

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)

PROFIT WARNING

This announcement is made by Flying Financial Service Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 17.10 of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”) and Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “**SFO**”).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on the preliminary assessment of the unaudited consolidated management accounts of the Group for the year ended 31 December 2019 (the “**Reporting Period**”), the Group is expected to record a significant decrease in revenue by approximately 50% to 60% as compared with the revenue for the year ended 31 December 2018 and a net loss attributable to owners of the Company for the Reporting Period of not less than RMB500 million as compared with a net profit attributable to owners of the Company of approximately RMB103 million for the year ended 31 December 2018.

The net loss attributable to owners of the Company was primarily attributable to (i) a decline in the revenue generated from our investments in property development projects and financial consultation services income by more than 50% respectively for the Reporting Period as compared to the corresponding period in 2018; (ii) the full impairment of goodwill and intangible assets arising from acquisition of a financial service platform in 2015 of approximately RMB63 million; and (iii) a significant loss in fair value changes in financial assets at fair value through profit or loss, which primarily included investments in property development projects, of not less than RMB450 million (including realised loss on the redemption of investments in four property development projects of RMB62 million).

In 2019, the PRC government’s economic policy continued to curb the development of asset bubbles to prevent financial crisis. The Group acted prudently to cope with the cyclical change of the real estate market and did not have any new investments in property development projects in 2019, resulting in a significant decrease in financial consultation services income. Revenue from our investments in property development projects also recorded a decrease due to the decrease in the sales revenue and deferred payback period of invested property

development projects under the impacts of market fluctuation in 2019. The decreased sales performance of our invested property development projects in 2019, coupled with the outbreak of novel coronavirus in mainland China since December 2019, the sales forecasts for our property development projects for 2020 and onwards have been adjusted downwards, leading to the significant decrease in the fair value of such property investment projects at the end of 2019.

As set out in the 2019 third quarterly report of the Company, in view of the increasingly strict regulatory requirements for the internet finance platform business in China, the management of the Group took prudent measures when conducting online financing intermediary business. In order to mitigate policy risks in this regard, the Group determined to reduce the scale of its online financing intermediary business in the fourth quarter of 2019. Subsequently, the financing intermediary platform ceased operation, which resulted in the full impairment of relevant goodwill and intangible assets.

The Company is still in the process of finalising its annual results for the Reporting Period. The information contained in this announcement is only a preliminary assessment by the management of the Company with reference to the unaudited consolidated management accounts of the Group for the Reporting Period which has neither been reviewed by the audit committee nor auditors of the Company and is subject to possible adjustments upon further review. Finalised results of the Group for the Reporting Period will be disclosed in the results announcement of the Group, which is expected to be published by the end of March 2020. Shareholders and potential investors are advised to read such results announcement carefully.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

By Order of the Board
Flying Financial Service Holdings Limited
Zheng Weijing
Chairman and Chief Executive Officer

Hong Kong, 5 February 2020

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 Dr. 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 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.