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*The RMB Denominated Bonds may not be offered or sold in the United States, or to or for the account or benefit of U.S. persons (as such term is defined in Regulation S under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”)), absent registration under the Securities Act or pursuant to an exemption from registration. No public offer of the RMB Denominated Bonds referred to in this announcement will be made in the United States or in any other jurisdiction where such an offering is restricted or prohibited.*



Flying Financial Service Holdings Limited

匯聯金融服務控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 8030)

AMENDMENTS TO THE TERMS AND CONDITIONS OF THE RMB100,000,000 10.5% BONDS DUE 2015 AND EXECUTION OF SUPPLEMENTAL SUBSCRIPTION DEED

Reference is made to the announcement of the Company in relation to the issue of the RMB Denominated Bonds dated 27 May 2013 and the announcement of the Company in relation to the proposed amendments to the RMB Denominated Bonds dated 18 June 2014. Unless otherwise defined herein, capitalized terms used in this announcement shall have the same meaning as those defined in the Announcement.

The Majority Bondholders have consented to the Proposed Amendments which has become effective on 26 June 2014.

On 26 June 2014 (after trading hour), the Company and, among others, the Lead Manager executed the Supplemental Subscription Deed, pursuant to which, the Covenantors, its associates or the companies controlled by him may, subject to certain conditions, Transfer (i) its right on the Voting Shares; or (ii) any interests therein owned by him or it or any of their associates or in which he or it or any of their associates is interested; or (iii) any right on any shares or interest in any company controlled by him or it or any of their associates which is the beneficial owner of any Voting Shares or any interests therein as aforesaid.

This announcement is made pursuant to Rule 17.10 of the GEM Listing Rules and the Inside Information Provisions under Part XIVA of the SFO.

INTRODUCTION

Reference is made to the announcement of the Company in relation to the issue of the RMB Denominated Bonds dated 27 May 2013 and the Announcement. Unless otherwise defined herein, capitalized terms used in this announcement shall have the same meanings as those defined in the Announcement.

This announcement is made pursuant to Rule 17.10 of the GEM Listing Rules and the Inside Information Provisions under Part XIVA of the SFO.

AMENDMENTS TO THE ORIGINAL TERMS AND CONDITIONS

The Majority Bondholders have consented to the Proposed Amendments which has become effective on 26 June 2014.

The principal terms of the amendments to the Original Terms and Conditions are summarized as follows:

The Company does not have any early redemption right under the Original Terms and Conditions. The Original Terms and Conditions have been amended to the extent that the Company may redeem in part or in whole the RMB Denominated Bonds at 100% of their outstanding principal amount, together with accrued interest (including default interest, if any) at any time after the issue of the RMB Denominated Bonds but not later than five Business Days before the maturity date of the RMB Denominated Bonds by giving notice to the Bondholders. The Bondholders may accept (in whole or in part) or reject the proposed redemption. If the Company partially exercises the redemption right but the aggregate accepted amount of all the Bondholders who have indicated their acceptance of the redemption notice given by the Company exceed the aggregate principal amount of the RMB Denominated Bonds proposed to be redeemed by the Company, the amount payable to the Bondholders pursuant to the redemption will be paid to the Bondholders who participate in the proposed redemption in proportion to their respective accepted amount.

Pursuant to the Original Terms and Conditions, the RMB Denominated Bonds may become immediately due and payable at 100% of the outstanding principal amount together with accrued interest (including default interest, if any) on the occurrence of the events of default stipulated therein. The Original Terms and Conditions have been amended to include, among others, new events of default which would trigger such redemption, such as the breach of obligations by the Warranty Party under certain security documents which secure the performance of the Bond Subscription Agreement.

Further, under the Original Terms and Conditions, a Bondholder shall have the right to require the Company to redeem the Bondholder's RMB Denominated Bonds at 100% of the outstanding principal amount, together with accrued interest (including default interest, if any), upon the occurrence of a Change of Control (as defined in the announcement in relation to the issue of the RMB Denominated Bonds dated 27 May 2013) with respect to the Company. The Original Terms and Conditions have been amended to the extent that Change of Control will also take place if, inter alia, the Covenantors and the Proposed Transferees as a group ceases to beneficially own 30% or more of the Voting Shares; or the Covenantors and the Proposed Transferees as a group cease to be the single largest beneficial owner of the Voting Shares; or one or more persons other than the Covenantors and the Proposed Transferees acquires legal or beneficial ownership of Voting Shares greater than that held by the Covenantors and the Proposed Transferees; or the single largest Shareholder shall own less than 20% of the Voting Shares at any time.

