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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)**

### **PROPOSED RIGHTS ISSUE OF 240,000,000 RIGHTS SHARES AT HK\$0.324 PER RIGHTS SHARE ON THE BASIS OF ONE RIGHTS SHARE FOR EVERY TWO CONSOLIDATED SHARES HELD ON THE RECORD DATE**

Underwriter



**Convoy Securities Limited**

Financial Adviser



**Convoy Capital Hong Kong Limited**

#### **PROPOSED RIGHTS ISSUE**

The Company proposes to raise HK\$77.76 million (before expenses) by issuing 240,000,000 Rights Shares at the Subscription Price of HK\$0.324 per Rights Share on the basis of one (1) Rights Share for every two (2) Consolidated Shares in issue held by the Qualifying Shareholders on the Record Date.

The estimated net proceeds of the Rights Issue will be approximately HK\$74.38 million. The Company intends 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.

\* for identification purpose only

After trading hours on 24 March 2016, the Company and the Underwriter entered into the Underwriting Agreement. Pursuant to the Underwriting Agreement, the Underwriter has conditionally agreed to underwrite all the Underwritten Shares subject to the terms and conditions set out in the Underwriting Agreement. The Rights Issue will be fully underwritten by the Underwriter. Details of the Underwriting Agreement are set out in the section headed “Underwriting Agreement” below in this announcement.

## **IMPLICATIONS UNDER THE GEM LISTING RULES**

As the proposed Rights Issue will not increase the issued share capital or the market capitalisation of the Company by more than 50%, the Rights Issue is not subject to the approval of the Shareholders.

## **GENERAL**

To qualify for the Rights Issue, a Shareholder must be registered as a member of the Company at the close of business on the Record Date and must be a Qualifying Shareholder. The Record Date falls on Thursday, 28 April 2016.

Subject to the registration of the Prospectus Documents in accordance with the applicable laws and regulations, the Prospectus Documents setting out details of the Rights Issue will be despatched to the Qualifying Shareholders on the Prospectus Posting Date. Subject to the advice of the Company’s legal advisers in the relevant jurisdictions and to the extent reasonably practicable, the Prospectus (without the PAL and EAF) will be despatched to the Excluded Shareholders (if any) for information only.

## **WARNING OF THE RISKS OF DEALINGS IN THE SHARES AND THE NIL-PAID RIGHTS SHARES**

**The Rights Issue is conditional upon the fulfillment of the conditions set out under the sub-section headed “Proposed Rights Issue – Conditions of the Rights Issue” of this announcement. In particular, it is subject to the Underwriting Agreement not being terminated in accordance with its terms. Accordingly, the Rights Issue may or may not proceed.**

**Any Shareholder or other person contemplating selling or purchasing the Shares and/or nil-paid Rights Shares up to the date when the conditions of the Rights Issue are fulfilled will bear the risk that the Rights Issue may not become unconditional and may not proceed. Shareholders and the public are reminded to exercise caution when dealing in the securities of the Company. Any Shareholder or other person contemplating any dealings in the Shares or nil-paid Rights Shares are recommended to consult their own professional advisers.**

## PROPOSED RIGHTS ISSUE

After the trading hours on 24 March 2016, the Company and the Underwriter entered into the Underwriting Agreement in respect of the Rights Issue.

### Issue statistics

Basis of the Rights Issue	:	One (1) Rights Share for every two (2) Consolidated Shares in issue held on the Record Date
Number of Shares in issue as at the date of this announcement	:	4,800,000,000 Existing Shares (or assuming the Share Consolidation having become effective, 480,000,000 Consolidated Shares)
Number of Rights Shares	:	240,000,000 Rights Shares (assuming that there is no change in the issued share capital of the Company from the date of this announcement up to the Record Date and the Share Consolidation having become effective)
Number of Underwritten Shares	:	240,000,000 Rights Shares (assuming that there is no change in the issued share capital of the Company from the date of this announcement up to the Record Date and the Share Consolidation having become effective)
Subscription Price	:	HK\$0.324 per Rights Share
Underwriter	:	Convoy Securities Limited
Enlarged issued share capital of the Company upon completion of the Rights Issue	:	720,000,000 Consolidated Shares
Funds raised before expenses	:	HK\$77.76 million (assuming that there is no change in the issued share capital of the Company from the date of this announcement up to the Record Date)

Assuming that there is no change in the issued share capital of the Company from the date of this announcement up to the Record Date and the Share Consolidation having become effective, the 240,000,000 Rights Shares proposed to be allotted pursuant to the Rights Issue represent: (i) 50.00% of the issued share capital of the Company as at the Record Date; and (ii) approximately 33.33% of the existing issued share capital of the Company as enlarged by the allotment and issue of the Rights Shares.

