



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)

ANNOUNCEMENT OF THIRD QUARTERLY RESULTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2013

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

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This announcement, for which the directors (the “Directors”) of Flying Financial Service Holdings Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “GEM Listing Rules”) for the purposes 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.

FINANCIAL HIGHLIGHTS

- The Group recorded a turnover of approximately RMB83.3 million for the nine months ended 30 September 2013, representing an increase of approximately 31.4% as compared with the corresponding period in 2012.
- Profit attributable to owners of the Company for the nine months ended 30 September 2013 amounted to approximately RMB22.6 million, representing a decrease of approximately 13.4% as compared with the corresponding period in 2012.
- Basic earnings per share of the Company for the nine months ended 30 September 2013 amounted to RMB2.21 cents (2012: RMB2.93 cents).
- The Directors do not recommend the payment of dividend for the nine months ended 30 September 2013.

The board of Directors (the “Board”) is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (collectively the “Group”) for the three months and nine months ended 30 September 2013 together with the comparative unaudited figures for the corresponding periods in 2012 as follows:

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three months and nine months ended 30 September 2013

		Three months ended 30 September		Nine months ended 30 September	
		2013	2012	2013	2012
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	Notes	RMB'000	RMB'000	RMB'000	RMB'000
Revenue	3	23,899	24,809	83,263	63,449
Other income	3	226	112	682	214
Employee benefit expenses		(4,563)	(2,672)	(14,760)	(6,387)
Administrative expenses		(12,941)	(4,546)	(34,283)	(19,919)
Finance costs	4	(2,788)	–	(4,026)	(54)
Profit before income tax	5	3,833	17,703	30,876	37,303
Income tax expense	6	(2,549)	(4,167)	(10,533)	(11,169)
Profit for the period		1,284	13,536	20,343	26,134
Other comprehensive income/(loss)					
– Exchange differences on translating foreign operation		(204)	52	(560)	8
Total comprehensive income for the period		1,080	13,588	19,783	26,142
Profit/(loss) for the period attributable to:					
Owners of the Company		2,034	13,536	22,577	26,134
Non-controlling interests		(750)	–	(2,234)	–
		1,284	13,536	20,343	26,134
Total comprehensive income/(loss) attributable to:					
Owners of the Company		1,830	13,588	22,017	26,142
Non-controlling interests		(750)	–	(2,234)	–
		1,080	13,588	19,783	26,142
Earnings per Share					
– Basic and diluted (RMB cents)	8	0.20	1.33	2.21	2.93

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED THIRD QUARTERLY RESULTS

1. GENERAL INFORMATION

The Company was incorporated as an exempted company with limited liability in the Cayman Islands on 4 May 2011. The registered office of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The shares of the Company (the “Shares”) have been listed on GEM of the Stock Exchange since 7 May 2012.

The companies comprising the Group underwent a group restructuring exercise (the “Restructuring Exercise”) to rationalise the Group’s structure in preparation for the listing of the shares on GEM of the Stock Exchange. Further details of the Restructuring Exercise are set out in the prospectus of the Company dated 20 April 2012 (the “Prospectus”).

The Group is principally engaged in provision of financial consultation services, entrusted loans and pawn loans. In the opinion of the Directors, the ultimate holding company of the Company is Ding Rong Limited, a limited liability company incorporated in the British Virgin Islands (“BVI”).

2. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES

The unaudited condensed consolidated financial statements has been prepared in accordance with the basis of presentation which comply with Hong Kong Financial Reporting Standards (“HKFRSs”), which collective terms include all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”), Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the disclosure requirements of the Hong Kong Companies Ordinance and the GEM Listing Rules.

The accounting policies used in the preparation of the unaudited consolidated results are consistent with those adopted in preparing the Accountant’s Report as set out in Appendix I of the Prospectus.

