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## **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)**

### **DISCLOSEABLE TRANSACTION: DISPOSALS OF ACCOUNT RECEIVABLES**

#### **THE DISPOSALS**

The Board is pleased to announce that after trading hours on 31 December 2015:

- (1) Qianhai Flying Financial, a wholly-owned subsidiary of the Company, entered into the Disposal Agreement A with the Purchaser, pursuant to which Qianhai Flying Financial has agreed to sell, and the Purchaser has agreed to purchase, the Account Receivables A at the total consideration of RMB53,764,800 (equivalent to approximately HK\$64,195,171);
- (2) Guangdong Flying Commercial, a wholly-owned subsidiary of the Company, entered into the Disposal Agreement B with the Purchaser, pursuant to which Guangdong Flying Commercial has agreed to sell, and the Purchaser has agreed to purchase, the Account Receivables B at the total consideration of RMB23,190,000 (equivalent to approximately HK\$27,688,860); and
- (3) Flying Investment, a wholly-owned subsidiary of the Company, entered into the Disposal Agreement C with the Purchaser, pursuant to which Flying Investment has agreed to sell, and the Purchaser has agreed to purchase, the Account Receivables C at the total consideration of RMB8,442,940 (equivalent to approximately HK\$10,080,870).

Completion has taken place immediately after the signing of each of the Disposal Agreements and upon Completion, the Group ceased to have any interest in the Account Receivables.

## **IMPLICATIONS UNDER THE GEM LISTING RULES**

Since the Disposals were made to the same Purchaser concurrently, the disposals of the Account Receivables A, the Account Receivables B and the Account Receivables C were aggregated for determining the size of the Disposals for the purpose of the GEM Listing Rules and the requirements thereunder.

As the applicable percentage ratios (as defined under the GEM Listing Rules) in respect of the Disposals, in aggregate, are more than 5% but all such ratios are less than 25%, the Disposals constitute discloseable transaction for the Company under the GEM Listing Rules and are subject to the notification and announcement requirements of Chapter 19 of the GEM Listing Rules.

The Board is pleased to announce that after trading hours on 31 December 2015:

- (1) Qianhai Flying Financial, a wholly-owned subsidiary of the Company, entered into the Disposal Agreement A with the Purchaser, pursuant to which Qianhai Flying Financial has agreed to sell, and the Purchaser has agreed to purchase, the Account Receivables A at the total consideration of RMB53,764,800 (equivalent to approximately HK\$64,195,171);
- (2) Guangdong Flying Commercial, a wholly-owned subsidiary of the Company, entered into the Disposal Agreement B with the Purchaser, pursuant to which Guangdong Flying Commercial has agreed to sell, and the Purchaser has agreed to purchase, the Account Receivables B at the total consideration of RMB23,190,000 (equivalent to approximately HK\$27,688,860); and
- (3) Flying Investment, a wholly-owned subsidiary of the Company, entered into the Disposal Agreement C with the Purchaser, pursuant to which Flying Investment has agreed to sell, and the Purchaser has agreed to purchase, the Account Receivables C at the total consideration of RMB8,442,940 (equivalent to approximately HK\$10,080,870).

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiry, each of the Purchaser and its ultimate beneficial owner(s) is an Independent Third Party.

The principal terms of the Disposal Agreements are set out below:

|                                  | (1)<br><b>Disposal Agreement A</b>  | (2)<br><b>Disposal Agreement B</b>   | (3)<br><b>Disposal Agreement C</b>   |
|----------------------------------|---|--|--|
| <b>Date:</b>                     | 31 December 2015  | 31 December 2015   | 31 December 2015   |
| <b>Vendor:</b>                   | Qianhai Flying Financial, a wholly-owned subsidiary of the Company and principally engaged in provision of financial consultancy services in the PRC.   | Guangdong Flying Commercial, a wholly-owned subsidiary of the Company and principally engaged in entrusted loan services in the PRC.   | Flying Investment, a wholly-owned subsidiary of the Company and principally engaged in provision of financial consultancy and entrusted loan services in the PRC.  |
| <b>Purchaser:</b>                | The Purchaser.  | The Purchaser.   | The Purchaser.   |
| <b>Assets to be disposed of:</b> | The Account Receivables A, which are owed to Qianhai Flying Financial, incurred in its ordinary and usual course of business of an aggregate face value of RMB74,261,545 (equivalent to approximately HK\$88,668,285) as at 25 November 2015. | The Account Receivables B, which are owed to Guangdong Flying Commercial, incurred in its ordinary and usual course of business of an aggregate face value of RMB23,264,400 (equivalent to approximately HK\$27,777,694) as at 25 November 2015. | The Account Receivables C, which are owed to Flying Investment, incurred in its ordinary and usual course of business of an aggregate face value of RMB14,156,021 (equivalent to approximately HK\$16,902,289) as at 25 November 2015. |

