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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)

PROPOSED ISSUE OF RMB100,000,000 10.5% BONDS DUE 2015

Lead Manager



廣發證券(香港)經紀有限公司
GF SECURITIES (HONG KONG) BROKERAGE LIMITED

Reference is made to the announcement of the Company dated 10 April 2013 in relation to the proposed issue of the RMB Denominated Bonds.

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.

The Company is pleased to announce that on 27 May 2013, the Company and the Lead Manager entered into the Subscription Agreement whereby the Lead Manager has agreed, subject to the terms of the Subscription Agreement, to purchase and pay for the RMB Denominated Bonds to be issued by the Company in an aggregate principal amount of RMB100,000,000.

USE OF PROCEEDS

The proceeds from the issue of the RMB Denominated Bonds will be used for the provision of loans and the Group's general working capital.

Completion of the Subscription Agreement is subject to the satisfaction and/or waiver of the conditions precedent therein respectively. In addition, the Subscription Agreement may be terminated in certain circumstances. Please refer to the paragraph headed "The Subscription Agreement" below for further information. Investors and shareholders of the Company are urged to exercise caution when dealing in the securities of the Company.

INTRODUCTION

Reference is made to the announcement of the Company dated 10 April 2013 in relation to the proposed issue of the RMB Denominated Bonds.

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.

The Company is pleased to announce that on 27 May 2013, the Company and the Lead Manager entered into the Subscription Agreement.

THE SUBSCRIPTION AGREEMENT

- (i) Date: 27 May 2013
- (ii) Parties:
 - (1) Company
 - (2) the Lead Manager
 - (3) the Guarantor
 - (4) the Covenantors

Conditions Precedent of the Subscription Agreement

The obligations of the Lead Manager to subscribe and pay for the RMB Denominated Bonds to be issued by the Company in an aggregate principal amount of RMB100,000,000 are conditional on, among other things:

- (i) the delivery to the Lead Manager of legal opinions from Cayman Islands counsel dated the Closing Date, in form and substance satisfactory to the Lead Manager;
- (ii) the execution and delivery of (a) the guarantee by the Guarantor in favour of the Lead Manager (for itself and on behalf of the Bondholders); and (b) bond certificates issued to the Bondholders upon the Closing Date;
- (iii) the Company shall have performed all of its obligations under the Subscription Agreement that shall be performed at or prior to the Closing Date; and
- (iv) there is no breach of any warranties, representations and undertakings of the Company and the Covenantors given in the Subscription Agreement.

The Lead Manager may at their sole discretion waive compliance with the whole or any part of the above conditions.

Termination

The Lead Manager may, by written notice to the Company at any time on or after the date of the Subscription Agreement and prior to the Closing Date, terminate the Subscription Agreement upon the occurrence of any of the following circumstances:

- (a) if there shall have come to the notice of the Lead Manager any breach of, or any event rendering untrue or incorrect in any material respect, any of the representations and warranties contained in the Subscription Agreement or any failure to perform any of the Company's undertakings or agreements in the Subscription Agreement;
- (b) if any of the conditions precedent of the Subscription Agreement has not been satisfied or waived by the Lead Manager;
- (c) if there shall have been in the Lead Manager's opinion and after consultation with the Company to the extent reasonably practicable, since the date of the Subscription Agreement, any change, or any development involving a prospective change, in national or international monetary, financial, political, regulatory or economic conditions or currency exchange rates or foreign exchange controls which would in its view be likely to materially prejudice the success of the issue of the RMB Denominated Bonds; or

- (d) if, in the opinion of the Lead Manager and after consultation with the Company to the extent reasonably practicable, there shall have occurred a general moratorium on commercial banking activities in the United States, Hong Kong, the PRC, the United Kingdom or the Cayman Islands declared by the relevant authorities or a material disruption in commercial banking or securities settlement or clearance services in the United States, Hong Kong, the PRC or the United Kingdom.

Subject to the foregoing, the RMB Denominated Bonds is expected to be completed and issued on the Closing Date.

PRINCIPAL TERMS OF THE RMB DENOMINATED BONDS

The principal terms of the proposed issue of the RMB Denominated Bonds are as follows:

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| (i) Issuer: | The Company |
| (ii) Lead Manager: | GF Securities (Hong Kong) Brokerage Limited |
| (iii) Principal amount of the RMB Denominated Bonds: | An aggregate of RMB100,000,000 |
| (iv) Tranches of issue | The RMB Denominated Bonds may be issued in two tranches, but in the event that the RMB Denominated Bonds should be issued in two tranches, the total principal amount of the RMB Denominated Bonds issued shall not exceed RMB100,000,000 |
| (v) Maturity date: | 24 months following the Closing Date, unless the maturity of the RMB Denominated Bonds is accelerated upon the occurrence of an event of default. The Company may not at its option repay or redeem the RMB Denominated Bonds prior to the maturity date |
| (vi) Issue price: | 98.5% of the principal amount of the RMB Denominated Bonds |
| (vii) Interest rate: | 10.5% per annum, payable semi-annually on 30 June and 31 December of each year. The first interest payment shall be made on 31 December 2013, and the first interest amount shall be all interest accrued from the issue date of the RMB Denominated Bonds up to 31 December 2013 |
| (viii) Status of the RMB Denominated Bonds: | The RMB Denominated Bonds will constitute direct, unconditional, unsubordinated and unsecured obligations of the Company and shall at all times rank <i>pari passu</i> and without any preference among themselves |

