



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

THIRD QUARTERLY REPORT **2015**

## **CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)**

**GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.**

**Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.**

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*This report, for which the directors (the “Directors”) of Flying Financial Service Holdings Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “GEM Listing Rules”) for the purposes 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 report 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 this report misleading.*

## FINANCIAL HIGHLIGHTS

- The Company and its subsidiaries (collectively the “Group”) recorded a turnover of approximately RMB44.9 million for the nine months ended 30 September 2015, representing an increase of approximately 3.5% as compared with the corresponding period in 2014.
- Profit attributable to owners of the Company for the nine months ended 30 September 2015 amounted to approximately RMB23.8 million as compared with the loss attributable to owners of the Company of approximately RMB39.2 million with the corresponding period in 2014.
- Basic earnings per share of the Company (the “Share”) for the nine months ended 30 September 2015 amounted to approximately RMB2.33 cents.
- The board of Directors (the “Board”) does not declare the payment of dividend for the nine months ended 30 September 2015.

The board of Directors (the “Board”) is pleased to announce the unaudited condensed consolidated results of the Group for the three months and nine months ended 30 September 2015 together with the comparative unaudited figures for the corresponding periods in 2014 as follows:

## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three months and nine months ended 30 September 2015

	Notes	Three months ended 30 September		Nine months ended 30 September	
		2015 (Unaudited) RMB'000	2014 (Unaudited) RMB'000	2015 (Unaudited) RMB'000	2014 (Unaudited) RMB'000
Revenue	3	15,255	1,067	44,872	43,355
Other income or (loss)	3	12,857	(39,939)	17,301	(41,178)
Employee benefit expenses		(6,592)	(4,569)	(16,008)	(15,503)
Administrative expenses		(6,510)	(5,444)	(17,366)	(23,195)
Finance costs	4	(1,201)	(2,637)	(5,566)	(7,825)
Profit/(loss) before income tax expense	5	13,809	(51,522)	23,233	(44,346)
Income tax credit/(expense)	6	-	621	(144)	(4,934)
Profit/(loss) for the period		13,809	(50,901)	23,089	(49,280)
Other comprehensive income					
– Exchange differences on translating foreign operation		(1,547)	659	(2,054)	65
Total comprehensive income for the period		12,262	(50,242)	21,035	(49,215)
Profit/(loss) for the period attributable to:					
Owners of the Company		13,888	(41,575)	23,808	(39,240)
Non-controlling interests		(79)	(9,326)	(719)	(10,040)
		13,809	(50,901)	23,089	(49,280)
Total comprehensive income attributable to:					
Owners of the Company		12,341	(40,895)	21,754	(39,175)
Non-controlling interests		(79)	(9,347)	(719)	(10,040)
		12,262	(50,242)	21,035	(49,215)
Earnings/(loss) per Share					
– Basic and diluted (RMB cents)	8	1.36	(4.07)	2.33	(3.84)



## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED THIRD QUARTERLY RESULTS

### 1. GENERAL INFORMATION

The Company is an exempted company with limited liability incorporated in the Cayman Islands on 4 May 2011. The registered office of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, the Cayman Islands. The principal place of business of the Company is located at Room 801A and 807B, 8/F., Tsim Sha Tsui Centre, 66 Mody Road, Tsim Sha Tsui, Kowloon, Hong Kong. The Company's shares have been listed on the GEM of the Stock Exchange since 7 May 2012.

The Group, comprising the Company and its subsidiaries, currently engages in operation of a peer to peer internet platform, provision of financial consultancy services, finance lease services, entrusted loans and pawn loans.

In the opinion of the Directors, the immediate and ultimate holding company of the Company is Ming Cheng Investments Limited, a limited liability company incorporated in the British Virgin Islands.

### 2. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES

The Group's unaudited condensed consolidated financial statements have been prepared in accordance with applicable disclosure requirements set out in the GEM Listing Rules and Hong Kong Financial Reporting Standards ("HKFRSs"), which collective terms include all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

The accounting policies used in the preparation of the Group's unaudited condensed consolidated results are consistent with those adopted in the Group's audited financial statements for the year ended 31 December 2014.