All HKFRSs effective for the accounting periods commencing from 1 January 2013 and relevant to the Group, have been adopted by the Group in the preparation of the unaudited consolidated results. The adoption of these new and revised HKFRSs did not result in significant changes to the Group’s accounting policies, presentation of the Group’s financial statements and amounts reported for the current period and prior years.

The Group has not applied the new HKFRSs that have been issued but are not yet effective. The Group has already commenced an assessment of the impact of these new HKFRSs but is not yet in a position to state whether these new HKFRSs would have a material impact on its results of operations and financial position.

All significant transactions and balances among the companies comprising the Group have been eliminated on consolidation.

3. REVENUE AND OTHER INCOME

Revenue, which is also the Group's turnover, represents the income from its principal activities. Revenue and other income recognised during the periods are as follows:

	Three months ended 30 September		Nine months ended 30 September	
	2013	2012	2013	2012
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	RMB'000	RMB'000	RMB'000	RMB'000
Revenue				
Interest income	4,558	8,631	23,158	32,948
Financial consultation service income	19,341	16,178	60,105	30,501
	<u>23,899</u>	<u>24,809</u>	<u>83,263</u>	<u>63,449</u>
Other income				
Bank interest income	131	112	400	214
Others	95	–	282	–
	<u>226</u>	<u>112</u>	<u>682</u>	<u>214</u>

4. FINANCE COSTS

	Three months ended 30 September		Nine months ended 30 September	
	2013	2012	2013	2012
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	RMB'000	RMB'000	RMB'000	RMB'000
Interest charges on:				
Issue of RMB100 million 10.5% corporate bonds due 2015	2,788	–	4,026	–
Other loans wholly repayable within one year	–	–	–	54
	<u>2,788</u>	<u>–</u>	<u>4,026</u>	<u>54</u>

5. PROFIT BEFORE INCOME TAX

Profit before income tax is arrived at after charging/(crediting):

	Three months ended 30 September		Nine months ended 30 September	
	2013	2012	2013	2012
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	RMB'000	RMB'000	RMB'000	RMB'000
Auditor's remuneration	143	36	405	373
Depreciation of property, plant and equipment	311	98	870	275
Employee benefit expenses (including directors' remuneration)				
Salaries and wages (<i>Note</i>)	3,994	2,475	13,263	5,893
Pension scheme contributions – Defined contribution plans	570	197	1,497	494
	4,564	2,672	14,760	6,387
Net foreign exchange (gain)/loss	(5)	(86)	10	37
Operating lease charges in respect of properties	1,983	805	5,669	2,446

Note: The increase in employee benefit expenses (including directors' remuneration) is due to the increase in average number of staff from 66 to 132 for the nine months ended 30 September 2012 and 2013, respectively.

6. INCOME TAX EXPENSE

	Three months ended 30 September		Nine months ended 30 September	
	2013	2012	2013	2012
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	RMB'000	RMB'000	RMB'000	RMB'000
Hong Kong Profits Tax				
– Current period	2,737	72	7,310	72
PRC Enterprise Income Tax				
– Current period	(188)	4,095	3,223	11,097
	2,549	4,167	10,533	11,169

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operated.

Hong Kong Profits Tax is calculated at 16.5% (2012: 16.5%) on the estimated assessable profit for the period.

Enterprise income tax (“EIT”) arising from the People’s Republic of China (“PRC”) for the year was calculated at 25% (2012: 25%) of the estimated assessable profits during the year. According to the EIT law, the taxable income of an enterprise shall be the total revenue of such enterprise, deducted by any non-assessable revenue, exempted revenue, other deductions and amount of offsetting any accumulated losses.

7. DIVIDENDS

The Board does not recommend the payment of dividend for the nine months ended 30 September 2013 (2012: nil).

