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)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 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.

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 (the "GEM Listing Rules") for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquires, 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*

ANNUAL RESULTS

The board of Directors (the "Board") of the Company announces the audited consolidated results of the Company and its subsidiaries (collectively, the "Group") for the year ended 31 December 2016, together with the comparative figures for the year ended 31 December 2015, as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2016

	Notes	**2016** ***HK$'000***	2015 *HK$'000*
CONTINUING OPERATIONS			
Revenue	*3*	**58,207**	49,916
Cost of sales		**(15,100)**	(12,352)
Gross profit		**43,107**	37,564
Other income	*5*	**7**	53
Other gains and losses	*5*	**(990)**	(5,394)
Administrative expenses		**(40,353)**	(37,590)
Finance costs	*6*	**(6,761)**	(8,685)
Share of profits/(losses) of associates		**2,976**	(125)
Share of loss of a joint venture		**(3,489)**	–
Loss before tax from continuing operations	*7*	**(5,503)**	(14,177)
Income tax expense	*8*	**(3,498)**	(2,729)
Loss for the year from continuing operations		**(9,001)**	(16,906)
DISCONTINUED OPERATIONS			
Profit for the year from discontinued operations	*9*	**19,400**	637
Profit/(loss) for the year		**10,399**	(16,269)
Other comprehensive income			
Item that may be reclassified subsequently to profit or loss:			
Fair value gain on available-for-sale investments		**4,796**	–
Other comprehensive income for the year		**4,796**	–
Total comprehensive income/(loss) for the year		**15,195**	(16,269)

	Notes	**2016** **HK$'000**	2015 *HK$'000*
Profit/(loss) for the year attributable to:			
Owners of the Company		**2,008**	(15,896)
Non-controlling interests		**8,391**	(373)
		10,399	(16,269)
Total comprehensive income/(loss) for the year attributable to:			
Owners of the Company		**6,804**	(15,896)
Non-controlling interests		**8,391**	(373)
		15,195	(16,269)

		2016	2015 *(Restated)*
Earnings/(loss) per share			
Basic (HK cents per share)			
– For profit/(loss) for the year	*11*	**0.297**	(3.970)
– For loss from continuing operations	*11*	**(1.355)**	(4.129)
Diluted (HK cents per share)			
– For profit/(loss) for the year	*11*	**0.297**	(3.970)
– For loss from continuing operations	*11*	**(1.355)**	(4.129)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2016

	Notes	2016 HK$'000	2015 HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment		**1,302**	2,920
Investment properties		**18,160**	–
Goodwill		**–**	1,873
Intangible assets		**3,552**	5,722
Investments in associates		**70,558**	19,862
Investment in a joint venture		**36,107**	–
Available-for-sale investments		**70,531**	20,500
Deposits paid for purchases of property, plant and equipment		**4,285**	–
TOTAL NON-CURRENT ASSETS		**204,495**	50,877
CURRENT ASSETS			
Intangible assets		**–**	2,932
Trade and other receivables, deposits and prepayments	*12*	**11,980**	13,818
Loans receivable	*13*	**36,420**	26,200
Financial assets at fair value through profit or loss		**18,752**	12,672
Cash and cash equivalents		**16,459**	78,111
		83,611	133,733
Assets of disposal groups classified as held for sale	*9*	**7,787**	–
TOTAL CURRENT ASSETS		**91,398**	133,733
CURRENT LIABILITIES			
Other payables and accruals		**33,050**	31,490
Current tax liabilities		**2,066**	2,565
Loan notes	*14*	**–**	99,957
Interest-bearing borrowings		**31,700**	–
Contingent consideration payable		**–**	3,331
		66,816	137,343
Liabilities of disposal groups classified as held for sale	*9*	**2,082**	–
TOTAL CURRENT LIABILITIES		**68,898**	137,343

	Notes	**2016** *HK$'000*	2015 *HK$'000*
NET CURRENT ASSETS/(LIABILITIES)		**22,500**	(3,610)
TOTAL ASSETS LESS CURRENT LIABILITIES		**226,995**	47,267
NON-CURRENT LIABILITIES			
Deferred tax liabilities		**606**	1,493
NET ASSETS		**226,389**	45,774
CAPTIAL AND RESERVES			
Share capital	*15*	**5,252**	2,000
Reserves		**217,574**	42,560
Equity attributable to owners of the Company		**222,826**	44,560
Non-controlling interests		**3,563**	1,214
TOTAL EQUITY		**226,389**	45,774

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2016

	Attributable to owners of the Company									
	Share capital	Share premium	Share options reserve	Merger reserve	Capital reserve	Investment revaluation reserve	Retained profits	Subtotal	Non-controlling interests	Total equity
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At 1 January 2015	2,000	34,610	–	78	–	–	23,579	60,267	–	60,267
Loss and total comprehensive loss for the year	–	–	–	–	–	–	(15,896)	(15,896)	(373)	(16,269)
Capital contribution from non-controlling interests	–	–	–	–	–	–	–	–	1,387	1,387
Change in ownership interests in subsidiaries without change of control	–	–	–	–	–	–	189	189	200	389
At 31 December 2015	2,000	34,610	–	78	–	–	7,872	44,560	1,214	45,774
Profit for the year	**–**	**–**	**–**	**–**	**–**	**–**	**2,008**	**2,008**	**8,391**	**10,399**
Other comprehensive income for the year:										
Fair value gain on available-for-sale investments	**–**	**–**	**–**	**–**	**–**	**4,796**	**–**	**4,796**	**–**	**4,796**
Total comprehensive income for the year	**–**	**–**	**–**	**–**	**–**	**4,796**	**2,008**	**6,804**	**8,391**	**15,195**
Shares issued	**3,252**	**172,822**	**–**	**–**	**–**	**–**	**–**	**176,074**	**–**	**176,074**
Shares issuing expenses	**–**	**(6,790)**	**–**	**–**	**–**	**–**	**–**	**(6,790)**	**–**	**(6,790)**
Disposal of a subsidiary	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**103**	**103**
Capital contribution from non-controlling interests	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**222**	**222**
Change in ownership interests in subsidiaries without change of control	**–**	**–**	**–**	**–**	**67**	**–**	**–**	**67**	**3,433**	**3,500**
Dividend paid to non-controlling interests	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(9,800)**	**(9,800)**
Share-based payments	**–**	**–**	**2,111**	**–**	**–**	**–**	**–**	**2,111**	**–**	**2,111**
At 31 December 2016	**5,252**	**200,642**	**2,111**	**78**	**67**	**4,796**	**9,880**	**222,826**	**3,563**	**226,389**

NOTES:

1. GENERAL INFORMATION AND BASIS OF PREPARATION

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 Growth Enterprise Market ("GEM") of the Stock Exchange since 26 September 2013. The address of the Company's registered office is Clifton House, 75 Fort Street, P.O. Box 1350, Grand Cayman KY1-1108, Cayman Islands. The address of the Company's head office and principal place of business in Hong Kong is Unit No. 2616, 26/F, The Metropolis Tower, No.10 Metropolis Drive, Hunghom, Kowloon, Hong Kong with effect from 21 September 2016.

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 and assets investments. The Group's provision of corporate finance advisory services, provision of property management and property agency services and provision of design and fitting-out services were regarded as discontinued operations.

The consolidated financial statements are presented in Hong Kong dollars ("HK$"), which is the same as the functional currency of the Company.

The consolidated financial statements are presented in thousands of units of Hong Kong dollars (HK$'000), unless otherwise stated.

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs"), Hong Kong Accounting Standards ("HKAS") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") (hereinafter collectively referred to as "Hong Kong Financial Reporting Standards"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. The consolidated financial statements also comply with the applicable disclosure provisions of the GEM Listing Rules.

The consolidated financial statements have 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. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in the consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2 Share-based Payment, leasing transactions that are within the scope of HKAS 17 Leases, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 Inventories or value in use in HKAS 36 Impairment of Assets.

2. APPLICATION OF NEW AND REVISED HKFRSs

Initial application of new and revised HKFRSs

The Group has applied for the first time in the current year the following amendments to HKFRSs issued by the HKICPA.

Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment Entities: Applying the Consolidation Exception
Amendments to HKFRS 11	Accounting for Acquisitions of Interests in Joint Operations
HKFRS 14	Regulatory Deferral Accounts
Amendments to HKAS 1	Disclosure Initiative
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer Plants
Amendments to HKAS 27	Equity Method in Separate Financial Statements
Annual Improvements to HKFRSs (2012-2014)	Amendments to HKFRS 5, HKFRS 7 and HKAS 19

The application of the amendments to HKFRSs in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in the Group's consolidated financial statements.

