,639,000 as compared with that of the corresponding period in 2014 was mainly attributable to the combined effect of the following: (i) net fair value loss on financial assets at fair value through profit or loss of approximately HK\$1,048,000 recorded by the securities investments business division for the Period; and (ii) the increase in administrative expenses including administrative staff costs and operating lease expenses in respect of rented premises of approximately HK\$1,713,000 incurred by the new business divisions during the Period.



Capital Structure

Share Subdivisions and Change of Board Lot Size

On 18 March 2014, the Board proposed that every one (1) issued and unissued ordinary share of HK\$0.01 each in the share capital of the Company (“Un-subdivided Share(s)”) be subdivided into ten (10) subdivided shares (“First-subdivided Shares”) of HK\$0.001 each (“First Share Subdivision”). The Board also proposed that subject to and upon the First Share Subdivision becoming effective, the board lot size would be changed from 2,500 Un-subdivided Shares to 5,000 First-subdivided Shares. The First Share Subdivision was approved by the shareholders of the Company (“Shareholders”) at the extraordinary general meeting of the Company held on 30 April 2014 (“2014 EGM”) and became effective on 2 May 2014. Details of the First Share Subdivision are set out in the Company’s announcement, circular and poll result announcement of the 2014 EGM dated 18 March 2014, 11 April 2014 and 30 April 2014 respectively.

On 31 December 2014, the Board proposed that every one (1) issued and unissued First-subdivided Share be further subdivided into two (2) subdivided shares (“Shares”) of HK\$0.0005 each (“Second Share Subdivision”). The Second Share Subdivision was approved by the Shareholders at the extraordinary general meeting of the Company held on 16 February 2015 (“2015 EGM”) and became effective on 17 February 2015. Upon the Second Share Subdivision becoming effective, the board lot size remains unchanged and the Shares have been trading in board lots of 5,000 Shares. Details of the Second Share Subdivision are set out in the Company’s announcement, circular and poll result announcement of the 2015 EGM dated 31 December 2014, 29 January 2015 and 16 February 2015 respectively.

Disposal of Shares by the Controlling Shareholder

On 31 March 2015, the Company was informed by Mr. Chan Sek Keung, Ringo, the non-executive Director and the chairman of the Board ("Chairman") and Luster Wealth Limited ("Luster Wealth"), the controlling shareholder of the Company (as defined in the GEM Listing Rules), that on 31 March 2015, Luster Wealth disposed of 64,112,500 Shares ("Sale Shares", each a "Sale Share") to a third party who and whose ultimate beneficial owner are independent of and not connected with the Company and its connected persons (as defined in the GEM Listing Rules) at HK\$0.45 per Sale Share ("Disposal"). Immediately before the Disposal, Luster Wealth held an aggregate of 2,328,225,000 Shares, representing approximately 58.21% of the issued share capital of the Company. Immediately after completion of the Disposal, Luster Wealth held an aggregate of 2,264,112,500 Shares, representing approximately 56.60% of the issued share capital of the Company. Details of the Disposal are set out in the Company's announcement dated 31 March 2015.

Proposals after the Period

Proposed Issue of Notes

On 10 April 2015, the Company as issuer and Convoy Asset Management Limited and GEO Securities Limited as placing agents ("Placing Agents"), entered into a placing agreement pursuant to which the Placing Agents agreed to act as placing agents of the Company, on a best endeavour basis, to procure the placee(s) who and whose respective ultimate beneficial owner(s), if applicable, shall be third parties independent of, and not connected with and not acting in concert with, the Company, its connected persons (within the meaning of the GEM Listing Rules) and their respective associates (within the meaning of the GEM Listing Rules), to subscribe for the 10% per annum notes ("Notes") to be issued by the Company in an aggregate principal amount of up to HK\$200,000,000 maturing on the day immediately preceding the second anniversary of the date of issue of the Notes at the placing price equal to 100% of the principal amount of the Notes ("Placing"). The placing period for the Placing shall last for a period commencing from 11 April 2015 to 10 June 2015 (both days inclusive). As at the date of this report, the Placing was yet to close. Details of the Placing are set out in the Company's announcement dated 10 April 2015.



