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FLYING FINANCIAL SERVICE HOLDINGS LIMITED

匯聯金融服務控股有限公司

(incorporated in Cayman Islands with limited liability)

(Stock Code: 8030)

FURTHER ANNOUNCEMENT IN RELATION TO DISCLOSEABLE TRANSACTION

The Company publishes this further announcement setting out the particulars of the valuation of the market value of the entire equity interest in the Project Company as at 31 December 2014 as required under Rules 19.60A and 19.62 of the GEM Listing Rules.

Reference is made to the announcement of Flying Financial Service Holdings Limited (the “**Company**”) dated 17 February 2015 in relation to the Share Purchase Agreement concerning the acquisition of 51% interests in the Target Company, which will be holding the entire interest in the Project Company indirectly upon completion of the Reorganisation (the “**Announcement**”). Unless otherwise stated, capitalised terms used herein shall have the same meanings as defined in the Announcement.

VALUATION OF THE PROJECT COMPANY

According to the valuation report dated 17 February 2015 issued by Cushman & Wakefield Valuation Advisory Services (HK) Limited, i.e. the Valuer, an independent firm of valuers qualified in Hong Kong, the final appraisal value of the entire equity interest of the Project Company as at 31 December 2014 was RMB196,000,000 (equivalent to approximately HK\$243,040,000).

Information in relation to the Valuer

The report of the Valuation was co-signed by two responsible personnel of the Valuer, one of them is a member of both The Hong Kong Institute of Surveyors and The Royal Institution of Chartered Surveyors, and is also a registered professional surveyor of General Practice Division, as well as a registered business valuer of the Hong Kong Business Valuation Forum. He has 17 years’ experience in real estate industry and assets valuations sector. He is a valuer on the “list of property valuers for undertaking valuation for incorporation or reference in listing particulars and circulars and valuations in

connection with takeovers and mergers”. The other responsible personnel of the Valuer is a charterholder of Chartered Financial Analyst and a charterholder of Financial Risk Manager, who expertises in corporate and intangible valuation sector. He has over 5 years of professional experiences in banking, finance, corporate advisory and valuation experiences. He is also a member of the Hong Kong Society of Financial Analysts.

COMPLIANCE WITH THE LISTING RULES

As the Valuer has applied the discounted cash flow method under income approach in preparing the Valuation, the Valuation constitutes a profit forecast under Rule 19.61 of the GEM Listing Rules and as such the requirements under Rules 19.60A and 19.62 of the GEM Listing Rules are applicable.

Set out below is the information required by Rule 19.60A of the GEM Listing Rules.

Principal and commercial assumptions for the Valuation

The principal assumptions, including commercial assumptions, on which the Valuation were based are as follows:

- (1) there will be no material change in the existing political, taxation, legal, technological, fiscal or economic conditions, which might adversely affect the business of the Project Company;
- (2) the conditions in which the business of the Project Company is being operated and which are material to revenue and costs of the business of the Project Company will remain unchanged;
- (3) the information concerning the Project Company have been prepared on a reasonable basis after due and careful consideration by the management of the Group;
- (4) the Project Company will retain competent management, key personnel, and technical staff to support the ongoing business operations and development of the Project Company;
- (5) all licenses and permits that are essential for the operation of the Project Company can be obtained and are renewable upon expiry; and
- (6) there will be no hidden or unexpected conditions associated with the businesses conducted by the Project Company that may adversely affect the Valuation. The Valuer assumes no responsibility for changes in the market conditions after 31 December 2014.

Summarised below are the major assumptions adopted in the Valuation:

- (1) the applicable inflation rate in the PRC will be 3.0% per annum; and
- (2) the applicable corporate tax rate to the Project Company will be 25%.

EXPERTS AND CONSENTS

BDO Limited, the reporting accountants of the Company, has also examined the calculations of the discounted future estimated cash flows of the Project Company, on which the Valuation in relation to the Project Company were based. An assurance report from BDO Limited is included in Appendix I of this announcement for the purposes of Rules 19.60A and 19.62 of the GEM Listing Rules. The Company has submitted such assurance report from BDO Limited to the Stock Exchange in compliance with Rule 19.62(2) of the GEM Listing Rules.

