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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)

(I) DISCLOSEABLE TRANSACTION: ACQUISITION OF FULL PROFIT (II) UPDATE ON USAGE OF NET PROCEEDS OF ISSUE OF NOTES

On 30 December 2015, the Purchaser, the Vendor and the Guarantor entered into the SP Agreement for the sale and purchase of the entire issued share capital of Full Profit, which is a company principally engaged in the business of providing property management and property agency services in Hong Kong.

As one of the applicable percentage ratios (as set out and calculated under Rule 19.07 of the GEM Listing Rules) exceeds 5% but all applicable percentage ratios are less than 25%, the entering into of the SP Agreement constitutes a discloseable transaction for the Company and is subject to the notification and announcement requirements under Chapter 19 of the GEM Listing Rules.

As set out in the announcement of the Company dated 23 July 2015, the intended use of the net proceeds from the issue of the Notes would be changed, and were proposed to be used for funding, among others, future potential acquisitions and investments. The Company applied the net proceeds from the issue of the Notes to finance part of the Consideration.

The Board is pleased to announce that after trading hours on 30 December 2015, the Purchaser, the Vendor and the Guarantor entered into the SP Agreement for the sale and purchase of the Sale Share. Completion of the SP Agreement took place immediately after the signing of the SP Agreement and Full Profit has become an indirect wholly-owned subsidiary of the Company.

* *for identification purpose only*

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

THE SP AGREEMENT

Date

30 December 2015

Parties

- (i) Purchaser: Wise Link International Limited, an indirect wholly-owned subsidiary of the Company
- (ii) Vendor: Colorful Focus Limited, the sole shareholder of Full Profit immediately before Completion
- (iii) Guarantor: Jia Meng Holdings Limited, the ultimate holding company of the Vendor

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, (i) each of the Vendor, the Guarantor and the ultimate beneficial owners of the Guarantor is an Independent Third Party; and (ii) the principal activity of each of the Vendor and the Guarantor is investment holding.

Assets acquired

The Vendor shall sell, as beneficial owner, the Sale Share and the Purchaser shall purchase the Sale Share free from all encumbrances and together with all rights now or hereafter attaching thereto including all dividends or distributions which may be paid, declared or made in respect thereof at any time after Completion.

Consideration

The Consideration payable by the Purchaser to the Vendor for the Sale Share is HK\$6,000,000, which has been paid by the Purchaser by cheque upon signing and completion of the SP Agreement. Part of the Consideration amounting to approximately HK\$1,546,000 was funded by the net proceeds from the issue of the Notes and the remaining amount of approximately HK\$4,454,000 was funded by internal resources of the Group.

The Consideration was determined after arm's length negotiations between the Purchaser and the Vendor and the Group has taken into consideration of, among other things, (i) the historical performance of Full Profit; (ii) the net assets value of Full Profit; (iii) the business and prospect of Full Profit; and (iv) the opportunity for the Group to invest in the property management and agency business in Hong Kong.

Completion

Completion took place immediately after the signing of the SP Agreement. Immediately after Completion, Full Profit has become an indirect wholly-owned subsidiary of the Company, and the financial results of Full Profit will be consolidated with the results of the Group.

Liability of the Vendor

The liability of the Vendor in respect of any Purchaser's Claim shall be limited as follows:

- (1) no liability unless the Vendor has received written notice from the Purchaser prior to the date falling 12 months after the date of Completion in respect of any such Purchaser's Claim, and any such Purchaser's Claim shall (if not previously satisfied, settled or withdrawn) be deemed to have been waived at the expiration of 13 months after the date of Completion unless proceedings have been commenced against the Vendor;
- (2) no liability in respect of any individual matter unless the liability of the Vendor in respect thereof exceeds HK\$300,000;
- (3) the aggregate amount of liability shall not exceed the amount of the Consideration actually received by the Vendor.

Guarantee by the Guarantor

In consideration of the Purchaser entering into the SP Agreement, the Guarantor unconditionally and irrevocably guarantees to the Purchaser the due and punctual performance by the Vendor of its obligations under the SP Agreement.

