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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)

SUPPLEMENTAL ANNOUNCEMENT – ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2016

Reference is made to the annual report (“**Annual Report**”) of the Company dated 24 March 2017 in relation to the audited consolidated results of the Company and its subsidiaries for the year ended 31 December 2016 (as supplemented by the supplemental announcements of the Company dated 3 April 2017 and 10 April 2017). Capitalised terms used herein shall have the same meanings as those defined in the Annual Report unless the context requires otherwise.

The Company would like to supplement the Annual Report with the following information on the available-for-sale investments (“**AFS**”) and financial assets at fair value through profit or loss (“**FVTPL**”) as at 31 December 2016:

AFS as at 31 December 2016 (note a):

Description of investments (name of investee)	Notes	Movements during the year ended 31 December 2016			Fair value change transfer to investment revaluation reserve (HK\$)	Carrying amount as at 31 December 2016 (HK\$)	Percentage to the Group’s audited net assets as at 31 December 2016 (Approximate)	Percentage to the Group’s audited total assets as at 31 December 2016 (Approximate)
		Carrying amount as at 31 December 2015 (HK\$)	Addition/ (disposal/ redemption) (HK\$)	Gain/(loss) on disposal/ redemption, net (HK\$)				
China Parenting Network Holdings Limited (Stock Code: 8361) (“CPN”)	(b)	-	36,715,000	-	4,796,000	41,510,000	18.34%	14.03%
C&C International Healthcare Group Limited (“C&C”)	(c)	-	24,271,000	-	-	24,271,000	10.72%	8.20%
Muller Capital Fund (“Muller Fund”)	(d)	8,500,000	(5,103,000)	(3,397,000)	-	-	-	-

* For identification purposes only

Movements during the year ended
31 December 2016

Description of investments (name of investee)	Notes	Carrying	Addition/ (disposal/ redemption)	Gain/(loss) on disposal/ redemption, net	Fair value	Carrying	Percentage to the Group's audited net assets as at 31 December 2016	Percentage to the Group's audited total assets as at 31 December 2016
		amount as at 31 December 2015 (HK\$) (Approximate)			change transfer to investment revaluation reserve (HK\$) (Approximate)			
Splendid Online Medical Beauty Capital Fund (“ Splendid Fund ”)	(e)	8,500,000	(8,349,000)	(151,000)	-	-	-	-
Promising Social Media Private Equity Fund (formerly known as “Convoy Social Media Private Equity Fund”) (“ Social Media Fund ”)	(f)	3,500,000	-	-	-	3,500,000	1.55%	1.18%
Bluestone International Investments Co., Ltd (“ Bluestone ”)	(g)	-	2,500,000/ (4,000,000)	2,750,000	-	1,250,000	0.55%	0.42%
Total:		<u>20,500,000</u>	<u>46,033,000</u>	<u>(798,000)</u>	<u>4,796,000</u>	<u>70,531,000</u>		

Notes:

- (a) Except for the investment in CPN which is measured at fair value, the remaining AFS are carried at cost less impairment. No AFS was impaired as at 31 December 2016. No dividend income was received from the AFS in the Year.
- (b) This investment represented 16,538,000 shares of CPN (“**CPN Shares**”), representing approximately 1.61% of the total issued shares of CPN as at 31 December 2016. CPN together with its subsidiaries (“**CPN Group**”) operate an online platform focusing on the CBM (children, babies, and maternity) market in the PRC and is mainly engaged in (i) provision of marketing and promotional service and (ii) e-commerce business. During the Year, the investment revaluation reserve of the Group was increased by approximately HK\$4,796,000 as a result of the increase in fair value of CPN Shares. Based on the annual report of CPN for the year ended 31 December 2016, the revenue and profit of CPN Group for the year ended 31 December 2016 was approximately RMB84.9 million and approximately RMB42.0 million respectively. As disclosed in the first quarterly report of CPN Group for the period ended 31 March 2017, the CPN Group will continue to provide users with diversified services and be committed to upgrade in the mother-child industry based on smart family lifestyle. The Company also noted that CPN has submitted a formal application to the Stock Exchange on 30 March 2017 for the transfer of listing of its shares from GEM to the Main Board of the Stock Exchange. The Company expects that the Main Board trading platform will enhance trading liquidity of CPN Shares and will ultimately contribute to increasing shareholder value.