8. EARNINGS PER SHARE

The calculations of basic earnings per share for the three months and nine months ended 30 September 2013 are based on the profit attributable to owners of the Company of approximately RMB2,034,000 and RMB22,577,000 respectively (three months and nine months ended 30 September 2012: RMB13,536,000 and RMB26,134,000) and on the 1,020,555,000 shares issuable throughout the three months and nine months ended 30 September 2013 (three months and nine months ended 30 September 2012: weighted average 1,020,555,000 and 892,976,000 respectively). Diluted earnings per share are same as basic earnings per share as the Company had no potential ordinary shares during the periods.

9. UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the nine months ended 30 September 2013

	Equity contributable to the owners of the Company							Non-controlling interests	Total equity
	Share capital	Share premium	Merger reserve	Statutory reserve	Translation reserve	Retained profits	Dividend proposed	Total	
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2013	83,165	22,175	116,659	11,985	314	95,130	24,950	354,378	(165)
Profit for the period	-	-	-	-	-	22,577	-	22,577	(2,234)
Other comprehensive income for the period	-	-	-	-	(560)	-	-	(560)	-
Total comprehensive income for the period	-	-	-	-	(560)	22,577	-	22,017	(2,234)
Dividend paid	-	-	-	-	-	-	(24,950)	(24,950)	-
At 30 September 2013	83,165	22,175	116,659	11,985	(246)	117,707	-	351,445	(2,399)

For the nine months ended 30 September 2012

	Equity contributable to the owners of the Company							Non-controlling interests	Total equity
	Share capital	Share premium	Merger reserve	Statutory reserve	Translation reserve	Retained profits	Dividend proposed	Total	
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2012	1	–	116,659	7,397	230	58,309	–	182,596	–
Issue of ordinary Shares pursuant to capitalisation issue	61,102	(61,102)	–	–	–	–	–	–	–
Issue of ordinary Shares by placing	20,367	112,021	–	–	–	–	–	132,388	–
Issue of ordinary Shares by exercising over-allotment option	1,675	9,211	–	–	–	–	–	10,886	–
Share issue expenses	–	(13,017)	–	–	–	–	–	(13,017)	–
Transactions with owners	83,144	47,113	–	–	–	–	–	130,257	–
Profit for the period	–	–	–	–	–	26,134	–	26,134	–
Other comprehensive income for the period	–	–	–	–	8	–	–	8	–
Total comprehensive income for the period	–	–	–	–	8	26,134	–	26,142	–
At 30 September 2012	83,145	47,113	116,659	7,397	238	84,443	–	338,995	–

MANAGEMENT DISCUSSION AND ANALYSIS

The Group provides integrated short-term financing services serving different needs of its customers. During the nine months ended 30 September 2013, the Group derived its revenue mainly from financial consultation services, entrusted loan services and pawn loan services.

Business review

The pace of the PRC economic growth kept stable for the first nine months of 2013. While the demand for the Group's short-term financing business remained keen amid tightening credit policy, the Group shifted its focus to financial consultation business to minimise its risk exposure. The rapid growth in financial consultation business was mainly attributable to the Group's continuous investment in office expansion and human resources. During the period under review, the Company issued the second tranche of corporate bonds denominated in Renminbi of the Company carrying an interest rate of 10.5% per annum due 2015 ("RMB Denominated Bonds") in the remaining amount of RMB50 million on 12 August 2013.

As a strategic investment, we entered into an equity transfer agreement in this quarter to acquire approximately 1.119% of the equity interest of 中鐵信託有限責任公司 (China Railway Trust Co., Ltd.). And to improve the investment return of the Group, we also entered into an asset management agreement in this quarter in relation to the investment and management of the entrusted assets with a total amount of RMB90 million.

In this quarter, the general credit liquidity in the PRC remained tight and the Group became more cautious on granting new loans. Therefore, the Group recorded less interest income compared with the previous two quarters. Also, we incurred an additional professional fees of approximately RMB2.5 million in connection with the issue of the RMB Denominated Bonds. Both factors contributed to the decrease of the profits for the period as compared to previous quarters. To broaden the Group's business scope and diversify its business risk, the Group is looking for opportunity to venture into the asset management service in Hong Kong. This will enable the Group to provide more comprehensive financial services to customers both in and outside of the PRC.

