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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)

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 six months ended 30 June 2020 (the “**Reporting Period**”), the Group is expected to record a significant decrease in revenue by approximately 90% as compared with the revenue for the six months ended 30 June 2019 and a net loss attributable to owners of the Company for the Reporting Period of approximately RMB100 million as compared with a net profit attributable to owners of the Company of approximately RMB32 million for the six months ended 30 June 2019.

The net loss attributable to owners of the Company was primarily attributable to (i) a significant decline in the investment income and financial consultation services income generated from our investments in property development projects by more than 90% for the Reporting Period as compared to the corresponding period in 2019; (ii) 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 RMB80 million; and (iii) a significant decline in the platform service income by more than 80% for the Reporting Period as compared to the corresponding period in 2019.

In the first half of 2020, with the impact of the outbreak of coronavirus (COVID-2019) in the PRC, the majority of the construction and sale activities of the Group's property development projects were suspended and/or postponed. As a result, revenue from the Group's investments in property development projects recorded a significant decline during the Reporting Period and, due to the expected delay in the cashflow derived from the sale activities of the Group's property development projects, a significant fair value loss of the relevant property investment projects was also recorded during the Reporting Period. On the other hand, the restriction of personnel travelling due to COVID-19 had greatly slowed down the Group's communication and cooperation with potential customers, which hindered the development of the financial service platform and affecting the financial performance of the financial service platform.

The Company is still in the process of finalising its interim 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 on 13 August 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, 11 August 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.