

**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)**

**FIRST QUARTERLY RESULTS ANNOUNCEMENT  
FOR THE THREE MONTHS ENDED 31 MARCH 2016**

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

\* for identification purpose only

## FIRST QUARTERLY RESULTS

The board of Directors (the “Board”) is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (collectively, the “Group”) for the three months ended 31 March 2016 (the “Period”), together with the unaudited comparative figures for the corresponding period in 2015, as follows:

### UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the three months ended 31 March 2016

	Notes	Three months ended	
		2016	2015
		HK\$	HK\$
		(Unaudited)	(Unaudited)
Revenue	3	25,586,738	7,907,405
Cost of sales		<u>(4,069,001)</u>	<u>(2,449,809)</u>
Gross profit		21,517,737	5,457,596
Other income		38,408	43,022
Other gains and losses		(2,061,396)	(20,667)
Administrative expenses		(12,956,003)	(7,760,340)
Finance costs	4	(3,528,048)	–
Share of profit of an associate		1,304,799	–
Share of loss of a joint venture		<u>(571,114)</u>	<u>–</u>
<b>Profit/(loss) before tax</b>		<b>3,744,383</b>	<b>(2,280,389)</b>
Income tax expense	5	<u>(1,858,577)</u>	<u>(495,221)</u>
<b>Profit/(loss) and total comprehensive income/(loss) for the period</b>	6	<b><u>1,885,806</u></b>	<b><u>(2,775,610)</u></b>
<b>Profit/(loss) and total comprehensive income/(loss) for the period attributable to:</b>			
Owners of the Company		1,797,341	(2,739,028)
Non-controlling interests		<u>88,465</u>	<u>(36,582)</u>
		<b><u>1,885,806</u></b>	<b><u>(2,775,610)</u></b>
			(Restated)
<b>Earnings/(loss) per share</b>			
– Basic and diluted (HK cents per share)	8	<b><u>0.393</u></b>	<b><u>(0.685)</u></b>

*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 since 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 Company, an investment holding company, and its subsidiaries 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 and properties investments, provision of corporate finance advisory services and provision of property management and property agency services in Hong Kong.

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 profit or loss and other 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 Hong Kong Companies Ordinance (Cap. 622 of the Laws of Hong Kong).

The unaudited condensed consolidated statement of profit or loss and other comprehensive income of the Group has been prepared on the historical cost basis, except for certain financial instruments and investment properties 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 2015, 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 2016. The adoption of these New and Revised HKFRSs in the current period has had no material impact on the Group's financial performance and position 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 Group is in the process of making an assessment of the impact of the New and Revised HKFRSs upon initial application but is not yet in a position to state whether these New and Revised HKFRSs would have a significant impact on the Group's results of operations and financial position.

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 Group's revenue from its major products and services for the Period is as follows:

	Three months ended 31 March	
	2016 HK\$ (Unaudited)	2015 HK\$ (Unaudited)
Sales of hardware	524,064	307,670
Sales of technology software systems	344,300	365,200
System customisation and network support	1,817,999	1,306,124
Software maintenance services	2,287,977	2,292,864
Software licensing fee	5,384,394	3,832,154
Hosting and related services fee	860,343	540,749
Other internet financial platforms services income	967,000	120,000
Interest income on loan financing	403,928	83,836
Referral services fee	625,000	–
Corporate finance advisory and related services fee	270,000	107,000
Net fair value gain/(loss) on financial assets at fair value through profit or loss	3,925,680	(1,107,112)
Dividend income from listed equity securities	–	58,920
Rental income	89,500	–
Property management service income and agency commission income	8,086,553	–
	<u>25,586,738</u>	<u>7,907,405</u>

### 4. FINANCE COSTS

	Three months ended 31 March	
	2016 HK\$ (Unaudited)	2015 HK\$ (Unaudited)
Interest expense on loan notes	3,526,448	–
Other interest expense	1,600	–
	<u>3,528,048</u>	<u>–</u>

## 5. INCOME TAX EXPENSE

	<b>Three months ended 31 March</b>	
	<b>2016</b>	2015
	<b>HK\$</b>	<b>HK\$</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Current – Hong Kong		
– Charge for the period	<b>1,948,095</b>	436,719
Deferred	<b>(89,518)</b>	58,502
	<hr/>	<hr/>
Total income tax recognised in profit or loss	<b><u>1,858,577</u></b>	<b><u>495,221</u></b>

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

The share of tax attributable to an associate amounting to HK\$881,701 (three months ended 31 March 2015: Nil) was included in “Share of profit of an associate”.