- (c) This investment represented 500 shares of C&C, being 5% of the entire issued share capital of C&C, acquired by the Group 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. C&C is an investment holding company. Premium Healthcare (Asia-Pacific) Limited and its subsidiaries (“**Premium Healthcare Group**”) are the principal operating subsidiaries of C&C. The unaudited revenue and net profit after taxation of Premium Healthcare Group for the year ended 31 March 2016 are approximately HK\$173.9 million and approximately HK\$27.4 million respectively. On 16 March 2017, the Group has sold this investment 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. Details of the investment and subsequent disposal are set out in the paragraph headed “Available-for-sale Investments” on pages 15 and 16 of the Annual Report.
- (d) This represented the Group’s investment in Muller Fund, which is a private fund. The Group subscribed 850 participating shares (“**Muller Share(s)**”) out of a total of 4,990,000 participating shares available for subscription in the Muller Fund at the offering price of HK\$10,000 per Muller Share. The Muller Fund, run by fund manager, explored investment opportunities focused on multi-media, social media and internet-related business in Asia. During the Year, the Muller Fund with carrying amount of HK\$8,500,000 was redeemed and a redemption loss of approximately HK\$3,397,000 was recorded. The net asset value (“**NAV**”) per Muller Share as at 31 December 2015 was HK\$9,633.04, whereas its NAV as at 30 June 2016 was HK\$6,245.88, representing a decrease of approximately 35.16%.
- (e) This represented the Group’s investment in Splendid Fund, which is a private fund. The Group subscribed 850 participating shares (“**Splendid Share(s)**”) out of a total of 4,990,000 participating shares available for subscription in the Splendid Fund at the offering price of HK\$10,000 per Splendid Share. The Splendid Fund, run by fund manager, explored investment opportunities focused on interactive medical beauty businesses in the PRC. During the Year, the Splendid Fund with carrying amount of HK\$8,500,000 was redeemed and a redemption loss of approximately HK\$151,000 was recorded. The NAV per Splendid Share at the time of subscription in November 2015 was HK\$10,000, whereas its NAV as at 31 December 2015 was HK\$9,872.05, representing a decrease of approximately 1.28%.
- (f) This represented the Group’s investment in Social Media Fund, which is a private fund with investment focus in the field of social media. The Group subscribed approximately 360 participating shares (“**Social Media Share(s)**”) out of a total of 4,990,000 participating shares available for subscription in the Social Media Fund at the offering price of HK\$9,723.399 per Social Media Share. The NAV per Social Media Share at the time of subscription was HK\$9,723.399, whereas its NAV as at 30 December 2016 was HK\$9,763.622, representing an increase of approximately 0.41%. Looking forward, the Social Media Fund, run by fund manager, is expected to continue its investment in social media business.
- (g) As at 31 December 2016, the Group held 6,250 shares of Bluestone, being approximately 3% of the entire issued share capital of Bluestone. Bluestone is an unlisted company principally engaged in the provision of integrated financial services. The unaudited consolidated revenue and loss of Bluestone for the year ended 31 December 2016 are approximately HK\$1.5 million and approximately HK\$11.1 million respectively. During the Year, the Group has sold part of this investment at a consideration of HK\$4,000,000 and a gain on disposal of HK\$2,750,000 was recorded. As at the date of this announcement, a subsidiary of Bluestone holds licence to carry out Type 1 (dealing in securities) regulated activities under the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) and it is expected that Bluestone will continue to strengthen its global securities investment platforms in the future. Looking ahead, the Group anticipates to receive dividend income from this investment or capture capital gain through the disposal of the Group’s entire interest in Bluestone.
- (h) Certain figures included in the above table have been subject to rounding adjustments. Accordingly, figures shown as totals may not be an arithmetic aggregation of the figures preceding them.