All HKFRSs effective for the accounting periods commencing from 1 January 2015 and relevant to the Group, have been adopted by the Group in the preparation of the unaudited condensed consolidated results. The adoption of these new and revised HKFRSs did not result in significant changes to the Group's accounting policies, presentation of the Group's financial statements and amounts reported for the current period and prior years.

The Group has not applied the new HKFRSs that have been issued but are not yet effective. The Group has already commenced an assessment of the impact of these new HKFRSs but is not yet in a position to state whether these new HKFRSs would have a material impact on its results of operations and financial position.

All significant transactions and balances among the companies comprising the Group have been eliminated on consolidation.

### 3. REVENUE AND OTHER INCOME OR (LOSS)

Revenue, which is also the Group's turnover, represents the income from its principal activities. Revenue and other income or loss for the three months and nine months ended 30 September are as follows:

	Three months ended		Nine months ended	
	30 September 2015 (Unaudited) RMB'000	2014 (Unaudited) RMB'000	30 September 2015 (Unaudited) RMB'000	2014 (Unaudited) RMB'000
Revenue				
Interest income	128	1,485	598	8,022
Financial consultation service income	14,620	(418)	42,850	35,333
Finance lease service income	507	–	1,424	–
	<u>15,255</u>	<u>1,067</u>	<u>44,872</u>	<u>43,355</u>
Other income or (loss)				
Bank interest income	11	83	184	297
Fair value change of financial liabilities at fair value through profit and loss	–	1,250	–	3,750
Provision for impairment of accounts receivable	–	(12,873)	–	(22,126)
Impairment loss on available-for-sale investments	–	(2,871)	–	(2,871)
Investment income/(loss)	11,406	(25,532)	15,776	(20,272)
Others	1,440	4	1,341	44
	<u>12,857</u>	<u>(39,939)</u>	<u>17,301</u>	<u>(41,178)</u>

## 4. FINANCE COSTS

	Three months ended 30 September		Nine months ended 30 September	
	2015 (Unaudited) RMB'000	2014 (Unaudited) RMB'000	2015 (Unaudited) RMB'000	2014 (Unaudited) RMB'000
Interest charges on financial liabilities carried at amortised cost				
Corporate bonds	<u>1,201</u>	<u>2,637</u>	<u>5,566</u>	<u>7,825</u>

## 5. PROFIT/(LOSS) BEFORE INCOME TAX EXPENSE

Profit/(loss) before income tax expense is arrived at after charging:

	Three months ended 30 September		Nine months ended 30 September	
	2015 (Unaudited) RMB'000	2014 (Unaudited) RMB'000	2015 (Unaudited) RMB'000	2014 (Unaudited) RMB'000
Auditor's remuneration	-	175	564	450
Depreciation of property, plant and equipment	313	473	787	1,419
Employee benefit expenses (including Directors' remuneration)				
Salaries and wages	<b>5,732</b>	3,984	<b>13,784</b>	13,741
Pension scheme contributions - Defined contribution plans	<b>860</b>	585	<b>2,224</b>	1,762
	<b>6,592</b>	4,569	<b>16,008</b>	15,503
Operating lease charges in respect of properties	<u>1,527</u>	<u>2,184</u>	<u>4,935</u>	<u>7,402</u>

## 6. INCOME TAX CREDIT/(EXPENSE)

	Three months ended		Nine months ended	
	30 September		30 September	
	2015	2014	2015	2014
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	RMB'000	RMB'000	RMB'000	RMB'000
Hong Kong Profits Tax				
– Current period	–	(327)	–	(3,564)
PRC Enterprise Income Tax				
– Current period	–	948	<b>(144)</b>	(1,370)
	<u>–</u>	<u>948</u>	<u><b>(144)</b></u>	<u>(1,370)</u>
	<u>–</u>	<u>621</u>	<u><b>(144)</b></u>	<u>(4,934)</u>

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operated.

Hong Kong Profits Tax is calculated at 16.5% (2014: 16.5%) on the estimated assessable profit for the period.

Enterprise income tax ("EIT") arising from the People's Republic of China ("PRC") for the year was calculated at 25.0% (2014: 25.0%) of the estimated assessable profits during the period. According to the EIT law, the taxable income of an enterprise shall be the total revenue of such enterprise, deducted by any non-assessable revenue, exempted revenue, other deductions and amount of offsetting any accumulated losses.