## 6. PROFIT/(LOSS) FOR THE PERIOD

Profit/(loss) for the Period has been arrived at after charging/(crediting):

	<b>Three months ended 31 March</b>	
	<b>2016</b>	2015
	<b>HK\$</b>	<b>HK\$</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Amortisation of intangible assets ( <i>note 1</i> )	<b>2,998,436</b>	116,816
Depreciation of property, plant and equipment	<b>398,944</b>	318,503
Operating lease payments in respect of rented premises	<b>1,095,272</b>	1,041,305
Impairment losses of available-for-sale investments	<b>(3,335,060)</b>	–
	<hr/>	<hr/>
Employee benefits expense: ( <i>note 2</i> )		
Salaries and other benefits	<b>7,704,273</b>	5,673,837
Contributions to retirement benefits scheme	<b>236,998</b>	198,152
	<hr/>	<hr/>
Total employee benefits expense, including directors’ emoluments	<b>7,941,271</b>	5,871,989
Less: Amounts capitalised in development costs	<b>–</b>	(471,375)
	<hr/>	<hr/>
	<b><u>7,941,271</u></b>	<b><u>5,400,614</u></b>

*Notes:*

1. During the Period, amortisation of intangible assets amounting to HK\$542,535 (three months ended 31 March 2015: HK\$116,816) was included in cost of sales and amortisation of intangible assets amounting to HK\$2,455,901 (three months ended 31 March 2015: Nil) was included in administrative expenses.
2. During the Period, employee benefits expense amounting to HK\$2,209,241 (three months ended 31 March 2015: HK\$1,494,287) was included in cost of sales and employee benefits expense amounting to HK\$5,732,030 (three months ended 31 March 2015: HK\$3,906,327) was included in administrative expenses.

**7. DIVIDEND**

The Board does not recommend the payment of any dividend in respect of the Period (three months ended 31 March 2015: Nil).

**8. EARNINGS/(LOSS) PER SHARE**

	<b>Three months ended 31 March</b>	
	<b>2016</b>	<b>2015</b>
	<b>HK\$</b>	<b>HK\$</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Earnings/(loss)</b>		
Profit/(loss) for the period attributable to owners of the Company for the purpose of basic earnings/(loss) per share	<b><u>1,797,341</u></b>	<b><u>(2,739,028)</u></b>
	<b>Three months ended 31 March</b>	
	<b>2016</b>	<b>2015</b>
	<b>HK\$</b>	<b>HK\$</b>
	<b>(Unaudited)</b>	<b>(Unaudited) (Restated)</b>
<b>Number of shares</b>		
Weighted average number of ordinary shares for the purpose of basic earnings/(loss) per share	<b><u>457,142,857</u></b>	<b><u>400,000,000</u></b>

The calculation of the basic earnings/(loss) per share amounts is based on the profit/(loss) for the period attributable to ordinary equity holders of the Company of HK\$1,797,341 (three months ended 31 March 2015: loss of HK\$2,739,028), and the weighted average number of 457,142,857 (three months ended 31 March 2015: 400,000,000) ordinary shares in issue during the period, which have been adjusted to reflect the consolidation of every ten ordinary shares of the Company of HK\$0.0005 each into one consolidated share of HK\$0.005 with effect from 19 April 2016.

The diluted earnings/(loss) per share is equal to the basic earnings/(loss) per share as there were no dilutive potential ordinary shares in issue during the three months ended 31 March 2016 and 31 March 2015.