- (ix) Events of default: The RMB Denominated Bonds may become immediately due and payable at 100% of its principal amount together with accrued interest (including default interest) on the occurrence of certain events of default such as non-payment of interest or principal, breach of certain obligations owed by the Company, insolvency and others
- (x) Redemption upon a Change of Control: A Bondholder shall have the right to require the Company to redeem the Bondholder's RMB Denominated Bonds at 100% of their principal amount, together with accrued interest (including default interest), upon the occurrence of a Change of Control with respect to the Company
- (xi) Undertakings by Covenantors Each of the Covenantors jointly and severally undertakes to the Lead Manager that at any time before the RMB Denominated Bonds are fully repaid or redeemed, (a) he and it will not, and will procure that none of his or its associates or the companies controlled by him or it will not (1) sell, transfer, dispose of or create any right (including without limitation the creation of any option, pledge, charge or other encumbrance or rights) on any of the Shares or 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, directly or indirectly interested as at the date of the Subscription Agreement; or (2) sell, transfer, dispose of or create any right (including the creation of any option, pledge, charge or other encumbrance or rights) on any shares or interest in any company controlled by him or it or any of their associates which is the beneficial owner (directly or indirectly) of any of such Shares or any interests therein as aforesaid
- (xii) Guarantee Silvery Dragon Limited would give a guarantee in favour of the Bondholders to guarantee the due and punctual performance and discharge of the Company's obligations and liabilities on or in relation to the Subscription Agreement and the bond certificate (including the terms and conditions thereto)

The RMB Denominated Bonds will not be listed on any stock exchange.

USE OF PROCEEDS

The proceeds from the proposed issue of the RMB Denominated Bonds will be used for the provision of loans and the Group's general working capital.

REASONS FOR AND BENEFITS OF THE BONDS ISSUE

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 issue of RMB Denominated Bonds will raise immediate funds for the Company which can be used to strengthen the Group's capital base. The Company seeks to capitalise on the current interest rate environment and the current market environment for bond issues to raise additional capital to facilitate further development and expansion of the Group. The Directors are of the view that the terms of the RMB Denominated Bonds are fair and reasonable and are in the interest of the Group, and consider that the issue of the RMB Denominated Bonds will provide the capital to facilitate the development and expansion of the Group's operation.

Completion of the Subscription Agreement is subject to the satisfaction and/or waiver of the conditions precedent contained therein. In addition, the Subscription Agreement may be terminated in certain circumstances. Please refer to the paragraph headed "The Subscription Agreement" above for further information.

Investors and shareholders of the Company are urged to exercise caution when dealing in the securities of the Company.

DEFINITIONS

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

“Board”	the board of Directors of the Company
“Bondholder(s)”	holder(s) of the RMB Denominated Bonds
“Change of Control”	<ul style="list-style-type: none">(a) the direct or indirect sale or transfer of all or substantially all of the assets of the Company and other members of the Group to any person, other than to a Controlling Shareholder;(b) the Company consolidates with or merges into any person other than a Controlling Shareholder unless such consolidation or merger will not result in the other person acquiring either (i) more than 50% of the Voting Shares of the Company or the successor entity or control of more than 50% of the Voting Shares of the Company or the successor entity; or (ii) the right to appoint and/or remove the majority of the executive Directors or the successor entity;(c) the Controlling Shareholders as a group beneficially own less than 30% of the Voting Shares of the Company at any time;(d) the Controlling Shareholders as a group cease to be the single largest beneficial owner of the Voting Shares of the Company; or(e) one or more persons other than the Controlling Shareholders acquires legal or beneficial ownership of Voting Shares in the Company greater than the legal and beneficial ownership of Voting Shares in the Company held by the Controlling Shareholders
“Closing Date”	the closing date for the issue of the RMB Denominated Bonds, and as the case may be, the closing date for the first tranche RMB Denominated Bonds or the closing date for the second tranche RMB Denominated Bonds, but in any event not later than 90 days from the date of the Subscription Agreement (or such other time and date as the Lead Manager and the Company may agree in writing)

“Company”	Flying Financial Service Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Growth Enterprise Market of the Stock Exchange
“Controlling Shareholder(s)”	has the meaning as ascribed to it in GEM Listing Rules
“Covenantors”	Silvery Dragon Limited, High Eminent Limited, Prime Origin Limited, Ding Rong Limited, Ming Cheng Investments Limited, Ocean Prosperous Limited, Mr. Li Zhongyu, Mr. Zheng Weijing and Mr. Peng Zuohao
“Directors”	directors of the Company (including independent non-executive directors)
“GEM Listing Rules”	The Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange
“Group”	the Company and its subsidiaries
“Guarantor”	Silvery Dragon Limited which, as at the date of this announcement, is a Controlling Shareholder of the Company
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Lead Manager”	GF Securities (Hong Kong) Brokerage Limited, a licensed corporation to carry out Type 1 (dealing in securities) and Type 4 (advising on securities) regulated activities under the SFO
“PRC”	the People’s Republic of China, and for the purpose of this announcement, shall exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“RMB Denominated Bonds”	the RMB100,000,000 10.5% bonds due 2015 proposed to be issued by the Company
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Subscription Agreement”	the subscription agreement entered into between, among others, the Company and the Lead Manager dated 27 May 2013 in respect of the issue of the RMB Denominated Bonds
“United Kingdom”	the United Kingdom of Great Britain and Northern Ireland
“United States”	the United States of America
“Voting Share(s)”	Share(s) in issue of the Company carrying voting rights

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

Hong Kong, 27 May 2013

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.