

FINSOFT FINANCIAL INVESTMENT HOLDINGS LIMITED
匯財金融投資控股有限公司*
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 8018)

**ANNOUNCEMENT OF THIRD QUARTERLY RESULTS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2015**

**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 the GEM, there is a risk that securities traded on the 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 the GEM.

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This announcement, for which the directors (“Directors”, each a “Director”) of Finsoft Financial Investment Holdings Limited (“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 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.

* for identification purpose only

THIRD 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 and nine months ended 30 September 2015, together with the unaudited comparative figures for the corresponding periods in 2014, as follows:

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three months and nine months ended 30 September 2015

	Notes	Three months ended 30 September		Nine months ended 30 September	
		2015 HK\$ (Unaudited)	2014 HK\$ (Unaudited) (Restated)	2015 HK\$ (Unaudited)	2014 HK\$ (Unaudited) (Restated)
Revenue	3	7,427,331	14,371,314	31,479,513	33,477,713
Cost of sales		(3,724,050)	(3,095,397)	(9,671,758)	(7,287,795)
Gross profit		3,703,281	11,275,917	21,807,755	26,189,918
Other income		283	56,001	49,002	150,402
Other gains and losses		–	(284,830)	(20,667)	(280,806)
Administrative expenses		(8,969,883)	(4,884,178)	(25,627,107)	(17,904,268)
Finance costs	4	(3,732,294)	–	(5,155,985)	–
Share of loss of an associate		–	(234)	–	(4,098)
(Loss)/profit before tax		(8,998,613)	6,162,676	(8,947,002)	8,151,148
Income tax expense	5	(1,048,508)	(554,728)	(2,256,326)	(1,239,904)
(Loss)/profit and total comprehensive (expense)/income for the period	6	(10,047,121)	5,607,948	(11,203,328)	6,911,244
(Loss)/profit and total comprehensive (expense)/income for the period attributable to:					
Owners of the Company		(9,868,953)	5,607,948	(10,910,308)	6,911,244
Non-controlling interests		(178,168)	–	(293,020)	–
		(10,047,121)	5,607,948	(11,203,328)	6,911,244
(Loss)/earnings per share					
– Basic and diluted (HK cents per share)	8	(0.247)	0.140	(0.273)	0.173

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 were listed on the GEM of the Stock Exchange on 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.

With effect from 8 June 2015, the name of the Company has been changed from "Finsoft Corporation" to "Finsoft Financial Investment Holdings Limited" and the dual foreign name of the Company in Chinese "匯財軟件公司" has been removed and "匯財金融投資控股有限公司" has been adopted as the new Chinese name of the Company for identification purpose only.

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 three months and nine months ended 30 September 2015 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).

The unaudited condensed consolidated statement of comprehensive income 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 three months and nine months ended 30 September 2015 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 had no material impact on the Group's financial performance and position for the current and prior periods. The Group has not yet 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 in future may have an impact on the results of the Group. However, it is not practicable to provide a reasonable estimate of the effect of the New and Revised HKFRSs until the Group performs a detailed review.

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 management's best knowledge and judgement to current events and actions, actual results may ultimately differ from those estimates.

3. REVENUE

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

	Three months ended 30 September		Nine months ended 30 September	
	2015 HK\$ (Unaudited)	2014 HK\$ (Unaudited) (Restated)	2015 HK\$ (Unaudited)	2014 HK\$ (Unaudited) (Restated)
Sales of hardware	122,316	353,978	752,920	1,006,929
Sales of technology software systems	1,769,200	2,627,600	3,663,602	4,878,107
System customisation and network support	1,380,133	513,560	5,052,021	1,893,986
Software maintenance services	2,352,438	2,185,180	6,978,591	6,733,917
Software licensing fee	4,529,528	3,216,773	12,504,527	9,026,218
Hosting services fee	577,274	304,858	1,623,496	973,450
Referral services fee	–	3,391,700	501,989	6,908,142
Interest income on loan financing	763,775	56,055	969,507	149,211
Corporate finance advisory and related services fee	333,544	–	802,000	–
Other internet financial platform services fee	840,000	40,000	1,648,000	40,000
Net fair value (loss)/gain on financial assets at fair value through profit or loss	(5,269,846)	1,649,610	(3,100,980)	1,789,610
Others	28,969	32,000	83,840	78,143
	<u>7,427,331</u>	<u>14,371,314</u>	<u>31,479,513</u>	<u>33,477,713</u>