New and revised HKFRSs in issue but not yet effective

The Group has not early applied the following new and revised standards and amendments to HKFRSs that have been issued but are not yet effective:

Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions[2]
HKFRS 9 (2014)	Financial Instruments[2]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or and HKAS 28 Joint Venture[4]
HKFRS 15	Revenue from Contracts with Customers[2]
Amendments to HKFRS 15	Clarifications to HKFRS 15 Revenue from Contracts with Customers[2]
HKFRS 16	Leases[3]
Amendments to HKAS 7	Disclosure Initiative[1]
Amendments to HKAS 12	Recognition of Deferred Tax Assets for Unrealised Losses[1]

[1] Effective for annual period beginning on or after 1 January 2017, with earlier application permitted.
[2] Effective for annual period beginning on or after 1 January 2018, with earlier application permitted.
[3] Effective for annual period beginning on or after 1 January 2019, with earlier application permitted.
[4] Effective for annual period beginning on or after a date to be determined.

The Directors of the Company do not anticipate that the application of these amendments will have a material effect on the amounts recognised in the Group's consolidated financial statements.

3. REVENUE

An analysis of the Group's revenue from its major products and services from continuing operations for the year is as follows:

	2016	2015
	HK$'000	*HK$'000*
Sales of hardware	**780**	783
Sales of technology software systems	**9,704**	6,019
System customisation and network support	**5,864**	6,491
Software maintenance services	**9,511**	9,300
Software licensing fee	**23,217**	17,500
Hosting and related services fee	**3,616**	2,413
Other internet financial platforms services income	**1,226**	4,938
Interest income on loan financing	**935**	1,691
Referral services fee	**2,500**	501
Dividend income from listed equity securities	**130**	280
Rental income	**724**	–
	58,207	49,916

4. SEGMENT INFORMATION

Information reported to the Directors of the Company, being the chief operating decision maker (the "CODM"), for the purposes of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided. The Group has presented the following reportable segments:

(a) Financial trading software solutions – development, sale and provision of financial trading software solutions with the principal products being trading and settlement systems of financial products for financial institutions;

(b) Other internet financial platforms – provision of e-commerce platforms, other online consultancy services and provision of other financial information;

(c) Money lending – provision of loan financing;

(d) Assets investments – trading of listed securities and investing in properties for rental income; and

(e) Referral – provision of referral services to source, identify and refer prospective deal opportunities to interested parties.

The Group's provision of corporate finance advisory services, provision of property management and property agency services and provision of design and fitting-out services were regarded as discontinued operations which details are set out in note 9.

Segment profit/(loss) represents the profit earned/loss incurred by each segment without allocation of interest income on bank deposits, gain on disposal of subsidiaries, gain on bargain purchase, loss on disposal of available-for-sale investments, net, fair value gain on financial assets designated as at fair value through profit or loss, gain on dilution of interest in an associate, share of profits/(losses) of associates, share of loss of a joint venture, central administration costs and finance costs. This is the measure reported to the CODM for the purposes of resource allocation and assessment of segment performance.

Segment assets exclude investments in associates, investment in a joint venture, available-for-sale investments, cash and cash equivalents, financial asset designated as at fair value through profit or loss and other corporate and unallocated assets as these assets are managed on a group basis.

Segment liabilities exclude current and deferred tax liabilities, loan notes, interest-bearing borrowings, contingent consideration payable, consideration payable and other corporate and unallocated liabilities as these liabilities are managed on a group basis.

Segment revenue and results from continuing operations

The following is an analysis of the Group's revenue and results by reportable segments:

	Financial trading software solutions *HK$'000*	Other internet financial platforms *HK$'000*	Money lending *HK$'000*	Assets investments *HK$'000*	Referral *HK$'000*	Elimination *HK$'000*	Total for continuing operations *HK$'000*
For the year ended 31 December 2016							
Segment revenue							
Revenue from external customers	**52,692**	**1,226**	**935**	**854**	**2,500**	**–**	**58,207**
Inter-segment sales*	**–**	**360**	**–**	**–**	**–**	**(360)**	**–**
	52,692	**1,586**	**935**	**854**	**2,500**	**(360)**	**58,207**
Segment profit/(loss)	**20,996**	**(5,187)**	**577**	**(2,567)**	**(4,403)**	**–**	**9,416**
Interest income							**7**
Unallocated gains and losses							**2,208**
Share of profits of associates							**2,976**
Share of loss of a joint venture							**(3,489)**
Central administration costs							**(9,860)**
Finance costs							**(6,761)**
Loss before tax							**(5,503)**
For the year ended 31 December 2015							
Segment revenue							
Revenue from external customers	42,506	4,938	1,691	280	501	–	49,916
Inter-segment sales*	1,736	1,601	–	–	–	(3,337)	–
	44,242	6,539	1,691	280	501	(3,337)	49,916
Segment profit/(loss)	14,525	(4,206)	927	(4,909)	(5,393)	–	944
Interest income							49
Unallocated gains and losses							400
Share of loss of an associate							(125)
Central administration costs							(6,760)
Finance costs							(8,685)
Loss before tax							(14,177)

* Inter-segment sales are conducted with reference to the prices charged to third parties.

Segment assets and liabilities

	Financial trading software solutions *HK$'000*	Other internet financial platforms *HK$'000*	Money lending *HK$'000*	Assets investments *HK$'000*	Referral *HK$'000*	Discontinued operations *HK$'000*	Total *HK$'000*
As at 31 December 2016							
Segment assets	**16,011**	**3,484**	**37,074**	**33,835**	**646**	**1,187**	**92,237**
Corporate and unallocated assets							**203,656**
Consolidated assets							**295,893**
Segment liabilities	**29,593**	**591**	**75**	**210**	**169**	**2,040**	**32,678**
Corporate and unallocated liabilities							**36,826**
Consolidated liabilities							**69,504**
As at 31 December 2015							
Segment assets	13,478	3,855	26,829	9,772	1,781	6,350	62,065
Corporate and unallocated assets							122,545
Consolidated assets							184,610
Segment liabilities	22,541	560	66	–	324	40	23,531
Corporate and unallocated liabilities							115,305
Consolidated liabilities							138,836

Other segment information (included in the measure of segment profit or loss or regularly provided to the CODM)

	Financial trading software solutions *HK$'000*	Other internet financial platforms *HK$'000*	Money lending *HK$'000*	Assets investments *HK$'000*	Referral *HK$'000*	Total for continuing operations *HK$'000*
For the year ended 31 December 2016						
Additions to non-current assets (note)	**1,426**	**3,276**	**–**	**26,200**	**65**	**30,967**
For the year ended 31 December 2015						
Additions to non-current assets (note)	1,874	1,306	7	–	101	3,288

Note: Non-current assets excluded investments in associates, investment in a joint venture and non-current financial instruments.

	Financial trading software solutions HK$'000	Other internet financial platforms HK$'000	Money lending HK$'000	Assets investments HK$'000	Referral HK$'000	Total for continuing operations HK$'000
For the year ended 31 December 2016						
Depreciation	**635**	**346**	**6**	**7**	**346**	**1,340**
Amortisation of intangible assets	**2,170**	**–**	**–**	**–**	**–**	**2,170**
Loss on disposal of property, plant and equipment	**–**	**6**	**–**	**36**	**–**	**42**
Impairment loss on trade receivables	**202**	**–**	**–**	**–**	**–**	**202**
For the year ended 31 December 2015						
Depreciation	591	443	6	–	334	1,374
Amortisation of intangible assets	1,613	–	–	–	–	1,613
Loss on disposal of property, plant and equipment	–	–	–	–	22	22
Impairment loss on trade receivables	308	–	–	–	–	308
Impairment loss on goodwill	–	752	–	–	–	752

Geographical information

The Company is domiciled in the Cayman Islands with the Group's major operations located in Hong Kong. Substantially all of the Group's revenue from external customers are derived from Hong Kong. All the non-current assets of the Group are located in Hong Kong.

Information about major customers

There was no revenue arising from transactions with any customers which was individually more than 10% of the Group's revenue in both years.

5. OTHER INCOME, AND OTHER GAINS AND LOSSES

An analysis of other income, other gains and losses from continuing operations is as follows:

	2016	2015
	HK$'000	*HK$'000*
Other income:		
Interest income on bank deposits	**7**	49
Sundry income	**–**	4
	7	53
Other gains and losses:		
Gain on disposal of subsidiaries	**2,209**	–
Gain on bargain purchase	**185**	–
Impairment loss on trade receivables	**(202)**	(308)
Impairment loss on goodwill	**–**	(752)
Gain on disposal of an investment property	**112**	–
Gain on dilution of interest in an associate	**435**	–
Loss on disposal of available-for-sale investments, net	**(798)**	–
Loss on disposal of property, plant and equipment	**(42)**	(22)
Net fair value loss on financial assets at fair value through profit or loss	**(3,226)**	(4,712)
Fair value gain on investment properties, net	**160**	–
Fair value gain on financial assets designated as at fair value through profit or loss	**177**	400
	(990)	(5,394)

6. FINANCE COSTS

An analysis of finance costs from continuing operations is as follows:

	2016	2015
	HK$'000	*HK$'000*
Interest expense on loan notes	**6,546**	8,684
Interest expense on other borrowings	**211**	–
Other interest expense	**4**	1
	6,761	8,685

7. LOSS BEFORE TAX

Loss before tax from continuing operations has been arrived at after charging:

	2016	2015
	HK$'000	*HK$'000*
Auditors' remuneration	**410**	480
Amortisation of intangible assets (note a)	**2,170**	1,613
Depreciation of property, plant and equipment (note b)	**1,340**	1,374
Operating lease payments in respect of rented premises	**3,575**	4,155
Employee benefits expense (note c):		
Salaries and other benefits	**27,201**	27,158
Contributions to retirement benefits scheme	**779**	813
Share-based payments	**2,111**	–
Total employee benefits expense, including directors' emoluments	**30,091**	27,971
Less: Amounts capitalised in development costs	**–**	(1,540)
	30,091	26,431

Notes:

(a) During the year ended 31 December 2016, amortisation of intangible assets amounting to HK$2,170,000 (2015: HK$1,613,000) was included in cost of sales.