As at the date of this announcement, the Company has no derivatives, options, warrants and conversion rights or other similar rights which are convertible or exchangeable into the Shares.

## **Qualifying Shareholders**

Subject to the registration of the Prospectus Documents in accordance with the applicable laws and regulations, the Company will send the Prospectus Documents to the Qualifying Shareholders only. To qualify for the Rights Issue, a Shareholder must:

1. be a Shareholder whose name appears on the register of members of the Company on the Record Date; and
2. not be an Excluded Shareholder.

To qualify for the Rights Issue, a Shareholder must be registered as a member of the Company at the close of business on the Record Date and must be a Qualifying Shareholder. The Record Date falls on Thursday, 28 April 2016. In order to be registered as members of the Company at the close of business on the Record Date, investors must lodge any transfer of the Shares (together with the relevant share certificates) with the Company's branch share registrar and transfer office in Hong Kong, Union Registrars Limited at A18/F., Asia Orient Tower, Town Place, 33 Lockhart Road, Wanchai, Hong Kong (which will be relocated to Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong with effect from 5 April 2016), no later than 4:00 p.m. on Thursday, 21 April 2016.

## **Closure of register of members**

To determine the entitlements to the Rights Issue, the register of members of the Company will be closed from Friday, 22 April 2016 to Thursday, 28 April 2016, both dates inclusive. No transfer of Shares will be registered during this period.

## **Rights of Overseas Shareholders**

The Prospectus Documents will not be registered under the applicable securities legislation of any jurisdiction other than Hong Kong. Overseas Shareholders on the Record Date, if any, may not be eligible to take part in the Rights Issue as explained below.

The Company will make enquiries pursuant to Rule 17.41(1) of the GEM Listing Rules regarding the feasibility of extending the Rights Issue to the Overseas Shareholders (if any). If, based on legal opinions, the Directors consider that it is necessary or expedient not to offer the Rights Shares to the Overseas Shareholders on account either of the legal restrictions under the laws of the relevant places or the requirements of the relevant regulatory body or stock exchange in that place, the Rights Issue will not be available to such Overseas Shareholders and no provisional allotment of nil-paid Rights Shares will be made to them. Further information in this connection will be set out in the Prospectus. The Company will send copies of the Prospectus (without the PAL and EAF) to the Excluded Shareholders (if any) for their information only.

The Company will provisionally allot the Rights Shares which represent the entitlements of the Excluded Shareholders to a nominee of the Company in nil-paid form and the Company will procure that such nominee will endeavour to sell such nil-paid Rights Shares as soon as practicable after dealings in nil-paid Rights Shares commence and in any event on or before the last day of dealings in nil-paid Rights Shares at a net premium. If and to the extent that such nil-paid Rights Shares can be so sold, the nominee will account to the Company for the net proceeds of sale (after deducting the expenses of sale and stamp duty, if any), on the basis that the net proceeds after deducting the expenses of sale and stamp duty (if any) attributable to the sale of the nil-paid Rights Shares that would otherwise have been allotted to the Excluded Shareholders shall be distributed pro rata to their shareholdings as at the Record Date (but rounded down to the nearest cent) to the Excluded Shareholders provided that individual amounts of HK\$100 or less shall be retained by the Company for its own benefit. Any of such nil-paid Rights Shares which are not sold as aforesaid will be dealt with as Rights Shares not accepted in accordance with the terms of the Underwriting Agreement.

**Overseas Shareholders should note that they may or may not be entitled to the Rights Issue. Accordingly, Overseas Shareholders should exercise caution when dealing in the securities of the Company.**

### **Subscription Price**

The Subscription Price for the Rights Shares is HK\$0.324 per Rights Share, payable in full by a Qualifying Shareholder upon acceptance of the relevant provisional allotment of Rights Shares or when a transferee of nil-paid Rights Shares applies for the Rights Shares or, where applicable, application for excess Rights Shares.

The Subscription Price represents:

- (1) a discount of approximately 16.9% to the theoretical closing price of HK\$0.390 per Consolidated Share, based on the closing price of HK\$0.039 per Existing Share as quoted on the Stock Exchange on the Last Trading Day and adjusted taking into account of the effect of the Share Consolidation;
- (2) a discount of 10.0% to the average theoretical closing price of approximately HK\$0.360 per Consolidated Share, based on the average closing price of HK\$0.036 per Existing Share for the five consecutive trading days prior to the Last Trading Day and adjusted taking into account of the effect of the Share Consolidation;
- (3) a discount of approximately 10.7% to the average theoretical closing price of approximately HK\$0.363 per Consolidated Share, based on the average closing price of HK\$0.0363 per Existing Share for the ten consecutive trading days prior to the Last Trading Day and adjusted taking into account of the effect of the Share Consolidation; and
- (4) a discount of approximately 12.0% to the theoretical ex-rights price of approximately HK\$0.368 per Consolidated Share, based on the closing price of HK\$0.039 per Existing Share as quoted on the Stock Exchange on the Last Trading Day and adjusted taking into account of the effect of the Share Consolidation.