FVTPL as at 31 December 2016:

Description of investments (name of investee)	Notes	Movements during the year ended 31 December 2016						Number of shares held and % of total Carrying amount as at 31 December 2015 (HK\$) (Approximate)	Number of shares held and % of total Carrying amount as at 31 December 2016 (HK\$) (Approximate)	Percentage to the Group's audited net assets as at 31 December 2016 (Approximate)	Percentage to the Group's audited total assets as at 31 December 2016 (Approximate)
		Carrying	Number of	Addition/ (disposal) (HK\$) (Approximate)	Unrealised gain/(loss) (HK\$) (Approximate)	Realised loss (HK\$) (Approximate)	Fair value change (HK\$) (Approximate)				
		amount as at	shares held								
		31 December	and % of total								
Tianyun International Holdings Limited (Stock Code: 6836) ("Tianyun")	(a), (h)	3,630,000	3,000,000 shares (0.30%)	(394,000)	(990,000)	(246,000)	-	2,000,000	2,500,000 shares (0.25%)	0.88%	0.68%
China e-Wallet Payment Group Limited (Stock Code: 802) ("China e-Wallet")	(b)	4,104,000	15,200,000 shares (1.01%)	-	5,776,000	-	-	9,880,000	15,200,000 shares (0.65%)	4.36%	3.34%
Xinhua News Media Holdings Limited (Stock Code: 309) ("Xinhua")	(c)	2,038,000	8,600,000 shares (0.63%)	-	(60,000)	-	-	1,978,000	8,600,000 shares (0.63%)	0.87%	0.67%
Gameone Holdings Limited (Stock Code: 8282) ("Gameone")	(d)	-	-	7,294,000/ (1,288,000)	-	(6,006,000)	-	-	-	-	-
DX.com Holdings Limited (Stock Code: 8086) ("DX.com")	(e)	-	-	602,000	(148,000)	-	-	454,000	3,440,000 shares (0.15%)	0.20%	0.15%
IR RESOURCES LIMITED (Stock Code: 8186) ("IR")	(f)	-	-	6,927,000/ (4,012,000)	(716,000)	(836,000)	-	1,363,000	23,500,000 shares (0.68%)	0.60%	0.46%
Convertible bond issued by Bluestone	(g)	2,900,000	N/A	-	-	-	177,000	3,077,000	N/A	1.36%	1.04%

Notes:

- (a) Tianyun and its subsidiaries (collectively referred to as the "Tianyun Group") were principally engaged in the manufacturing and trading of processed fruits products and fresh fruits. Based on the annual report of Tianyun for the year ended 31 December 2016, the revenue and profit of Tianyun Group for the year ended 31 December 2016 was approximately RMB653.5 million and approximately RMB128.8 million respectively. As disclosed in the annual report of Tianyun Group for the year ended 31 December 2016, Tianyun Group will keep attaching the importance of providing safe and high quality products, continuously optimising the existing portfolio of products and enhancing capability of the product development, and developing its own brand products on the solid foundation of OEM business. Tianyun Group will also continue to consolidate its existing distribution network and develop new channels to take new chances of the fruit product industry. The Group disposed of all its investment in Tianyun in February 2017 and recorded a loss of HK\$152,000 (unaudited).

