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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 TRANSACTIONS – SETTLEMENT AGREEMENTS

SETTLEMENT AGREEMENTS

Reference is made to the announcement of the Company dated 20 September 2019 in relation to the First Loan Agreement entered into between the Lender, an indirect wholly-owned subsidiary of the Company, and the First Borrower, pursuant to which the Lender agreed to grant the First Loan in the principal amount of HK\$10,000,000 to the First Borrower from 20 September 2019 to 18 September 2020 at an interest rate of 11% per annum.

On 26 June 2019, the Lender entered into the Second Loan Agreement with the Second Borrower, pursuant to which the Lender agreed to grant the Second Loan in the principal amount of HK\$5,000,000 to the Second Borrower from 26 June 2019 to 24 June 2020 at an interest rate of 10% per annum.

Each of the Borrowers failed to repay the respective Loans and the interest accrued thereon in accordance with the respective Loan Agreements. Taking into consideration the current financial situation of each of the Borrowers, on 24 September 2020 (after trading hours), the Lender entered into (1) the First Settlement Agreement with the First Borrower, pursuant to which the Lender and the First Borrower agreed that the First Borrower shall repay the First Loan in accordance with the terms of the First Settlement Agreement as full settlement of the First Loan; and (2) the Second Settlement Agreement with the Second Borrower, pursuant to which the Lender and the Second Borrower agreed that the Second Borrower shall repay the Second Loan in accordance with the terms of the Second Settlement Agreement as full settlement of the Second Loan.

GEM LISTING RULES IMPLICATIONS

As the relevant applicable percentage ratio(s) (as defined in the GEM Listing Rules) in respect of each of the Loans exceed 5% but all of them are less than 25%, the transaction contemplated under each of the Settlement Agreements constitutes a discloseable transaction for the Company under Chapter 19 of the GEM Listing Rules and is subject to the notification and announcement requirements under Chapter 19 of the GEM Listing Rules.

* *For identification purposes only*

BACKGROUND

Reference is made to the announcement of the Company dated 20 September 2019 in relation to the First Loan Agreement entered into between the Lender, an indirect wholly-owned subsidiary of the Company, and the First Borrower, pursuant to which the Lender agreed to grant the First Loan in the principal amount of HK\$10,000,000 to the First Borrower from 20 September 2019 to 18 September 2020 at an interest rate of 11% per annum.

On 26 June 2019, the Lender entered into the Second Loan Agreement with the Second Borrower, pursuant to which the Lender agreed to grant the Second Loan in the principal amount of HK\$5,000,000 to the Second Borrower from 26 June 2019 to 24 June 2020 at an interest rate of 10% per annum.

Each of the Borrowers failed to repay the respective Loans and the interest accrued thereon in accordance with the respective Loan Agreements. Taking into consideration the current financial situation of each of the Borrowers, on 24 September 2020 (after trading hours), the Lender entered into (1) the First Settlement Agreement with the First Borrower, pursuant to which the Lender and the First Borrower agreed that the First Borrower shall repay the First Loan in accordance with the terms of the First Settlement Agreement as full settlement of the First Loan; and (2) the Second Settlement Agreement with the Second Borrower, pursuant to which the Lender and the Second Borrower agreed that the Second Borrower shall repay the Second Loan in accordance with the terms of the Second Settlement Agreement as full settlement of the Second Loan.

The principal terms of the Settlement Agreements are summarised as below:

THE FIRST SETTLEMENT AGREEMENT

Date:	24 September 2020
Lender:	Finsoft Finance Limited, an indirect wholly-owned subsidiary of the Company
First Borrower:	Mr. Lee Tsz Hang, an individual who, to the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, is an Independent Third Party.
Outstanding principal amount of the First Loan as at the date of the First Settlement Agreement:	HK\$10,000,000
Outstanding interest (including default interest) accrued on the First Loan as at the date of the First Settlement Agreement:	HK\$843,835.62

Interest: 11% per annum and payable quarterly under the First Loan Agreement.