Based on the Subscription Price of HK\$0.324, the estimated gross proceeds of the Rights Issue will be HK\$77.76 million. The net proceeds from the Rights Issue to be received by the Company is expected to be approximately HK\$74.38 million. Based on the net proceeds of approximately HK\$74.38 million, the net issue price per Rights Share is approximately HK\$0.310.

The Subscription Price was determined after arm's length negotiation between the Company and the Underwriter with reference to the prevailing market price of the Shares and the market conditions. The Directors (including the independent non-executive Directors) consider that the discount of the Subscription Price would encourage the Shareholders to participate in the Rights Issue and accordingly maintain their pro rata shareholdings in the Company and participate in the future growth of the Group, and that the terms of the Rights Issue, including the Subscription Price, to be fair and reasonable and in the interests of the Company and the Shareholders as a whole.

### **Basis of provisional allotment**

The basis of the provisional allotment will be one (1) Rights Share (in nil-paid form) for every two (2) Consolidated Shares in issue held by the Qualifying Shareholders at the close of business on the Record Date. Application for all or any part of a Qualifying Shareholder's provisional allotment should be made by completing the PAL and lodging the same with a remittance for the Rights Shares being applied for with the Company's branch share registrar and transfer office in Hong Kong, Union Registrars Limited at A18/F., Asia Orient Tower, Town Place, 33 Lockhart Road, Wanchai, Hong Kong (which will be relocated to Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong with effect from 5 April 2016) on or before the Latest Time for Acceptance.

### **Status of the Rights Shares**

The Rights Shares, when allotted, issued and fully paid, will rank *pari passu* in all respects with the Consolidated Shares then in issue. Holders of the fully-paid Rights Shares will be entitled to receive all future dividends and distributions which may be declared, made or paid on or after the date of the allotment and issued of the Rights Shares in their fully-paid form.

### **Share certificates for the Rights Issue and refund cheques**

Subject to the fulfillment of the conditions of the Rights Issue, share certificates for all fully-paid Rights Shares are expected to be posted to those entitled thereto by ordinary post at their own risk on or before Tuesday, 24 May 2016. Refund cheques in respect of wholly or partially unsuccessful applications for excess Rights Shares are also expected to be posted by ordinary post at their own risk on or before Tuesday, 24 May 2016.

## **Application for excess Rights Shares**

Qualifying Shareholders shall be entitled to apply for, (i) Rights Shares representing the entitlement of the Excluded Shareholders and which cannot be sold at a net premium; and (ii) any Rights Shares provisionally allotted but not accepted by the Qualifying Shareholders. Application may be made by completing the EAF for excess Rights Shares and lodging the same with a separate remittance for the excess Rights Shares being applied for. The Board will allocate the excess Rights Shares to Qualifying Shareholders who have applied for excess application on a pro rata basis on the excess Rights Shares applied by them, without involving allocation of any fractional Rights Share. No preference will be given to applications made for topping up odd lot holdings to whole board lot holdings.

Any Rights Shares not taken up by the Qualifying Shareholders and not taken by excess applications will be taken up by the Underwriter pursuant to the terms and conditions of the Underwriting Agreement.

Shareholders with their Shares held by a nominee company should note that the Board will regard the nominee company as a single Shareholder according to the register of members of the Company under the allocation of excess Rights Shares. Shareholders with their Shares held by a nominee company are advised to consider whether they would like to arrange for the registration of the relevant Shares in the name of the beneficial owner(s) prior to the Record Date. Excess application from Qualifying Shareholders (including registered nominee company) will be accepted by the Company even if their assured entitlement of the Rights Shares is not subscribed for in full.

## **Application for listing**

The Company will apply to the Stock Exchange for the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms to be allotted and issued pursuant to the Rights Issue.

Subject to the granting of the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares in both their nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange or such other dates as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. Shareholders should seek advice from their stockbrokers or other professional advisers for details of those settlement arrangements and how such arrangements will affect their rights and interests.

Both nil-paid Rights Shares and fully-paid Rights Shares will be traded in board lots of 10,000 Consolidated Shares.

Dealings in the Rights Shares in both their nil-paid and fully-paid forms, which are registered in the register of members of the Company in Hong Kong, will be subject to the payment of stamp duty and applicable fees and charges in Hong Kong.

