

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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

DISPOSAL OF SHARES BY CONTROLLING SHAREHOLDERS

This announcement is made by the Company pursuant to Rule 17.10(2)(a) of the GEM Listing Rules and the Inside Information Provision under Part XIVA of the SFO.

The Board was notified by Mr. Li that on 14 July 2014, Mr. Li and Ding Rong, a company wholly-owned by Mr. Li, entered into the SPA 1 with the Purchaser 1, pursuant to which the Vendors have agreed to sell and the Purchaser 1 has agreed to purchase the First Sale Shares, being 96,952,725 Shares in aggregate which represents approximately 9.5% of the issued share capital of the Company in which Mr. Li and Ding Rong were interested as at the date of the SPA 1. On the same date, Ding Rong entered into the SPA 2 with the Purchaser 2, pursuant to which Ding Rong has agreed to sell and the Purchaser 2 has agreed to purchase the Second Sale Shares, being 170,450,695 Shares which represents approximately 16.70% of the issued share capital of the Company in which Ding Rong was interested as at the date of the SPA 2.

THE SHARE SALE AGREEMENTS

(A) SPA 1

Date: 14 July 2014

Parties:

- (1) Mr. Li;
- (2) Ding Rong; and
- (3) Purchaser 1

First Sale Shares: The Purchaser 1 agreed to purchase and Mr. Li and Ding Rong agreed to sell 96,952,725 Shares in aggregate, representing approximately 9.5% of the issued share capital of the Company in aggregate as at the date of the SPA 1 (as to 33,490,675 Shares held by Mr. Li directly as beneficial owner and 63,462,050 Shares in which Mr. Li is interested in as ultimate beneficial owner through Ding Rong, High Eminent, Prime Origin and Silvery Dragon. The details of Mr. Li's interest in the share capital of the Company is set out in the paragraph headed "Changes in shareholding of the Company as at the date of Share Sale Agreements and after Share Sale Completion" below).

Purchase price: RMB40,279,620.00 (equivalent to approximately HK\$50,349,525) (subject to adjustment set out in the SPA 1)

The purchase price was determined based on arms' length negotiations between the Vendors and the Purchaser 1.

(B) SPA 2

Date: 14 July 2014

Parties: (1) Ding Rong; and
(2) Purchaser 2

Second Sale Shares: The Purchaser 2 agreed to purchase and Ding Rong agreed to sell 170,450,695 Shares, representing approximately 16.7% of the issued share capital of the Company as at the date of the SPA 2.

Purchase price: RMB70,807,332.00 (equivalent to approximately HK\$88,509,165) (subject to adjustment set out in the SPA 2)

The purchase price was determined based on arms' length negotiations between Ding Rong and the Purchaser 2.

Conditions precedent to the Share Sale Agreements

Share Sale Completion is conditional upon the satisfaction of the following conditions:

- (a) the Vendors procuring each of High Eminent, Silvery Dragon and Prime Origin to pass the necessary resolutions by its board of directors and shareholders approving the distribution of Shares to Ding Rong, Ming Cheng Investments Limited and Ocean Prosperous Limited by way of asset distribution, according to their respective shareholding interest in High Eminent, Silvery Dragon and Prime Origin;
- (b) in respect of the Share Sale, obtaining consents from GF Securities (Hong Kong) Brokerage Limited and the relevant bond holders agreeing to waive their respective rights to claim and rights to demand immediate repayment under the subscription agreement dated 27 May 2013 and relevant bond documents in relation to the corporate

bonds denominated in Renminbi with an aggregate nominal value of RMB100 million due 2015 issued by the Company;

- (c) the listing of the Shares not having been cancelled or withdrawn prior to Share Sale Completion and the Shares having been continued to trade in the Stock Exchange (save for any temporary suspension required for announcements in connection with the transactions contemplated under the Share Sale Agreements, or the trading of the Shares on the Stock Exchange not having been suspended for a period longer than 14 consecutive days);
- (d) the representation and warranties given by the Vendors under the Share Sale Agreements as at the date of the Share Sale Agreements and repeated between the date of the Share Sale Agreements and the date of Share Sale Completion remaining true, accurate and not misleading;
- (e) there being no orders, decrees, injunctions or administrative orders granted by courts with competent jurisdictions, judicial bodies or governmental organisations and any enacted or applicable common law, ordinances, regulations or other applicable laws which shall, or which shall forbid, restrict or lead to completion of the transactions contemplated under the Share Sale Agreements void; and
- (f) there being no ongoing, pending or threatened third party legal proceedings in any courts or governmental organisations which shall forbid, restrict or lead to the transactions contemplated under the Share Sale Agreements void.

The Purchasers shall be entitled to waive any of the above conditions by serving a written notice to the Vendors. The Vendors and the Purchasers shall use their best endeavors to procure the fulfillment of the above conditions. In the event any of the above conditions shall not have been fulfilled on or before 15 September 2014 (or such other date as the Vendors and the Purchasers may agree in writing), the Share Sale Agreements shall lapse and be of no further effect except for any antecedent breach of any obligation and any liabilities under the Share Sale Agreements. Completion of the Share Sale pursuant to SPA 1 and SPA 2 is not conditional upon each other.

Completion of the Share Sale Agreements

Share Sale Completion shall take place on the third business day after the date of which all the conditions precedent to the Share Sale Agreements are fulfilled or such other date as the Purchasers and the Vendors may agree in writing.