INFORMATION ON FULL PROFIT

Full Profit is a company incorporated in Hong Kong on 31 March 2011 with limited liability. Full Profit is principally engaged in the business of providing property management and property agency services in Hong Kong.

The unaudited total asset value and net asset value of Full Profit as at 30 November 2015 were approximately HK\$3,090,000 and HK\$2,673,000 respectively. Subsequent to 30 November 2015, Full Profit has declared and paid a dividend of HK\$1 million. It is a term of the SP Agreement that as at Completion, the net asset value of Full Profit shall not be less than HK\$1 million.

Set out below summarises certain financial information of Full Profit for the two financial years ended 31 March 2014 and 31 March 2015:

	For the year ended 31 March 2015	For the year ended 31 March 2014
	<i>HK\$</i>	<i>HK\$</i>
	<i>approximately</i>	<i>approximately</i>
	(audited)	(audited)
Revenue	4,153,000	120,000
Profit before taxation	638,000	10,000
Profit after taxation	598,000	10,000

INFORMATION OF THE GROUP

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 and provision of corporate finance advisory services.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Board considers that the Acquisition will enable the Company to diversify its business into property management and agency sector and broaden revenue source of the Group. Through the Acquisition, the Group is also able to acquire the established business and connections without having to invest heavily or incur substantial costs in adapting to and exploration of the new business.

In light of the above, the Directors (including the independent non-executive Directors) are of the view that the terms of the SP Agreement are fair and reasonable, on normal commercial terms and in the interests of the Company and the shareholders of the Company as a whole.

UPDATE ON USAGE OF NET PROCEEDS OF ISSUE OF NOTES

As set out in the announcement of the Company dated 23 July 2015, the intended use of the net proceeds from the issue of the Notes would be changed, and were proposed to be used for funding, among others, future potential acquisitions and investments. The Company applied the net proceeds from the issue of the Notes to finance part of the Consideration.

IMPLICATIONS UNDER THE GEM LISTING RULES

As one of the applicable percentage ratios (as set out and calculated under Rule 19.07 of the GEM Listing Rules) exceeds 5% but all applicable percentage ratios are less than 25%, the entering into of the SP Agreement constitutes a discloseable transaction for the Company and is subject to the notification and announcement requirements under Chapter 19 of the GEM Listing Rules.

DEFINITIONS

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

“Acquisition”	the acquisition of the Sale Share by the Purchaser pursuant to the SP Agreement
“Board”	the board of Directors
“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 sale and purchase of the Sale Share pursuant to the terms of the SP Agreement

“connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Consideration”	the total consideration for the Acquisition, being the sum of HK\$6,000,000
“Director(s)”	the director(s) of the Company
“Full Profit”	Full Profit Property Services Company Limited, a company incorporated in Hong Kong on 31 March 2011 which was wholly-owned by the Vendor immediately prior to Completion
“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
“Guarantor”	Jia Meng Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the issued shares of which are listed on GEM with stock code 8101
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Independent Third Party(ies)”	third party(ies) independent of the Company and connected persons of the Company
“Notes”	the 10% per annum notes issued by the Company on 18 May 2015 in an aggregate principal amount of HK\$100,300,000, details of which are set out in the announcements of the Company dated 10 April 2015, 18 May 2015 and 23 July 2015
“Purchaser”	Wise Link International Limited, a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of the Company
“Purchaser’s Claim”	a claim by the Purchaser under any warranties, the deed of tax indemnity or otherwise in connection with the SP Agreement
“Sale Share”	1 issued share in the share capital of Full Profit, representing 100% of the entire issued share capital of Full Profit as at the date of the SP Agreement and as at Completion
“SP Agreement”	the agreement dated 30 December 2015 entered into between the Purchaser, the Vendor and the Guarantor in relation to the Acquisition

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	Colorful Focus Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Guarantor
“%”	per cent.

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

Hong Kong, 30 December 2015

As at the date of this announcement, the Board consists of Mr. Li Hoi Kong and Mr. Lawrence Tang being the executive Directors, Mr. Chan Sek Keung, Ringo being the non-executive Director and 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 for at least 7 days from the date of its publication and on the website of the Company at www.finsofthk.com.