## Conditions of the Rights Issue

The Rights Issue is conditional upon the following conditions being fulfilled:

- (1) the Share Consolidation having become effective by no later than the Record Date;
- (2) the Stock Exchange granting or agreeing to grant (subject to allotment) and not having withdrawn or revoked the listing of and permission to deal in all the Rights Shares (in their nil-paid and fully-paid forms) by no later than the Prospectus Posting Date and the Stock Exchange not having withdrawn or revoked such listings and permission on or before the Latest Time for Termination;
- (3) the filing and registration of all documents relating to the Rights Issue, which are required to be filed or registered with the Registrar of Companies in Hong Kong in accordance with the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) by no later than the Prospectus Posting Date;
- (4) the posting of the Prospectus Documents to the Qualifying Shareholders by the Prospectus Posting Date;
- (5) the compliance with and performance of all the undertakings and obligations of the Company under the Underwriting Agreement by the Latest Time for Termination;
- (6) the Underwriting Agreement not being terminated by the Underwriter pursuant to the terms thereof on or before the Latest Time for Termination.

None of the above conditions precedent is capable of being waived by the Underwriter and the Company other than condition (5) above. The Underwriter may waive condition (5) above in whole or in part by written notice to the Company.

If the above conditions are not satisfied and/or waived in whole or in part by the respective dates specified above (or such later date or dates as the Underwriter may agree with the Company in writing), the Underwriting Agreement shall terminate (save in respect of the provisions in relation to fees and expenses, indemnity, notices and governing law and any rights or obligations which may accrue under the Underwriting Agreement prior to such termination) and no party will have any claim against any other party for cost, damages, compensation or otherwise.



## UNDERWRITING AGREEMENT

The principal terms of the Underwriting Agreement are as follows:

Date : 24 March 2016

Underwriter : Convoy Securities Limited

As at the date of this announcement, the Underwriter does not hold any Shares. To the best of the Directors' knowledge and information after having made all reasonable enquiries, the Underwriter is an Independent Third Party.

Total number of Underwritten Shares : 240,000,000 Rights Shares. The Rights Issue is fully underwritten.

Commission : The Underwriter will receive a commission in respect of its underwriting of the Rights Issue at 3.0% of the aggregate Subscription Price in respect of the number of the Underwritten Shares.

The Board (including the independent non-executive Directors) considers that the terms of the Underwriting Agreement (including the underwriting commission) are fair and reasonable as compared to the market practice.

Under the Underwriting Agreement, if the conditions of the Rights Issue are fulfilled on or before the Latest Time for Acceptance (or such later time and/or date as the Company and the Underwriter may determine in writing) and the Underwriting Agreement becomes unconditional and is not terminated in accordance with the terms thereof, and in the event that by the Latest Time for Acceptance any of the Underwritten Shares have not been taken up ("**Untaken Shares**"), the Company shall as soon as practicable thereafter and in any event before 6:00 p.m. on the second Business Day after the Latest Time for Acceptance, notify or procure the branch share registrar and transfer office of the Company in Hong Kong on behalf of the Company to notify the Underwriter in writing of the number of Underwritten Shares not taken up. Pursuant to the Underwriting Agreement, when the Underwriter is being called upon to subscribe for or procure subscription for the Untaken Shares:

- (1) the Underwriter shall not subscribe, for its own account, for such number of Untaken Shares which will result in the shareholding of it and parties acting in concert with it in the Company to be 30% or more of the then issued share capital of the Company upon the allotment and issue of the Rights Shares;
- (2) the Underwriter shall ensure that none of the subscribers of the Untaken Shares will as a result of such subscription, together with parties acting in concert with such subscriber, will hold 30% or more of the issued share capital of the Company upon the allotment and issue of the Rights Shares;

- (3) the Underwriter shall use all reasonable endeavours to procure that each of the subscribers of the Untaken Shares (including any direct and indirect sub-underwriters), shall be third party independent of, not acting in concert with and not connected with the Directors, chief executive or substantial shareholders (within the meaning of the GEM Listing Rules) of the Company or any of its subsidiaries and their respective close associates; and
- (4) in the event that there is insufficient public float of the Company within the meaning of the GEM Listing Rules immediately upon completion of the Rights Issue solely because of the Underwriter's performance of its obligations pursuant to the Underwriting Agreement, the Underwriter agrees to take such appropriate steps as may be reasonably required to maintain the minimum public float for the Shares in compliance with Rule 11.23 of the GEM Listing Rules.