## 7. DIVIDEND

The Board does not declare the payment of dividend for the nine months ended 30 September 2015 (2014: nil).



## 8. EARNINGS/(LOSS) PER SHARE

The calculations of basic earnings/(loss) per Share for the nine months ended 30 September 2015 are based on the profit attributable to owners of the Company of approximately RMB23,808,000 (nine months ended 30 September 2014: loss of approximately RMB39,240,000) and on the 1,020,555,000 shares issuable throughout the nine months ended 30 September 2015 (nine months ended 30 September 2014: 1,020,555,000). Diluted earnings per share are same as basic earnings per Share as the Company had no potential ordinary Shares during the periods.

## 9. UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the nine months ended 30 September 2015

	Equity contributable to the owners of the Company							Non-controlling interests	Total equity
	Share capital	Share premium	Merger reserve	Statutory reserve	Exchange reserve	Retained profits	Total		
	(Unaudited) RMB'000	(Unaudited) RMB'000	(Unaudited) RMB'000	(Unaudited) RMB'000	(Unaudited) RMB'000	(Unaudited) RMB'000	(Unaudited) RMB'000	(Unaudited) RMB'000	(Unaudited) RMB'000
At 1 January 2015	83,165	22,175	116,659	12,424	199	18,025	252,647	(11,491)	241,156
Profit/(loss) for the period	-	-	-	-	-	23,808	23,808	(719)	23,089
Other comprehensive income for the period	-	-	-	-	(2,054)	-	(2,054)	-	(2,054)
Total comprehensive income for the period	-	-	-	-	(2,054)	23,808	21,754	(719)	21,035
Additional interests in subsidiaries acquired by the Group	-	-	-	-	-	(10,531)	(10,531)	12,113	1,582
Arising from acquisition of subsidiaries	-	-	-	-	-	-	-	32,513	32,513
Transactions with owners	-	-	-	-	-	(10,531)	(10,531)	44,626	34,095
At 30 September 2015	83,165	22,175	116,659	12,424	(1,855)	31,302	263,870	32,416	296,286

For the nine months ended 30 September 2014

	Equity contributable to the owners of the Company						Non-	Total	
	Share capital	Share premium	Merger reserve	Statutory reserve	Exchange reserve	Retained profits	controlling interests	equity	
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
At 1 January 2014	83,165	22,175	116,659	12,031	589	104,781	339,400	(2,953)	336,447
Loss for the period	-	-	-	-	-	(39,240)	(39,240)	(10,040)	(49,280)
Other comprehensive income for the period	-	-	-	-	41	-	41	24	65
Total comprehensive income for the period	-	-	-	-	41	(39,240)	(39,199)	(10,016)	(49,215)
At 30 September 2014	83,165	22,175	116,659	12,031	630	65,541	300,201	(12,969)	287,232

## MANAGEMENT DISCUSSION AND ANALYSIS

The Group provides integrated short-term financing services serving different needs of its customers. During the nine months ended 30 September 2015, the Group derived its revenue mainly from financial consultation services, finance lease services and entrusted loan and pawn loan services.

### **Business review**

The Group continued to adopt a conservative and cautious loan granting policy to minimize loan default risk, and prioritized its business to focus more on providing financial consultancy services.

### **Financial review**

#### **Revenue**

For the nine months ended 30 September 2015, the Group's revenue increased by approximately 3.5% from approximately RMB43.4 million for the corresponding period in 2014 to approximately RMB44.9 million. The increase in the revenue was mainly due to the increase of number of new contracts entered into for the financial consultation service and finance lease service of the Group.

#### **Financial consultation service income**

For the nine months ended 30 September 2015, the Group's revenue from provision of financial consultation services increased by approximately 21.5% from approximately RMB35.3 million for the corresponding period in 2014 to approximately RMB42.9 million.

#### **Finance lease service income**

For the nine months ended 30 September 2015, the Group's revenue from finance lease service was approximately RMB1.4 million.

#### **Entrusted loan and pawn loan services income**

For the nine months ended 30 September 2015, the Group's revenue from provision of entrusted loan and pawn loan services decreased by approximately 92.5% from approximately RMB8.0 million for the corresponding period in 2014 to approximately RMB0.6 million.