Proposed Change of Company Name

On 22 April 2015, the Board proposed to change the name of the Company such that the existing English name of the Company be changed from “Finsoft Corporation” to “Finsoft Financial Investment Holdings Limited” and that the existing dual foreign name of the Company in Chinese “匯財軟件公司” be removed and “匯財金融投資控股有限公司” be adopted as the new Chinese name of the Company for identification purpose only (“Change of Company Name”). The proposed Change of Company Name is conditional upon, among other things, (i) the passing of a special resolution by the Shareholders at an extraordinary general meeting of the Company to approve the Change of Company Name; and (ii) the granting of the approval by the Registrar of Companies of the Cayman Islands. Details of the Change of Company Name are set out in the Company’s announcement dated 22 April 2015.

Outlook

The Group expects to have a steady business growth this year and will maintain internet finance as the core of its future business development.

Favourable factors comprising the successful implementation of Shanghai-Hong Kong Stock Connect and the foreseeable implementation of Shenzhen-Hong Kong Stock Connect are conducive to an increasing number of trading activities in the stock markets and help iAsia to gain access to a larger customer pool. Meanwhile, iAsia will continue to place strong emphasis on its research and development to enrich its product portfolio and enhance its existing products to meet the market demand and sharpen its competitive edges.

In light of the rising popularity of electronic commerce and upon launching of LENDWISE by the Group, the Group believes the other internet financial platforms business division will achieve a significant growth in the customer base and revenue this year. On the other hand, the Group’s other businesses including the provision of referral services, money lending, securities investments and provision of corporate finance advisory services are expected to maintain stable growth momentum.

Looking forward, the Group will strive to increase its market share in the internet financial industry not only in Hong Kong but also in the People’s Republic of China by seizing any business opportunity with high growth potential in order to maximise returns to the Shareholders.

OTHER INFORMATION

Directors' and Chief Executive's Interests and Short Positions in the Shares, Underlying Shares and Debentures

As at 31 March 2015, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, were as follows:

(i) Long position in the ordinary shares and underlying shares of the Company

| Name of Director | Capacity/Nature | Number of Shares held/ interested | Approximate percentage of shareholding |
|--|------------------------------------|--|---|
| Mr. Chan Sek Keung, Ringo ("Mr. Chan") <i>(Note)</i> | Interest in controlled corporation | 2,264,112,500 | 56.60% |
| Mr. Lawrence Tang | Beneficial owner | 7,300,000 | 0.18% |

Note:

These 2,264,112,500 Shares are held by Luster Wealth. Mr. Chan, the non-executive Director and the Chairman beneficially owns 100% of the issued share capital of Woodstock Management Limited ("Woodstock"), which in turn owns approximately 89.87% of the issued share capital of Luster Wealth. Therefore, Mr. Chan is deemed, or taken to be, interested in all the Shares held by Luster Wealth for the purpose of the SFO. Mr. Chan is the sole director of each of Luster Wealth and Woodstock. As at 31 March 2015, Mr. Li Hoi Kong ("Mr. Li"), an executive Director, owned approximately 7.75% of the issued share capital of Luster Wealth.

(III) Long position in the ordinary shares of associated corporations

| Name of Director | Name of associated corporation | Capacity/Nature | Number of share(s) held/ interested | Approximate percentage of shareholding |
|-------------------------|---------------------------------------|------------------------------------|--|---|
| Mr. Chan | Woodstock | Beneficial owner | 1 | 100% |
| Mr. Chan | Luster Wealth | Interest in controlled corporation | 754 | 89.87% |
| Mr. Li | Luster Wealth | Beneficial owner | 65 | 7.75% |

Save as disclosed above, as at 31 March 2015, none of the Directors or chief executive of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would be required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO or would be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by the Directors, notified to the Company and the Stock Exchange.

Substantial Shareholders' Interests and Short Positions in the Shares and Underlying Shares

So far as is known to the Directors, as at 31 March 2015, the following persons (not being a Director or chief executive of the Company) had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO:

Long Position in the ordinary shares and underlying shares of the Company

| Name of shareholder | Capacity/Nature | Number of Shares held/ interested | Approximate percentage of shareholding |
|-----------------------------|------------------------------------|--|---|
| Luster Wealth <i>(Note)</i> | Beneficial owner | 2,264,112,500 | 56.60% |
| Woodstock <i>(Note)</i> | Interest in controlled corporation | 2,264,112,500 | 56.60% |

Note:

These 2,264,112,500 Shares are held by Luster Wealth, which in turn is owned as to approximately 89.87% by Woodstock. Therefore, Woodstock is deemed, or taken to be, interested in all the Shares held by Luster Wealth for the purpose of the SFO.