## 9. CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the Company					Attributable to non-controlling interests HK\$	Total HK\$
	Share capital HK\$	Share premium HK\$	Merger reserve HK\$	Retained profits HK\$	Subtotal HK\$		
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 loss 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)	–	–	–	42,537	42,537	(38,715)	3,822
At 31 March 2015 (Unaudited)	<u>2,000,000</u>	<u>34,609,605</u>	<u>77,794</u>	<u>20,882,637</u>	<u>57,570,036</u>	<u>(75,297)</u>	<u>57,494,739</u>
At 1 January 2016 (Audited)	<u>2,000,000</u>	<u>34,609,605</u>	<u>77,794</u>	<u>7,872,660</u>	<u>44,560,059</u>	<u>1,213,884</u>	<u>45,773,943</u>
Profit and total comprehensive income for the period (Unaudited)	–	–	–	1,797,341	1,797,341	88,465	1,885,806
Placing of new shares (Unaudited) (note)	400,000	38,153,766	–	–	38,553,766	–	38,553,766
Disposal of a subsidiary (Unaudited)	–	–	–	–	–	103,095	103,095
At 31 March 2016 (Unaudited)	<u>2,400,000</u>	<u>72,763,371</u>	<u>77,794</u>	<u>9,670,001</u>	<u>84,911,166</u>	<u>1,405,444</u>	<u>86,316,610</u>

### Note:

In January 2016, the Company allotted and issued 800,000,000 new ordinary shares at par value of HK\$0.0005 each for cash to independent third parties at a price of HK\$0.05 per share.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Business Review

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 and properties investments, provision of corporate finance advisory services and provision of property management and property agency services in Hong Kong. For the period ended 31 March 2016 (the “Period”), the Group recorded a total revenue of approximately HK\$25,587,000, representing an increase of approximately 223.6% from approximately HK\$7,907,000 of the corresponding period in 2015.

#### *Provision of Financial Trading Software Solutions*

We can see an improved performance in the financial trading software solutions business division from the solid customer base. This business division recorded a segment revenue from its external customers of approximately HK\$11,219,000 for the Period (three months ended 31 March 2015: approximately HK\$8,645,000). With the system launch of leasing software systems by seven new customers, there was a remarkable increase in contribution of recurring software licensing fee and hosting service fee since the second half of 2015.

Due to the enlarged customer base, iAsia Online Systems Limited (“iAsia”) works closely with the customers to understand their business needs and set up a yearly plan for system enhancement. It is expected that better resources allocation can improve the efficiency and effectiveness of the business segment. In addition, the increasing demand for system control in the unstable stock market gives opportunities for the Group to promote tailor-made solutions to its potential and existing customers, thus one-off customisation fee and profitability.

#### *Provision of Other Internet Financial Platforms*

During the Period, the other internet financial platforms business division recorded a segment revenue of HK\$967,000 (three months ended 31 March 2015: HK\$120,000) mainly contributed by the service income from the usage of the Group’s B2C (Business to Customer) and O2O (Online to Offline) money lending platform.

In late 2014, the Group commenced a project on developing an integrated fund administration and portfolio analysis management system in Hong Kong pursuant to the software agreement signed with a customer. In March 2016, after completion of certain stages of services, the parties mutually agreed to terminate the software agreement.

#### *Provision of Corporate Finance Advisory Services and 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. As a result, the provision of corporate finance advisory services and referral services recorded revenue of HK\$895,000 (three months ended 31 March 2015: HK\$107,000) during the Period.



### ***Money Lending Business***

During the Period, revenue derived from the money lending business division amounted to approximately HK\$404,000 (three months ended 31 March 2015: approximately HK\$84,000). The interest rate charged to customers during the Period ranged from 8.0% to 10.0% per annum. No default event occurred as of the date of this announcement and no provision for the impairment of loan receivables was considered necessary during the Period.

### ***Securities and Properties Investments***

The Group continues to adopt a prudent investment approach in trading of listed securities in the Hong Kong stock market. During the Period, a net fair value gain on financial assets at fair value through profit or loss of approximately HK\$3,926,000 (three months ended 31 March 2015: net fair value loss of approximately HK\$1,107,000) was recognised from the securities investments.