CHANGES IN SHAREHOLDING OF THE COMPANY AS AT THE DATE OF SHARE SALE AGREEMENTS AND AFTER SHARE SALE COMPLETION

As at the date of the Share Sale Agreements, 33,490,675 Shares were held by Mr. Li directly as beneficial owner and 233,912,745 Shares were interested by Mr. Li through his interest in Ding Rong. Ding Rong holds 55% interest in High Eminent, which in turn holds 72% interest in Silvery Dragon and 30% interest in Prime Origin. Prime Origin also holds 28% interest in Silvery Dragon. As such, Mr. Li, in his capacity as beneficial owner and through controlled corporations, was beneficially interested in approximately 26.2% of the share capital of the

Company as at the date of the Share Sale Agreements. Upon Share Sale Completion, the Purchaser 1 will be interested in 96,952,725 Shares, representing approximately 9.5% of the issued share capital of the Company and the Purchaser 2 will be interested in 170,450,695 Shares, representing approximately 16.7% of the issued share capital of the Company; Mr. Li will no longer hold any interests in the Company and cease to be a controlling shareholder (as defined under the GEM Listing Rules) of the Company. Mr. Zheng Weijing, the vice-chairman and executive Director, who is and will continue to be interested in a total of 215,563,290 Shares as at the date of this announcement and upon Share Sale Completion, representing approximately 21.1% of the total number of Shares in issue as at the date of the Share Sale Agreements, will become the largest shareholder of the Company upon Share Sale Completion.

BACKGROUND OF THE PURCHASERS

To the best of knowledge, information and belief of the Directors, having made all reasonable enquiries, as at the date of this announcement, each of the Purchasers and its shareholders were third parties independent of the Company and its connected persons (as defined under the GEM Listing Rules). The Purchaser 1 is a company principally engaged in investment holding and the Purchaser 2 is a company principally engaged in investment holding.

As Sale Purchase Completion is subject to the satisfaction of the various conditions precedent set out therein, the Share Sale may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

Further announcement will be issued by the Company upon Share Sale Completion or in the event that the Share Sale does not proceed.

DEFINITIONS

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

“Board”	the board of Directors of the Company
“Company”	Flying Financial Service Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on GEM
“Ding Rong”	Ding Rong Limited, a company incorporated in the British Virgin Islands with limited liability, the entire issued share capital of which is owned by Mr. Li, one of the Vendors to the Share Sale Agreements
“Director(s)”	the director(s) of the Company

“First Sale Shares”	96,952,725 Shares in aggregate, representing approximately 9.5% of the issued share capital of the Company as at the date of the SPA 1 (as to 33,490,675 Shares held by Mr. Li directly as beneficial owner and 63,462,050 Shares in which Mr. Li is interested in as ultimate beneficial owner through Ding Rong, High Eminent, Prime Origin and Silvery Dragon)
“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
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“High Eminent”	High Eminent Limited, a company incorporated in the British Virgin Islands with limited liability, the issued share capital of which is owned by Ding Rong as to 55% and Ming Cheng Investments Limited as to 45%
“Mr. Li”	Mr. Li Zhongyu (李仲豫), the chairman and an executive Director, one of the Vendors to the SPA 1
“Prime Origin”	Prime Origin Limited, a company incorporated in the British Virgin Islands with limited liability, the issued share capital of which is owned by High Eminent as to 30% and Ocean Prosperous Limited as to 70%
“PRC”	the People’s Republic of China
“Purchaser 1”	Peace Bloom Limited (逸隆有限公司), a company incorporated in the British Virgin Islands with limited liability
“Purchaser 2”	Sino-Africa Resource Holding Limited (中非資源控股有限公司), a company incorporated in the British Virgin Islands with limited liability
“Purchasers”	means Purchaser 1 and Purchaser 2 collectively
“RMB”	Renminbi, the lawful currency of the PRC
“Sale Shares”	267,403,420 Shares, representing approximately 26.2% of the issued share capital of the Company as at the date of the Share Sale Agreements, comprising 33,490,675 Shares to be sold by Mr. Li and 233,912,745 Shares to be sold by Ding Rong, to the Purchasers pursuant to the Share Sale Agreements

“Second Sale Shares”	170,450,695 Shares, representing approximately 16.7% of the issued share capital of the Company
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	share(s) of HK\$0.1 each in the share capital of the Company
“Shareholder(s)”	the shareholder(s) of the Company
“Share Sale”	the transfer of the Sale Shares by the Vendors to the Purchasers pursuant to the Share Sale Agreements
“Share Sale Agreements”	means SPA 1 and SPA 2 collectively
“Share Sale Completion”	completion of the Share Sale Agreements
“Silvery Dragon”	Silvery Dragon Limited, a company incorporated in the British Virgin Islands with limited liability, the share capital of which is owned by High Eminent as to 72% and Prime Origin as to 28%. Silvery Dragon held 528,975,000 Shares as at the date of this announcement
“SPA 1”	a conditional sale and purchase agreement entered into between the Vendors and the Purchaser 1 dated 14 July 2014 for the transfer of the First Sale Shares for a cash consideration of RMB40,279,620.00
“SPA 2”	a conditional sale and purchase agreement entered into between Ding Rong and the Purchaser 2 dated 14 July 2014 for the transfer of the Second Sale Shares for a cash consideration of RMB70,807,332.00
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor(s)”	Mr. Li and Ding Rong in respect of the SPA 1; and Ding Rong in respect of the SPA 2
“%”	percent

For ease of reference, sums in HK\$ in this announcement are translated at the rate RMB1 = HK\$1.25. This does not mean that HK\$ could be converted into RMB, or vice versa, based on such exchange rate.

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

Hong Kong, 14 July 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 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 for a minimum period of seven days from the date of its publication and on the Company’s website at www.flyingfinancial.hk.