4. FINANCE COSTS

	Three months ended 30 September		Nine months ended 30 September	
	2015 HK\$ (Unaudited)	2014 HK\$ (Unaudited)	2015 HK\$ (Unaudited)	2014 HK\$ (Unaudited)
Effective interest expense on loan notes	3,731,838	–	5,155,529	–
Other interest expenses	456	–	456	–
	<u>3,732,294</u>	<u>–</u>	<u>5,155,985</u>	<u>–</u>

5. INCOME TAX EXPENSE

	Three months ended 30 September		Nine months ended 30 September	
	2015 HK\$ (Unaudited)	2014 HK\$ (Unaudited)	2015 HK\$ (Unaudited)	2014 HK\$ (Unaudited)
Current tax				
– Hong Kong Profits Tax	1,028,122	461,707	2,247,651	922,597
– Underprovision in prior periods	25,828	–	25,828	–
	<u>1,053,950</u>	<u>461,707</u>	<u>2,273,479</u>	<u>922,597</u>
Deferred tax	(5,442)	93,021	(17,153)	317,307
Total income tax recognised in profit or loss	<u>1,048,508</u>	<u>554,728</u>	<u>2,256,326</u>	<u>1,239,904</u>

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

6. (LOSS)/PROFIT FOR THE PERIOD

	Three months ended		Nine months ended	
	30 September		30 September	
	2015	2014	2015	2014
	HK\$	HK\$	HK\$	HK\$
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
(Loss)/profit for the period has been arrived at after charging/(crediting):				
Amortisation of intangible assets (included in cost of sales)	234,192	67,700	533,962	203,102
Depreciation of property, plant and equipment	351,261	155,646	1,018,390	362,894
Dividend income from listed equity securities (included in revenue)	(221,074)	–	(279,994)	–
Operating lease payments in respect of rented premises	<u>1,122,708</u>	<u>752,440</u>	<u>3,261,320</u>	<u>2,054,941</u>
Employee benefits expense (<i>Note</i>):				
Salaries and other benefits	7,057,084	4,925,976	18,942,665	14,333,184
Contributions to retirement benefits scheme	<u>222,977</u>	<u>161,251</u>	<u>639,409</u>	<u>461,169</u>
Total employee benefits expense, including directors' emoluments	7,280,061	5,087,227	19,582,074	14,794,353
Less: Amounts capitalised in development costs	<u>(385,050)</u>	<u>(631,462)</u>	<u>(955,153)</u>	<u>(2,126,172)</u>
	<u>6,895,011</u>	<u>4,455,765</u>	<u>18,626,921</u>	<u>12,668,181</u>

Note:

During the three months and nine months ended 30 September 2015, total employee benefits expense amounted to HK\$2,219,589 (three months ended 30 September 2014: HK\$1,712,036) and HK\$6,110,605 (nine months ended 30 September 2014: HK\$4,603,129) respectively was included in cost of sales and total employee benefits expense amounted to HK\$4,675,422 (three months ended 30 September 2014: HK\$2,743,729) and HK\$12,516,316 (nine months ended 30 September 2014: HK\$8,065,052) respectively was included in administrative expenses.

7. DIVIDEND

The Board does not recommend the payment of any interim dividend in respect of the nine months ended 30 September 2015 (nine months ended 30 September 2014: Nil).