On 7 March 2016, the Group entered into an agreement to invest in properties market in Hong Kong at the consideration of HK\$25,900,000. The properties consist of two retail and one residential properties, located in the residential area of Siu Sai Wan and Tai Koo Shing, Hong Kong. The Group believed that the acquisition will generate stable rental income and improve the Group's operating performance in the medium to long run. During the Period, rental income of approximately HK\$90,000 was generated.

### ***Property Management and Property Agency Services***

The Group commenced to engage in property management and property agency services business after the acquisition of Full Profit Property Services Company Limited on 30 December 2015. Remarkable segment results of net profit after tax amounted to approximately HK\$3,253,000 has been recorded in the Period.

## **Financial Review**

### ***Revenue***

Revenue of the Group for the Period was approximately HK\$25,587,000 (three months ended 31 March 2015: approximately HK\$7,907,000), representing an increase of approximately HK\$17,680,000 or 223.6% as compared with that of the corresponding period in 2015. The increase in revenue was mainly due to the combined effect of (i) the increase in the revenue from the financial trading software solutions business of approximately HK\$2,574,000; (ii) the revenue of approximately HK\$8,087,000 contributed by the property management and property agency services business which was newly set up by the Group in December 2015; and (iii) the net fair value gain from securities investments of approximately HK\$3,926,000.

### ***Gross Profit and Gross Profit Margin***

Gross profit of the Group for the Period was approximately HK\$21,518,000 (three months ended 31 March 2015: approximately HK\$5,458,000), representing an increase of approximately 294.3% as compared with that of the corresponding period in 2015. Gross profit margin of the Group for the Period was approximately 84.1% (three months ended 31 March 2015: approximately 69.0%).

### ***Administrative Expenses***

The Group's administrative expenses for the Period amounted to approximately HK\$12,956,000 (three months ended 31 March 2015: approximately HK\$7,760,000), representing an increase of approximately HK\$5,196,000 or 67.0% as compared with that of the corresponding period in 2015. The significant increase was primarily attributable to the combined effect of (i) the increase in administrative staff costs of approximately HK\$1,826,000 due to the expansion of the Group's business; and (ii) the increase in amortisation costs of approximately HK\$2,456,000 due to the increase in intangible assets resulted from the acquisition of property management and property agency services business in December 2015, during the Period.

### ***Profit and Total Comprehensive Income for the Period***

The Group incurred a net profit and total comprehensive income of approximately HK\$1,886,000 (three months ended 31 March 2015: a net loss and total comprehensive loss of approximately HK\$2,776,000) for the Period. The net profit and total comprehensive income of the Group as compared with the net loss and total comprehensive loss of the corresponding period in 2015 was mainly attributable to the net effect of (i) the net profit after tax of approximately HK\$3,253,000 for the Period contributed by the property management and property agency services business segment which was newly set up by the Group in December 2015; (ii) the net fair value gain on financial assets at fair value through profit or loss of approximately HK\$3,926,000 for the Period as compared to the net fair value loss on financial assets at fair value through profit or loss of approximately HK\$1,107,000 for the three months ended 31 March 2015; (iii) the share of profit of an associate of approximately HK\$1,305,000 for the Period; (iv) the interest expenses of approximately HK\$3,526,000 incurred in the Period on the 10% per annum notes ("Loan Notes") in the aggregate principal amount of HK\$100.3 million issued by the Company on 18 May 2015; and (v) the impairment losses on available-for-sale investments of approximately HK\$3,335,000 recognised in the Period based on the assessment by the management of the Company.

### ***Material Acquisition and Disposal***

#### ***Disposal of ChinaQFii Company Limited***

On 25 January 2016, One Rich Investments Limited (a wholly-owned subsidiary of the Company) entered into a sale and purchase agreement with an independent third party to dispose of all its interest in ChinaQFii Company Limited at the consideration of HK\$2,400,000. Completion of the disposal took place on 26 January 2016.

