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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)

DISCLOSEABLE TRANSACTION AND CONNECTED TRANSACTION: DISPOSAL OF A SUBSIDIARY

THE DISPOSAL

The Board wishes to announce that after trading hours on 23 February 2017, the Vendor, a wholly-owned subsidiary of the Company, and the Purchaser entered into the SP Agreement, pursuant to which the Vendor has agreed to sell, and the Purchaser has agreed to acquire, the Sale Shares, representing 51% of the issued share capital of the Target, at the aggregate consideration of HK\$9,800,000 to be settled by the Purchaser in cash at Completion.

The Target Group is principally engaged in the provision of design and fitting-out services in Hong Kong.

As at the date of this announcement, the Target is an indirect 51% owned subsidiary of the Company. Upon Completion, the Company will cease to hold any interest in the Target Group.

IMPLICATIONS UNDER THE GEM LISTING RULES

As the highest applicable percentage ratio in respect of the Disposal is more than 5% but less than 25%, the Disposal constitutes a discloseable transaction for the Company under the GEM Listing Rules and is subject to notification and announcement requirements under Chapter 19 of the GEM Listing Rules.

As at the date of this announcement, the Target is a 51%-owned subsidiary of the Company, while the Purchaser is a substantial shareholder (as defined in the GEM Listing Rules) of the Target by holding the remaining 49% of the issued share capital of the Target. Therefore, the Purchaser is a connected person of the Company at the subsidiary level under the GEM Listing Rules and accordingly the Disposal constitutes a connected transaction of the Company. Since the connected transaction between the Group and the Purchaser 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.

* *for identification purpose only*

The Board wishes to announce that after trading hours on 23 February 2017, the Vendor (a wholly-owned subsidiary of the Company) and the Purchaser entered into the SP Agreement in respect of the Disposal.

The principal terms of the SP Agreement are set out below:

THE SP AGREEMENT

Date

23 February 2017

Parties

Vendor: Winrange Investments Limited, a company incorporated in the BVI with limited liability and is wholly-owned by the Company

Purchaser: Billion Centrium Group Holdings Limited, a company incorporated in the BVI with limited liability, a substantial shareholder (as defined in the GEM Listing Rules) of the Target holding 49% issued share capital of the Target and thus a connected person of the Company at the subsidiary level

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the principal activity of the Purchaser is investment holding.

Subject matter

The Vendor has agreed to sell, and the Purchaser has agreed to acquire, the Sale Shares, representing 51% of the issued share capital of the Target.

Consideration

The Consideration for the Sale Shares is HK\$9,800,000, which shall be paid and satisfied by the Purchaser on Completion by a cheque drawn on a licensed bank in Hong Kong in favour of the Vendor or such person as may be designated in writing by the Vendor (or in such other manner as the Vendor and the Purchaser may agree).

The Consideration was determined after arm's length negotiations between the Vendor and the Purchaser on normal commercial terms principally with reference to the historical financial performance of the Target Group and the business potential of the Target Group.

Completion

Completion shall take place on 22 May 2017 or such earlier date as agreed by the parties to the SP Agreement.

As at the date of this announcement, the Target is an indirect 51% owned subsidiary of the Company. Upon Completion, the Company will cease to hold any interest in the Target Group.

INFORMATION ON THE TARGET GROUP

The Target is a company incorporated in the BVI with limited liability on 21 November 2014. As at the date of this announcement, the Target is principally engaged in investment holding, holding 100% interest in the Target Subsidiaries, further details of which are set out below.

Profit Sun International Investments Limited is a company incorporated in the BVI with limited liability on 28 January 2016 and has not commenced business since its incorporation save for acting as an investment holding company, holding 100% of the issued share capital of Billion C & C Limited (“**Billion C & C**”) (formerly known as Profit Sun International Investments (HK) Limited), a company incorporated in Hong Kong on 2 March 2016 with limited liability. Billion C & C is principally engaged in the provision of design and fitting-out services in Hong Kong.

The unaudited combined total assets value and the net assets value of the Target as at 31 December 2016 were approximately HK\$4,934,000 and HK\$4,265,000 respectively. Set out below is certain combined financial information of the Target Group for the year ended 31 December 2016:

	For the year ended 31 December 2016 HK\$ approximately (unaudited)
Revenue	7,142,000
Profit before taxation	22,571,000
Profit after taxation	22,421,000

The financial information of the Target Group for the year ended 31 December 2015 was not provided in this announcement because both Target Subsidiaries were only incorporated in 2016.