Save as expressly amended in the manner as mentioned above, all the major provisions of the Original Terms and Conditions shall remain in full force and effect.

THE SUPPLEMENTAL SUBSCRIPTION DEED

- (i) Date: 26 June 2014
- (ii) Parties:
 - (1) The Company
 - (2) The Lead Manager
 - (3) The Guarantor
 - (4) The Covenantors

The principal amendments in the Supplemental Subscription Deed is as follows:

Pursuant to the Bond Subscription Agreement, each of the Covenantors has jointly and severally undertaken to the Lead Manager that at any time before the RMB Denominated Bonds are fully repaid or redeemed, it, its associates or the companies controlled by it may not Transfer (i) its right on the Voting Shares; or (ii) any interests therein owned by it or any of their associates or in which it or any of their associates is interested; or (iii) any right on any shares or interest in any company controlled by it or any of their associates which is the beneficial owner of any Voting Shares or any interests therein as aforesaid.

Pursuant to the Supplemental Subscription Deed, the restriction on Transfer abovementioned has been uplifted provided that (a) the Covenantors have procured the Proposed Transferees and that the Proposed Transferees have undertaken, inter alia, (i) to observe, perform and bound by the terms of the Bond Subscription Agreement as if it was a Covenantor; (ii) to deposit in a designated securities accounts all the Voting Shares transferred to it; and (iii)

(if it shall become the direct or indirect single largest Shareholders) to provide to the Lead Manager additional securities including personal and corporate guarantees and pledge of the Voting Shares; and (b) (if the Proposed Transferee shall not become the direct or indirect single largest Shareholders) the Shareholder which is expected to become the single largest Shareholder shall have already provided to the Lead Manager additional securities including personal and corporate guarantees and pledge of the Voting Shares.

Save as expressly amended in the manner as mentioned above, all the major provisions of the Bond Subscription Agreement shall remain in full force and effect.

The Supplemental Subscription Deed is unconditional and took effect on 26 June 2014.

REASONS FOR THE AMENDMENTS OF THE ORIGINAL TERMS AND CONDITIONS

The Company is principally engaged in providing short-term financing services, including pawn loan services and entrusted loan services and financial consultation services to the customers.

The Board considers that the amendments to the Original Terms and Conditions are in the interest of the Company and its Shareholders as a whole as the Company has sufficient cash resources currently and the amendments which allows early redemption by the Company could lower its financing costs of the RMB Denominated Bonds which is due in 2015, and reduce its total debt and gearing ratio of the Company.

Accordingly, the Directors believe that it is in the Company's interest to propose the abovementioned amendments to the original terms and conditions of the RMB Denominated Bonds and to execute the Supplemental Subscription Deed.

DEFINITIONS

In this announcement the following expressions shall have the following meanings, unless the context otherwise requires:

“Announcement”	the announcement issued by the Company in relation to the amendments of the RMB Denominated Bonds on 18 June 2014
“Guarantor”	Silvery Dragon Limited which, as at the date of this announcement, is a Controlling Shareholder of the Company
“Supplemental Subscription Deed”	the supplemental deed to the Subscription Agreement entered into, between, among others, the Company and the Lead Manager dated 26 June 2014 which supplemented the Subscription Agreement

“Transfer”

sell, transfer, dispose of or create any right (including without limitation, the creation of any option, pledge, charge or other encumbrance or rights)

By order of the Board of
Flying Financial Service Holdings Limited
Li Zhongyu
Chairman

Hong Kong, 26 June 2014

As at the date of this announcement, the executive Directors are Mr. Li Zhongyu (Chairman), Mr. Zheng Weijing (Vice-chairman) and Mr. Peng Zuohao (Chief Executive Officer); and the independent non-executive Directors are Mr. Vincent Cheng, Mr. Lu Quanzhang and Mr. Zhang Gongjun.

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 reasonably 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 GEM website 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.flyingfinancial.hk.