(b) During the year ended 31 December 2016, depreciation of property, plant and equipment amounting to HK$142,000 (2015: Nil) was included in cost of sales and amounting to HK$1,198,000 (2015: HK$1,374,000) was included in administrative expenses.

(c) During the year ended 31 December 2016, employee benefits expense amounting to HK$8,330,000 (2015: HK$7,491,000) was included in cost of sales and amounting to HK$21,761,000 (2015: HK$18,940,000) was included in administrative expenses.

8. INCOME TAX EXPENSE

	2016	2015
	HK$'000	*HK$'000*
Continuing operations		
Current – Hong Kong		
– Charge for the year	**3,918**	2,733
– (Over)/under provision in prior years	**(17)**	30
	3,901	2,763
Deferred	**(403)**	(34)
	3,498	2,729
Discontinued operations		
Current – Hong Kong		
– Charge for the year	**1,451**	–
– Under provision in prior years	**17**	–
	1,468	–
Deferred	**(484)**	–
	984	–
Income tax expense	**4,482**	2,729

Hong Kong Profits Tax has been provided at the rate of 16.5% on the estimated assessable profit arising in or derived from Hong Kong for both years.

During the year ended 31 December 2016, the share of tax attributable to associates amounting to HK$1,008,000 (2015: Nil) was included in "Share of profits/(losses) of associates".

9. DISCONTINUED OPERATIONS

(a) On 1 December 2016, the Group and DX.com Holdings Limited ("DX.com") entered into a sale and purchase agreement, pursuant to which DX.com has purchased and the Group has sold all issued shares of Central Pearl Investments Limited ("Central Pearl", which directly owned 100% of Full Profit Property Services Company Limited ("Full Profit")) at a consideration of HK$20,000,000 ("Central Pearl Group Disposal"). Upon completion of the Central Pearl Group Disposal on 1 December 2016, Central Pearl and Full Profit ceased to be 51% indirectly owned subsidiaries of the Group. Details of Central Pearl Group Disposal are set out in the Company's announcements dated 1 December 2016 and 6 December 2016.

Subsequent to the end of the reporting period, on 23 February 2017, the Group and Billion Centrium Group Holdings Limited ("Billion") entered into a sale and purchase agreement, pursuant to which Billion has conditionally agreed to acquire and the Group conditionally agreed to sell the Group's entire 51% interest in Wise Link International Limited ("Wise Link") at a consideration of HK$9,800,000 ("Wise Link Group Disposal"). Upon completion of the Wise Link Group Disposal, Wise Link, Profit Sun International Investments Limited and Billion C & C Limited will cease to be 51% indirectly owned subsidiaries of the Group. Details of Wise Link Group Disposal are set out in the Company's announcements dated 23 February 2017 and 3 March 2017. Under the sale and purchase agreement, completion of the Wise Link Group Disposal shall take place on 22 May 2017 or such earlier date as agreed between the parties, and has not yet taken place as at the date of this announcement.

The Central Pearl Group Disposal and Wise Link Group Disposal constitute the discontinued operations in the provision of property management and property agency service and the provision of design and fitting-out services respectively.

(b) The Group has decided to cease its corporate finance advisory services and on 13 October 2016, the Group and an independent third party purchaser entered into a sale and purchase agreement pursuant to which the Group conditionally agreed to dispose of its entire equity interest being the entire issued share capital of Nine Rivers Corporate Finance Limited (formerly known as "Finsoft Corporate Finance Limited") at a consideration of HK$2,300,000, subject to adjustment according to the sale and purchase agreement ("Corporate Finance Disposal"). Subject to the completion of Corporate Finance Disposal, the Group will no longer carry on corporate finance advisory services business.

The results from discontinued operations for the year are as follows:

	2016	2015
	HK$'000	*HK$'000*
Revenue	**19,230**	1,027
Cost of sales	**(5,647)**	(287)
Gross profit	**13,583**	740
Gain on disposal of subsidiaries (note)	**15,454**	1,563
Other income, gains and losses, net	**61**	(45)
Administrative expenses	**(8,714)**	(1,621)
Profit before tax from discontinued operations	**20,384**	637
Income tax expense	**(984)**	–
Profit and total comprehensive income for the year from discontinued operations	**19,400**	637
Profit and total comprehensive income for the year from discontinued operations attributable to:		
Owners of the Company	**11,169**	637
Non-controlling interests	**8,231**	–
	19,400	637

Note: For the year ended 31 December 2016, the amount represented the gain on Central Pearl Group Disposal. For the year ended 31 December 2015, the amount represented the gain on disposal of the entire equity interest being 100% of the issued share capital of Zeed Asia Technology Limited which was a then subsidiary of Wise Link.

The major classes of assets and liabilities of discontinued operations classified as held for sale as at 31 December 2016 are as follows:

	2016
	HK$'000
Assets	
Property, plant and equipment	**100**
Trade and other receivables, deposits and prepayment	**1,087**
Cash and cash equivalents	**6,600**
Assets of disposal groups classified as held for sale	**7,787**
Liabilities	
Trade and other payables and accruals	**2,040**
Current tax liabilities	**42**
Liabilities of disposal groups classified as held for sale	**2,082**
Net assets directly associated with the disposal groups	**5,705**

The net cash flows incurred by discontinued operations for the year are as follows:

	2016	2015
	HK$'000	*HK$'000*
Operating activities	**8,234**	(1,001)
Investing activities	**16,434**	1,468
Financing activities	**(20,500)**	–
Net cash inflow	**4,168**	467

	2016	2015
		(Restated)
Earnings per share:		
Basic (HK cents per share), from discontinued operations	**1.652**	0.159
Diluted (HK cents per share), from discontinued operations	**1.652**	0.159

The calculation of basic and diluted earnings per share from discontinued operations is based on:

	2016	2015
	HK$'000	*HK$'000*
Profit for the year attributable to owners of the Company from discontinued operations	**11,169**	637

	2016	2015
		(Restated)
		(note 11 (i))
Number of shares		
Weighted average number of ordinary shares in issue for the purpose of calculation of basic earnings per share (note 11)	**676,231,440**	400,410,678
Weighted average number of ordinary shares in issue for the purpose of calculation of diluted earnings per share (note 11)	**676,231,440**	400,410,678

10. DIVIDEND

No dividend was paid or proposed for the years ended 31 December 2016 and 2015, nor has any dividend been proposed since the end of the reporting period.

11. EARNINGS/(LOSS) PER SHARE

The calculation of the basic and diluted earnings/(loss) per share for the year is based on the following data:

	2016	2015
	HK$'000	*HK$'000*
Profit/(loss) for the year attributable to owners of the Company		
From continuing operations	**(9,161)**	(16,533)
From discontinued operations	**11,169**	637
Profit/(loss) for the year attributable to owners of the Company	**2,008**	(15,896)

	2016	2015
		(Restated)
		(note (i))
Number of shares		
Weighted average number of ordinary shares in issue for the purpose of calculation of basic earnings/(loss) per share	**676,231,440**	400,410,678
Effect of diluted potential ordinary shares as a result of the share options granted (note (ii))	**–**	–
Weighted average number of ordinary shares in issue for the purpose of calculation of diluted earnings/(loss) per share	**676,231,440**	400,410,678

Notes:

(i) The weighted average number of ordinary shares in issue for the year ended 31 December 2015 for the purpose of basic and diluted earnings/(loss) per share has been adjusted and restated to reflect the rights issue effective from 24 May 2016 and the effect of consolidation of shares of the Company effective from 19 April 2016.

(ii) The computation of diluted earnings/(loss) per share for the year does not assume the conversion of the Company's outstanding share options because the adjusted exercise price of those share options are higher than the average market price of the shares for the year ended 31 December 2016 which is regarded as anti-dilutive.

12. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2016	2015
	HK$'000	*HK$'000*
Trade receivables	**8,590**	9,816
Interest receivables from money lending business	**357**	298
	8,947	10,114
Allowance for doubtful debts	**(202)**	–
	8,745	10,114
Other receivables	**43**	39
Deposits and prepayments	**3,192**	3,665
	11,980	13,818

The following is an analysis of trade receivables by age, presented based on the invoice date and net of allowance for doubtful debts, at the end of the reporting period:

	2016	2015
	HK$'000	*HK$'000*
0 – 30 days	**7,557**	8,107
31 – 60 days	**645**	1,591
61 – 90 days	**149**	118
91 – 120 days	**5**	–
Over 120 days	**32**	–
Total	**8,388**	9,816

The Group generally allows an average credit period of 7 days or not more than 30 days to its trade receivables customers and based on the negotiations between the Group and individual customers. No interest is charged on trade receivables.