- (b) China e-Wallet and its subsidiaries (collectively referred to as the “**China e-Wallet Group**”) were principally engaged in the provision of biometric and RFID products and solution services, internet and mobile application and related services. Based on the annual report of China e-Wallet for the year ended 31 December 2016, the revenue and loss of China e-Wallet Group for the year ended 31 December 2016 was approximately HK\$34.4 million and approximately HK\$183.7 million respectively. As disclosed in the annual report of China e-Wallet Group for the year ended 31 December 2016, China e-Wallet Group had continued the efforts to consolidate and realign its businesses to enable China e-Wallet Group to achieve improvements in its financial position. China e-Wallet Group will continue to work towards attaining a stable platform for sustainability and basis for continuous growth. The Group disposed of all its investment in China e-Wallet in June 2017 and recorded a loss of approximately HK\$1,116,000 (unaudited).
- (c) Xinhua and its subsidiaries (collectively referred to as the “**Xinhua Group**”) were principally engaged in the provision of cleaning and related services for office buildings, public areas and residential areas, provision of publicly broadcasting information and advertisements on television screens services, provision of non-incineration medical waste handling services for hospitals and provision of organic waste treatment and sale of the by-products produced. Based on the annual report of Xinhua for the year ended 31 March 2016, the revenue and loss of Xinhua Group for the year ended 31 March 2016 was approximately HK\$309.8 million and approximately HK\$60.1 million respectively. As disclosed in the interim report of Xinhua Group for the period ended 30 September 2016, the Xinhua Group holds exclusive broadcasting rights granted by Xinhua News Agency Asia-Pacific Regional Bureau Limited for the duration of another four and half years. The Xinhua Group also holds contracts to several high profile LED locations such as Hung Hom Train Station and KTT train. The Xinhua Group will start to explore and to expand into other areas of businesses such as newspapers, magazines, online-mobile advertising and others which can create great synergy with the Xinhua Group’s existing advertising platform.
- (d) Gameone and its subsidiaries are an integrated game developer, operator and publisher focusing in the market of Hong Kong and Taiwan. The Group disposed all its investment in Gameone during the Year and recorded a loss of HK\$6,006,000.
- (e) DX.com and its subsidiaries (collectively referred to as the “**DX.com Group**”) were principally engaged in the businesses of e-commerce and provision of online sales platform via its B2C foreign trade e-commerce website, namely DX.com. Based on the annual report of DX.com for the year ended 30 June 2016, the revenue and loss of DX.com Group for the year ended 30 June 2016 was approximately HK\$399.7 million and approximately HK\$112.9 million respectively. As disclosed in the third quarterly report of the DX.com Group for the period ended 31 March 2017, the DX.com Group will further develop its businesses, follow the market dynamic and actively identify potential investments opportunities. The directors of DX.com are of the view that business pluralism will pave the way for DX.com Group’s development, which will continue to proactively widen its business scope to generate fruitful returns for its shareholders. The Group disposed of all its investment in DX.com in March 2017 and recorded a gain of approximately HK\$24,000 (unaudited).
- (f) IR and its subsidiaries (collectively referred to as the “**IR Group**”) were principally engaged in (i) forestry and agricultural business; and (ii) resources and logistics business. Based on the annual report of IR for the year ended 31 December 2016, the revenue and loss of IR Group for the year ended 31 December 2016 was approximately HK\$45.5 million and approximately HK\$330.5 million respectively. As disclosed in the first quarterly report of the IR Group for the period ended 31 March 2017, the IR Group will closely monitor the business performance of the forestry and agricultural business segment due to the administrative policies of the Cambodia government and fierce market competition. On the other hand, the IR Group will continue to develop its financial services business to benefit from the improving global financial market development opportunities. The IR Group will continue to seize and keep abreast of investment/business opportunities as well as debt/equity fund raising opportunities available so as to enhance its operation and financial conditions. According to the next day disclosure return of IR dated 13 January 2017, with effect from 13 January 2017, every 5 issued and unissued shares of IR were consolidated into one consolidated share (“**Consolidated Share(s)**”) such that the number of shares of IR held by the Group became 4,700,000

Consolidated Shares. The Group further acquired 16,000,000 Consolidated Shares in March 2017. The Group disposed of all its investment in IR (being an aggregate of 20,700,000 Consolidated Shares) in June 2017 and recorded a loss of approximately HK\$4,559,000 (unaudited).

- (g) This represented a convertible bond in the principal amount of HK\$2.5 million issued by Bluestone. The bond can be convertible into shares of Bluestone within 3 years from the date of bond at a conversion price which is 80% of the valuation of Bluestone. Further information of Bluestone is set out in note (g) under the section headed “AFS as at 31 December 2016” above.
- (h) Apart from HK\$130,000 dividend received from Tianyun, the Group did not receive dividend income from the above mentioned securities investment during the Year.

The Directors expect that the stock market in Hong Kong remains to be volatile which may affect the performance of the Group’s securities investments. The Board believes that the performance of the securities investments of the Group will be dependent on the financial and operating performance of investee companies and market sentiment which are affected by factors such as interest rate movements and performance of the macro economy. 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.

On behalf of the Board
Finsoft Financial Investment Holdings Limited
Mr. Chan Wai Lung
Chairman

Hong Kong, 21 June 2017

As at the date of this announcement, the Board consists of Mr. Chan Wai Lung being an executive Director and the chairman of the Board, Ms. Lam Ching Yee and Ms. Lin Ting being the executive Directors, Mr. Fung Ka Lok Adams and Mr. Ng Wing Cheong Stephen being the non-executive Directors and Mr. Lam Kai Yeung, Ms. Lee Kwun Ling, May Jean and Mr. Zhong Shi 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.