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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 AMENDMENTS TO THE TERMS AND CONDITIONS OF THE RMB100,000,000 10.5% BONDS DUE 2015

Reference is made to the Announcement in relation to the issue of the RMB Denominated Bonds.

On 18 June 2014, the Company issued the Amendment Notice to the Bondholders, proposed to amend the original terms and conditions of the RMB Denominated Bonds to provide the Company with the right to redeem the RMB Denominated Bonds and to amend and propose, among other things, new events that will trigger a change of control and event of default under the Original Terms and Conditions.

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 Proposed Amendments may or may not be accepted by the Majority Bondholders. Investors and Shareholders are urged to exercise caution when dealing in the Shares of the Company.

INTRODUCTION

Reference is made to the announcement of the Company (“Announcement”) dated 27 May 2013 in relation to the 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 PROPOSED AMENDMENTS TO THE ORIGINAL TERMS AND CONDITIONS OF THE RMB DENOMINATED BONDS

On 18 June 2014, the Company issued the Amendment Notice to the Bondholders, proposed to amend the original terms and conditions (“Original Terms and Conditions”) of the RMB Denominated Bonds to provide the Company with the right to redeem the RMB Denominated Bonds and to amend and propose, among other things, new events that will trigger a change of control and event of default under the Original Terms and Conditions.

The principal terms of the proposed amendments to the Original Terms and Conditions (the “Proposed Amendments”) are summarised as follows:

Early redemption by the Company

The Company does not have any early redemption right under the Original Terms and Conditions. It is newly proposed that the Company may redeem in part or in whole the RMB Denominated Bonds at 100% of their outstanding principal amount, together with accrued interest (including default interest, if any) at any time after the issue of the RMB Denominated Bonds but not later than five Business Days before the maturity date of the RMB Denominated Bonds by giving notice to the Bondholders. The Bondholders may accept (in whole or in part) or reject the proposed redemption. If the Company partially exercises the redemption right but the aggregate accepted amount of all the Bondholders who have indicated their acceptance of the redemption notice given by the Company exceed the aggregate principal amount of the RMB Denominated Bonds proposed to be redeemed by the Company, the amount payable to the Bondholders pursuant to the redemption will be paid to the Bondholders who participate in the proposed redemption in proportion to their respective accepted amount.

Pursuant to the Original Terms and Conditions, the RMB Denominated Bonds may become immediately due and payable at 100% of the outstanding principal amount together with accrued interest (including default interest, if any) on the occurrence the events of default stipulated therein. The Propose Amendments include, among others, new events of default which would trigger such redemption, such as the breach of obligations by the Warranty Party under certain security documents which secure the performance of the Bond Subscription Agreement.

Further, under the Original Terms and Conditions, a Bondholder shall have the right to require the Company to redeem the Bondholder's RMB Denominated Bonds at 100% of the outstanding principal amount, together with accrued interest (including default interest, if any), upon the occurrence of a Change of Control (as defined in the Announcement) with respect to the Company. It is proposed that Change of Control will also take place if, inter alia, the Covenantors and the Proposed Transferees as a group ceases to beneficially own 30% or more of the Voting Shares; or the Covenantors and the Proposed Transferees as a group cease to be the single largest beneficial owner of the Voting Shares; or one or more persons other than the Covenantors and the Proposed Transferees acquires legal or beneficial ownership of Voting Shares greater than that held by the Covenantors and the Proposed Transferees; or the single largest Shareholder shall own less than 20% of the Voting Shares at any time.

Save as expressly amended in the manner as mentioned above, all the provisions of the Original Terms and Conditions shall remain in full force and effect.

Pursuant to the Original Terms and Conditions, the terms and conditions of the RMB Denominated Bonds may only be amended with the written consent of the Company and the Majority Bondholders. If the Company does not receive the written consent from the Majority Bondholders on or before 25 June 2014, being the 5th Business Days after the date of the Amendment Notice, the Proposed Amendments will not become effective.

REASONS FOR THE PROPOSED AMENDMENTS

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 Board considers that the Proposed Amendments are in the interest of the Company and its Shareholders as a whole as the Company has sufficient cash resources currently and the Proposed Amendments which allows early redemption by the Company could lower its financing costs of the RMB Denominated Bonds which is due in 2015, reduce its total debt and gearing ratio of the Company.

The Proposed Amendments may or may not be accepted by the Majority Bondholders. Investors and Shareholders are urged to exercise caution when dealing in the Shares of the Company.

DEFINITIONS

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

“Amendment Notice”	the notice dated 18 June 2014 issued by the Company to the Bondholders proposed to amend the original terms and conditions of the RMB Denominated Bonds as set forth therein
“Board”	the board of Directors of the Company
“Bond 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
“Bondholder(s)”	holder(s) of the RMB Denominated Bonds
“Business Day(s)”	a day other than a Saturday or Sunday or a public holiday on which banks are open for business in the Cayman Islands, Hong Kong and the PRC
“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
“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

“Majority Bondholders”	holders of the RMB Denominated Bonds representing not less than 50% of the total principal amount of all the RMB Denominated Bonds outstanding at the relevant time
“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
“Proposed Transferee”	the transferee to whom the Covenantors or companies controlled by them will transfer the Voting Shares or the shares or interest in any company wholly-owned by him or it or any of their directly or indirectly wholly owned subsidiaries which is the beneficial owner (directly or indirectly) of any of such Voting Shares or any interest therein
“RMB”	Renminbi, the lawful currency of the PRC
“RMB Denominated Bonds”	the aggregate RMB100,000,000 10.5% bonds due 2015 issued by the Company in two tranches, with an principal amount of RMB50,000,000 each issued on 28 May 2013 and 12 August 2013, respectively
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.1 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“United States”	the United States of America
“Voting Share(s)”	Share(s) in issue of the Company carrying voting rights
“Warranty Party”	any party to any security documents executed in relation to the RMB Denominated Bond, other than the Lead Manager

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

Hong Kong, 18 June 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 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.