### **Termination of the Underwriting Agreement**

The Underwriter may terminate the Underwriting Agreement by notice in writing given to the Company at any time prior to the Latest Time for Termination, if:

- (1) in the reasonable opinion of the Underwriter, the success of the Rights Issue would be materially and adversely affected by:
  - (a) the introduction of any new regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may in the reasonable opinion of the Underwriter materially and adversely affect the business or the financial or trading position of the Group as a whole or is materially adverse in the context of the Rights Issue; or
  - (b) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring, or continuing before, and/or after the date of the Underwriting Agreement), of a political, military, financial, economic or other nature (whether or not ejusdem generic with any of the forgoing), or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets which may, in the reasonable opinion of the Underwriter, materially and adversely affect the business or the financial or trading position of the Group as a whole; or
  - (c) any material adverse change in the business or in the financial or trading position of the Group as a whole; or
  - (d) the imposition of any moratorium, suspension or material restriction on trading in the Shares generally on the Stock Exchange due to exceptional financial circumstances or otherwise; or
  - (e) any suspension in the trading of securities generally or the Shares on the Stock Exchange for a period of more than 20 consecutive Business Days, excluding any suspension in connection with the clearance of this announcement or the Prospectus Documents or other announcements or circulars in connection with the Rights Issue; or

- (2) any material adverse change in market conditions (including, without limitation, a change in fiscal or monetary policy or foreign exchange or currency markets, suspension or restriction of trading in securities and a change in currency conditions includes a change in the system under which the value of the Hong Kong currency is pegged with that of the currency of the United States of America) occurs which in the reasonable opinion of the Underwriter makes it inexpedient or inadvisable to proceed with the Rights Issue; or
- (3) any event of force majeure including, without limiting the generality thereof, any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out; or
- (4) the Prospectus in connection with the Rights Issue when published contain information (either as to the condition of the Group or as to its compliance with any laws or the GEM Listing Rules or any applicable regulations) which has not prior to the date of the Underwriting Agreement been publicly announced or published by the Company and which may in the reasonable opinion of the Underwriter is material to the Group as a whole and is likely to affect materially and adversely the success of the Rights Issue or might cause a prudent investor not to apply for its provisional allotment of Rights Shares under the Rights Issue.

The Underwriter shall be entitled by notice in writing to the Company served prior to the Latest Time for Termination to rescind the Underwriting Agreement if, prior to the Latest Time for Termination:

- (1) any material breach of any of the warranties or undertakings of the Company contained in the Underwriting Agreement comes to the knowledge of the Underwriter; or
- (2) any event occurring or matter arising on or after the date of the Underwriting Agreement and prior to the Latest Time for Termination which if it had occurred or arisen before the date of the Underwriting Agreement would have rendered any of the representations, warranties and undertakings given by the Company contained in the Underwriting Agreement untrue or incorrect in any material respect comes to the knowledge of the Underwriter.

**In the event that the Underwriter exercises its rights to terminate or rescind the Underwriting Agreement as described above, the Rights Issue will not proceed.**

## **WARNING OF THE RISKS OF DEALING IN THE SHARES AND THE NIL-PAID RIGHTS SHARES**

**The Rights Issue is conditional upon, inter alia, the fulfillment of the conditions set out under the sub-section headed “Proposed Rights Issue – Conditions of the Rights Issue” of this announcement. In particular, it is subject to the Underwriting Agreement not being terminated in accordance with its terms (a summary of which is set out under the sub-section headed “Underwriting Agreement – Termination of the Underwriting Agreement” in this announcement). Accordingly, the Rights Issue may or may not proceed. Any Shareholder or other person contemplating selling or purchasing Shares and/or nil-paid Rights Shares up to the date when the conditions of the Rights Issue are fulfilled will bear the risk that the Rights Issue may not become unconditional and may not proceed. Shareholders and the public are reminded to exercise caution when dealing in the securities of the Company. Any Shareholder or other person contemplating any dealings in the Shares or nil-paid Rights Shares are recommended to consult their own professional advisers.**

## EXPECTED TIMETABLE

The expected timetable for the Rights Issue is set out below:

<b>Event</b>	<b>Date and time</b>
Last day of dealings in the Shares on cum-rights basis	Tuesday, 19 April 2016
Ex-date (the first day of dealings in the Shares on ex-rights basis)	Wednesday, 20 April 2016
Latest time for lodging transfer of Shares to qualify for the Rights Issue	4:00 p.m. on Thursday, 21 April 2016
Register of members closes	From Friday, 22 April 2016 to Thursday, 28 April 2016 (both dates inclusive)
Record Date for entitlement of Rights Shares	Thursday, 28 April 2016
Despatch of the Prospectus Documents to Qualifying Shareholders	Friday, 29 April 2016
First day of dealings in nil-paid Rights Shares	9:00 a.m. on Wednesday, 4 May 2016
Latest time for splitting nil-paid Rights Shares	4:00 p.m. on Friday, 6 May 2016
Last day of dealings in nil-paid Rights Shares	4:00 p.m. on Wednesday, 11 May 2016
Latest time for acceptance of and payment for the Rights Shares ( <i>Note</i> )	4:00 p.m. on Monday, 16 May 2016
Latest Time for Termination	4:00 p.m. on Tuesday, 17 May 2016
Announcement of allotment results	Monday, 23 May 2016
Despatch of share certificates for fully-paid Rights Shares and refund cheques (if any)	Tuesday, 24 May 2016
Commencement of dealings in fully-paid Rights Shares	9:00 a.m. on Wednesday, 25 May 2016