### ***Sky View Subscription Agreement and Rolaner Subscription Agreement***

On 20 February 2016, Sky View Investment Limited (“Sky View”), Winrange Investments Limited (“Winrange”, a wholly-owned subsidiary of the Company) and Amber Rose Holdings Limited (“Amber Rose”) entered into an agreement (“Sky View Subscription Agreement”) for the subscription of ordinary shares of Sky View (“Sky View Shares”) by Winrange and Amber Rose respectively. Pursuant to the Sky View Subscription Agreement, Winrange and Amber Rose have agreed to subscribe for 390 Sky View Shares and 510 Sky View Shares at the subscription price of US\$4,948,900 and US\$5,151,000 respectively. Immediately before the signing of the Sky View Subscription Agreement, Sky View was 100%-owned by Winrange. Completion of the Sky View Subscription Agreement took place immediately after its signing and Winrange has become interested in 49% of the issued share capital of Sky View. It was the intention of Winrange and Amber Rose that Sky View would act as the holding company of their investment in Rolaner International Limited (“Rolaner”) to be acquired under the Rolaner Subscription Agreement (as defined below).

After completion of the Sky View Subscription Agreement, Sky View, Rolaner, Ace Choice Ventures Limited, Legend Cosmo Consultants Limited, Mr. Ren Lingfeng, Mr. Chen Rong, 榮浪信息科技(上海)有限公司 (unofficial English name being Rong Lang Information Technology (Shanghai) Co., Limited) and 羅朗網絡科技(上海)有限公司 (unofficial English name being Luo Lang Internet Technology (Shanghai) Co., Limited) entered into an agreement on 20 February 2016 (“Rolaner Subscription Agreement”), pursuant to which, among other things, Sky View shall subscribe for 22,000,000 preferred shares in the share capital of Rolaner, representing approximately 22.9% of the then enlarged share capital of Rolaner (after completion of the subscription of shares of Rolaner by Alibaba Investment Limited and assuming no shares of Rolaner have been issued pursuant to an employee share option program to be adopted by Rolaner after completion of the Rolaner Subscription Agreement) at the price of US\$10,000,000. Completion of the Rolaner Subscription Agreement took place on 18 March 2016.

### ***China Universal Acquisition Agreement***

On 7 March 2016, Wise Link International Limited (“Wise Link”), an indirect wholly-owned subsidiary of the Company, and Colorful Focus Limited (“Colorful Focus”) entered into a sale and purchase agreement (“China Universal Acquisition Agreement”), pursuant to which Wise Link conditionally agreed to purchase and Colorful Focus conditionally agreed to sell the entire issued shares of China Universal Limited (“China Universal”) at the consideration of HK\$25,900,000. The principal assets of China Universal are certain residential and retail properties in Hong Kong. The acquisition of China Universal was completed on 16 March 2016.

## **Capital Structure**

### ***Placing of New Shares Under General Mandate***

On 14 January 2016, the Company and Convoy Securities Limited (as placing agent) entered into a conditional placing agreement (“Placing Agreement”), pursuant to which the Company had conditionally agreed to place through the placing agent, on a best effort basis, up to 800,000,000 new ordinary shares of par value of HK\$0.0005 each in the share capital of the Company (“Placing Shares”), to not less than six placees who and whose ultimate beneficial owners are third party(ies) independent of and not connected with the Company and any of its connected persons or their respective associates, at a price of HK\$0.05 per Placing Share (“800M Placing”). The Placing Shares would be allotted and issued pursuant to the general mandate granted to the Directors at the annual general meeting of the Company held on 5 May 2015. The nominal value of the Placing Shares was HK\$400,000 and the net issue price was HK\$0.048 per Placing Share. The closing price of the Share on the date of the Placing Agreement was HK\$0.059 per Share. On 27 January 2016, completion of the 800M Placing took place in accordance with the terms and conditions of the Placing Agreement. Immediately after completion of the 800M Placing, an aggregate of 800,000,000 Placing Shares, representing approximately 16.7% of the issued share capital of the Company (as enlarged by the allotment and issue of the Placing Shares), have been successfully placed to not less than six placees. The Company received net proceeds of approximately HK\$38,554,000 from the 800M Placing. The Directors were of the view that the 800M Placing represents good opportunities to broaden the shareholders’ base and raise additional funds at a reasonable cost for itself. Up to the date of this announcement, the entire net proceeds has been utilised as to (i) HK\$25,900,000 had been used for the payment of the total consideration for the acquisition of China Universal; (ii) approximately HK\$2,500,000 had been used for the settlement of interest incurred on the Loan Notes; (iii) approximately HK\$8,500,000 had been used for the subscription of 390 shares of Sky View; and (iv) the remaining had been used for the general working capital of the Group.