#### **Finance costs**

For the nine months ended 30 September 2015, the Group's interest expenses decreased by approximately 28.2% from approximately RMB7.8 million for the corresponding period in 2014 to approximately RMB5.6 million. Such decrease in interest expenses was mainly attributable to the repayments of the corporate bonds payable.

#### **Other income or (loss)**

The Group's other income or loss primarily comprised bank interest income, fair value change of financial liabilities at fair value through profit and loss, provision for impairment of accounts receivable, and investment income.

### ***Administrative expenses***

The Group's administrative expenses primarily comprised rental expenses, marketing and advertising expenses. The Group's administrative expenses for the nine months ended 30 September 2015 and 2014 were approximately RMB17.4 million and RMB23.2 million, respectively. The decrease of approximately 25.0% in the Group's administrative expenses was mainly attributable to decrease of certain expenses including rental expenses decreasing by approximately RMB2.5 million.

### ***Profit for the period***

The profit attributable to owners of the Company for the nine months ended 30 September 2015 was approximately RMB23.8 million (2014: loss attributable to owners of the Company of approximately RMB39.2 million).

### **EVENT AFTER THE REPORTING PERIOD**

On 3 November 2015, a total of 510,277,500 ordinary shares of HK\$0.1 each has been allotted and issued to the qualifying shareholders of the Company on the basis of one offer share for every two shares held on 7 October 2015, at a subscription price of HK\$0.4 per share. As the open offer was over-subscribed, the obligations of the underwriters under the underwriting agreement in respect of the underwritten shares have been fully discharged. Upon completion of the open offer, the net proceeds of approximately HK\$201.1 million will be applied for development and operation of the finance lease business of approximately HK\$160.0 million and general working capital of the Group.

### **OUTLOOK**

As the economic growth of China slows down, demand for diversified and personalised financing services of enterprises in China increases. Financing channels in the market have penetrated into different sectors.

The Group is actively remodeling its business to improve all business operation of customized financial services and financial services for the entire industry chain. The Group is keen to develop internet financing and online wealth managements business, and to customize an online platform of peer to peer internet financing services for the domestic real estate market. In addition, the Group is negotiating with various well-known real estate developers in China for the provision of related financial services for their real estate projects. By establishing an internet platform and promoting internet financing services, the Group is confident that this will further expand the Group's business and broaden the Group's sources of income and enhance the Group's revenue.

Finance lease, being an important mechanism for allocation of resources, effectively resolves financing difficulties of the small and medium enterprises. Small and medium enterprises can acquire or import new machine for operation through finance lease arrangement to alleviate their financial pressure. In other words, growth of finance lease business would boost the real economy. Although finance lease business has sharply grown in the PRC for the recent years, the degree of market penetration and coverage of finance lease business against the whole economy of the PRC are much less than that of the developed countries. Therefore, there is much room for development of finance lease business in the PRC. In addition to the supportive policies for finance lease business adopted by the PRC government, the Group is confident that there is room for development of finance lease business which will bring a long-term profitable stream for the Group.

For the new investments in certain limited partnerships which are engaged in property development business in the PRC, the Group is confident that the new investments represent a good investment opportunity with reasonable returns in the medium term.

The Group will adopt a strict monitoring over costs and operating expenses so as to increase the overall profitability of the Group and maximize the returns for shareholders of the Company.

## DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 September 2015, the interests of the Directors and chief executive of the Company in the Shares, underlying Shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or were required pursuant to section 352 of the SFO, to be entered in the register referred to therein, or were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange were as follows:

### (i) Interests in the Company

Name of Director	Number of Shares held (Note 1)			Total	Approximate percentage (Note 3) (%)
	Beneficial Interest	Interest of spouse	Interest of controlled corporation		
Mr. Zheng Weijing	36,270,202 (L)	-	421,448,715 (L) (Note 2)	457,718,917 (L)	29.90

#### Notes:

1. The letter "L" denotes the Directors' long position in the Shares.
2. These Share were held by Ming Cheng Investments Limited, a company wholly-owned by Mr. Zheng Weijing.
3. This is based on the total issued Shares upon completion of the open offer of the Company, i.e. 1,530,832,500 Shares, further details of which are set out in the prospectus of the Company dated 8 October 2015.



