



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 FIRST QUARTERLY RESULTS FOR THE THREE MONTHS ENDED 31 MARCH 2015

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 RMB13,940,000 for the three months ended 31 March 2015, representing a decrease of approximately 45.27% as compared with corresponding period in 2014.
- Profit attributable to owners of the Company for the three months ended 31 March 2015 amounted to approximately RMB3,111,000, representing an increase of approximately 6.11% as compared with corresponding period in 2014.
- Basic earnings per share of the Company (the “Share”) for the three months ended 31 March 2015 amounted to RMB0.30 cents (2014: RMB0.29 cents).
- The Directors resolved not to declare an interim dividend for the three months ended 31 March 2015.

FIRST QUARTERLY RESULTS

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 ended 31 March 2015 together with the comparative unaudited figures for the corresponding period in 2014 as follows:

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		For the three months ended 31 March	
		2015	2014
		(Unaudited)	(Unaudited)
	<i>Notes</i>	RMB'000	RMB'000
Revenue	3	13,940	25,471
Other income or (loss)	3	1,635	(2,862)
Employee benefit expenses		(4,309)	(6,677)
Administrative expenses		(6,205)	(8,785)
Finance costs	4	(1,808)	(2,593)
Profit before income tax expense	5	3,253	4,554
Income tax expense	6	(144)	(1,809)
Profit for the period		3,109	2,745
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
– Exchange differences on translating foreign operation		–	239
Total comprehensive income for the period		3,109	2,984
Profit for the period attributable to:			
Owners of the Company		3,111	2,932
Non-controlling interests		(2)	(187)
		3,109	2,745
Total comprehensive income for the period attributable to:			
Owners of the Company		3,111	3,171
Non-controlling interests		(2)	(187)
		3,109	2,984
Earnings per share – Basic and diluted (RMB cents)	8	0.30	0.29

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FIRST 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 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 pawn loans, entrusted loans and financial consultation services. In the opinion of the Directors, the ultimate holding company of the Company is Ming Cheng Investments 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 of the Group for the three months ended 31 March 2015 have 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 applicable disclosure requirements of the Hong Kong Companies Ordinance and the GEM Listing Rules.

The accounting policies used in the preparation of the unaudited condensed consolidated results are consistent with those applied in the Group’s audited financial statements for the year ended 31 December 2014.

All HKFRSs effective for the accounting periods commencing from 1 January 2015 and relevant to the Group, have been adopted by the Group in the preparation of the unaudited condensed 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 (LOSS) OR 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	
	31 March	
	2015	2014
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Revenue		
Interest income	772	5,452
Financial consultation service income	13,168	20,019
	<u>13,940</u>	<u>25,471</u>
Other (loss) or income		
Bank interest income	67	84
Fair value change of financial liabilities at fair value through profit and loss	–	1,250
Provision for impairment of accounts receivable	–	(4,597)
Others – other investments	1,584	355
Others – exchange (loss)/gain	(16)	46
	<u>1,635</u>	<u>(2,862)</u>

4. FINANCE COSTS

	Three months ended	
	31 March	
	2015	2014
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Interest charged on financial liabilities carried at amortised cost:		
Corporate bonds interest	1,808	2,593
	<u>1,808</u>	<u>2,593</u>

5. PROFIT BEFORE INCOME TAX EXPENSE

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

	Three months ended 31 March	
	2015	2014
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Auditor's remuneration	197	226
Depreciation of property, plant and equipment	263	367
Employee benefit expenses (including Directors' remuneration)		
Salaries and wages (<i>Note</i>)	3,739	6,027
Pension scheme contributions – Defined contribution plans	570	650
	4,309	6,677
Net foreign exchange loss/(gain)	16	(46)
Operating lease charges in respect of properties	1,992	2,635

Note: Decrease in salaries and wages primarily due to a readjustment of staff salaries across two thirds of the Group's employees. In addition, no staff bonus was paid out during the three months ended 31 March 2015 (2014: RMB1,260,000).

6. INCOME TAX EXPENSE

	Three months ended 31 March	
	2015	2014
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Hong Kong Profits Tax		
– Current period	–	1,544
PRC Enterprise Income Tax		
– Current period	144	265
	144	1,809

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% (2014: 16.5%) on the estimated assessable profit for the period.

Enterprise income tax ("EIT") arising from the PRC for the period was calculated at 25% (2014: 25%) of the estimated assessable profits during the period. 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 resolved not to declare an interim dividend for the three months ended 31 March 2015 (2014: Nil).