The Company has prepared the underlying profit forecast upon which the Valuation was based. The Directors have considered the calculations of the discounted future estimated cash flows on which the Valuation in respect of the Project Company prepared by Valuer were based, as well as the assurance report from BDO Limited regarding the arithmetical accuracy of the calculations. On the basis of the foregoing, the Directors are of the view that the Valuation have been made after due and careful enquiry. A letter from the Board is included in Appendix II of this announcement for the purposes of Rules 19.60A and 19.62 of the GEM Listing Rules. The Company has submitted such letter from the Board to the Stock Exchange in compliance with Rule 19.62(3) of the GEM Listing Rules.

The qualifications of the experts who have given their opinion and advice in this announcement are as follows:

Name	Qualification
Cushman & Wakefield Valuation Advisory Services (HK) Limited	Qualified valuer
BDO Limited	Certified Public Accountants

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of the Valuer and BDO Limited is an Independent Third Party.

As at the date of this announcement, none of the Valuer and BDO Limited has any shareholding in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

Each of the Valuer and BDO Limited has given and has not withdrawn its written consent to the publication of this announcement with the inclusion of its opinion and advice and all references to its name in the form and context in which they are included.

The transactions contemplated under the Share Purchase Agreement are subject to the fulfillment of various conditions, details of the same are stated in the section headed “The Share Purchase Agreement – Conditions precedent” in the Announcement. Accordingly, Shareholders and potential investors should be aware that there is no assurance that the transactions contemplated under the Share Purchase Agreement will proceed and be completed. Shareholders and potential investors should therefore exercise caution when dealing in or investing in the securities of the Company.

For the purpose of this announcement, amounts denominated in RMB have been translated into HK\$ at an exchange rate of RMB1.00: HK\$1.24. No representation is made that any amounts in RMB and HK\$ can be or could have been converted at the relevant dates at the above rates or at any other rates at all.

By Order of the Board
FLYING FINANCIAL SERVICE HOLDINGS LIMITED
ZHENG WEIJING
Chairman

Hong Kong, 6 March 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, 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 in 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.

APPENDIX I – REPORT FROM BDO LIMITED

FLYING FINANCIAL SERVICE HOLDINGS LIMITED (THE “COMPANY”) AND ITS SUBSIDIARIES (COLLECTIVELY REFERRED TO AS THE “GROUP”)

ASSURANCE REPORT ON THE DISCOUNTED FUTURE ESTIMATED CASH FLOWS IN CONNECTION WITH THE BUSINESS VALUATION ON 深圳市融鑫電子商務有限公司 (THE “PROJECT COMPANY”)

INDEPENDENT ASSURANCE REPORT

In accordance with our agreed terms of engagement, we have examined the arithmetical accuracy of the calculations of the discounted future estimated cash flows (the “**Underlying Forecast**”) on which the business valuation (the “**Valuation**”) dated 17 February 2015 prepared by Cushman & Wakefield Valuation Advisory Services (HK) Limited in respect of the appraisal of the fair value of the entire equity interest in the Project Company as at 31 December 2014 is based. The Valuation is set out on page 2 of the announcement of the Company dated 6 March 2015 (the “**Announcement**”) in connection with the Group proposed acquisition of the 51% of the issued share capital of Profit Success Technology Limited which is going to indirectly hold the entire equity interest in the Project Company upon the completion of reorganisation. The Valuation based on the Underlying Forecast is regarded as a profit forecast under Rule 19.61 of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) (the “**GEM Listing Rules**”).