8. (LOSS)/EARNINGS PER SHARE

	Three months ended 30 September		Nine months ended 30 September	
	2015	2014	2015	2014
	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
(Loss)/earnings				
(Loss)/profit for the period attributable to owners of the Company for the purpose of basic (loss)/earnings per share	<u><u>(9,868,953)</u></u>	<u><u>5,607,948</u></u>	<u><u>(10,910,308)</u></u>	<u><u>6,911,244</u></u>
	Three months ended 30 September		Nine months ended 30 September	
	2015	2014	2015	2014
	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
		(Restated)		(Restated)
Number of shares				
Weighted average number of ordinary shares for the purpose of basic (loss)/earnings per share	<u><u>4,000,000,000</u></u>	<u><u>4,000,000,000</u></u>	<u><u>4,000,000,000</u></u>	<u><u>4,000,000,000</u></u>

The weighted average number of ordinary shares for the purpose of basic (loss)/earnings per share for the three months and nine months ended 30 September 2015 and 30 September 2014 was derived from 4,000,000,000 shares in issue throughout the three months and nine months ended 30 September 2015 and 30 September 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)/earnings per share is equal to the basic (loss)/earnings per share as there were no dilutive potential ordinary shares in issue during the three months and nine months ended 30 September 2015 and 30 September 2014.

9. CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the Company					Attributable to non-controlling interests	Total
	Share capital	Share premium	Merger reserve	Retained profits	Subtotal		
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
Balance at 1 January 2014 (Audited)	2,000,000	34,609,605	77,794	12,260,173	48,947,572	–	48,947,572
Profit and total comprehensive income for the period (Unaudited)	–	–	–	6,911,244	6,911,244	–	6,911,244
Balance at 30 September 2014 (Unaudited)	<u>2,000,000</u>	<u>34,609,605</u>	<u>77,794</u>	<u>19,171,417</u>	<u>55,858,816</u>	<u>–</u>	<u>55,858,816</u>
Balance at 1 January 2015 (Audited)	<u>2,000,000</u>	<u>34,609,605</u>	<u>77,794</u>	<u>23,579,128</u>	<u>60,266,527</u>	<u>–</u>	<u>60,266,527</u>
Loss and total comprehensive expense for the period (Unaudited)	–	–	–	(10,910,308)	(10,910,308)	(293,020)	(11,203,328)
Change in ownership interests in subsidiaries without change of control (Unaudited) (Note)	–	–	–	189,108	189,108	199,892	389,000
Balance at 30 September 2015 (Unaudited)	<u>2,000,000</u>	<u>34,609,605</u>	<u>77,794</u>	<u>12,857,928</u>	<u>49,545,327</u>	<u>(93,128)</u>	<u>49,452,199</u>

Note:

Immediately before the SL Subscription (as defined below), Winrange Investments Limited (“Winrange”), a wholly-owned subsidiary of the Company, held 100% 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 (“SL Subscription”), resulting in each of them holding 51%, 24.5% and 24.5% of the issued share capital of Sky Luck respectively. The SL Subscription constituted a dilution of equity interest of Sky Luck and KL Securities by the Company and immediately after the SL Subscription, each of Sky Luck and KL Securities became an indirect 51%-owned subsidiary of the Company. On 23 September 2015, Winrange acquired from the two independent third parties the 49% issued share capital of Sky Luck (“SL Acquisition”). Immediately after the SL Acquisition, each of Sky Luck and KL Securities became a wholly-owned subsidiary of the Company.

Immediately before the ChinaQFii Subscription (as defined below), Winrange held 100% issued share capital of One Rich Investment Limited (“One Rich”), a company incorporated in the British Virgin Islands with limited liability which in turn held 100% of the issued share capital of ChinaQFii Company Limited (“ChinaQFii”), a company incorporated in Hong Kong with limited liability. On 25 August 2015, new shares of ChinaQFii were allotted and issued to an independent third party (“ChinaQFii Subscription”), resulting in such independent third party holding 5% of the issued share capital of ChinaQFii. The ChinaQFii Subscription constituted a dilution of equity interest of ChinaQFii by the Company and immediately after the ChinaQFii Subscription, ChinaQFii became an indirect 95%-owned subsidiary of the Company.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

Overview

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. For the nine months ended 30 September 2015 (“Period”), the Group recorded a total revenue of approximately HK\$31,480,000 (nine months ended 30 September 2014: approximately HK\$33,478,000 (restated)).