*Note:* If there is a “black” rainstorm warning or a tropical cyclone warning signal number 8 or above in force in Hong Kong on such day (i) at any time before 12:00 noon and no longer in force after 12:00 noon, the Latest Time for Acceptance will be extended to 5:00 p.m. on the same Business Day; and (ii) at any time between 12:00 noon and 4:00 p.m., the Latest Time for Acceptance will be extended to the next Business Day which does not have either of those warnings in force in Hong Kong at any time between 9:00 a.m. and 4:00 p.m.

All times and dates specified in this announcement refer to Hong Kong local times and dates. Dates stated in this announcement for event mentioned in the timetable are indicative only and may be extended or varied. Any changes to the expected timetable for the Rights Issue will be announced as and when appropriate in accordance with the GEM Listing Rules.

## SHAREHOLDING STRUCTURE OF THE COMPANY

For illustration purposes only, the table below sets out the shareholding structure of the Company assuming that (i) there is no change in the shareholding structure of the Company from the date of this announcement to immediately after completion of the Rights Issue save as specified below; and (ii) there is no Excluded Shareholder.

Shareholders	As at the date of this announcement (assuming the Share Consolidation has become effective)		Full acceptance by Qualifying Shareholders under the Rights Issue		No acceptance by Qualifying Shareholders under the Rights Issue	
	<i>Number of</i>		<i>Number of</i>		<i>Number of</i>	
	<i>Consolidated</i> <i>Shares</i>	<i>Approximate</i> <i>%</i>	<i>Consolidated</i> <i>Shares</i>	<i>Approximate</i> <i>%</i>	<i>Consolidated</i> <i>Shares</i>	<i>Approximate</i> <i>%</i>
Luster Wealth Limited ( <i>Note 1</i> )	116,411,250	24.25	174,616,875	24.25	116,411,250	16.17
Lawrence Tang ( <i>Note 2</i> )	730,000	0.15	1,095,000	0.15	730,000	0.10
Underwriter or subscribers procured by it ( <i>Note 3</i> )	–	–	–	–	240,000,000	33.33
Public Shareholders	<u>362,858,750</u>	<u>75.60</u>	<u>544,288,125</u>	<u>75.60</u>	<u>362,858,750</u>	<u>50.40</u>
Total	<u>480,000,000</u>	<u>100.0</u>	<u>720,000,000</u>	<u>100.0</u>	<u>720,000,000</u>	<u>100.0</u>

### Notes:

- These Shares are held by Luster Wealth Limited. Mr. Chan Sek Keung, Ringo (“Mr. Chan”), the non-executive Director and the chairman of the Board, beneficially owns 100% of the issued share capital of Woodstock Management Limited (“Woodstock”), which in turn owns approximately 89.87% of the issued share capital of Luster Wealth Limited. By virtue of the SFO, each of Woodstock and Mr. Chan is deemed, or taken to be, interested in all the Shares held by Luster Wealth Limited. Mr. Chan is the sole director of each of Luster Wealth Limited and Woodstock. Mr. Li Hoi Kong, an executive Director, owns approximately 7.75% of the issued share capital of Luster Wealth Limited.
- Mr. Lawrence Tang is an executive Director.

3. Pursuant to the Underwriting Agreement, when the Underwriter is being called upon to subscribe for or procure subscription for the Untaken Shares:
- (i) the Underwriter shall not subscribe, for its own account, for such number of Untaken Shares which will result in the shareholding of it and parties acting in concert with it in the Company to be 30% or more of the then issued share capital of the Company upon the allotment and issue of the Rights Shares;
  - (ii) the Underwriter shall ensure that none of the subscribers of the Untaken Shares will as a result of such subscription, together with parties acting in concert with such subscriber, will hold 30% or more of the issued share capital of the Company upon the allotment and issue of the Rights Shares;
  - (iii) the Underwriter shall use all reasonable endeavours to procure that each of the subscribers of the Untaken Shares (including any direct and indirect sub-underwriters), shall be third party independent of, not acting in concert with and not connected with the Directors, chief executive or substantial shareholders (within the meaning of the GEM Listing Rules) of the Company or any of its subsidiaries and their respective close associates; and
  - (iv) in the event that there is insufficient public float of the Company within the meaning of the GEM Listing Rules immediately upon completion of the Rights Issue solely because of the Underwriter's performance of its obligations pursuant to the Underwriting Agreement, the Underwriter agrees to take such appropriate steps as may be reasonably required to maintain the minimum public float for the Shares in compliance with Rule 11.23 of the GEM Listing Rules.