Financial review

Revenue

For the nine months ended 30 September 2013, the Group's revenue increased by approximately 31.4% from approximately RMB63.4 million for the corresponding period last year to approximately RMB83.3 million.

The loan and account receivables from customers decreased from approximately RMB228.9 million as at 31 December 2012 to approximately RMB82.2 million as at 30 September 2013 as the Company adopted a more cautious policy on granting new loans.

Financial consultation service income

For the nine months ended 30 September 2013, the Group's revenue from provision of financial consultation services increased by approximately 97.0% from approximately RMB30.5 million for the corresponding period last year to approximately RMB60.1 million.

Entrusted loan service income

For the nine months ended 30 September 2013, the Group's revenue from provision of entrusted loan services amounted to approximately RMB18.7 million (2012: RMB21.4 million). The decrease in entrusted loan service income is attributable to the Group's more cautious policy on granting new loans, hence the amount of loans granted by the Group decreased and so as the interest income derived therefrom.

Pawn loan service income

For the nine months ended 30 September 2013, the Group recorded revenue of approximately RMB4.5 million from provision of pawn loan services, as compared to the revenue of approximately RMB11.5 million for the corresponding period last year. The decrease was attributable to the fact that some customers switched to the Group's entrusted loan service which was more convenient to them.

Interest expenses

For the nine months ended 30 September 2013, the Group's interest expenses increased from approximately RMB0.05 million for the corresponding period last year to approximately RMB4.0 million. Such increase in interest expenses was mainly attributable to the interest for the RMB Denominated Bonds.

Other income

The Group's other income primarily comprised bank interest income. The Group's other income for each of the nine months ended 30 September 2013 and 2012 were approximately RMB0.7 million and RMB0.2 million, respectively.

Administrative expenses

The Group's administrative expenses primarily comprised rental expenses, marketing and advertising expenses. The Group's administrative expenses for each of the nine months ended 30 September 2013 and 2012 were approximately RMB34.3 million and RMB19.9 million, respectively. The increase of approximately 72.4% in the Group's administrative expenses was mainly attributable to certain expenses including (i) the expenses related to issuance of RMB Denominated Bonds of approximately RMB5.0 million; (ii) the increase of rental expenses of approximately RMB3.7 million due to office expansion; (iii) the increase of marketing and advertising expenses of approximately RMB5.2 million; (iv) the increase of legal and professional expenses of approximately RMB5.8 million; and (v) the increase of other operating costs which was in line with the business growth, which was partly diminished by the decrease of one-off listing expenses of approximately RMB7.2 million incurred for the corresponding period last year.

Profit for the period

The profit attributable to owners of the Company for the nine months ended 30 September 2013 was approximately RMB22.6 million, representing a decrease of approximately 13.4% as compared to approximately RMB26.1 million for the nine months ended 30 September 2012. The decrease was mainly caused by (i) the decrease in interest income as the Group adopted a more cautious policy on granting new loans, hence the amount of loans granted by the Group decreased and so as the interest income derived therefrom and (ii) the increase in administrative expenses as set out in the paragraph above.

OUTLOOK

As the PRC government continues to tighten credit policy, the Group expects the demand for its short-term financing and financial consultation services will continue to grow. However, the continuance of credit tightening policy may increase the default risk of borrowers. The Group will continue to adopt a more cautious policy on granting new loans to minimise such risk. The Group has shifted its focus to financial consultation business during the first nine months of 2013 and will continue to devote more resources on the financial consultation services.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 September 2013, the interests of the Directors and chief executive of the Company in the Shares, underlying Shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO") which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or were required pursuant to section 352 of the SFO, to be entered in the register referred to therein, or were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange were as follows:

