

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)

DISCLOSEABLE TRANSACTION ASSET MANAGEMENT AGREEMENT

The Board wishes to announce that on 22 August 2013, Qianhai Flying Financial, an indirect wholly-owned subsidiary of the Company, entered into the Asset Management Agreement as the Assets Trustor, with Minmetals Securities as the Manager and the Bank as the Custodian in relation to the investment and management of the Entrusted Assets. Qianhai Flying Financial entrusted a total amount of RMB90 million (equivalent to approximately HK\$113.85 million) on 22 August 2013 in accordance with the Asset Management Agreement.

As certain of the relevant percentage ratios for the transaction contemplated under the Asset Management Agreement calculated under Rule 19.07 of the GEM Listing Rules are more than 5% but less than 25%, the Asset Management Agreement and the transaction contemplated thereunder constitute a discloseable transaction under Chapter 19 of the GEM Listing Rules.

THE ASSET MANAGEMENT AGREEMENT

The Board wishes to announce that on 22 August 2013, Qianhai Flying Financial, an indirect wholly-owned subsidiary of the Company, entered into the Asset Management Agreement as the Assets Trustor, with Minmetals Securities as the Manager and the Bank as the Custodian in relation to the investment and management of the Entrusted Assets. A summary of the terms and conditions of the Asset Management Agreement is set out below:

Date

22 August 2013

Parties

- (1) Qianhai Flying Financial as the Assets Trustor;
- (2) Minmetals Securities as the Manager; and
- (3) the Bank as the Custodian.

Investment scope

The Manager shall manage and invest the Entrusted Assets in accordance with the instructions of the Assets Trustor. The investment scope of the Entrusted Assets shall be limited to various investment products including the beneficiary rights to limited partnership, rights to trust income, asset management plans of securities companies and fund accounts.

Entrusted management period

The term of the Asset Management Agreement is one year from the day of entrusting the Entrusted Assets (i.e. 22 August 2013 to 21 August 2014), subject to early termination in accordance with the relevant laws of the PRC, in accordance with the terms of the Asset Management Agreement, by request of the relevant regulatory bodies or by mutual agreement.

Management fee and custodian fee

The daily management fee to be charged by the Manager shall be calculated as follows:

$$\text{Daily management fee} = (\text{total Entrusted Assets}) \times (\text{management fee rate}) \times (\text{total number of days of investment and management of the Entrusted Assets})/360$$

The management fee rate is 0.2% per annum. The management fee shall be a one-off payment deducting from the Entrusted Assets and is payable within five business days from the day of entrusting the Entrusted Assets.

The daily custodian fee to be charged by the Custodian shall be calculated as follows:

$$\text{Daily custodian fee} = (\text{total Entrusted Assets}) \times (\text{custodian fee rate}) \times (\text{total number of days of entrustment of the Entrusted Assets})/360$$

The custodian fee rate is 0.02% per annum. The custodian fee shall be a one-off payment deducting from the Entrusted Assets and is payable within five business days from the termination date of the Asset Management Agreement or early termination date by mutual agreement.

Performance return

There is no performance return to be charged by the Manager.

Withdrawal of Entrusted Assets

During the entrusted management period, the Assets Trustor may withdraw part of the amount of the Entrusted Assets provided that the remaining balance of the Entrusted Assets in the account shall not be less than RMB1 million.

Entrusted Assets

Qianhai Flying Financial entrusted a total amount of RMB90 million (equivalent to approximately HK\$113.85 million), which was satisfied by the Group's internal resources, on 22 August 2013 in accordance with the Asset Management Agreement.

REASONS FOR AND BENEFITS OF THE TRANSACTION

By entering into the Asset Management Agreement and entrusting funds in accordance therewith, the Group intends to raise the utilisation rate of its capital which can improve both the investment return and the profits of the Group. Under the terms of the Asset Management Agreement, the Assets Trustor may withdraw part of the amount of the Entrusted Assets provided that the remaining balance of the Entrusted Assets in the account shall not be less than RMB1 million, this can also provide flexibility to the Group to liquidate the investment and request for return of part of the Entrusted Assets. The Directors (including independent non-executive Directors) are therefore of the view that the terms of the Asset Management Agreement (and entrusting funds in accordance therewith) are fair and reasonable and are in the interests of the Company and its Shareholders as a whole.

Qianhai Flying Financial may continue to entrust more assets in similar terms as those contained under the Asset Management Agreement in the future. The Company will comply with the applicable requirements under Chapter 19 of the GEM Listing Rules in connection with such further transactions, if materialised.

INFORMATION OF THE GROUP, THE MANAGER AND THE CUSTODIAN

The principal activities of the Group are the provision of integrated short-term financing services, including pawn loan services and entrusted loan services. The Group also provides financial consultation services to its customers.

Minmetals Securities is a company incorporated in the PRC with limited liability and an asset management company approved by the China Security Regulatory Commission. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Minmetals Securities and its ultimate beneficial owners are Independent Third Parties. The principal business of Minmetals Securities includes securities brokerage and securities investment.

The Bank is a bank licensed and incorporated under the laws of the PRC. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Bank and its ultimate beneficial owners are Independent Third Parties. The principal business of the Bank includes the provision of a spectrum of financial services in the sectors of corporate banking, retail companies, individual banking, credit card and financing center.

IMPLICATION UNDER THE GEM LISTING RULES

As certain of the relevant percentage ratios for the transaction contemplated under the Asset Management Agreement calculated under Rule 19.07 of the GEM Listing Rules are more than 5% but less than 25%, the Asset Management Agreement and the transaction contemplated thereunder constitute a discloseable transaction under Chapter 19 of the GEM Listing Rules.

DEFINITIONS

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

“Asset Management Agreement”	the asset management agreement dated 22 August 2013 entered into by Qianhai Flying Financial, Minmetals Securities and the Bank in relation to the investment and management of the Entrusted Assets
“Bank” or “Custodian”	寧波銀行股份有限公司 (Bank of Ningbo Co., Ltd.), a bank licensed and incorporated under the laws of the PRC
“Board”	the board of Directors
“Company”	Flying Financial Service Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on GEM
“Director(s)”	the director(s) of the Company
“Entrusted Assets”	the entrusted assets under the Asset Management Agreement
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries from time to time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Parties”	third parties independent of the Company and its connected persons
“Minmetals Securities” or “Manager”	五礦證券有限公司 (Minmetals Securities Co., Ltd.), a company incorporated in the PRC with limited liability and an asset management company approved by the China Security Regulatory Commission

“PRC”	the People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Qianhai Flying Financial” or “Assets Trustor”	前海匯聯金融服務(深圳)有限公司 (Qianhai Flying Financial (Shenzhen) Services Co., Ltd.*), a company incorporated in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

In this announcement, for the purpose of illustration only, amounts quoted in RMB have been converted into HK\$ at the rate of RMB1.00 to HK\$1.265. Such exchange rate has been used, where applicable, for the purpose of illustration only and does not constitute a representation that any amounts were or may have been exchanged at this or any other rates or at all.

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

Hong Kong, 22 August 2013

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 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*