Repayment and settlement: With effect from the date of the First Settlement Agreement, the First Borrower shall repay the outstanding principal amount of the First Loan in 17 monthly instalments (“**FB Instalments**”, each a “**FB Instalment**”) with the first 16 FB Instalments in the amount of HK\$600,000 and the last FB Instalment in the amount of HK\$400,000 payable on 4 February 2022.

Subject to the conditions that the First Borrower having (a) paid each FB Instalment on or before the corresponding payment date set out in the First Settlement Agreement; and (b) fully repaid the outstanding principal amount of the First Loan on or before the payment date of the last FB Instalment (i.e. 4 February 2022), the Lender shall irrevocably waive its rights against the First Borrower in relation to the payment by the First Borrower of any outstanding interest and default interest accrued on the First Loan (“**First Waiver**”) and the First Borrower shall be deemed to have fully performed the First Loan Agreement and shall be released from any further obligations under the First Loan Agreement.

In the event that the First Borrower fails to fulfil conditions (a) and/or (b) above, no First Waiver shall be granted by the Lender to the First Borrower, and the First Borrower shall immediately repay the outstanding principal amount of the First Loan upon such default and remain liable to pay the interest and default interest accrued on the First Loan in accordance with the provisions set out in the First Loan Agreement up to and including the date on which the principal amount of the First Loan and interest accrued thereon are fully repaid by the First Borrower (including but not limited to the default interest accrued on the First Loan from the date of the First Settlement Agreement), unless the Lender and the First Borrower otherwise agree in writing.

THE SECOND SETTLEMENT AGREEMENT

Date: 24 September 2020

Lender: Finsoft Finance Limited, an indirect wholly-owned subsidiary of the Company

Second Borrower: Mr. Ling Wai Hoi, an individual who, to the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, is an Independent Third Party.

Outstanding principal amount of the Second Loan as at the date of the Second Settlement Agreement:	HK\$5,000,000
Outstanding interest (including default interest) accrued on the Second Loan as at the date of the Second Settlement Agreement:	HK\$250,684.93
Interest:	10% per annum and payable quarterly under the Second Loan Agreement.
Repayment and settlement:	<p>With effect from the date of the Second Settlement Agreement, the Second Borrower shall repay the outstanding principal amount of the Second Loan in 25 equal monthly instalments (“SB Instalments”, each a “SB Instalment”) of HK\$200,000, with the last SB Instalment payable on 12 October 2022.</p> <p>Subject to the conditions that the Second Borrower having (a) paid each SB Instalment on or before the corresponding payment date set out in the Second Settlement Agreement; and (b) fully repaid the outstanding principal amount of the Second Loan on or before the payment date of the last SB Instalment (i.e. 12 October 2022), the Lender shall irrevocably waive its rights against the Second Borrower in relation to the payment by the Second Borrower of any outstanding interest and default interest accrued on the Second Loan (“Second Waiver”) and the Second Borrower shall be deemed to have fully performed the Second Loan Agreement and shall be released from any further obligations under the Second Loan Agreement.</p> <p>In the event that the Second Borrower fails to fulfil conditions (a) and/or (b) above, no Second Waiver shall be granted by the Lender to the Second Borrower, and the Second Borrower shall immediately repay the outstanding principal amount of the Second Loan upon such default and remain liable to pay the interest and default interest accrued on the Second Loan in accordance with the provisions set out in the Second Loan Agreement up to and including the date on which the principal amount of the Second Loan and interest accrued thereon are fully repaid by the Second Borrower (including but not limited to the default interest accrued on the Second Loan from the date of the Second Settlement Agreement), unless the Lender and the Second Borrower otherwise agree in writing.</p>

INFORMATION ON THE GROUP AND THE LENDER

The Group is principally engaged in the provision of financial trading software solutions, provision of other IT and internet financial platforms services, money lending business and assets investments in Hong Kong. One of the subsidiaries of the Company holds the license in respect of Type 6 (advising on corporate finance) regulated activity under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). The Lender, being a wholly-owned subsidiary of the Company, is a holder of a money lender licence under the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong).