(i) Interests in the Company

Name of Director	Number of Shares held (Note 1)				Approximate percentage (%)
	Beneficial Interest	Interest of spouse	Interest of controlled corporation	Total	
Li Zhongyu	33,490,675 (L)	3,720,000 (L) (Note 4)	528,975,000 (L) (Notes 2 and 3)	566,185,675 (L)	55.48
Zheng Weijing	24,180,135 (L)	–	528,975,000 (L) (Notes 2 and 3)	553,155,135 (L)	54.20
Peng Zuohao	23,494,957 (L)	–	–	23,494,957 (L)	2.30

Notes:

1. The letter "L" denotes the Directors' long position in the Shares.
2. These Shares were held by Silvery Dragon Limited, which was owned as to 72% by High Eminent Limited and as to 28% by Prime Origin Limited.
3. High Eminent Limited was owned as to 55% by Ding Rong Limited, a company wholly-owned by Li Zhongyu, and as to 45% by Ming Cheng Investments Limited, a company wholly-owned by Zheng Weijing.
4. These Shares were held by Energy Line Limited. Energy Line Limited was wholly-owned by Yang Qiao who is the spouse of Li Zhongyu.

(ii) Interests in associated corporation – 廣東匯金典當股份有限公司 (Guangdong Huijin Pawn Stock Company Limited*)

Name of Director	Nature of interest	Equity interest	Approximate percentage of equity interest (%)
Li Zhongyu	Interest of controlled corporation (<i>Note 1</i>)	RMB71,240,000	70.53
Zheng Weijing	Interest of controlled corporation (<i>Note 1</i>)	RMB71,240,000	70.53
Peng Zuohao	Beneficial owner	RMB2,800,000	2.77

Note:

- Such registered capital was contributed by 匯聯資產管理有限公司 (Huilian Assets Management Company Limited*) (“Huilian Assets Management”). 深圳市智匯投資諮詢有限公司 (Shenzhen Zhihui Investment Consulting Company Limited*) (“Shenzhen Zhihui”) was interested in 72% of the entire equity interest of Huilian Assets Management. Shenzhen Zhihui was owned as to 55% by Li Zhongyu and as to 45% by Zheng Weijing.

* For identification purposes only

(iii) Interests in associated corporation – Silvery Dragon Limited

Name of Director	Nature of interest	Number of securities held (<i>Note 1</i>)	Shareholding percentage (%)
Li Zhongyu	Interest of controlled corporation (<i>Note 2</i>)	72 shares of US\$1.00 each (L)	72.00
Zheng Weijing	Interest of controlled corporation (<i>Note 2</i>)	72 shares of US\$1.00 each (L)	72.00

Notes:

- The letter “L” denotes the Director’s long position in the shares of the relevant associated corporation.
- These shares were held by High Eminent Limited, which was owned as to 55% by Ding Rong Limited, a company wholly-owned by Li Zhongyu, and as to 45% by Ming Cheng Investments Limited, a company wholly-owned by Zheng Weijing.

Save as disclosed above, as at 30 September 2013, none of the Directors or chief executive of the Company had any interests or short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she was taken or deemed to have under such provisions of the SFO) or which was required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or pursuant to Rule 5.46 to 5.67 of the GEM Listing Rules to be notified to the Company and the Stock Exchange.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 September 2013, so far as is known to the Directors, the following persons (other than the Directors and chief executives of the Company) had an interest or short position in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO:

Name of Shareholder	Number of Shares held (Note 1)				Approximate percentage (%)
	Beneficial Interest	Interest of spouse	Interest of controlled corporation	Total	
Silvery Dragon Limited	528,975,000 (L)	–	–	528,975,000 (L)	51.83
High Eminent Limited	–	–	528,975,000 (L) (Note 2)	528,975,000 (L)	51.83
Ding Rong Limited	–	–	528,975,000 (L) (Notes 2 and 3)	528,975,000 (L)	51.83
Ming Cheng Investments Limited	–	–	528,975,000 (L) (Notes 2 and 3)	528,975,000 (L)	51.83
Yang Qiao	–	562,465,675 (L) (Note 4)	3,720,000 (L) (Note 5)	566,185,675 (L)	55.48
Zhang Chushan	–	553,155,135 (L) (Note 6)	–	553,155,135 (L)	54.20