Trade receivables that were neither past due nor impaired relate to a large number of diversified customers for whom there was no recent history of default.

Trade receivables disclosed above include amounts (see below for aged analysis) which are past due at the end of the reporting period for which the Group has not recognised an allowance for doubtful debts because there has not been a significant change in credit quality and the amounts are still considered recoverable. The Group does not hold any collateral over these balances.

Age of trade receivables that are past due but not impaired

	2016 *HK$'000*	2015 *HK$'000*
Overdue by:		
1 – 30 days	**645**	3,180
31 – 60 days	**149**	219
61 – 90 days	**5**	59
Over 90 days	**32**	–
Total	**831**	3,458

13. LOANS RECEIVABLE

	2016 *HK$'000*	2015 *HK$'000*
Loans receivable from money lending business	**36,420**	26,200

The Group seeks to maintain strict control over its outstanding loans receivable so as to minimise credit risk. The granting of loans is subject to approval by the management, whilst overdue balances are reviewed regularly for recoverability.

As at 31 December 2016, the loans receivable are unsecured, charging on interest rates ranging from 8% to 13% per annum (2015: 8% to 10% per annum) and are repayable with fixed terms agreed with the contracting parties.

A maturity profile of the loans receivable as at the end of the reporting period, based on the remaining contractual maturity date is as follows:

	2016 *HK$'000*	2015 *HK$'000*
Due within 3 months	**–**	25,700
Due after 3 months but within 6 months	**8,500**	–
Due after 6 months but within 12 months	**27,920**	500
Total	**36,420**	26,200

14. LOAN NOTES

	2016	2015
	HK$'000	*HK$'000*
Loan notes – unsecured	**–**	99,957

On 18 May 2015, the Company issued 10% unsubordinated and unsecured notes due in 2017 (the "Loan Notes") in the aggregate principal amount of HK$100,300,000. The Loan Notes carried an interest of 10% per annum payable quarterly in arrears.

The Company and the noteholders may at its option redeem the Loan Notes, in whole or any part thereof outstanding on a business day which must be a day after the first anniversary of the date of issue of the Loan Notes and before the maturity date. On the redemption date, the Company shall pay to such noteholder the principal amount of the Loan Notes to be redeemed plus all accrued and unpaid interest on the principal amount of the Loan Notes to be redeemed. The effective interest rate for the year ended 31 December 2015 was 14.32% per annum. The balance as at 31 December 2015 was included in current liabilities in view of its early redemption terms. During the year ended 31 December 2016, the Loan Notes were fully redeemed and settled.

15. SHARE CAPITAL

	Notes	**Number of shares**	**Share capital**
			HK$'000
Authorised:			
At 1 January 2015, ordinary shares of HK$0.001 each		10,000,000,000	10,000
2015 Share Subdivision	(a)	10,000,000,000	–
At 31 December 2015, ordinary shares of HK$0.0005 each		20,000,000,000	10,000
2016 Share Consolidation	(c)	(18,000,000,000)	–
At 31 December 2016, ordinary shares of HK$0.005 each		**2,000,000,000**	**10,000**
Issued and fully paid:			
At 1 January 2015, ordinary shares of HK$0.001 each		2,000,000,000	2,000
2015 Share Subdivision	(a)	2,000,000,000	–
At 31 December 2015, ordinary shares of HK$0.0005 each		4,000,000,000	2,000
Placing of new shares	(b)	800,000,000	400
2016 Share Consolidation	(c)	(4,320,000,000)	–
Rights Issue	(d)	240,000,000	1,200
Placing of new shares	(e)	144,000,000	720
Issue of Consideration Shares	(f)	186,492,340	932
At 31 December 2016, ordinary shares of HK$0.005 each		**1,050,492,340**	**5,252**

Notes:

(a) Pursuant to the ordinary resolution passed by the shareholders of the Company at the extraordinary general meeting held on 16 February 2015, a share subdivision was approved with effect from 17 February 2015 in which every one (1) issued and unissued ordinary share of HK$0.001 each in the share capital of the Company was subdivided into two (2) subdivided shares having a par value of HK$0.0005 each (the "2015 Share Subdivision"). Immediately after the 2015 Share Subdivision, the authorised share capital of the Company of HK$10,000,000 was divided into 20,000,000,000 subdivided shares, of which 4,000,000,000 subdivided shares were issued and fully paid.

(b) On 27 January 2016, an aggregate of 800,000,000 new shares of HK$0.0005 each of the Company were issued under a general mandate granted to the Directors at a placing price of HK$0.05 each.

(c) Pursuant to the ordinary resolution passed by the shareholders of the Company at the extraordinary general meeting held on 18 April 2016, the share consolidation was approved with effect from 19 April 2016 in which every ten (10) issued and unissued existing shares of HK$0.0005 each were consolidated into one (1) share of HK$0.005 each. The authorised share capital of the Company became HK$10,000,000 divided into 2,000,000,000 consolidated shares, of which 480,000,000 consolidated shares were issued and fully paid (the "2016 Share Consolidation").

(d) On 24 May 2016, an aggregate of 240,000,000 new shares of HK$0.005 each were allotted and issued on the basis of one (1) rights share for every two (2) ordinary shares of the Company issued and held on the record date at a subscription price of HK$0.324 per rights share (the "Rights Issue").

(e) On 1 September 2016, an aggregate of 144,000,000 new shares of HK$0.005 each of the Company were issued under a general mandate granted to the Directors at a placing price of HK$0.15 each.

(f) On 27 September 2016, the Group entered into a sale and purchase agreement to acquire 16,538,000 issued ordinary shares of China Parenting Network Holdings Limited ("CPN", a company listed on GEM, Stock Code: 8361) from Perfect Growth Limited ("Vendor", a wholly-owned subsidiary of GET Holdings Limited, a company listed on GEM, Stock Code: 8100) at the consideration of HK$35,498,817, which would be satisfied by the allotment and issue of 186,492,340 ordinary shares of HK$0.005 each of the Company ("Consideration Shares"). Pursuant to the ordinary resolution passed by the shareholders of the Company at the extraordinary general meeting held on 12 December 2016, the transaction including the issue of Consideration Shares was approved. Upon the completion of the transaction on 16 December 2016, the Consideration Shares were issued and allotted by the Company to the Vendor. The fair value of Consideration Shares was approximately HK$36,714,000, based on the closing price of CPN's shares of HK$2.22 on 16 December 2016, and accordingly approximately HK$35,782,000 was credited to the Company's share premium account.

16. COMPARATIVE AMOUNTS

Certain comparative amounts have been reclassified to conform with the current year's presentation. The Directors consider that such reclassifications allow a more appropriate presentation of the Company's financial positions and/or better reflect the nature of the transactions/balances.

The comparative statement of profit or loss and other comprehensive income has been re-presented as if the operations discontinued during the current year had been discontinued at the beginning of the comparative period.

MANAGEMENT DISCUSSION AND ANALYSIS

During the year ended 31 December 2016 (the "Year"), the Group was principally engaged in the provision of financial trading software solutions, provision of other internet financial platforms, provision of referral services, money lending business, assets investments, provision of corporate finance advisory services, provision of property management and property agency services and provision of design and fitting-out services in Hong Kong.

The Group's provision of corporate finance advisory services, provision of property management and property agency services and provision of design and fitting-out services are regarded as discontinued operations in the preparation of the consolidated financial statements for the Year.

BUSINESS REVIEW

Provision of Financial Trading Software Solutions

During the Year, the market showed a substantial growth of internet financial trading. In the interest of this, the financial trading software solutions business division of the Group recorded a segment revenue from its external customers of approximately HK$52,692,000 for the Year (2015: approximately HK$42,506,000), representing an increase of approximately HK$10,186,000 or 24.0%. As a result of the increase in revenue, the profit before tax generated by this business segment increased from approximately HK$14,525,000 in 2015 to approximately HK$20,996,000 in 2016.

The launch of Shenzhen-Hong Kong Stock Connect ("Shenzhen Connect") in late 2016 is expected to facilitate the growth of the Group in long run. Due to the official launch of Shenzhen Connect, there was a significant contribution from the one-off sales amounting to approximately HK$3.6 million for the enhancement of system interface and infrastructure for trading with additional market during the Year. On the grounds that the mutual trading link offered investors another channel to settle shares had reinforced liquidity, improved turnover and boosted market sentiments in both Hong Kong and Shenzhen markets, it is expected that the Group will capitalise on the opportunities brought by the link and will persist to explore new business partners.

During the Year, iAsia Online Systems Limited ("iAsia") introduced the Middle Office System (iMOS) to the market. The target customers of iMOS are financial institutions, including brokers and local banks. iMOS provides integrated technological solutions for its users. Since iMOS allows retail investors of our customers to monitor their investment portfolios and review the activities/actions of their investing companies/securities instantly and electronically, it can reduce human error and thereby diminish our customers' operational risk. In the future, iAsia may streamline iMOS with additional modules to minimise back office operations and management burden of our customers.

