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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)

DISCLOSEABLE TRANSACTION: INVESTMENT IN THE LIMITED PARTNERSHIP

The Board is pleased to announce that after trading hours on 30 June 2016, Flying Investment (a wholly-owned subsidiary of the Company) entered into the Limited Partnership Agreement with the General Partner pursuant to which the parties have agreed to invest in the Limited Partnership.

As one of the applicable percentage ratios as defined in the GEM Listing Rules in respect of the transaction under the Limited Partnership Agreement is more than 5% but all of them are less than 25%, such transaction constitutes a discloseable transaction of the Company under Chapter 19 of the GEM Listing Rules and is subject to the notification and announcement requirements under the GEM Listing Rules.

INTRODUCTION

After trading hours on 30 June 2016, Flying Investment (a wholly-owned subsidiary of the Company) entered into the Limited Partnership Agreement with the General Partner pursuant to which the parties have agreed to invest in the Limited Partnership.

THE LIMITED PARTNERSHIP AGREEMENT

Date

30 June 2016

Parties

1. 深圳市匯聯基金管理有限公司 (Shenzhen Huilian Fund Management Co., Limited*), a company established in the PRC with limited liability and principally engaged in investment management business, as the General Partner and Managing Partner; and
2. 匯聯投資服務(深圳)有限公司 (Flying Investment Services (Shenzhen) Company Limited*), a wholly-owned subsidiary of the Company, as a Limited Partner

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the General Partner and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

Investment Project

The Limited Partnership is established with the intention to invest in the Investment Project, 洋橋和漢田片區項目 (Yangqiao and Hantian Area Project*) which is one of the real estate development projects in Longgang District, Shenzhen City, the PRC developed by Country Garden (碧桂園), a famous property developer in the PRC.

Investment term of the Limited Partnership

The Limited Partnership shall have an investment term of 2 years from the date on which the Limited Partnership having received of the Minimum Total Investment Amount (as defined below) from its participating partners. The investment term is subject to extension or early termination by the Managing Partner upon authorization from all parties to the Limited Partnership, provided that (1) each extension shall not exceed 2 years, and (2) early termination shall only be made 6 months after the date on which the Minimum Total Investment Amount was received by the Limited Partnership.

Capital contribution and payment

The total capital contribution to the Limited Partnership shall not exceed RMB720 million, of which the General Partner shall contribute not more than RMB1 million, and Flying Investment shall contribute RMB60 million, in cash pursuant to the terms of the Limited Partnership Agreement. Pursuant to the terms of the Limited Partnership Agreement, the minimum capital amount required to be received by the Limited Partnership before the Limited Partnership shall commence to invest in the Investment Project shall be RMB200 million (“**Minimum Total Investment Amount**”), and in the event that the Limited Partnership was unable to raise the Minimum Total Investment Amount on or before 15 July 2016, the Limited Partnership shall return to its partners the capital contributions made by its partners with interest. As at the date of this announcement, Flying Investment has contributed RMB60 million in cash pursuant to the terms of the Limited Partnership Agreement, for the establishment of the Limited Partnership. Such contribution was funded by internal resources of the Group.

As at the date of this announcement, Flying Investment is the only Limited Partner which has signed the Limited Partnership Agreement in relation to the Limited Partnership. The General Partner is procuring other persons to participate in the Limited Partnership as Limited Partners and the total number of Limited Partners shall not exceed 49.

Management of the Limited Partnership

The Managing Partner shall be responsible for the executive functions and operations of the Limited Partnership and have the sole and exclusive rights of a managing partner as stipulated under the PRC Partnership Enterprise Law 《中華人民共和國合夥企業法》 and the Limited Partnership Agreement. The Managing Partner shall remain in office unless replaced or removed in accordance with the Limited Partnership Agreement. The Managing Partner is also entitled to appoint representatives to manage the business of the Limited Partnership independently according to the Limited Partnership Agreement.

The Limited Partnership shall pay an annual management fee to the Managing Partner at 2.0% per annum of the actual investment amount of the Limited Partnership.

Expected return

Pursuant to the terms of the Limited Partnership Agreement, the annualized rate of the investment of Flying Investment is expected to be 20% and such rate of return is determined after arm's length negotiation between Flying Investment and the General Partner with reference to return of similar development projects to the Investment Project in surrounding areas.

REASONS FOR AND BENEFITS OF THE INVESTMENT AND INFORMATION OF THE GROUP

The Group is principally engaged in investment in property development projects, operation of a financial services platform, provision of financial consultation services, finance lease services and entrusted loan and pawn loan services in the PRC.

The Board believes that the Investment represents a good opportunity to the Group and reasonable return from the Investment in the medium terms is anticipated having regard to the intended cooperation with Country Garden (碧桂園). The Board also considers that the Investment will provide the Company with a good opportunity to further promote its financial products to potential customers in the real estate sector.

The Board (including the independent non-executive Directors) considers that the terms of the Investment are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

GEM LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios as set out in the GEM Listing Rules in respect of the transaction under the Limited Partnership Agreement is more than 5% but all of them are less than 25%, such transaction constitutes a discloseable transaction of the Company under Chapter 19 of the GEM Listing Rules and is subject to the notification and announcement requirements under the GEM Listing Rules.

DEFINITIONS

The following terms have the following meanings in this announcement unless the context otherwise requires:

“Board”	the board of Directors
“Company”	Flying Financial Service Holdings Limited, a company incorporated in the Cayman Islands with limited liability, whose Shares are listed on GEM (Stock code: 8030)
“connected person”	has the meaning ascribed to it under the GEM Listing Rules
“Director(s)”	the director(s) of the Company
“Flying Investment”	匯聯投資服務(深圳)有限公司 (Flying Investment Services (Shenzhen) Company Limited*), a company established in the PRC with limited liability and a wholly-owned subsidiary of the Company
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“General Partner” and “Managing Partner”	深圳市匯聯基金管理有限公司 (Shenzhen Huilian Fund Management Co., Limited*), which is the general partner and the managing partner of the Limited Partnership
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Investment”	the investment in the Limited Partnership by Flying Investment pursuant to the Limited Partnership Agreement
“Investment Project”	the investment project under the Limited Partnership Agreement, 洋橋和漢田片區項目 (Yangqiao and Hantian Area Project*) which is one of the real estate development projects in Longgang District, Shenzhen City, the PRC developed by Country Garden (碧桂園), a famous property developer in the PRC
“Limited Partner(s)”	the limited partner(s) of the Limited Partnership

“Limited Partnership”	深圳市匯聯資管十六號投資管理合夥企業 (Shenzhen Huilian Assets Management No.16 Investment Management Partnership Enterprise*), a limited partnership established under the laws of the PRC pursuant to the Limited Partnership Agreement
“Limited Partnership Agreement”	the limited partnership agreement dated 30 June 2016 and entered into between the General Partner and Flying Investment
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

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

Hong Kong, 30 June 2016

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 Mr. 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.

* For identification purposes only