(ii) **Interests in associated corporation – 廣東匯金典當股份有限公司 (Guangdong Huijin Pawn Stock Company Limited\*) (“Guangdong Huijin”)**

<b>Name of Director</b>	<b>Nature of interest</b>	<b>Registered capital</b>	<b>Approximate percentage of equity interest (%)</b>
Mr. Zheng Weijing	Interest of controlled corporation ( <i>Note</i> )	RMB71,240,000	70.53

*Note:*

Such registered capital was contributed by 匯聯資產管理有限公司 (Huilian Assets Management Company Limited\*) (“Huilian Assets Management”). 深圳市智匯投資諮詢有限公司 (Shenzhen Zhihui Investment Consulting Company Limited\*) (“Shenzhen Zhihui”) was interested in 72% of the entire equity interest of Huilian Assets Management. Shenzhen Zhihui was owned as to 45% by Mr. Zheng Weijing.

\* For identification purposes only

Save as disclosed above, as at 30 September 2015, none of the Directors or chief executive of the Company had any interests or short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she was taken or deemed to have under such provisions of the SFO) or which was required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or pursuant to Rule 5.46 to 5.67 of the GEM Listing Rules to be notified to the Company and the Stock Exchange.

## SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 September 2015, so far as is known to the Directors, the following persons other than the Directors and chief executives of the Company had an interest or short position in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO:

Name of Shareholder	Number of Shares Held (Note 1)			Total	Approximate Percentage (Note 9) (%)
	Beneficial Interest	Interest of Spouse	Interest Controlled Corporation		
Ming Cheng Investments Limited	421,448,715 (I) (Note 2)	–	–	421,448,715 (I)	27.53
Ms. Zhang Chushan	–	457,718,917 (I) (Note 3)	–	457,718,917 (I)	29.90
Sino-Africa Resources Holdings Limited	255,676,042 (I) (Note 4)	–	–	255,676,042 (I)	16.70
Peace Bloom Limited	145,429,087 (I) (Note 5)	–	–	145,429,087 (I)	9.50
Upsaar Limited	155,518,650 (I) (Note 6)	–	–	155,518,650 (I)	10.16
Mr. Huang Xiguang	–	–	255,676,042 (I) (Note 4)	255,676,042 (I)	16.70
Mr. Hu Jinxi	22,200,000	–	145,429,087 (I) (Note 5)	167,629,087 (I)	10.95
Ms. Fu Shanping	–	–	155,518,650 (I) (Note 6)	155,518,650 (I)	10.16

**Number of Shares Held (Note 1)**

Other persons	Beneficial Interest	Interest of Spouse	Interest Controlled Corporation	Total	Approximate Percentage (Note 9) (%)
GF Securities (Hong Kong) Brokerage Limited ("GF Security")	232,673,180 (Note 7) 92,290,504 (Note 8)	-	-	232,673,180 (Note 7) 92,290,504 (Note 8)	15.20 (Note 7) 6.03 (Note 8)
GF Holdings (Hong Kong) Corporation Limited	-	-	232,673,180 (Note 7) 92,290,504 (Note 8)	232,673,180 (Note 7) 92,290,504 (Note 8)	15.20 (Note 7) 6.03 (Note 8)
GF Securities Co. Ltd	-	-	232,673,180 (Note 7) 92,290,504 (Note 8)	232,673,180 (Note 7) 92,290,504 (Note 8)	15.20 (Note 7) 6.03 (Note 8)

*Notes:*

1. The letter "L" denotes the corporation's/person's long position in the Shares.
2. Ming Cheng Investments Limited is a company wholly-owned by Mr. Zheng Weijing.
3. Ms. Zhang Chushan is the spouse of Mr. Zheng Weijing.
4. Sino-Africa Resources Holdings Limited is a company wholly-owned by Mr. Huang Xiguang.
5. Peace Bloom Limited is a company wholly-owned by Mr. Hu Jinxi.
6. Upsoar Limited is a company wholly-owned by Ms. Fu Shanping.
7. Based on the notices of disclosure of interests filed by each of GF Securities, GF Holdings (Hong Kong) Corporation Limited and GF Securities Co., Ltd. dated 10 September 2015, these Shares are held by GF Securities which is directly wholly-owned by GF Holdings (Hong Kong) Corporation Limited, which in turn is wholly-owned by GF Securities Co., Ltd. Under the SFO, GF Holdings (Hong Kong) Corporation Limited and GF Securities Co., Ltd. are deemed to be interested in the Shares held by GF Securities.
8. Based on the notices of disclosure of interests filed by each of GF Securities, GF Holdings (Hong Kong) Corporation Limited and GF Securities Co., Ltd. dated 10 September 2015, these Shares are held by GF Securities which is directly wholly-owned by GF Holdings (Hong Kong) Corporation Limited, which in turn is wholly-owned by GF Securities Co., Ltd. Under the SFO, GF Holdings (Hong Kong) Corporation Limited and GF Securities Co., Ltd. are deemed to be interested in the Shares held by GF Securities.
9. This is based on the total issued Shares upon completion of the open offer of the Company, i.e. 1,530,832,500 Shares, further details of which are set out in the prospectus of the Company dated 8 October 2015.