Provision of Financial Trading Software Solutions

The financial trading software solutions business division keeps on serving its existing customers with enhanced system features and striving for expansion of its customer base. The core operating subsidiary in this business division, namely iAsia Online Systems Limited (“iAsia”), successfully concluded contracts with six new customers during the Period, including brokers in Hong Kong, the People’s Republic of China (“PRC”) and Singapore.

With the official launch of Shanghai-Hong Kong Stock Connect and the upgrade of securities front office system market access interface from Open Gateway (OG) to Orion Central Gateway (OCG) in late 2014, there was remarkable increase in one-off system customisation and recurring licensing fee. For the Period, revenue from the external customers of this business division increased by approximately 24.68% or HK\$6,068,000, from approximately HK\$24,591,000 for the nine months ended 30 September 2014 to approximately HK\$30,659,000 for the nine months ended 30 September 2015.

The order management system (Connect-X) with a new feature for connecting to global market has been introduced to a potential customer. The relevant contract with enhanced feature of Connect-X is expected to be concluded in the fourth quarter of 2015. To seize the business opportunities in the changing environment, the Business Development Team and the Project Development Team of iAsia keep on studying the market needs to deal with the increasing demand in functional requirements from customers.

Provision of Other Internet Financial Platforms

For the Period, the other internet financial platforms business division contributed a segment revenue of approximately HK\$1,648,000 (nine months ended 30 September 2014: HK\$40,000) from its financial platforms which were operated in Hong Kong.

In view of increasing demand for corporate and personal loans and the increasing popularity in using mobile device applications, “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 was officially launched to the market in April 2015. The Group has entered into service agreements with several licensed money lending companies in Hong Kong for services of LENDWISE during the Period.

In late 2014, the Group has commenced a project on developing an integrated fund administration and portfolio analysis management system (“Fund Platform”) in Hong Kong. During the Period, the backend system of the Fund Platform was under user acceptance tests and the tests were partially completed, while the basic functions of the frontend system were completed and the advanced functions of it were under development. The Fund Platform is expected to be launched in the first half of 2016.

The Group is interested in expanding its business in the provision of other internet financial platforms to the insurance industry. During the Period, the Group has entered into a memorandum of understanding to acquire 51% equity interest in Reinfo Asia Limited (“Reinfo Asia”), a company incorporated in Hong Kong and engaged in software consultancy focusing on the systems development for general insurance applications and covering areas of direct insurance, brokers and reinsurance. The proposed acquisition is now under due diligence review process and is expected to be completed by the end of 2015, and is expected to bring favourable growth to the Group. The Group will continue the development of internet finance and financial services.

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. Revenue of approximately HK\$502,000 (nine months ended 30 September 2014: approximately HK\$6,908,000) 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\$970,000 (nine months ended 30 September 2014: approximately HK\$149,000). The increase in revenue was mainly contributed by loan interest income derived from several new loan agreements entered into during the Period. The interest rate charged to customers during the Period ranged from 8.5% to 16.0% per annum. No default event occurred as of 30 September 2015 and the date of this announcement and no provision for the impairment of loan receivable was considered necessary during the Period. The Group will keep on developing and expanding its money lending business by retaining prudent credit control procedures and strategies that hold a balance between business growth and risk management.

Securities Investments

Due to the volatility of the equity market, the performance of the securities investments segment is worse than expected. However, the Group still maintains a prudent attitude towards listed securities investment. 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\$3,101,000 (nine months ended 30 September 2014: net fair value gain of approximately HK\$1,790,000 (restated)). The Group will continue to seek investment opportunities to enhance the return to shareholders of the Company (“Shareholders”).

Provision of Corporate Finance Advisory Services

In early November 2014, the Group began 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 (“SFO”) (Cap. 571 of the Laws of Hong Kong) in late October 2014. The Group has successfully entered into certain service contracts with the clients for this business division since January 2015 and this business division contributed a segment revenue from the external customers of HK\$802,000 (nine months ended 30 September 2014: Nil) for the Period.