Details of the sub-underwriting arrangement (if any) will be disclosed in the Prospectus of the Company in relation to the Rights Issue.

4. Certain percentage 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.

## **REASONS FOR THE RIGHTS ISSUE AND USE OF PROCEEDS**

The Group is principally engaged in the provision of financial trading software solutions, provision of other internet financial platforms, provision of referral services, money lending business, securities investments, provision of corporate finance advisory services, property management and property agency services in Hong Kong.

The estimated net proceeds of the Rights Issue will be approximately HK\$74.38 million. The Company intends 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. The maturity date of the Loan Notes is 17 May 2017. The Directors consider that it is prudent to finance the Group's long term growth by way of the Rights Issue which will not only strengthen the Group's capital base and enhance its financial position without increasing finance costs, but will also allow all Qualifying Shareholders the opportunity to participate in the growth of the Group through the Rights Issue at a price lower than the current market price of the Shares. The Directors (including the independent non-executive Directors) consider that the terms of the Rights Issue are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

## FUND RAISING ACTIVITIES OF THE COMPANY DURING THE PAST TWELVE MONTHS

Apart from the fund raising activities mentioned below, the Company had not raised any other funds by equity issue in the past 12 months immediately preceding the date of this announcement:

Date of announcements	Fund raising activity	Net proceeds raised (approximately)	Intended use of net proceeds	Actual use of net proceeds as at the date of this announcement
10 April 2015, 18 May 2015 and 11 June 2015	Issue of Loan Notes	HK\$96.3 million	For funding the Group's money lending business in Hong Kong and future potential acquisitions, investments and treasury management purposes.	The entire net proceeds has been utilised as to (i) approximately HK\$20.5 million had been used for the subscription of three unlisted funds for investment purposes; (ii) approximately HK\$2.5 million has been utilised for the acquisition of a convertible bond for investment purposes; (iii) approximately HK\$39.5 million has been utilised for money lending business of the Group; (iv) approximately HK\$32.2 million has been utilised for the acquisition of securities under the Group's securities investments business; and (v) the remaining net proceeds of approximately HK\$1.6 million had been utilised for funding part of consideration of the acquisition of Full Profit Property Services Company Limited, details of which are set out in the Company's announcement dated 30 December 2015.
14 January 2016 and 27 January 2016	Placing of 800,000,000 new Existing Shares at HK\$0.05 per Existing Share pursuant to the general mandate granted to the Directors at the annual general meeting of the Company held on 5 May 2015	HK\$38.5 million	Financing the Group's money lending business in Hong Kong, future potential acquisitions, investments and treasury management purposes, and general working capital of the Group	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 Limited, details of which are set out in the Company's announcement dated 7 March 2016; (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 Investment Limited, details of which are set out in the Company's announcements dated 12 January 2016 and 21 February 2016; and (iv) the remaining had been used for the general working capital of the Group.

## IMPLICATIONS UNDER THE GEM LISTING RULES

As the proposed Rights Issue will not increase the issued share capital or the market capitalisation of the Company by more than 50%, the Rights Issue is not subject to the approval of the Shareholders.

## GENERAL

To qualify for the Rights Issue, a Shareholder must be registered as a member of the Company at the close of business on the Record Date and must be a Qualifying Shareholder. The Record Date falls on Thursday, 28 April 2016.

Subject to the registration of the Prospectus Documents in accordance with the applicable laws and regulations, the Prospectus Documents setting out details of the Rights Issue will be despatched to the Qualifying Shareholders on the Prospectus Posting Date. Subject to the advice of the Company's legal advisers in the relevant jurisdictions and to the extent reasonably practicable, the Prospectus (without the PAL and EAF) will be despatched to the Excluded Shareholders (if any) for information only.

## DEFINITIONS

In this announcement, unless the context otherwise required, the following terms and expressions shall have the following meanings when used herein:

“act in concert”	has the meaning ascribed to it under the Takeovers Code
“associate”	has the meaning ascribed to it under the GEM Listing Rules
“Board”	the board of Directors
“Business Day(s)”	a day (excluding Saturday and Sunday and any day on which a tropical cyclone warning no. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a “black” rainstorm warning is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are open for business
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“close associate”	has the meaning ascribed to it under the GEM Listing Rules
“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
“connected person”	has the meaning ascribed to it under the GEM Listing Rules
“Consolidated Share(s)”	ordinary share(s) of HK\$0.005 each in the share capital of the Company immediately after the Share Consolidation becoming effective
“Director(s)”	the director(s) of the Company