8. EARNINGS PER SHARE

The calculations of basic earnings per share for the three months ended 31 March 2015 and 2014 are based on the profit attributable to owners of the Company of approximately RMB3,111,000 and approximately RMB2,932,000 respectively and on the weighted average number of 1,020,555,000 ordinary shares during the period ended 31 March 2015 and 2014. No diluted earnings per Share is presented as the Company had no potential ordinary shares during the periods.

9. UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Equity contributable to the owners of the Company							Non-	Total
	Share capital	Share premium	Merger reserve	Statutory reserve	Exchange reserve	Retained profits	Dividend proposed	controlling interests	equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Unaudited for the three months ended 31 March 2015									
At 1 January 2015 (audited)	83,165	22,175	116,659	12,424	199	18,025	–	252,647	241,156
Profit for the period	–	–	–	–	–	3,111	–	3,111	3,109
Other comprehensive income for the period	–	–	–	–	–	–	–	–	–
At 31 March 2015 (unaudited)	<u>83,165</u>	<u>22,175</u>	<u>116,659</u>	<u>12,424</u>	<u>199</u>	<u>21,136</u>	<u>–</u>	<u>255,758</u>	<u>244,265</u>
Unaudited for the three months ended 31 March 2014									
At 1 January 2014 (audited)	83,165	22,175	116,659	12,031	589	104,781	–	339,400	336,447
Profit for the period	–	–	–	–	–	2,932	–	2,932	2,745
Other comprehensive income for the period	–	–	–	–	239	–	–	239	239
Total comprehensive income for the period	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>239</u>	<u>2,932</u>	<u>–</u>	<u>3,171</u>	<u>2,984</u>
At 31 March 2014 (Unaudited)	<u>83,165</u>	<u>22,175</u>	<u>116,659</u>	<u>12,031</u>	<u>828</u>	<u>107,713</u>	<u>–</u>	<u>342,571</u>	<u>339,431</u>

MANAGEMENT DISCUSSION AND ANALYSIS

The Group offers comprehensive financing services to its customers. For the three months ended 31 March 2015, the Group derived its income mainly from financial consultancy services and entrusted loan services.

Business review

The Group continued to adopt a conservative and cautious loan granting policy to minimize loan default risk, and prioritized its business to focus more on providing financial consultancy services. During the three months ended 31 March 2015, the Group entered into a share purchase agreement to acquire 51% indirect interest of a project company operating an online platform of peer to peer internet finance services. Upon completion of the acquisition, the internet financing platform should broaden the sources of income and enhance the revenue of the Group. As at the date of this announcement, the proposed acquisition has yet to be completed.

Financial review

Revenue

The Group's total revenue declined significantly as compared to the prior period. For the three months ended 31 March 2015, the total revenue decreased by approximately 45.27% to approximately RMB13,940,000 from approximately RMB25,471,000 for the period ended 31 March 2014. Such decrease was attributable to the Group's cautious approach in granting new loans and a general decline in demand for loans under the present stagnant economy.

Financial consultancy service income

The Group's revenue from provision of financial consultancy services decreased by approximately 34.22% from approximately RMB20,019,000 for the period ended 31 March 2014 to approximately RMB13,168,000. The Group actively seeks potential customers that require their expertise and experience in financial consultancy and finance services.

Entrusted loan service income

The revenue from provision of entrusted loan services dropped significantly from approximately RMB5,452,000 for the period ended 31 March 2014 to approximately RMB537,000, representing a decrease of approximately 90.15% for the period ended 31 March 2015. Due to the Group's more cautious policy on granting new loans, the amount of loans granted by the Group decreased and so as the interest income derived therefrom.

Pawn loan service income

The Group is monitoring whether potential opportunities may arise in the pawn loan services even though competition for pawn loan services is fierce. The Group did not record any revenue for pawn loan service in the last corresponding period, however, for the three months ended 31 March 2015, revenue of approximately RMB235,000 was recorded, of which is included in the Group's interest income.

Return on investment income

A held to maturity investment of approximately RMB20,957,000, bearing an interest of 7.92% per annum was paid out during the 3 months ended 31 March 2015, allowing the Group to derive a return on investment income of approximately RMB1,584,000. As for the last corresponding period, no provision for income from investment was recognised.

Interest expenses

The interest expenses of approximately RMB1,808,000 and approximately RMB2,593,000 incurred for the period ended 31 March 2015 and 31 March 2014 respectively, were mainly the interest for the corporate bonds denominated in Renminbi with an aggregate nominal value of RMB100 million (the "RMB Denominated Bonds") due 2015 issued by the Company during the year ended 31 December 2014.