Financial Review

Revenue

Revenue of the Group for the Period was approximately HK\$31,480,000 (nine months ended 30 September 2014: approximately HK\$33,478,000 (restated)), representing a decrease of approximately HK\$1,998,000 or 5.97% as compared with that of the corresponding period in 2014. The decrease in revenue was mainly due to the net effect of (i) the increase in the revenue from the financial trading software solutions business of approximately HK\$6,068,000; (ii) the decrease in revenue from the referral business segment of approximately HK\$6,406,000; and (iii) the net fair value loss from securities investments of approximately HK\$3,101,000.

Gross profit and gross profit margin

Gross profit of the Group for the Period was approximately HK\$21,808,000 (nine months ended 30 September 2014: approximately HK\$26,190,000 (restated)), representing a decrease of approximately 16.73% as compared with that of the corresponding period in 2014. Gross profit margin of the Group for the Period was approximately 69.28% (nine months ended 30 September 2014: approximately 78.23%).

Administrative expenses

The Group’s administrative expenses for the Period amounted to approximately HK\$25,627,000 (nine months ended 30 September 2014: approximately HK\$17,904,000), representing an increase of approximately HK\$7,723,000 or 43.14% as compared with that of the corresponding period in 2014. The significant increase was primarily attributable to the combined effect of (i) the increase in administrative staff costs of approximately HK\$4,451,000; (ii) the increase in consultancy fees of approximately HK\$1,164,000; and (iii) the increase in rental expenses of approximately HK\$1,206,000 mainly due to rental expenses incurred by new business divisions, including provision of other internet financial platforms business and provision of corporate financial advisory services business during the Period.

Loss and total comprehensive expense for the Period

The Group incurred a net loss and total comprehensive expense of approximately HK\$11,203,000 (nine months ended 30 September 2014: a net profit and total comprehensive income of approximately HK\$6,911,000) for the Period. The net loss and total comprehensive expense of the Group as compared with the net profit and total comprehensive income of the corresponding period in 2014 was mainly attributable to the combined effect of (i) the net fair value loss on financial assets at fair value through profit or loss of approximately HK\$3,101,000 for the Period as compared to net fair value gain on financial assets at fair value through profit or loss of approximately HK\$1,790,000 for the nine months ended 30 September 2014; (ii) the increase in administrative expenses of approximately HK\$7,723,000 for the Period, which was primary attributable to the combined effect of the increase in administrative staff costs, consultancy fees and rental expenses incurred by new business divisions, including provision of other internet financial platforms business and provision of corporate finance advisory services business during the Period; and (iii) the interest expenses of approximately HK\$5,156,000 incurred during the Period on loan notes in the aggregate principal amount of HK\$100,300,000 issued by the Company on 18 May 2015.

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 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 of the Company by the Controlling Shareholder

On 31 March 2015, the Company was informed by Mr. Chan Sek Keung, Ringo, the non-executive Director and 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 (“First Sale Shares”, each a “First 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 First Sale Share (“First Disposal”). Immediately before the First 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 First 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 First Disposal are set out in the Company’s announcement dated 31 March 2015.

On 21 September 2015, the Company was informed by Mr. Chan Sek Keung, Ringo, and Luster Wealth, that on 21 September 2015, Luster Wealth, through a placing agent, disposed of 1,100,000,000 Shares (“Second Sale Shares”, each a “Second Sale Share”) to more than one purchasers who are third parties independent of and not connected with the Company and its connected persons (as defined in the GEM Listing Rules) at HK\$0.14 per Second Sale Share (“Second Disposal”). Immediately before the Second Disposal, Luster Wealth held an aggregate of 2,264,112,500 Shares, representing approximately 56.60% of the issued share capital of the Company. Immediately after completion of the Second Disposal, Luster Wealth held an aggregate of 1,164,112,500 Shares, representing approximately 29.10% of the issued share capital of the Company. Details of the Second Disposal are set out in the Company’s announcement dated 21 September 2015.