As one of the leaders in providing end-to-end financial trading solutions in the Hong Kong market, the Group will spare no effort on innovation and developing new products to satisfy the increasing demand of the market. The Group will also strive to improve and upgrade the current software to cater for the potential clients brought by the Shenzhen Connect in the coming year.

Provision of Other Internet Financial Platforms

During the Year, the other internet financial platforms business division contributed a segment revenue from external customers and recorded a loss of approximately HK$1,226,000 (2015: HK$4,938,000) and approximately HK$5,187,000 (2015: approximately HK$4,206,000) respectively. The decrease in segment revenue and increase in loss were mainly attributable to the lower usage of the other internet financial platforms developed or maintained by the Group by the customers during the Year, and hence less subscription fees received by the Group during the Year.

The Group will seize opportunities to diversify the client base of its other internet financial platforms in order to strengthen its competitiveness in the industry and enhance its customer base.

Provision of Referral Services

During the Year, the referral services division contributed a segment revenue from its customers of approximately HK$2,500,000 (2015: approximately HK$501,000), representing an increase of approximately HK$1,999,000 or 399.0%. The increase in revenue was mainly due to increased referral fee contracted with our customers during the Year. The division further expanded its client base by benefiting from the synergy across different business divisions (i.e. customers from the money lending business and corporate finance advisory services may bring new business for the referral business) and reported an increased segment revenue. However, the increased revenue was set off by higher workforce costs on business expansion and as a result, the performance of this business division was not satisfactory and a net loss of approximately HK$4,403,000 was recorded during the Year (2015: approximately HK$5,393,000).

Money Lending Business

During the Year, revenue derived from the money lending business division amounted to approximately HK$935,000 (2015: approximately HK$1,691,000), representing a decrease of approximately HK$756,000 or 44.7%. This business segment recorded profit before tax of approximately HK$577,000 during the Year (2015: approximately HK$927,000). The interest rate charged to customers during the Year ranged from 8.0% to 13.0% per annum. No default event occurred as of the date of this announcement and no provision for the impairment of loans receivable was considered necessary during the Year.

As at 31 December 2016, the Group had advanced HK$36,420,000 to independent third party borrowers (31 December 2015: HK$26,200,000). As most of the loans were advanced to customers in the second half of 2016, the total interest income generated during the Year decreased despite the total loans receivable balance at the end of the reporting period increased by HK$10,220,000.

The management believes that the money lending business can generate stable revenue and profit to the Group and it is in the interests of the Company and its shareholders to expand the money lending business and devote more financial resources to this business. The Group will continue to maintain a prudent credit control strategy so as to balance its business growth and risk management. The management believes that money lending will remain a sustainable business sector of the Group.

Assets Investments

The Group's assets investments business consisted of investments in properties and securities.

(i) Properties Investment

Acquisition of China Universal Limited ("China Universal"):

On 7 March 2016, a subsidiary of the Company, and Colorful Focus Limited ("Colorful Focus") entered into a sale and purchase agreement, pursuant to which the Group purchased and Colorful Focus sold the entire issued shares of China Universal at the consideration of HK$25,900,000. The acquisition of China Universal was completed on 16 March 2016.

The principal assets of China Universal were two retail shops and one private residence located in the residential area of Siu Sai Wan and Tai Koo Shing, Hong Kong. During the Year, rental income of approximately HK$724,000 was generated.

Disposal of an investment property:

On 15 August 2016, China Universal and an independent third party purchaser entered into a provisional sale and purchase agreement, pursuant to which China Universal agreed to sell the private residence located in Tai Koo Shing, Hong Kong at a consideration of HK$8,312,000, completion of which took place on 14 October 2016. The management believes that the disposal represents a good opportunity for the Group to realise its investment in the property with a view to enhancing the Group's cash position.

As at the end of the reporting period, the carrying amount of the investment properties is HK$18,160,000, representing 6.1% of the Group's total assets as at 31 December 2016 and 8.5% of the Group's total investment (which was defined as the aggregate carrying amount of investment properties, investment in associates, investment in a joint venture, available-for-sale investments and financial assets at fair value through profit or loss (the "Total Investment")), as at 31 December 2016. In the future, it is expected that the portfolio of the Group's property investment will generate stable recurring income and cash flow to the Group.

(ii) Securities Investment

The Group's securities investment portfolio comprised investments in listed securities.

During the Year, dividend income from invested securities of HK$130,000 was received (2015: approximately HK$280,000). A net fair value loss on financial assets at fair value through profit or loss of approximately HK$3,226,000 (2015: approximately HK$4,712,000) was recognised from the securities investments. The net fair value loss caused by the volatile market conditions earlier had narrowed down during the Year. As at 31 December 2016, the fair value of securities investment included in financial assets at fair value through profit or loss amounted to HK$15,675,000 (2015: approximately HK$9,772,000), representing 5.3% of the Group's total assets as at 31 December 2016 and 7.3% of the Group's Total Investment as at 31 December 2016.

The Group will continue to adopt a conservative investment approach in its trading of listed securities in the Hong Kong stock market and closely monitor the performance of its securities investment portfolio.

Discontinued operation – Provision of Corporate Finance Advisory Services

During the Year, the revenue generated from the provision of corporate finance advisory services amounted to HK$330,000 (2015: HK$1,027,000), representing a decrease of approximately HK$697,000 or 67.9%. In view of the unsatisfactory operating results of the corporate finance advisory services business in the previous years, the Group intended to dispose of this business and on 13 October 2016, the Group and an independent third party purchaser entered into a sale and purchase agreement pursuant to which the Group conditionally agreed to dispose of 5,000,000 ordinary shares of Nine Rivers Corporate Finance Limited ("NRCFL"), representing the entire issued shares of NRCFL at the consideration of HK$2,300,000, subject to adjustment according to the sale and purchase agreement. NRCFL is principally engaged in the business of providing corporate finance advisory services in Hong Kong and holds the licence to carry on Type 6 (advising on corporate finance) regulated activity under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and completion of the sale and purchase is subject to, among other things, the approval from the Securities and Futures Commission of Hong Kong in relation to the change of substantial shareholder of NRCFL. As at the date of this announcement, the disposal of NRCFL has not yet completed.

Discontinued operations – Provision of Property Management and Property Agency Services and Provision of Design and Fitting-out Services

In December 2015, Wise Link International Limited ("Wise Link", the then 100% owned subsidiary of the Group) acquired 100% issued share capital of Full Profit Property Services Company Limited ("Full Profit") and thereafter the Group started to engage in the provision of property management and property agency services in Hong Kong. In May 2016, the Group further established a strategic alliance with Billion Centrium Group Holdings Limited ("Billion") by entering into a subscription agreement on 12 May 2016, pursuant to which Billion subscribed for 49% of the enlarged issued share capital of Wise Link at the subscription price of HK$3,500,000. Immediately after completion of the subscription on 12 May 2016, Wise Link (including Full Profit) became owned as to 51% by the Group and 49% by Billion. Such strategic alliance provided capital and brought new business synergy to this business segment. In July 2016, the Group started to engage in the provision of design and fitting-out services in Hong Kong through an indirect wholly-owned subsidiary of Wise Link. During the Year, the provision of property management and property agency services and provision of design and fitting-out services contributed revenue of approximately HK$12,081,000 and approximately HK$6,819,000 to the Group respectively.

This segment business was disposed of or intended to be disposed of by two separate disposal transactions during the Year and subsequent to the end of the reporting period respectively.

On 1 December 2016, Wise Link and DX.com Holdings Limited ("DX.com", a company whose shares are listed on the GEM, Stock Code: 8086) entered into a sale and purchase agreement, pursuant to which DX.com purchased and Wise Link sold all the issued shares of Central Pearl Investments Limited (which directly owned 100% of Full Profit) at the consideration of HK$20,000,000 ("Central Pearl Group Disposal"). The completion of Central Pearl Group Disposal took place on 1 December 2016. As a result, the Group discontinued the operation in the provision of property management and property agency services of the Group.

On 23 February 2017, the Group and Billion entered into a sale and purchase agreement ("Wise Link SPA"), pursuant to which Billion has conditionally agreed to purchase and the Group has conditionally agreed to sell the Group's entire 51% interest in Wise Link at the consideration of HK$9,800,000 ("Wise Link Group Disposal"). Wisk Link and its subsidiaries are principally engaged in the provision of design and fitting out services. Completion of the Wise Link Group Disposal shall take place on 22 May 2017 or such earlier date as agreed by the parties to the Wise Link SPA and completion has not yet taken place as at the date of this announcement. Details of the Wise Link Group Disposal are set out in the Company's announcements dated 23 February 2017 and 3 March 2017.