Save as disclosed above, as at 30 September 2015, according to the register of interests required to be kept by the Company under section 336 of the SFO, there was no person who had any interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

## **SHARE OPTION SCHEME**

The Company has adopted a share option scheme (the "Share Option Scheme") pursuant to the written resolution of the Shareholders on 20 December 2011 for the purpose of providing incentives or rewards to the eligible participants for their contribution to the Group and/or enabling the Group to recruit and retain high-calibre employees and attract human resources that are valuable to the Group.

Eligible participants of the Share Option Scheme include the Directors, non-executive officer including independent non-executive Directors, employees of the Group, customers of the Group, consultants, advisers, managers, officers or entity that provides research, development or other technological support to the Group.

No share option has been granted under the Share Option Scheme since its adoption.

## **PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES**

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the nine months ended 30 September 2015.

## **CORPORATE GOVERNANCE**

The Board is of the view that the Company has met the code provisions set out in the Corporate Governance Code contained in Appendix 15 to the GEM Listing Rules (the "Corporate Governance Code") for the nine months ended 30 September 2015.

## **CHAIRMAN AND CHIEF EXECUTIVE OFFICER**

Pursuant to the code provision A.2.1 of the Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Mr. Zheng Weijing acts as both the chairman and the chief executive officer of the Company. The Company is in the process of identifying a suitable person to act as the chief executive officer and shall make the announcement as and when appropriate. Since the Directors meet regularly to consider major matters affecting the operations of the Company, the Directors consider that this structure will not impair the balance of power and authority between the Directors and the management of the Company and believe that this structure will enable the Company to make and implement decisions promptly and efficiently.

The Company will continue to review its corporate governance practices in order to enhance its corporate governance standard, to comply with the increasingly tightened regulatory requirements and to meet the rising expectations of shareholders and investors.

## CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding securities transactions by Directors on terms no less exacting than the required standard of dealings. The Company has also made specific enquiry of all Directors and the Company was not aware of any non-compliance with the required standard of dealings and its code of conduct regarding securities transactions by Directors during the nine months ended 30 September 2015.

## COMPETING INTERESTS

None of the Directors, controlling shareholders of the Company and their respective associates (as defined in the GEM Listing Rules) had any interests in any business which compete or may compete with the business of the Group or any other conflicts of interest which such person has or may have with the Group as at 30 September 2015.

## AUDIT COMMITTEE

The audit committee of the Company (the "Audit Committee") comprises a total of three members, namely, Mr. Vincent Cheng (Chairman), Mr. Leung Po Hon and Dr. Miao Bo, all of whom are independent non-executive Directors. The Group's unaudited condensed consolidated results for the nine months ended 30 September 2015 have been reviewed by the Audit Committee but have not been audited or reviewed by the auditor of the Company. The Board is of opinion that the preparation of such financial information complied with the applicable accounting standards, the requirements under the GEM Listing Rules and any other applicable legal requirements, and that adequate disclosures have been made.

By order of the Board  
**Flying Financial Service Holdings Limited**  
**Zheng Weijing**  
*Chairman*

Hong Kong, 13 November 2015

As at the date of this report, the Directors are as follows:

*Executive Directors:*

Mr. Zheng Weijing (*Chairman and Chief Executive Officer*)

Mr. Zhang Gongjun

Ms. Guo Chanjiao

*Independent Non-executive Directors:*

Mr. Vincent Cheng

Mr. Leung Po Hon

Dr. Miao Bo