Based on the preliminary assessment, it is expected that the Group will record a gain of approximately HK\$7,625,000 as a result of the Disposal, being the difference between the Consideration and the unaudited net assets value of the Target Group as at 31 December 2016. The actual gain or loss as a result of the Disposal to be recorded by the Group is subject to final audit to be performed by the auditors of the Company. The original investment cost of the Target Subsidiaries to the Target is approximately HK\$3.5 million. It is expected that the Consideration will be used for repayment of borrowings.

REASONS FOR AND BENEFITS OF THE DISPOSAL

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, assets investments, provision of design and fitting-out services in Hong Kong and provision of corporate finance advisory services in Hong Kong. After Completion, the Group will cease to engage in the provision of design and fitting-out services. The Directors considered that the Disposal represents a good opportunity for the Company to realise its investment in the Target Group at a reasonable price.

The terms of the SP Agreement were determined after arm's length negotiations between the Vendor and the Purchaser and having considered the reasons for and benefits of the Disposal as mentioned above. All the Directors (including the independent non-executive Directors) are of the view that the terms of the SP Agreement are fair and reasonable and on normal commercial terms or better and in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors have unanimously approved the SP Agreement and the transactions contemplated thereunder. None of the Directors had material interests in the SP Agreement and hence no Director is required to abstain from voting on the resolutions approving the SP Agreement and the transactions contemplated thereunder.

IMPLICATIONS UNDER THE GEM LISTING RULES

As disclosed in its announcement dated 12 May 2016, the Company is deemed to have disposed of 49% of its interests in the Target on 12 May 2016 to the Purchaser at the consideration of HK\$3,500,000. Since the Previous Disposal was completed within 12 months from the date of the Disposal, the consideration for both of the Previous Disposal and the Disposal are aggregated for the purpose of Chapter 19 of the GEM Listing Rules.

As the highest applicable percentage ratio in respect of the Disposal is more than 5% but less than 25%, the Disposal constitutes a discloseable transaction for the Company under the GEM Listing Rules and is subject to notification and announcement requirements under Chapter 19 of the GEM Listing Rules.

As at the date of this announcement, the Target is a 51%-owned subsidiary of the Company, while the Purchaser is a substantial shareholder (as defined in the GEM Listing Rules) of the Target by holding the remaining 49% of the issued share capital of the Target. Therefore, the Purchaser is a connected person of the Company at the subsidiary level under the GEM Listing Rules and accordingly the Disposal constitutes a connected transaction of the Company. Since the connected transaction between the Group and the Purchaser 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.

DEFINITIONS

Unless otherwise specified, the following terms have the following meanings in this announcement:

“Board”	the board of Directors
“BVI”	the British Virgin Islands
“Company”	Finsoft Financial Investment Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the issued shares of which are listed on GEM
“Completion”	completion of the Disposal in accordance with the terms and conditions of the SP Agreement
“connected person(s)”	has the meaning as ascribed to it in the GEM Listing Rules
“Consideration”	the aggregate consideration for sale and purchase of the Sale Shares, being HK\$9,800,000
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of the Sale Shares by the Group under the SP Agreement
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Purchaser”	Billion Centrium Group Holdings Limited, a company incorporated in the BVI with limited liability on 27 April 2016
“Sale Shares”	510 issued shares in the share capital of the Target, representing 51% of its issued share capital as at the date of this announcement and immediately before Completion
“Share(s)”	share(s) of the Company of HK\$0.005 each in the share capital of the Company
“Shareholder(s)”	holder of the Shares

“SP Agreement”	the sale and purchase agreement dated 23 February 2017 entered into between the Vendor and the Purchaser in relation to the Disposal
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target”	Wise Link International Limited, a company incorporated in the BVI with limited liability and owned as to 51% by the Vendor and 49% by the Purchaser as at the date of this announcement and immediately before Completion
“Target Group”	collectively, the Target and the Target Subsidiaries
“Target Subsidiaries”	wholly-owned subsidiaries of the Target, being Profit Sun International Investments Limited and Billion C & C Limited
“Vendor”	Winrange Investments Limited, a company incorporated in the BVI with limited liability on 9 September 2013 and a direct wholly-owned subsidiary of the Company
“%”	per cent.

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

Hong Kong, 23 February 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 the chairman of the Board and Ms. Lee Kwun Ling, May Jean, Mr. Yuen Shiu Wai and Mr. Lam Kai Yeung being the independent non-executive Directors.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the “Latest Company Announcements” page of the website of the GEM at www.hkgem.com for a minimum period of seven days from the date of its publication and on the Company’s website at www.finsofthk.com.