The Wise Link Group Disposal constituted a connected transaction of the Company. As at the date of the Wise Link SPA, Wise Link was a 51%-owned subsidiary of the Company, while Billion was a substantial shareholder (as defined in the GEM Listing Rules) of Wise Link by holding the remaining 49% of the then issued share capital of Wise Link. Therefore, Billion was a connected person of the Company at the subsidiary level under the GEM Listing Rules and accordingly the Wise Link Group Disposal constituted a connected transaction of the Company. Since the connected transaction between the Group and Billion are on normal commercial terms or better, the connected transaction is exempt from the circular, independent financial advice and shareholders' approval requirements pursuant to Rule 20.99 of the GEM Listing Rules and is only subject to the reporting and announcement requirements under Chapter 20 of the GEM Listing Rules.

The Directors consider that the Central Pearl Group Disposal and Wise Link Group Disposal represent an opportunity for the Group to realise its investment in the provision of property management and property agency services, and design and fitting-out services business, so as to enable the Group to improve its cash position as well as to re-allocate more financial resources on the Group's other existing business segments.

Other Investments

The Group had the following investments: (i) available-for-sale investments; (ii) investments in associates; and (iii) investment in a joint venture during the Year.

(i) Available-for-sale Investments

As at 31 December 2016, the Group held (i) one unlisted fund investment (the "Fund") (2015: three) which is a private equity fund incorporated in the Cayman Islands with carrying value of approximately HK$3.5 million; (ii) two unlisted equity investments with aggregate carrying value of approximately HK$25.5 million; and (iii) a listed security investment with carrying value of approximately HK$41.5 million.

As at the end of the reporting period, the carrying amount of the available-for-sale investments is HK$70,531,000, representing 23.8% of the Group's total assets as at 31 December 2016 and 32.9% of the Group's Total Investment as at 31 December 2016.

The Fund is limited by shares and is managed by a fund manager, which mainly invests in the field of social media. The unlisted equity investments mainly consisted of the Group's 5% interest in C&C International Healthcare Group Limited ("C&C") acquired by the Group from JFA Capital pursuant to a sale and purchase agreement dated 18 July 2016 at the consideration of HK$24,271,000 in July 2016. C&C and its group companies ("C&C Group") are principally engaged in the provision of contracted medical schemes ("Schemes") for integrated medical and healthcare check-up services. The customers of the C&C Group are corporate clients, which have engaged the C&C Group to provide the Schemes mainly in Hong Kong so as to allow the employees of such corporate clients to seek medical and healthcare services offered by the network of the C&C Group.

Subsequent to the end of the reporting period, on 16 March 2017, the Group and Major Bright Holdings Limited (as purchaser), a wholly-owned subsidiary of New Ray Medicine International Holding Limited (a company listed on the Main Board of the Stock Exchange, Stock Code: 6108) entered into a sale and purchase agreement pursuant to which the Group agreed to sell and the purchaser agreed to acquire the Group's entire interest of C&C, being 5% of the issued share capital of C&C, at a cash consideration of HK$25,500,000. The Directors considered that the disposal represents a good opportunity to realise the Group's return from the investment in the C&C Group. The disposal transaction was completed on 16 March 2017. Details of the disposal is set out in the Company's announcement dated 16 March 2017.

Acquisition of listed shares and issue of new shares under specific mandate:

On 27 September 2016, the Company and Perfect Growth Limited ("Perfect Growth") entered into a sale and purchase agreement, pursuant to which the Company has conditionally agreed to purchase and Perfect Growth has conditionally agreed to sell 16,538,000 ordinary shares of China Parenting Network Holdings Limited ("CPN Shares"), the issued shares of which are listed on GEM (Stock Code: 8361) at the consideration of HK$35,498,817, which would be satisfied by the allotment and issue of 186,492,340 ordinary shares by the Company ("Consideration Shares") at the issue price of approximately HK$0.190 per Consideration Share, credited as fully paid, to Perfect Growth at completion. China Parenting Network Holdings Limited and its subsidiaries operate an online platform focusing on the CBM (children, babies, and maternity) market in the People's Republic of China ("PRC") and are mainly engaged in (i) provision of marketing and promotional service; and (ii) e-commerce business. The acquisition was completed on 16 December 2016. Details of the above transaction are set out in the Company's announcements dated 27 September 2016 and 16 December 2016 and the Company's circular dated 24 November 2016.

The CPN Shares are held by the Group for long-term investment purposes and were classified as available-for-sale financial asset measured at fair value in the Company's consolidated financial statements. As at 31 December 2016, the carrying amount of the CPN Shares is approximately HK$41,510,000, representing the fair value of CPN shares at the end of the reporting period. During the Year, the investment revaluation reserve increased by approximately HK$4,796,000 for the Group as a result of the increase in fair value of CPN Shares.

(ii) Investment in Associates

(a) Four Directions Investment Limited ("FDIL")

As at 31 December 2016, the Group held 92.5% interest in DSE Cayman Limited ("DSE"), which in turn held approximately 25.17% equity interest in FDIL (together with its subsidiaries, the "FDIL Group"). FDIL is a company incorporated in Hong Kong with limited liability. Through the investment in the FDIL Group which are principally engaged in providing services in relation to information technology, smartphone applications development and digital marketing and the development of information technology applications, the Group has expanded and diversified its investment into information technology industry in respect of development of smartphone applications, which the Directors consider to have great market potentials. During the Year, the profit of the associate shared by the Group amounted to approximately HK$2,190,000 (2015: share of loss of approximately HK$125,000).

The Group acquired the interest in FDIL through a subscription and share purchase agreement dated 11 December 2015 ("FDIL Agreement") entered into among DSE, FDIL, guarantors and existing shareholders of FDIL. Under the FDIL Agreement, FDIL is required to meet a profit guarantee where the audited consolidated net profits of the FDIL Group ("2016 Net Profit") shall be HK$9,726,917 or more for the year ending 31 March 2016. If the said target is not met, part of the remaining consideration of HK$3,331,166 payable by DSE shall be deducted by the "2016 Refund", being (HK$13,324,544 – 2016 Net Profit) x 0.75.

In addition, if the aggregate ("2016-2017 Aggregate Net Profit") of the 2016 Net Profit and the 2017 net profit ("2017 Net Profit", being the audited consolidated net profits of the FDIL Group for the year ending 31 March 2017) is less than HK$23,451,196, the guarantors and the seller under the FDIL Agreement shall refund to DSE an amount, being ((HK$29,313,996 – 2016-2017 Aggregate Net Profit) x 0.75) – 2016 Refund.

During the Year, the FDIL Group has met the target of the 2016 Net Profit. As such, the guarantors and the vendor under the FDIL Agreement are not required to pay to the Group the 2016 Refund.

(b) Ultimate Elite Investments Limited ("Ultimate Elite")

On 5 December 2016, the Group and Praiseful Moment Limited (as vendor), a wholly-owned subsidiary of AMCO United Holding Limited (a company listed on the Main Board of the Stock Exchange, Stock Code: 630) entered into a sale and purchase agreement pursuant to which the vendor has sold and the Group has acquired 40% of the issued share capital of Ultimate Elite at the consideration of HK$48,800,000. Details of the acquisition is set out in the Company's announcement dated 5 December 2016. Ultimate Elite and its subsidiary ("Ultimate Elite Group") are principally engaged in property investment and investment holding. The principal assets of Ultimate Elite Group are properties located at Offices A-H, J-N & P on 21/F (Whole Floor) and Car Parking Space Nos. P47, P48 and P49 on Basement Floor, Kings Wing Plaza 1, No. 3 On Kwan Street, Sha Tin, New Territories, Hong Kong. The acquisition has enabled the Group to expand its investment portfolio. During the Year, the profit of the associate shared by the Group amounted to approximately HK$786,000.

(iii) Investment in a Joint Venture – Sky View Investment Limited ("Sky View")

As at 31 December 2016, the Group held 49% interest in Sky View, which is the holding company of approximately 22% interests in Rolaner International Limited ("Rolaner") acquired under the Rolaner Subscription Agreement (as defined below).

On 20 February 2016, 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. 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 and Sky View became the joint venture of Winrange and Amber Rose.

After the completion of Sky View Subscription Agreement, on 20 February 2016, Sky View, Rolaner, Ace Choice Ventures Limited, Legend Cosmo Consultants Limited, Mr. Ren Lingfeng ("Mr. Ren"), Mr. Chen Rong ("Mr. Chen"), 榮浪信息科技(上海)有限公司 ("Rong Lang", unofficial English name being Rong Lang Information Technology (Shanghai) Co., Limited) and 羅朗網絡科技(上海)有限公司 ("Luo Lang", unofficial English name being Luo Lang Internet Technology (Shanghai) Co., Limited) entered into an agreement ("Rolaner Subscription Agreement"), pursuant to which Sky View had subscribed for 22,000,000 preferred shares in the share capital of Rolaner at the price of US$10,000,000. Completion of the Rolaner Subscription Agreement took place on 18 March 2016 and Sky View became interested in approximately 22% of the enlarged issued share capital of Rolaner. Rolaner is operating a mobile application "Mei Li Shen Qi(美麗神器)", one of the largest online communities and e-commerce platforms with millions of users for medical beauty industry in the PRC, in which the Directors consider to have great market potentials. During the Year, the loss of joint venture shared by the Group amounted to approximately HK$3,489,000. Details of the Sky View Subscription Agreement and Rolaner Subscription Agreement are disclosed in the announcement of the Company dated 21 February 2016.