REASONS FOR AND BENEFITS OF ENTERING INTO THE SETTLEMENT AGREEMENTS

The advance of the Loans, which were funded by the internal resources of the Group, was made in the ordinary course of the Group's money lending business, and the terms of each of the Settlement Agreements have been arrived at by the Lender and the respective Borrowers after arm's length negotiation. The Lender has been using its best endeavour to reach agreement with the Borrowers on the repayment of the Loans. Taking into account that (i) the current financial situation of each of the Borrowers, in particular, their businesses and hence, their ability to repay the Loans and the interests accrued thereon, have been adversely affected by outbreak of the Coronavirus Disease 2019 and the current economic condition worldwide; (ii) it may not be in the Group's best interest to commence lengthy and costly legal proceedings or bankruptcy proceedings against the Borrowers as it may adversely affect the amount that can be recovered by the Lender; and (iii) the entering into of the Settlement Agreements will allow the Group to recover at least the principal amount of the Loans in accordance with the timetables agreed between the Lender and the Borrowers, the Directors consider that the terms of each of the Settlement Agreements are on normal commercial terms and are fair and reasonable and in the interest of the Company and its shareholders as a whole.

GEM LISTING RULES IMPLICATION

As the relevant applicable percentage ratio(s) (as defined in the GEM Listing Rules) in respect of each of the Loans exceed 5% but all of them are less than 25%, the transaction contemplated under each of the Settlement Agreements constitutes a discloseable transaction for the Company under Chapter 19 of the GEM Listing Rules and is subject to the notification and announcement requirements under Chapter 19 of the GEM Listing Rules.

DEFINITIONS

Unless the context otherwise requires, the following words and phrases used in this announcement have the following meanings:

“Board”	the board of Directors
“Borrowers”	the First Borrower and the Second Borrower
“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
“Director(s)”	director(s) of the Company

“First Borrower”	Mr. Lee Tsz Hang, an individual who, to the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, is an Independent Third Party
“First Loan”	a loan in the principal amount of HK\$10,000,000 granted by the Lender to the First Borrower under the First Loan Agreement
“First Loan Agreement”	the loan agreement dated 20 September 2019 entered into between the Lender and the First Borrower in respect of the provision of the First Loan
“First Settlement Agreement”	the settlement agreement dated 24 September 2020 entered into between the Lender and the First Borrower in respect of the settlement of the First Loan
“GEM”	GEM of The Stock Exchange of Hong Kong Limited
“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”	Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party”	a party who is not a connected person of the Company and is independent of the Company and its connected persons
“Lender”	Finsoft Finance Limited, an indirect wholly-owned subsidiary of the Company
“Loans”	the First Loan and the Second Loan
“Loan Agreements”	the First Loan Agreement and the Second Loan Agreement
“Second Borrower”	Mr. Ling Wai Hoi, an individual who, to the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, is an Independent Third Party
“Second Loan”	a loan in the principal amount of HK\$5,000,000 granted by the Lender to the Second Borrower under the Second Loan Agreement
“Second Loan Agreement”	the loan agreement dated 26 June 2019 entered into between the Lender and the Second Borrower in respect of the provision of the Second Loan

“Second Settlement Agreement”	the settlement agreement dated 24 September 2020 entered into between the Lender and the Second Borrower in respect of the settlement of the Second Loan
“Settlement Agreements”	the First Settlement Agreement and the Second Settlement Agreement
“%”	per cent

On behalf of the Board
Finsoft Financial Investment Holdings Limited
Tin Yat Yu Carol
Chairman

Hong Kong, 24 September 2020

As at the date of this announcement, the Board consists of Ms. Tin Yat Yu Carol being an executive Director and the chairman of the Board, Mr. Chan Wai Lung, Ms. Lam Ching Yee, Ms. Lin Ting and Ms. So Wai Yee Betty being the executive Directors, and Mr. Hon Ming Sang, Ms. Lee Kwun Ling, May Jean and Ms. Lo Wing Sze JP 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 website of the Company at www.finsofthk.com.