### ***Share Consolidation and Change of Board Lot Size***

On 3 March 2016, the Board proposed that every ten existing shares (“Old Shares”) of HK\$0.0005 each in the issued and unissued share capital of the Company be consolidated into one consolidated share (“Share(s)”) of HK\$0.005 in the issued and unissued share capital of the Company (“Share Consolidation”). The Share Consolidation had become effective on 19 April 2016, upon which 480,000,000 Shares of HK\$0.005 each were in issue and fully paid or credited as fully paid. On 18 March 2016, the Company proposed that the board lot size of the Company be changed from 5,000 Old Shares to 10,000 Shares upon the Share Consolidation taking effect. As at the date of this announcement, the board lot size of the Company was 10,000 Shares.

## ***Proposed Rights Issues***

On 24 March 2016, the Company proposed to issue, by way of rights, on the basis of one rights share (“Rights Share”) for every two Shares in issue held on the record date (i.e. 28 April 2016) at the subscription price of HK\$0.324 per Rights Share, as contemplated under the underwriting agreement (“Underwriting Agreement”) entered into between the Company and Convoy Securities Limited (as underwriter, “Underwriter”) on 24 March 2016 (“Proposed Rights Issue”). Under the Underwriting Agreement, the Rights Issue would be fully underwritten by the Underwriter. Please refer to the announcement of the Company dated 24 March 2016, and the prospectus, provisional allotment letter and excess application form of the Company dated 29 April 2016 for further details of the Proposed Rights Issue.

## **Outlook**

Technology is advancing at a tremendous pace and dependence of internet in all aspects continues to rise. Using technologies such as online trading and finance on one hand increases working efficiency, and on the other hand create more opportunities for the Group.

iAsia, the Group’s subsidiary and a trading solution pioneer in the market, remains the Group’s major operating subsidiary running the core business. Leveraging years of experience and professional knowledge in the financial sectors in Hong Kong, the Group was able to swiftly react to the market changes by innovative trading solution inventions. The Group continues to focus on its comprehensive tailor-made financial trading solution development, bringing its talent into full play in order to enhance the clients’ loyalty and the customer pool, as well as the market share.

In consideration of a fluctuating equity market and the global economic recession, diversification of the Group’s business divisions is believed to safeguard a stable growth of the Group. Great potential of smartphone application development emerges from people’s pursuit of efficiency of which the Directors consider as one of the growth engine in the foreseeable future. Therefore, the Group will continue to devote in mobile application development business through investments in potential business. Besides, the application provides an effective promotion platform for the Group which will further strengthen its reputation in Hong Kong, the People’s Republic of China and Asia regions.

Looking forward, the Group will keep on current business consolidation, and simultaneously endeavor to seize more opportunities to extent its businesses to different new areas. Potential risks are expected to emerge in a sluggish economic environment. The Group continues to strike for sustainable growth through implementation of strict risk control policies to improve internal control and risk management capabilities.

## OTHER INFORMATION

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

As at 31 March 2016, 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:

#### *Long position in the ordinary shares and underlying shares of the Company*

Name of Director	Capacity/Nature	Number of shares held/ interested <i>(Note 1)</i>	Approximate percentage of shareholding <i>(Note 4)</i>
Mr. Chan Sek Keung, Ringo (“Mr. Chan”) <i>(note 2)</i>	Interest in controlled corporations	116,411,250	24.25%
Mr. Lawrence Tang <i>(note 3)</i>	Beneficial owner	730,000	0.15%

#### *Notes:*

1. The number of Shares is adjusted as if the Share Consolidation has become effective as at 31 March 2016.
2. These 116,411,250 Shares are held by Luster Wealth Limited (“Luster Wealth”). Mr. Chan, the non-executive Director and chairman of the Board, 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. By virtue of the SFO, each of Woodstock and Mr. Chan is deemed, or taken to be, interested in all the Shares held by Luster Wealth. Mr. Chan is the sole director of each of Luster Wealth and Woodstock, respectively. Mr. Li Hoi Kong, an executive Director, owns approximately 7.75% of the issued share capital of Luster Wealth.
3. Mr. Lawrence Tang is an executive Director.
4. The percentage shareholding in the Company is calculated by reference to the number of Shares in issue as at 31 March 2016, as adjusted by the Share Consolidation.

