



5 February 2015

High Concentration of Shareholding in Finsoft Corporation (Stock Code: 08018)

This announcement is made by the Securities and Futures Commission (“SFC”) in respect of the concentration of the shareholding of Finsoft Corporation (“the Company”) in the hands of a limited number of shareholders as at 21 January 2015.

In view of the high concentration of shareholding in a small number of shareholders, shareholders and prospective investors should be aware that the price of the shares of the Company (“Shares”) could fluctuate substantially even with a small number of shares traded, and should exercise extreme caution when dealing in the Shares.

The SFC has recently completed an enquiry into the shareholding of the Company. Our findings suggested that as at 21 January 2015, 19 shareholders held an aggregate of 674,837,500 Shares, representing 33.74% of the issued Shares. Such shareholding, together with 1,164,112,500 Shares (representing 58.21% of the issued Shares) held by a substantial shareholder, represented 91.95% of the issued Shares as at 21 January 2015. As such, only 161,050,000 Shares (representing 8.05% of the issued Shares) were held by other shareholders.

As at 21 January 2015, the shareholding structure of the Company was as follows:-

	Number of Shares held (Shares)	% of total number of issued Shares (%)
Luster Wealth Limited (Note 1)	1,164,112,500	58.21
A group of 19 shareholders	674,837,500	33.74
Other shareholders	161,050,000	8.05
Total	<u>2,000,000,000</u>	<u>100.00</u>

Note 1: Mr Chan Sek Keung, Ringo, the Chairman and non-executive Director of the Company, beneficially owns 100% of Woodstock Management Limited which in turn owns 89.87% of Luster Wealth Limited.

The Company was listed on the Growth Enterprise Market (GEM) of the Stock Exchange of Hong Kong Limited on 26 September 2013 by way of placing a total of 500,000,000 Shares, representing 25% of the issued Shares, at HK\$0.082 per Share. Share price of the Company closed at HK\$0.523 on the first day of listing, 538% higher than the placing price. From 27 September 2013 to 11 June 2014, the Shares closed between the range of HK\$0.369 to HK\$0.70 (all prices and share quantity have been adjusted for the 1-to-10 Share subdivision which was effective on 2 May 2014).



Subsequently, the closing price of the Shares rose another 528% from HK\$0.40 on 11 June 2014 to HK\$2.51 on 26 September 2014. Since then, the Shares traded in the range between HK\$1.38 and HK\$2.56 during the period from 29 September 2014 to 4 February 2015.

Since 1 December 2014, the Company has made, inter alia, the following announcements:

- 1) On 29 December 2014, the Company announced that it has commenced to develop a fund administration and portfolio analysis management system and has entered into a service agreement with a customer at a service fee of HK\$20,000,000.
- 2) On 31 December 2014, the Company announced another proposed subdivision of Shares in the ratio of 1 Share being split into 2 subdivided Shares (the "Share Subdivision"). The Share Subdivision will become effective on 17 February 2015.
- 3) On 26 January 2015, the Company announced that it is expected to record a profit for the year ended 31 December 2014, compared with a loss for the year ended 31 December 2013.

As of 4 February 2015, price of the Shares closed at HK\$2.02, still representing an increase of 405% from the closing price of HK\$0.40 on 11 June 2014.

In view of the high concentration of shareholding in a small number of shareholders, shareholders and prospective investors should be aware that the price of the Shares could fluctuate substantially even with a small number of shares traded, and should exercise extreme caution when dealing in the Shares.

End