FINANCIAL REVIEW

Continuing Operations

Revenue

Revenue of the Group for the Year was approximately HK$58,207,000 (2015: approximately HK$49,916,000), representing an increase of approximately HK$8,291,000 or 16.6% compared to the last financial year. The increase in revenue of the Group during the Year was mainly due to the combined effect of (i) the increase in revenue generated from the financial trading software solutions business of approximately HK$10,186,000; (ii) the increase in revenue generated from the referral business of approximately HK$1,999,000; and (iii) the decrease in revenue generated from the provision of other internet financial platforms of approximately HK$3,712,000.

Gross Profit and Gross Profit Margin

Gross profit of the Group for the Year was approximately HK$43,107,000 (2015: approximately HK$37,564,000), representing an increase of approximately HK$5,543,000 or 14.8% compared to the last financial year which was in line with the increase in revenue. Gross profit margin of the Group for the Year was approximately 74.1% (2015: approximately 75.3%).

Administrative Expenses

The Group's administrative expenses for the Year amounted to approximately HK$40,353,000 (2015: approximately HK$37,590,000), representing an increase of approximately HK$2,763,000 or 7.4% as compared to the last financial year. The increase was primarily attributable to the increase in administrative staff costs of approximately HK$3,660,000 due to the expansion of the Group's business.

Loss for the Year from Continuing Operations

The Group recorded a net loss after tax of approximately HK$9,001,000 for the Year. As compared with the net loss after tax of approximately HK$16,906,000 in the last financial year, the loss for the Year has substantially narrowed. The improvement in financial performance is mainly attributable to the combined effect of (i) the increase in profit contributed by the financial trading software solutions business; and (ii) the decrease in finance cost of approximately HK$1,924,000.

Discontinued Operations

Profit from discontinued operations amounted to approximately HK$19,400,000 (2015: approximately HK$637,000), which were contributed by corporate finance advisory services business, provision of property management and property agency services business and the provision of design and fitting-out services business of the Group. Details of the profit for the Year from discontinued operations are set out in note 9 of this announcement. The profit from discontinued operations attributable to shareholders and minority controlling shareholders of the Company for the Year were approximately HK$11,169,000 (2015: approximately HK$637,000) and approximately HK$8,231,000 (2015: Nil) respectively.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2016, the Group held cash and bank balances of approximately HK$23,059,000 (2015: approximately HK$78,111,000). Net current assets amounted to approximately HK$22,500,000 (2015: net current liabilities amounted to approximately HK$3,610,000). Current ratio, which was defined as total current assets divided by total current liabilities, was approximately 1.33 times (2015: approximately 0.97 times).

As at 31 December 2016, the Group's total borrowings with accrued interests amounted to approximately HK$31,700,000 comprised other borrowings bearing interest at 8.5% per annum. During the Year, the Group have early redeemed the 10% per annum notes in the aggregated principal of HK$103,000,000 ("Loan Notes") issued by the Company on 18 May 2015.

As at 31 December 2016, the gearing ratio of the Group, which was defined as total borrowings divided by total assets, was approximately 10.7% (2015: approximately 54.1%).

FOREIGN EXCHANGE EXPOSURE

During the years ended 31 December 2016 and 2015, the business activities of the Group were mainly denominated in Hong Kong dollars. The Directors did not consider the Group was exposed to any significant foreign currency exchange risks.

CONTINGENT LIABILITIES

As at 31 December 2016, the Group did not have any contingent liabilities (2015: Nil).

CAPITAL COMMITMENT

As at 31 December 2016, the Group did not have any significant capital commitments (2015: Nil).

CHARGES ON THE GROUP'S ASSETS

As at 31 December 2016, the Group did not have any material charge on assets (2015: Nil).

MATERIAL ACQUISITIONS AND DISPOSALS

Details of material acquisitions and disposals during the Year are set out elsewhere in the section headed "Business Review" of this announcement.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

As at the date of this announcement, save as the aforesaid major acquisitions and disposals, the Group does not have any concrete plan for material investments or capital assets for the coming year. Nonetheless, if any potential investment opportunity arises in the coming year, the Group will conduct a feasibility study and prepare implementation plans to consider whether it is beneficial to the Company and its shareholders as a whole.

CAPITAL STRUCTURE

As at 31 December 2016, the Group had shareholders' equity of approximately HK$226,389,000 (2015: approximately HK$45,774,000). As at 31 December 2016, the capital of the Company comprised ordinary shares only.

Placing of New Shares in January 2016 under General Mandate

On 14 January 2016, the Company and Convoy Securities Limited (as placing agent) entered into a conditional placing agreement ("800M 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 ("January Placing Share(s)"), to not less than six placees who and whose ultimate beneficial owners were third parties 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 January Placing Share ("800M Placing"). The January Placing Shares were 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 January Placing Shares was HK$400,000 and the net issue price was HK$0.048 per January Placing Share. The closing price of the ordinary shares of the Company on the date of the 800M 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 800M Placing Agreement. Immediately after completion of the 800M Placing, an aggregate of 800,000,000 January Placing Shares, representing approximately 16.7% of the then issued share capital of the Company (as enlarged by the allotment and issue of the January Placing Shares), have been successfully placed to not less than six placees. The Company received net proceeds of approximately HK$38.5 million from the 800M Placing. The Directors were of the view that the 800M Placing represented 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$25.9 million had been used for the payment of the total consideration for the acquisition of China Universal; (ii) approximately HK$2.5 million had been used for the settlement of interest incurred on the Loan Notes; (iii) approximately HK$8.5 million 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 as intended.

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 each in the issued and unissued share capital of the Company ("2016 Share Consolidation"). The 2016 Share Consolidation had been approved by the shareholders of the Company at the extraordinary general meeting held on 18 April 2016 and became effective on 19 April 2016, upon which the issued share capital of the Company was HK$2,400,000 divided into 480,000,000 Shares of HK$0.005 each. The board lot size of the Shares was changed from 5,000 Old Shares to 10,000 Shares upon the 2016 Share Consolidation taking effect. Details of the 2016 Share Consolidation and change of board lot size are set out in the Company's announcements dated 3 March 2016, 18 March 2016, 18 April 2016 and the Company's circular dated 24 March 2016.

Rights Issue

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 ("Rights Issue").

The Company intended to apply the net proceeds from the Rights Issue for the early redemption of the Loan Notes and the payment of the interests accrued thereon. As at 25 April 2016 (being the latest practicable date to the issue of the prospectus in connection with the Rights Issue), the Company had already received notices from holders of the Loan Notes to redeem the Loan Notes in an aggregate principal amount of HK$4.9 million, which shall be redeemed by the Company in May or June 2016. The Directors considered that it was prudent and reasonable to conduct the Rights Issue. On the other hand, the Directors considered that it was in the interest of the Company to early redeem the Loan Notes which bore interests at the rate of 10% per annum. The Directors considered that it was prudent to finance the Group's long term growth by way of the Rights Issue which would enhance its financial position without increasing finance costs, and that the Rights Issue would provide existing shareholders the opportunity to participate in the equity financing exercise on a fair and pro rata basis and lessen the dilution impact brought about by a placing.

Completion of the Rights Issue took place on 24 May 2016, where an aggregate of 240,000,000 Rights Shares, representing approximately 33.33% of the then issued share capital of the Company (as enlarged by the allotment and issue of the Rights Shares), have been issued. The aggregate nominal amount of the Rights Shares was HK$1,200,000.

The Company received net proceeds of approximately HK$74 million from the Rights Issue. Up to the date of this announcement, the entire net proceeds has been utilised for the early redemption of part of the Loan Notes and the payment of the interest accrued thereon as intended.

Placing of New Shares in September 2016 under General Mandate

On 22 August 2016, the Company and Astrum Capital Management Limited (as placing agent) entered into a conditional placing agreement ("144M Placing Agreement"), pursuant to which the Company had conditionally agreed to place through the placing agent, on a best effort basis, up to 144,000,000 new ordinary shares of par value of HK$0.005 each in the share capital of the Company ("September Placing Share(s)"), to not less than six placees who and whose ultimate beneficial owners are third parties independent of and not connected with the Company and any of its connected persons or their respective associates, at a price of HK$0.15 per September Placing Share ("144M Placing"). The September Placing Shares were allotted and issued pursuant to the general mandate granted to the Directors at the annual general meeting of the Company held on 22 June 2016. The nominal value of the September Placing Shares was HK$720,000 and the net issue price was HK$0.144 per September Placing Share. The closing price of the ordinary shares of the Company on the date of the 144M Placing Agreement was HK$0.177 per share. On 1 September 2016, completion of the 144M Placing took place in accordance with the terms and conditions of the 144M Placing Agreement. Immediately after completion of the 144M Placing, an aggregate of 144,000,000 September Placing Shares, representing approximately 16.7% of the then issued share capital of the Company (as enlarged by the allotment and issue of the September Placing Shares), have been successfully placed to not less than six placees. The Company received net proceeds of approximately HK$20.7 million from the 144M Placing. The Directors were of the view that the 144M Placing represented good opportunities to broaden the shareholders' base and raise additional funds at a reasonable cost for itself. Up to the date of this announcement, part of net proceeds of approximately HK$19.2 million had been used for the settlement of the early redemption of the remaining Loan Notes and the payment of the interest accrued thereon as intended, and the remaining proceeds had been used for financing the general working capital of the Group as intended.