Save as disclosed above, as at 31 March 2015, the Directors are not aware of any other persons (not being a Director or chief executive of the Company) who have interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO.

Purchase, Sale or Redemption of the Company's Listed Securities

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the Period.

Directors' Securities Transactions

The Company has adopted a code of conduct regarding securities transactions by directors on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiry of all Directors, all Directors have confirmed that they had complied with the required standard of dealings and the code of conduct regarding securities transactions by directors adopted by the Company during the Period.

Corporate Governance

During the Period, the Company has complied with all the applicable code provisions as set out in the Corporate Governance Code ("CG Code") contained in Appendix 15 to the GEM Listing Rules, except for the deviation mentioned in the following paragraph.

According to code provision A.2.1 of the CG Code, the roles of the chairman and the chief executive officer should be separate and should not be performed by the same individual. During the Period, the role of Chairman is performed by Mr. Chan but the office of the chief executive officer of the Company is vacated. However, the Board will keep reviewing the current structure of the Board from time to time and should candidate with suitable knowledge, skill and experience be identified, the Company will make appointment to fill the post as appropriate.



Competing Interests

Mr. Tai Man Hin, Tony, (“Mr. Tai”), an independent non-executive Director retired with effect from 5 May 2015, was also an independent non-executive director of First Credit Finance Group Limited (“First Credit”) (stock code: 8215), which is a company listed on the GEM of the Stock Exchange, during his tenure. First Credit and its subsidiaries are principally engaged in money lending business.

Save as disclosed above, as at 31 March 2015, none of the Directors, the controlling Shareholders and their respective close associates (as defined in the GEM Listing Rules) had any business or interests in a business which competes or is likely to compete, either directly or indirectly, with the business of the Group or had any other conflict of interest which such person has or may have with the Group.

Interests of the Compliance Adviser

As notified by the compliance adviser of the Company, Ample Capital Limited, as at 31 March 2015, except for the compliance adviser agreement entered into between the Company and Ample Capital Limited dated 17 September 2013, neither Ample Capital Limited nor its directors, employees or close associates (as defined in the GEM Listing Rules) had any interest in relation to the Group which is required to be notified to the Company pursuant to Rule 6A.32 of the GEM Listing Rules.

Appointments and Retirement of Directors and Change of Composition of Board Committees

With effect from 23 March 2015, (i) Mr. Chan Yee Por, Simon was appointed as an independent non-executive Director, the chairman of the audit committee of the Board (“Audit Committee”) and the chairman of the non-competition review committee of the Board (“Non-Competition Review Committee”); (ii) Mr. Cheng Wen has been appointed as an independent non-executive Director and a member of each of the Audit Committee, the Non-Competition Review Committee and the compliance committee of the Board (“Compliance Committee”); (iii) Mr. Tai ceased to be the chairman of each of the Audit Committee and Non-Competition Review Committee but remained as a member of each of the Audit Committee and Non-Competition Review Committee until the Retirement (as defined below); and (iv) Ms. Law Hau Yan ceased to be a member of the Compliance Committee but remains as the finance manager of iAsia. Details of the above changes are set out in the Company’s announcement dated 23 March 2015.

At the annual general meeting of the Company held on 5 May 2015 ("2015 AGM"), Mr. Tai did not offer himself for re-election due to his other commitments which required more of his time and retired as an independent non-executive Director upon conclusion of the 2015 AGM ("Retirement"). Details of the above changes are set out in the Company's circular and announcement dated 27 March 2015 and 5 May 2015 respectively.

Audit Committee

The Board established the Audit Committee on 10 September 2013 with written terms of reference in accordance with the code provisions set out in the CG Code which are posted on the websites of the GEM of the Stock Exchange and of the Company. The primary duties of the Audit Committee are, among other matters, to review and supervise the financial reporting process and internal control system of the Group. As at the date of this report, the chairman of the Audit Committee is Mr. Chan Yee Por, Simon and other members include Ms. Lee Kwun Ling, May Jean, Mr. Yuen Shiu Wai and Mr. Cheng Wen, all being independent non-executive Directors.

The unaudited condensed consolidated results of the Group for the Period have been reviewed by the Audit Committee, which was of the opinion that the preparation of such results complied with the applicable accounting standards and requirements and that adequate disclosures have been made.

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

Hong Kong, 8 May 2015

As at the date of this report, 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 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.