Administrative and other operating expenses

The Group's administrative and other operating expenses primarily comprised salaries and staff welfare, rental expenses and marketing and advertising expenses. The Group's administrative and other operating expenses for the periods ended 31 March 2015 and 2014 were approximately RMB6,205,000 and approximately RMB8,785,000 respectively. The decrease of approximately 29.37% was mainly attributed to certain expenses including (i) the decrease of staff salaries of approximately RMB2,368,000; (ii) the decrease of advertising expenses of approximately RMB915,000; and (iii) the decrease of rental expenses and office expenses approximately RMB643,000 and approximately RMB307,000 respectively, however, such decrease was partly offset by the increase of legal and professional fee of approximately RMB527,000.

Profit for the period attributable to owners of the Company

The profit attributable to owners of the Company for the period ended 31 March 2015 was approximately RMB3,111,000, representing an increase of approximately 6.11% as compared to approximately RMB2,932,000 in the corresponding period.

OUTLOOK

The Group is actively remodeling its business model to improve all business operation of customized financial services and financial services for the entire industrial chain. The Group is keen to develop internet financing and online wealth managements business, and to customize an online platform of peer to peer internet finance services for the domestic real estate market. By establishing an internet platform and promoting internet financing services, the Group is confident that this will broaden the Group's sources of income and enhance the Group's revenue. The Group will adopt a strict monitoring of costs and operating expenses so as to increase the overall profitability of the Group and maximize the returns for shareholders.

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

As at 31 March 2015, 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 (the "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	
Mr. Zheng Weijing	24,180,135 (L)	–	208,493,045 (L) (Note 2)	232,673,180 (L)	22.80

Notes:

1. The letter "L" denotes the Directors' long position in the Shares.
2. Ming Cheng Investments Limited is a company wholly-owned by Mr. Zheng Weijing.

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

Name of Director	Nature of interest	Equity interest	Approximate percentage of equity interest (%)
Mr. Zheng Weijing	Interest of controlled corporation (Note)	RMB71,240,000	70.53

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 45% by Mr. Zheng Weijing.

* For identification purposes only

Save as disclosed above, as at 31 March 2015, 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 they were 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 31 March 2015, 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 of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO:

Interests in the Company

Name of Shareholder	Number of Shares held (Note 1)				Approximate percentage (%)
	Beneficial Interest	Interest of spouse	Interest of controlled corporation	Total	
Ming Cheng Investments Limited	208,493,045 (L) (Note 2)	–	–	208,493,045 (L)	20.43
Mr. Zheng Weijing	24,180,135 (L)	–	208,493,045 (L) (Note 2)	232,673,180 (L)	22.80
Ms. Zhang Chushan	–	232,673,180 (L) (Note 3)	–	232,673,180 (L)	22.80
Sino-Africa Resources Holdings Limited	170,450,695 (L) (Note 4)	–	–	170,450,695 (L)	16.70
Peace Bloom Limited	96,952,725 (L) (Note 5)	–	–	96,952,725 (L)	9.50
Upsoar Limited	103,679,100 (L) (Note 6)	–	–	103,679,100 (L)	10.16
Mr. Huang Xiguang	–	–	170,450,695 (L) (Note 4)	170,450,695 (L)	16.70
Mr. Hu Jinxi	14,800,000	–	96,952,725 (L) (Note 5)	111,752,725 (L)	10.95
Ms. Fu Shanping	–	–	103,679,100 (L) (Note 6)	103,679,100 (L)	10.16
GF Securities (Hong Kong) Brokerage Limited	215,563,290 (L) (Note 7)	–	–	215,563,290 (L)	21.12
GF Holdings (Hong Kong) Corporation Limited (Note 7)	–	–	215,563,290 (L)	215,563,290 (L)	21.12
GF Securities Co., Ltd. (Note 7)	–	–	215,563,290 (L)	215,563,290 (L)	21.12

Notes:

1. The letter “L” denotes the corporation’s/person’s long position in the Shares.
2. Ming Cheng Investments Limited is a company wholly-owned by Mr. Zheng Weijing.
3. Ms. Zhang Chushan is the spouse of Mr. Zheng Weijing.
4. Sino-Africa Resources Holdings Limited is a company wholly-owned by Mr. Huang Xiguang.
5. Peace Bloom Limited is a company wholly-owned by Mr. Hu Jinxi.
6. Upsoar Limited is a company wholly-owned by Ms. Fu Shanping.
7. These shares are registered in the name of GF Securities (Hong Kong) Brokerage Limited which is directly wholly-owned by GF Holdings (Hong Kong) Corporation Limited, and indirectly wholly-owned by GF Securities Co., Ltd. Under the SFO, GF Holdings (Hong Kong) Corporation Limited and GF Securities Co., Ltd. are deemed to be interested in the shares held by GF Securities (Hong Kong) Brokerage Limited.