Issue of New Shares under Specific Mandate

On 16 December 2016, the Company issued and allotted 186,492,340 new Shares (each a "Consideration Share") to Perfect Growth Limited as consideration of HK$35,498,817 for the acquisition of the CPN Shares pursuant to a specific mandate granted to the Directors at an extraordinary general meeting of the Company on 12 December 2016. The Consideration Shares represented approximately 17.75% of the then issued share capital of the Company (as enlarged by the allotment and issue of the Consideration Shares). The issue price for each Consideration Share was approximately HK$0.190 and the aggregate nominal amount of the Consideration Shares was approximately HK$932,000.

Placing of New Shares under General Mandate after Reporting Period

On 1 February 2017, the Company and Gransing Securities Co., Limited (as placing agent) entered into a conditional placing agreement ("210M Placing Agreement"), pursuant to which the Company had conditionally agreed to place through the placing agent, on a best effort basis, up to 210,090,000 new ordinary shares of par value of HK$0.005 each in the share capital of the Company ("February Placing Share(s)"), to not less than six placees who and whose ultimate beneficial owners are third parties independent of and not connected with the Company and any of its connected persons or their respective associates, at a price of HK$0.146 per February Placing Share ("210M Placing"). The February Placing Shares were allotted and issued pursuant to the general mandate granted to the Directors at the extraordinary general meeting of the Company held on 12 January 2017. The nominal value of the February Placing Shares was HK $1,050,450 and the net issue price was approximately HK$0.142 per February Placing Share. The closing price of the ordinary shares of the Company on the date of the 210M Placing Agreement was HK$0.174 per Share. On 20 February 2017, completion of the 210M Placing took place in accordance with the terms and conditions of the 210M Placing Agreement. Immediately after completion of the 210M Placing, an aggregate of 210,090,000 February Placing Shares, representing approximately 16.7% of the then issued share capital of the Company (as enlarged by the allotment and issue of the February Placing Shares), have been successfully placed to not less than six placees. The Company received net proceeds of approximately HK$29.8 million from the 210M Placing. The Directors were of the view that the 210M Placing represented good opportunities to broaden the shareholders' base and raise additional funds at a reasonable cost for itself. Up to the date of this announcement, net proceeds of (i) approximately HK$15.2 million had been used for repayment of interest-bearing borrowings of the Group; (ii) approximately HK$11.0 million had been used for financing the money lending business; and (iii) approximately HK$3.4 million had been used for financing the general working capital of the Group as intended.

DIVIDEND

The Board does not recommend the payment of any dividend for the Year (2015: Nil).

EMPLOYEE AND REMUNERATION POLICY

As at 31 December 2016, the Group had 61 employees (2015: 60). The Group continues to maintain and upgrade the capabilities of its workforce by providing them with adequate and regular training. The Group remunerates its employees mainly based on industry practices and individual performance and experience. On top of regular remuneration, discretionary bonus and share options may be granted to eligible staff by reference to the Group's performance as well as individual performance.

The remuneration of the Directors are determined by the Board, under the recommendation from the remuneration committee of the Company, with reference to the background, qualification, experience, duties and responsibilities of such Director within the Group and the prevailing market conditions.

The Company adopted a share option scheme pursuant to an ordinary resolution of all the then Shareholders passed on 10 September 2013 and the Board is authorised, at its absolute discretion, to grant options to eligible participants including (a) any full-time or part-time employee of any member of the Group; (b) any consultant or adviser of any member of the Group; (c) any director (including executive, non-executive and independent non-executive directors) of any member of the Group; (d) any substantial shareholder of the Group; or (e) any distributor, contractor, supplier, agent, customer, business partner or service provider of any member of the Group.

OUTLOOK

Technology is advancing at a tremendous pace and dependence on internet in all aspects continues to become more popular than ever. Using technologies such as online trading and finance maximises operational efficiency and generally improve the working environment of our Group's potential clients, thus creating more business opportunities for the Group.

iAsia, the Group's principal operating subsidiary and a trading solution pioneer in the market, provides comprehensive solutions and first-class support for modern enterprises encompassing financial institutions and corporate banks. In the coming year, it will remain the Group's principal 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. With the official launch of the prominent Shenzhen-Hong Kong Stock Connect, it will serve as an unprecedented opportunity for iAsia, and the Group is financially prepared to strive to foster its business and create greater investment returns.

In consideration of a volatile equity market and the global financial recession, the Directors believe diversification of the Group's business divisions can maintain a healthy financial profile and safeguard a steady growth of the Group. Smartphone applications development with unlimited networking opportunities are what the Directors consider to be a growth engine to keep up with challenges and drive the business forward. Therefore, the Group will continue to reinforce mobile application development business to make business communications easier and transactions more effective.

Looking ahead, the Group is keen on looking for feasible business partners for alliance and investment opportunities and acquire and ensure effective budget control to bring positive return to our shareholders. The Group will also strive for excellence and maintain its global competitiveness in the internet finance industry through continuously enriching our product portfolio.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

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

COMPETING INTERESTS

None of the Directors, the controlling shareholders and their respective close associates had any business or interests in a business which competes or is likely to complete, either directly or indirectly, with the business of the Group during the Year.

EVENTS AFTER THE REPORTING PERIOD

After the reporting period, the Group had certain significant events including (i) the placing of 210,090,000 ordinary shares of the Company pursuant to an agreement dated 1 February 2017 (as detailed in the paragraph headed "Placing of New Shares under General Mandate after Reporting Period" of this announcement), (ii) the proposed disposal of Wise Link pursuant to an agreement dated 23 February 2017 (as detailed in the paragraph headed "Discontinued operations – Provision of Property Management and Property Agency Services and Provision of Design and Fitting-out Services" of this announcement), and (iii) the disposal of the Group's entire interest of C&C pursuant to a sale and purchase agreement on 16 March 2017, as detailed in the paragraph headed "Available-for-sale Investments" of this announcement.

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 have complied with the required standard of dealings and the code of conduct regarding securities transactions by Directors adopted by the Company during the Year.

CORPORATE GOVERNANCE PRACTICES

During the Year, 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 deviations 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 Year, the role of the Chairman was performed by Mr. Chan Sek Keung, Ringo (who resigned on 26 August 2016) followed by Mr. Ng Wing Cheong Stephen (who was appointed on 26 August 2016) but the office of the chief executive officer of the Company was 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 position as appropriate.

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 CG Code 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 monitoring of the Company's financial reporting system, risk management and internal control systems.

At the date of this announcement, the Audit Committee comprises three independent non-executive Directors, namely Mr. Lam Kai Yeung (chairman), Ms. Lee Kwun Ling, May Jean and Mr. Yuen Shiu Wai. Each committee meeting was chaired by an independent non-executive Director.

AUDITORS

With effect from 28 October 2016, HLB Hodgson Impey Cheng Limited ("HLB") has resigned as the auditor of the Company. Following the resignation of HLB, PKF Hong Kong has been appointed as the new auditor of the Company.

PKF Hong Kong, the auditors of the Company for the Year, shall retire in the forthcoming annual general meeting of the Company and, being eligible, offer themselves for re-appointment pursuant to article 176(a) of the articles of association of the Company. A resolution will be submitted to the coming annual general meeting of the Company to re-appoint PKF Hong Kong as auditors of the Company.

REVIEW OF THE RESULTS ANNOUNCEMENT

The Group's audited consolidated results for the Year have been reviewed by the Audit Committee. The figures in respect of the preliminary announcement of the Group's results for the Year have been agreed by the Group's auditors, PKF Hong Kong, to the amounts set out in the Group's consolidated financial statements for the Year. The work performed by PKF Hong Kong in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by PKF Hong Kong on the preliminary announcement.

AGM AND CLOSURE OF REGISTER OF MEMBERS

The forthcoming annual general meeting of the Company ("AGM") will be held on Friday, 12 May 2017. In order to determine the entitlement of the shareholders of the Company to attend the AGM, the register of members of the Company will be closed from Monday, 8 May 2017 to Friday, 12 May 2017 (both days inclusive), during which period no transfer of shares of the Company can be registered. To qualify for the attendance at the AGM, shareholders of the Company must ensure that all transfer documents accompanied by the relevant share certificates are lodged with the Company's branch share registrar and transfer office in Hong Kong, Union Registrars Limited at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong no later than 4:00 p.m. on Friday, 5 May 2017.

On behalf of the Board
Finsoft Financial Investment Holdings Limited
Mr. Ng Wing Cheong Stephen
Chairman

Hong Kong, 24 March 2017

As at the date of this announcement, the Board consists of Ms. Lin Ting and Ms. Lam Ching Yee being the executive Directors, Mr. Ng Wing Cheong Stephen 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 for a minimum period of 7 days from the date of its publication and on the website of the Company at www.finsofthk.com.