Notes:

1. The letter “L” denotes the corporation’s/person’s long position in the Shares.
2. These Shares were held by Silvery Dragon Limited, which was owned as to 72% by High Eminent Limited and as to 28% by Prime Origin Limited.
3. High Eminent Limited was owned as to 55% by Ding Rong Limited, a company wholly-owned by Li Zhongyu, and as to 45% by Ming Cheng Investments Limited, a company wholly-owned by Zheng Weijing.
4. Yang Qiao is the spouse of Li Zhongyu.
5. These Shares were held by Energy Line Limited. Energy Line Limited was wholly-owned by Yang Qiao who is the spouse of Li Zhongyu.
6. Zhang Chushan is the spouse of Zheng Weijing.

Save as disclosed above, as at 30 September 2013, according to the register of interests required to be kept by the Company under section 336 of the SFO, there was no person who had any interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

SHARE OPTION SCHEME

The Company has also adopted a share option scheme (the “Share Option Scheme”) pursuant to the written resolution of the shareholders of the Company on 20 December 2011 for the purpose of providing incentives or rewards to the eligible participants for their contribution to the Group and/or enabling the Group to recruit and retain high-calibre employees and attract human resources that are valuable to the Group. Eligible participants of the Share Option Scheme include the Directors, non-executive officer including independent non-executive Directors, employees of the Group, customers of the Group, consultants, advisers, managers, officers or entity that provides research, development or other technological support to the Group.

No share option has been granted under the Share Option Scheme as at 30 September 2013.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company’s listed securities during the nine months ended 30 September 2013.

CORPORATE GOVERNANCE

The Board is of the view that the Company has met the code provisions set out in the Corporate Governance Code contained in Appendix 15 to the GEM Listing Rules for the nine months ended 30 September 2013.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding securities transactions by Directors on terms no less exacting than the required standard of dealings. The Company has also made specific enquiry of all Directors and the Company was not aware of any non-compliance with the required standard of dealings and its code of conduct regarding securities transactions by Directors during the nine months ended 30 September 2013.

COMPETING INTERESTS

None of the Directors, controlling shareholders of the Company and their respective associates (as defined in the GEM Listing Rules) had any interests in any business which compete or may compete with the business of the Group or any other conflicts of interest which such person has or may have with the Group as at 30 September 2013.

INTEREST OF COMPLIANCE ADVISER

As notified by GF Capital (Hong Kong) Limited (“GF Capital”), the Company’s compliance adviser, neither GF Capital nor any of its directors or employees or associates had any interest in the share capital of the Company or any member of the Group (including options or rights to subscribe for such securities) as at 30 September 2013.

AUDIT COMMITTEE

The audit committee of the Company (the “Audit Committee”) comprises a total of three members, namely, Mr. Vincent Cheng (Chairman), Mr. Lu Quanzhang and Mr. Zhang Gongjun, all of whom are independent non-executive Directors. The Group’s unaudited consolidated results for the nine months ended 30 September 2013 have been reviewed by the Audit Committee. The Board is of opinion that the preparation of such financial information complied with the applicable accounting standards, the requirements under the GEM Listing Rules and any other applicable legal requirements, and that adequate disclosures have been made.

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

Hong Kong, 11 November 2013

As at the date of this announcement, the Directors are as follows:

Executive Directors:

Mr. Li Zhongyu (*Chairman*)
Mr. Zheng Weijing
Mr. Peng Zuohao

Independent Non-executive Directors:

Mr. Vincent Cheng
Mr. Lu Quanzhang
Mr. Zhang Gongjun

This announcement will remain on the “Latest Company Announcements” page of the GEM website (www.hkgem.com) for at least 7 days from the date of its publication and on the website of the Company (www.flyingfinancial.hk).