|                       | (1)<br><b>Disposal Agreement A</b>   | (2)<br><b>Disposal Agreement B</b>  | (3)<br><b>Disposal Agreement C</b>   |
|-----------------------|--|---|--|
| <b>Consideration:</b> | RMB53,764,800<br>(equivalent to<br>approximately<br>HK\$64,195,171) in<br>cash.  | RMB23,190,000<br>(equivalent to<br>approximately<br>HK\$27,688,860) in<br>cash.   | RMB8,442,940<br>(equivalent to<br>approximately<br>HK\$10,080,870) in<br>cash.   |
|                       | The Consideration<br>A was determined<br>after arm's length<br>negotiations among<br>the parties to the<br>Disposal Agreement<br>A with reference to<br>the face value of the<br>Account Receivables<br>A, the existing book<br>value of the Account<br>Receivables A and<br>the book value of the<br>distraigned properties<br>in relation to certain<br>portion of the<br>Account Receivables<br>A which have been<br>written down, the<br>recoverability of the<br>Account Receivables A<br>and that the Group will<br>be able to receive the<br>Consideration A within<br>a definite period of time<br>after the signing of the<br>Disposal Agreement A. | The Consideration<br>B was determined<br>after arm's length<br>negotiations among<br>the parties to the<br>Disposal Agreement<br>B with reference to<br>the face value of the<br>Account Receivables<br>B, the existing book<br>value of the Account<br>Receivables B, the<br>recoverability of the<br>Account Receivables B<br>and that the Group will<br>be able to receive the<br>Consideration B within<br>a definite period of time<br>after the signing of the<br>Disposal Agreement B. | The Consideration<br>C was determined<br>after arm's length<br>negotiations among<br>the parties to the<br>Disposal Agreement<br>C with reference to<br>the face value of the<br>Account Receivables<br>C, the existing book<br>value of the Account<br>Receivables C and<br>the book value of the<br>distraigned properties<br>in relation to certain<br>portion of the<br>Account Receivables<br>C which have been<br>written down, the<br>recoverability of the<br>Account Receivables C<br>and that the Group will<br>be able to receive the<br>Consideration C within<br>a definite period of time<br>after the signing of the<br>Disposal Agreement C. |

## **Completion**

Completion has taken place immediately after the signing of each of the Disposal Agreements and upon Completion, the Group ceased to have any interest in the Account Receivables.

Within 10 working days after the date of each of the Disposal Agreements, Qianhai Flying Financial, Guangdong Flying Commercial and Flying Investment shall deliver to the Purchaser all documents in relation to the Account Receivables and shall thereafter provide to the Purchaser such assistance and take such actions as necessary for giving effect to the assignments of the Account Receivables.

## **REASONS FOR AND BENEFITS OF THE DISPOSALS**

The Group is principally engaged in operation of a financial service platform, provision of financial consultancy services, finance lease services, entrusted loans and pawn loans.

The Purchaser is a company established in the PRC with limited liability and is principally engaged in distressed assets management services in the PRC.

It is estimated that the Group will recognise an unaudited gain of approximately RMB1,727,760 (equivalent to approximately HK\$2,062,945), which is calculated on the basis of the consideration for the Disposals less the aggregate carrying amount of RMB83,669,980 of the Account Receivables and the distressed properties in relation to certain portions of the Account Receivables which have been written down as at the date of this announcement. Shareholders of the Company should note that the actual amount of gain/loss on the Disposals to be recorded by the Company will be subject to review by the auditors of the Company. It is expected that the proceeds from the Disposals will be used for general working capital and/or future development of the Group.

The Directors believe that, given that the Account Receivables were incurred in 2013-2014 and based on the Group's assessment of the recoverability of such account receivables, the Disposals represent a good opportunity for the Group to increase the cash inflow and reduce the account receivables of the Group. It is also expected that the proceeds from the Disposals would provide capital resources for the Group to make further investment and/or development should suitable opportunities arise.

The Directors are of the view that the terms of the Disposal Agreements are on normal commercial terms and are fair and reasonable and in the interests of the Group and the shareholders of the Company as a whole.

## **IMPLICATIONS UNDER THE GEM LISTING RULES**

Since the Disposals were made to the same Purchaser concurrently, the disposals of the Account Receivables A, the Account Receivables B and the Account Receivables C were aggregated for determining the size of the Disposals for the purpose of the GEM Listing Rules and the requirements thereunder.

As the applicable percentage ratios (as defined under the GEM Listing Rules) in respect of the Disposals, in aggregate, are more than 5% but all such ratios are less than 25%, the Disposals constitute discloseable transaction for the Company under the GEM Listing Rules and are subject to the notification and announcement requirements of Chapter 19 of the GEM Listing Rules.