Save as disclosed above, as at 31 March 2016, 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' and Other Person's Interests and Short Positions in Shares, Underlying Shares and Debentures***

So far as is known to the Directors, as at 31 March 2016, the following shareholders and 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, or who were, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group:

Name of Shareholder	Nature of interest	Number of Shares <i>(note 1)</i>	Approximate percentage of interest
Luster Wealth	Beneficial owner	116,411,250 (L) <i>(note 5)</i>	24.25% <i>(note 7)</i>
Woodstock	Interest in controlled corporation	116,411,250 (L) <i>(note 5)</i>	24.25% <i>(note 7)</i>
The Underwriter	Other	240,000,000 (L) 25,000,000 (S) <i>(note 6)</i>	33.33% 3.47% <i>(note 4)</i>
Ever Robust Holdings Limited	Beneficial owner	47,500,000 (L) <i>(note 8)</i>	9.90% <i>(note 7)</i>
Whole Kind Investments Limited	Interest in controlled corporation	47,500,000 (L) <i>(note 8)</i>	9.90% <i>(note 7)</i>
Interactive Entertainment China Cultural Technology Investments Limited	Interest in controlled corporation	47,500,000 (L) <i>(note 8)</i>	9.90% <i>(note 7)</i>

*Notes:*

1. The number of Shares is adjusted as if the Share Consolidation has become effective as at 31 March 2016.
2. The number of Shares stated in the table above is based on the latest notices of disclosure of interests filed by the relevant shareholders of the Company as at 31 March 2016.
3. The letter “L” denotes a long position whilst the letter “S” denotes a short position.
4. The percentage shareholding in the Company is calculated by reference to the number of Shares in issue immediately following the completion of the Rights Issue (i.e. 720,000,000 Shares).
5. Luster Wealth is 100% owned by Woodstock, which is in turn owned as to approximately 89.87% by Mr. Chan.
6. The total of 240,000,000 Shares represent the maximum number of the Rights Shares (i.e. 240,000,000 Rights Shares) underwritten by the Underwriter pursuant to the terms of the Underwriting Agreement.
7. The percentage shareholding in the Company is calculated by reference to the number of Shares in issue as at 31 March 2016, as adjusted by the Share Consolidation.
8. These 47,500,000 Shares are held by Ever Robust Holdings Limited, which is wholly-owned by Whole Kind Investments Limited, which is in turn wholly-owned by Interactive Entertainment China Cultural Technology Investments Limited. By virtue of the SFO, each of Whole Kind Investments Limited and Interactive Entertainment China Cultural Technology Investments Limited is deemed, or taken to be, interested in all the Shares held by Ever Robust Holdings Limited.

Save as disclosed above, as at 31 March 2016, the Directors are not aware of any other persons (not being a Director, chief executive or substantial shareholder 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, or who will be directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company or any of its subsidiaries.

### **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 Sek Keung, Ringo 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**

As at 31 March 2016, none of the Directors 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. As at 31 March 2016, the Company did not have any controlling Shareholder.

## **Audit Committee**

The Company established the audit committee (“Audit Committee”) on 10 September 2013 with written terms of reference posted on the websites of the GEM of the Stock Exchange and of the Company. Such written terms of reference were revised and adopted by the Board on 29 December 2015 in accordance with the revised Corporate Governance Code of the GEM Listing Rules taking effect on 1 January 2016. The primary duties of the Audit Committee are, among other matters, to review the Company’s financial information and monitor the Company’s financial reporting system, risk management and internal control systems. 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**  
**Mr. Chan Sek Keung, Ringo**  
*Chairman*

Hong Kong, 10 May 2016

*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 GEM of the Stock Exchange at [www.hkgem.com](http://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](http://www.finsofthk.com).*