Save as disclosed above, as at 31 March 2015, 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 of the Company 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 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 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 of other technological support to the Group.

No share option has been granted under the Share Option Scheme since its adoption.

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 three months ended 31 March 2015.

CORPORATE GOVERNANCE

During three months ended 31 March 2015, the Company has complied with all the code provisions set out in the Corporate Governance Code and Corporate Governance Report (the “Code”) as set out in Appendix 15 of the GEM Listing Rules, except for the deviation from the code provision of A.2.1 of the Code.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Pursuant to the code provision A.2.1 of the Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Mr. Zheng Weijing (“Mr. Zheng”) acts as both the chairman and the chief executive officer of the Company. As of the date of this announcement, the roles of the chairman and the chief executive officer of the Company are not separate and both are performed by Mr. Zheng Weijing. The Company is in the process of identifying a suitable person to act as the chief executive officer and shall make the announcement as and when appropriate. Since the Directors meet regularly to consider major matters affecting the operations of the Company, the Directors consider that this structure will not impair the balance of power and authority between the Directors and the management of the Company and believe that this structure will enable the Company to make and implement decisions promptly and efficiently.

The Company will continue to review its corporate governance practices in order to enhance its corporate governance standard, to comply with the increasingly tightened regulatory requirements and to meet the rising expectations of shareholders and investors.

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 set out in Rules 5.48 to 5.67 of the GEM Listing Rules. 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 three months ended 31 March 2015.

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 any person may have with the Group as at 31 March 2015.

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 securities of the Company or any member of the Group (including options or rights to subscribe for such securities) as at 31 March 2015, save for certain beneficial interests in the RMB Denominated Bonds held by GF Securities (Hong Kong) Brokerage Limited (“GF Securities”) as bondholder. Both GF Securities and GF Capital are wholly-owned by GF Holdings (Hong Kong) Corporation Limited.

PLEDGE OF SHARES BY SHAREHOLDERS

On 17 October 2014, each of Mr. Zheng Weijing (“Mr. Zheng”) and Ming Cheng Investments Limited (“Ming Cheng”), a wholly owned investment holding company of Mr. Zheng, entered into a security agreement (the “Security Agreement”) with GF Securities as security agent, pursuant to which Mr. Zheng and Ming Cheng agreed to charge over 24,180,135 and 191,383,155 ordinary shares in the par value of HK\$0.10 each in the share capital of the Company (collectively, the “Pledged Shares”) held by Mr. Zheng and Ming Cheng respectively to GF Securities, representing approximately 2.37% and 18.75% of the issued share capital of the Company as at the date of this announcement, as security for the obligations of the Company under a subscription agreement dated 27 May 2013 (as supplemented by a supplemental deed dated 26 June 2014) entered into between, among others, the Company, GF Securities and various individuals and corporate entities as covenantors in respect of the RMB Denominated Bonds. As at the date of this announcement, the pledge of the Pledged Shares has not been released.

Details of the aforesaid pledge of the Pledged Shares were disclosed in the Company’s announcement dated 17 October 2014 pursuant to Rule 17.19 of the GEM Listing Rules.

AUDIT COMMITTEE

The audit committee of the Company (the “Audit Committee”) comprises a total of three members, namely, Mr. Vincent Cheng (Chairman), Mr. Zhang Gongjun and Mr. Leung Po Hon, all of whom are independent non-executive Directors. The Group’s unaudited condensed consolidated results, results announcement and quarterly report for the three months ended 31 March 2015 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.

EVENT AFTER THE REPORTING PERIOD

Mr. Lee Man Tai has resigned as chief financial officer, company secretary of the Company and has ceased to act as an authorised representative of the Company under Rule 5.24 of the GEM Listing Rules, and the agent of the Company for the acceptance of service of process in Hong Kong under the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) (the “Companies Ordinance”); and Ms. Wong, Susan Chui San has been appointed as chief financial officer, company secretary, an authorised representative of the Company for the purpose of the GEM Listing Rules and the agent of the Company for the acceptance of service of process in Hong Kong under the Companies Ordinance, all with effect from 13 April 2015.

By order of the Board
Flying Financial Service Holdings Limited
Zheng Weijing
Chairman

Hong Kong, 11 May 2015

As at the date of this announcement, the executive Director is Mr. Zheng Weijing (Chairman and Chief Executive Officer); and the independent non-executive Directors are Mr. Vincent Cheng, Mr. Leung Po Hon and 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).