## DEFINITIONS

Unless otherwise specified, the following terms have the following meanings in this announcement:

|                         |  |
|-------------------------|--|
| “Account Receivables”   | collectively, the Account Receivables A, the Account Receivables B and the Account Receivables C   |
| “Account Receivables A” | the debts owed to Qianhai Flying Financial of an aggregate face value of RMB74,261,545, being account receivables of Qianhai Flying Financial, together with all rights, benefits and risks attached to such debts       |
| “Account Receivables B” | the debts owed to Guangdong Flying Commercial of an aggregate face value of RMB23,264,400, being account receivables of Guangdong Flying Commercial, together with all rights, benefits and risks attached to such debts |
| “Account Receivables C” | the debts owed to Flying Investment of an aggregate face value of RMB14,156,021, being account receivables of Flying Investment, together with all rights, benefits and risks attached to such debts                     |
| “Board”                 | the board of Directors   |
| “Company”               | Flying Financial Service Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on GEM  |
| “Completion”            | the completion of the Disposals  |
| “connected person”      | has the meaning ascribed to it in the GEM Listing Rules  |
| “Consideration A”       | consideration of the disposal of the Account Receivables A of RMB53,764,800  |
| “Consideration B”       | consideration of the disposal of the Account Receivables B of RMB23,190,000  |
| “Consideration C”       | consideration of the disposal of the Account Receivables C of RMB8,442,940   |

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|-------------------------------|---|
| “Director(s)”                 | the director(s) of the Company  |
| “Disposals”                   | collectively, the disposals of the Account Receivables A, the Account Receivables B and the Account Receivables C to the Purchaser pursuant to the Disposal Agreements                  |
| “Disposal Agreement A”        | the agreement for assignment of debt dated 31 December 2015 entered into between Qianhai Flying Financial and the Purchaser in relation to the disposal of the Account Receivables A    |
| “Disposal Agreement B”        | the agreement for assignment of debt dated 31 December 2015 entered into between Guangdong Flying Commercial and the Purchaser in relation to the disposal of the Account Receivables B |
| “Disposal Agreement C”        | the agreement for assignment of debt dated 31 December 2015 entered into between Flying Investment and the Purchaser in relation to the disposal of the Account Receivables C           |
| “Disposal Agreements”         | collectively, the Disposal Agreement A, the Disposal Agreement B and the Disposal Agreement C   |
| “Flying Investment”           | 匯聯投資服務(深圳)有限公司 (in English for identification purpose only, Flying Investment Service (Shenzhen) Co., Ltd.), a wholly-owned subsidiary of the Company                                   |
| “GEM”                         | the Growth Enterprise Market of the Stock Exchange  |
| “GEM Listing Rules”           | the Rules Governing the Listing of Securities on GEM  |
| “Group”                       | the Company and its subsidiaries  |
| “Guangdong Flying Commercial” | 廣東匯聯商務服務有限公司 (in English for identification purpose only, Guangdong Flying Commercial Service Co., Ltd.), a wholly-owned subsidiary of the Company                                      |
| “HK\$”                        | Hong Kong dollars, the lawful currency of Hong Kong   |
| “Hong Kong”                   | the Hong Kong Special Administrative Region of the PRC  |
| “Independent Third Party”     | independent third party who is independent of the Company and its connected persons   |

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|----------------------------|--|
| “PRC”                      | the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan |
| “Purchaser”                | a company established in the PRC with limited liability  |
| “Qianhai Flying Financial” | 前海匯聯金融服務（深圳）有限公司 (in English for identification purpose only, Qianhai Flying Financial PRC Service (Shenzhen) Limited), a wholly-owned subsidiary of the Company                     |
| “RMB”                      | Renminbi, the lawful currency of the PRC   |
| “Stock Exchange”           | The Stock Exchange of Hong Kong Limited  |
| “%”                        | per cent.  |

*In this announcement, amounts in RMB are converted to HK\$ at the exchange rate of RMB1 to HK\$1.194. Such exchange rate has been used, where applicable, for the purpose of illustration only and does not constitute a representation that any amounts were or may have been exchanged at this or any other rates or at all.*

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

Hong Kong, 31 December 2015

*As at the date of this announcement, the executive Directors are Mr. Zheng Weijing (Chairman and Chief Executive Officer), Mr. Zhang Gongjun, and Ms. Guo Chanjiao; and the independent non-executive Directors are Mr. Vincent Cheng, Mr. Leung Po Hon and Dr. Miao Bo.*

*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 GEM website at [www.hkgem.com](http://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](http://www.flyingfinancial.hk).*