DIRECTORS’ RESPONSIBILITY FOR THE UNDERLYING FORECAST

The directors of the Company (the “**Directors**”) are responsible for the preparation of the Underlying Forecast in accordance with the bases and assumptions adopted by the Directors, a summary of which is set out on page 2 of the Announcement. This responsibility includes carrying out appropriate procedures relevant to the preparation of the Underlying Forecast for the Valuation and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

REPORTING ACCOUNTANT’S RESPONSIBILITY

It is our responsibility to form a conclusion, based on our work on the arithmetical accuracy of the calculations of the Underlying Forecast on which the Valuation is based, and to report our conclusion to you solely for the purpose of reporting under Rule 19.62(2) of the GEM Listing Rules and for no other purpose. We accept no responsibility to any other person in respect of, arising out of, or in connection with our work. Because the Underlying Forecast relates to cash flows, no accounting policies of the Company have been adopted in its presentation.

The bases and assumptions adopted by the Directors include hypothetical assumptions about future events and management actions that cannot be confirmed or verified in the same way as past results, and these bases and assumptions may or may not occur. Even if the events and actions anticipated do

occur, actual results are still likely to be different from the Underlying Forecast and the variation may be material. Accordingly, we have not reviewed, considered or conducted any work on the reasonableness and the validity of the bases and assumptions and do not express opinion whatsoever thereon; and our work does not constitute any valuation on the Project Company.

BASIS OF CONCLUSION

We conducted our work in accordance with the Hong Kong Standard on Assurance Engagements 3000 “Assurance Engagements Other Than Audits or Reviews of Historical Financial Information” issued by the Hong Kong Institute of Certified Public Accountants. We have examined the arithmetical accuracy of the calculations of the Underlying Forecast. Our work has been undertaken solely to assist the Directors in evaluating whether the Underlying Forecast, so far as the arithmetical accuracy of the calculations is concerned, has been properly compiled in accordance with the bases and assumptions adopted by the Directors, a summary of which is set out on page 2 of the Announcement.

CONCLUSION

In our opinion, the Underlying Forecast, so far as the arithmetical accuracy of the calculations is concerned, has been properly compiled in all material respects in accordance with the bases and assumptions adopted by the Directors, a summary of which is set out on page 2 of the Announcement.

Yours faithfully

BDO Limited

6 March 2015

APPENDIX II – LETTER FROM THE BOARD

Confirmation in relation to the Valuation of the Project Company and profit forecast

We refer to the Company's proposed acquisition under a share purchase agreement (to be entered into on or around 17 February 2015) in relation to the acquisition of the indirect interest of a project company, namely 深圳市融鑫電子商務有限公司 (the "**Project Company**"). The purchase price of the said acquisition was determined with reference to the valuation of the Project Company as at 31 December 2014 (the "**Valuation**"), and a discounted cash flow method was adopted in assessing the Valuation. Therefore, the Valuation constitutes a profit forecast (the "**Profit Forecast**") pursuant to Rule 19.61 of the rules governing the listing of securities on Growth Enterprise Market of the Stock Exchange of Hong Kong Limited (the "**GEM Listing Rules**").

Pursuant to Rule 19.62 of the GEM Listing Rules, the Company hereby confirms that:–

- (i) the Company is responsible for preparing the underlying forecast (which involves forecast of future revenue and profits of the Project Company) to Cushman & Wakefield Valuation Advisory Services (HK) Limited, the responsible valuer, and such underlying forecast relied on in the Valuation has been considered by the directors of the Company and prepared upon our due and careful enquiry, and the directors of the Company have considered all the relevant information contained in the valuation report issued by Cushman & Wakefield Valuation Advisory Services (HK) Limited (the "**Valuation Report**") in relation to the Valuation, the assurance report from BDO Limited regarding the arithmetical accuracy of the calculations of the discounted future estimated cash flows, as well as all other information which have a material effect on the Profit Forecast; and
- (ii) the assumptions and accounting policies adopted in the preparation of the Profit Forecast are consistent in all material respects with those adopted by the Company and as disclosed in the Valuation Report.

The directors of the Company further confirm that they are currently not aware of, nor do they expect, any extraordinary items, which have arisen or are likely to arise in respect of the two years ending 31 December 2014 and 2015 that could have a material adverse effect on the Profit Forecast.

Yours faithfully

Zheng Weijing

Chairman and executive director

For and on behalf of

Flying Financial Service Holdings Limited

Date: 6 March 2015