Issue of Loan Notes

On 10 April 2015, the Board proposed the placing of the 10% per annum notes (“Loan Notes”) 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 Loan Notes (or where such day is not a business day, the immediately following business day) at the placing price equal to 100% of the principal amount of the Loan Notes (“Placing”). The placing period for the Placing commenced on 11 April 2015. On 18 May 2015, the Loan Notes in an aggregate principal amount of HK\$100,300,000 were issued and the net proceeds were approximately HK\$96,200,000 (“Notes Net Proceeds”), which was intended to be used to finance the Group’s obligation to pay the registered capital of a wholly-owned subsidiary (“Qianhai Subsidiary”) of the Company to be established in Qianhai, Shenzhen, the PRC. The placing period for the Placing ended on 10 June 2015 and as the Company had not received any notice from the placing agents for further issue of the Loan Notes, no additional Loan Notes would be issued by the Company under the Placing.

Since the Group’s application for establishment of the Qianhai Subsidiary (with the business scope of, among others, financial intermediary services and development and operation of internet financial services platform) was not approved by the relevant authority of the PRC and accordingly, the intended use of the Notes Net Proceeds has been changed and is intended to be used for funding the Group’s money lending business in Hong Kong and future potential acquisitions, investments and treasury management purposes.

Details of the above are set out in the Company's announcements dated 10 April 2015, 18 May 2015, 11 June 2015, 23 July 2015, 14 August 2015, 19 August 2015 and 26 August 2015.

Significant and Potential Investments

Diamond Transactions

On 14 May 2015, the Company entered into a framework agreement ("Framework Agreement") with the following three parties ("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 transactions relating to diamond ("Diamond Transactions"), with an aim to developing innovative financial services and trading method for the Diamond Transactions.

The Group applied for the establishment of the Qianhai Subsidiary which was intended to assist the Group to perform its obligations under the Framework Agreement and the cooperation contemplated thereunder.

However, the application for establishment of the Qianhai Subsidiary was not approved by the relevant authority of the PRC and accordingly, the Group will divert the resources for financing the Group's obligation to pay up the registered capital of the Qianhai Subsidiary to the Group's money lending business in Hong Kong and future potential acquisitions, investments and treasury management purposes.

Details of the Framework Agreement and establishment of Qianhai Subsidiary are set out in the Company's announcements dated 14 May 2015 and 23 July 2015.

Proposed Acquisition in relation to Reinfo Asia

On 19 August 2015, a wholly-owned subsidiary of the Company, Finsoft FinTech Investment Limited ("Proposed Purchaser") and the proposed vendors ("Proposed Vendors") who are four individuals, each of them being a third party independent of and not connected with the Company and the connected persons (as defined in the GEM Listing Rules) of the Company, entered into the memorandum of understanding ("Memorandum") in relation to the proposed acquisition ("Proposed Acquisition") of 51% of the shares of Reinfo Asia ("Target") or the proposed holding company ("Holding Company") of the Target. Pursuant to the Memorandum, it is proposed that the Proposed Purchaser will acquire, and the Proposed Vendors will sell, 51% of the issued shares of the Target or the Holding Company. The Target is a company incorporated in Hong Kong with limited liability and is principally engaged in software consultancy focusing on the systems development for general insurance applications and covering areas of direct insurance, brokers and reinsurance. Subject to the terms to be set out in the definitive agreement to be entered into by the parties to the Memorandum, the consideration for the Proposed Acquisition shall be HK\$30,600,000 (subject to adjustment). Details of the Proposed Acquisition are set out in the Company's announcements dated 19 August 2015 and 20 October 2015.

Securities Investments

During the Period, the Group has (i) acquired shares of listed securities of several listed companies on the Stock Exchange for a total amount of approximately HK\$63,521,000; (ii) disposed of some of the listed securities and recorded a net realised loss of approximately HK\$3,155,000. The Group recorded an unrealised gain arising on change in fair value of held-for-trading investments of approximately HK\$54,000 during the Period. Besides, the Group also invested in unlisted equity investments of approximately HK\$8,500,000 during the Period.

The fair value of listed securities and unlisted equity investments held by the Group amount to approximately HK\$11,402,000 and HK\$8,500,000 respectively as at 30 September 2015.