“EAF(s)”	the form of application for use by the Qualifying Shareholders who wish to apply for excess Rights Shares, being in such usual form as may be agreed between the Company and the Underwriter
“Excluded Shareholder(s)”	the Overseas Shareholder(s) whom the Directors, after making enquiries, consider it necessary, or expedient not to offer the Rights Shares to such Shareholder(s) as at the close of business on account either of legal restrictions under the laws of relevant place or the requirements of the relevant regulatory body or stock exchange in that place
“Existing Share(s)”	ordinary share(s) of HK\$0.0005 each in the share capital of the Company prior to the Share Consolidation having become effective
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the GEM
“Group”	the Company and its subsidiaries
“HKSCC”	Hong Kong Securities Clearing Company Limited
“HK\$”	the Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party”	a third party independent of the Company and its connected persons
“Last Trading Day”	23 March 2016, being the last trading day of the Existing Shares on GEM immediately prior to the publication of this announcement
“Latest Time for Acceptance”	4:00 p.m. on Monday, 16 May 2016 or such later time or date as may be agreed between the Company and the Underwriter, being the latest time for acceptance of and payment for Rights Shares and if there is a “black” rainstorm warning or a tropical cyclone warning signal number 8 or above in force in Hong Kong on such day (i) at anytime before 12:00 noon and no longer in force after 12:00 noon, the Latest Time for Acceptance will be extended to 5:00 p.m. on the same Business Day; and (ii) at any time between 12:00 noon and 4:00 p.m., the Latest Time for Acceptance will be extended to the next Business Day which does not have either of those warnings in force in Hong Kong at any time between 9:00 a.m. and 4:00 p.m.
“Latest Time for Termination”	4:00 p.m. on the first Business Day after the Latest Time for Acceptance, or such later time as may be agreed between the Company and the Underwriter

“Loan Notes”	10% per annum notes issued by the Company on 18 May 2015 in an aggregate principal amount of HK\$100,300,000
“Overseas Shareholder(s)”	Shareholder(s) with registered address(es) (as shown in the register of members of the Company as at the close of business on the Record Date) which is/are outside Hong Kong
“PAL(s)”	the provisional allotment letter(s) to be used in connection with the Rights Issue
“Prospectus”	the prospectus to be issued by the Company in connection with the Rights Issue and expected to be dated the Prospectus Posting Date
“Prospectus Documents”	the Prospectus, the PAL and the EAF
“Prospectus Posting Date”	Friday, 29 April 2016 or such other date as may be agreed between the Company and the Underwriter, being the date of despatch of the Prospectus Documents to Qualifying Shareholders
“Qualifying Shareholder(s)”	Shareholder(s) whose names appear on the register of members of the Company as at the close of business on the Record Date, other than the Excluded Shareholders
“Record Date”	Thursday, 28 April 2016 or such other date as may be agreed between the Company and the Underwriter in accordance with the relevant regulations or requirements, to which entitlements to the Rights Issue will be determined
“Rights Issue”	the proposed issue of the Rights Shares on the basis of one (1) Rights Share for every two (2) Consolidated Shares in issue held on the Record Date at the Subscription Price pursuant to the Prospectus Documents and as contemplated under the Underwriting Agreement
“Rights Share(s)”	the Consolidated Share(s) proposed to be offered to the Qualifying Shareholders pursuant to the Rights Issue
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	Existing Share(s) or Consolidated Share(s), as the case maybe
“Share Consolidation”	the proposed consolidation of every ten (10) Existing Shares of HK\$0.0005 each in the issued and unissued share capital of the Company into one (1) Consolidated Share of HK\$0.005 in the issued and unissued share capital of the Company

“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	the issue price of HK\$0.324 per Rights Share at which the Rights Shares are proposed to be offered for subscription
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Underwriter”	Convoy Securities Limited, a licensed corporation to carry on type 1 (dealing in securities) regulated activity under the SFO
“Underwriting Agreement”	the underwriting agreement dated 24 March 2016 entered into between the Company and the Underwriter in relation to the underwriting arrangement in respect of the Rights Issue
“Underwritten Shares”	all the Rights Shares proposed to be offered under the Rights Issue in their fully-paid form, being 240,000,000 Rights Shares
“%”	per cent.

On behalf of the Board  
**Finsoft Financial Investment Holdings Limited**  
**Chan Sek Keung, Ringo**  
*Chairman*

Hong Kong, 24 March 2016

*As at the date of this announcement, the Board consists of Mr. Li Hoi Kong and Mr. Lawrence Tang being the executive Directors, Mr. Chan Sek Keung, Ringo being the non-executive Directors 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 GEM at [www.hkgem.com](http://www.hkgem.com) for at least 7 days from the date of its publication and on the website of the Company at [www.finsofthk.com](http://www.finsofthk.com).*