Change of Company Name

On 22 April 2015, the Board proposed the change of the name of the Company (“Change of Company Name”) 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. On 4 June 2015, a special resolution at an extraordinary general meeting of the Company was duly passed by the Shareholders to approve the Change of Company Name. The Registrar of Companies in the Cayman Islands issued the Certificate of Incorporation on Change of Name and the Registrar of Companies in Hong Kong issued the Certificate of Registration of Alteration of Name of Registered Non-Hong Kong Company on 8 June 2015 and 16 July 2015 respectively. The Board considers that the Change of Company name could better reflect the business coverage of the Group and provide the Company with a new corporate image and identity. Details of the Change of Company Name are set out in the Company’s announcements dated 22 April 2015 and 29 July 2015 and Company’s circular dated 12 May 2015.

Outlook

Widespread of internet finance and financial technology causes intensive competitions among the industry, and the Group remains optimistic on financial technology, our core future business development. The Group continues to allocate resources and invest in integration of internet and financial industry to offer more convenient and instant transaction solutions to our customers.

Global stock markets experienced dramatic ups and downs in the third quarter of 2015. The ones in the PRC were hardly to be an exception even though several interventions were made by the PRC government to stabilise the capital market. Although favourable factors are released after the fifth plenary session of the eighteenth central committee, the stock markets in the PRC and Hong Kong are expected to remain volatile in the fourth quarter of 2015.

The Group will continue to explore distinct partnerships in Hong Kong, the PRC and other regions to sharpen our competitive edge and expand our customer base, thus generate stable income stream to the Group and achieve better risk diversification. The Group remains prudent in its business divisions such as money lending business, securities investments and provision of corporate finance advisory services despite a volatile market situation.

OTHER INFORMATION

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

As at 30 September 2015, the interests and short positions of the Directors and chief executive of the Company in the Shares, underlying Shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the 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:

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	1,164,112,500	29.10%
Mr. Lawrence Tang	Beneficial owner	7,300,000	0.18%

Note: These 1,164,112,500 Shares are held by Luster Wealth. Mr. Chan, the non-executive Director and 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 30 September 2015, Mr. Li Hoi Kong, an executive Director, owned approximately 7.75% of the issued share capital of Luster Wealth.

Save as disclosed above, as at 30 September 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 Shares and Underlying Shares

So far as is known to the Directors, as at 30 September 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 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	1,164,112,500	29.10%
Woodstock (<i>Note</i>)	Interest in controlled corporation	1,164,112,500	29.10%

Note: These 1,164,112,500 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 30 September 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 confirmed that they have 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”) set out in Appendix 15 to the GEM Listing Rules, except for the deviation mentioned in the following paragraph.

According to the 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 was 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 the conclusion of the annual general meeting of the Company held on 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 30 September 2015, none of the Directors, the controlling Shareholders of the Company 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 30 September 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.

Change of Directors and 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 was appointed as an independent non-executive Director and a member of each of the Audit Committee, 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 has 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.

With effect from 24 June 2015, (i) Mr. Chan Yee Por, Simon resigned as an independent non-executive Director, the chairman of the Audit Committee and the chairman of the Non-Competition Review Committee; and (ii) Mr. Lam Kai Yeung has been appointed as an independent non-executive Director, the chairman of the Audit Committee and the chairman of the Non-Competition Review Committee. Details of the above changes are set out in the Company’s announcement dated 24 June 2015.

With effect from 30 September 2015, Mr. Cheng Wen resigned as an independent non-executive Director and a member of each of the Audit Committee, Non-Competition Review Committee and Compliance Committee. Details of the above changes are set out in the Company’s announcement dated 30 September 2015.

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 announcement, the chairman of the Audit Committee is Mr. Lam Kai Yeung and other members include Ms. Lee Kwun Ling, May Jean and Mr. Yuen Shiu Wai, 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 Financial Investment Holdings Limited
Chan Sek Keung, Ringo
Chairman

Hong Kong, 6 November 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 Chairman, Ms. Lee Kwun Ling, May Jean, Mr. Yuen Shiu Wai and Mr. Lam Kai Yeung being the independent non-executive Directors.

This announcement will remain on the “Latest Company Announcements” page of the website of the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited at www.hkgem.com for at least 7 days from the date of its publication and on the website of the Company at www.finsofthk.com.