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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)**

### **(1) PROPOSED RIGHTS ISSUE ON THE BASIS OF THREE RIGHTS SHARES FOR EVERY ONE EXISTING SHARE; AND (2) NOTICE OF EXTRAORDINARY GENERAL MEETING**

#### **PROPOSED RIGHTS ISSUE**

The Company proposes to raise up to approximately HK\$63.6 million before expenses by way of a rights issue of 254,414,580 Rights Shares at the Subscription Price of HK\$0.25 each and on the basis of three (3) Rights Shares for every one (1) Share held by the Qualifying Shareholders on the Record Date (assuming no change in the issued share capital of the Company on or before the Record Date). The Rights Issue is not underwritten and will not be extended to the Non-Qualifying Shareholder(s) (if any).

The net proceeds from the Rights Issue after deducting the estimated expenses in relation to the Rights Issue are estimated to be approximately HK\$60.3 million. The reasons for the Rights issue as discussed in the section headed “reasons for the rights issue and use of proceeds” in this announcement.

The Rights Issue is only available to Qualifying Shareholders. To qualify for the Rights Issue, a Shareholder must be registered as a member of the Company on the Record Date and must not be a Non-Qualifying Shareholder. In order to be registered as members of the Company on the Record Date, Shareholders must lodge any transfers of Shares (together with the relevant share certificates) with the Registrar for registration no later than 4:30 p.m. (Hong Kong time) on Thursday, 20 June 2024.

Any Shareholder, together with parties acting in concert with it (if any), who as a result of the Rights Issue collectively hold 30% or more of the voting rights in the Company will, subject to any waiver which may be granted by the Securities and Futures Commission, be obliged to make a mandatory general offer under Rule 26 of the Takeovers Code for all the Shares not already held by it.

## **UNDERTAKING**

As at the date of this announcement, the Company has not received any indication from any Substantial Shareholder of the Company whether or not they intend to take up their entitlement under the Rights Issue.

## **THE PLACING AGREEMENT**

On 26 April 2024 (after trading hours), the Company and the Placing Agent entered into the Placing Agreement, pursuant to which the Placing Agent has conditionally agreed as agent of the Company (either by itself or through its sub-placing agents) to procure independent Placees, on a best effort basis, to subscribe for the Unsubscribed Rights Shares and the NQS Unsold Rights Shares.

## **IMPLICATIONS UNDER THE GEM LISTING RULES**

### **Rights Issue**

In accordance with Rule 10.29(1) of the GEM Listing Rules, as the Rights Issue will increase the total number of issued Shares by more than 50% within a 12 months period immediately preceding the date of this announcement, the Rights Issue is conditional upon the Independent Shareholders' approval at the EGM, and any controlling shareholders of the Company and their respective associates, or where there are no controlling shareholders, the Directors (excluding the independent non-executive Directors) and the chief executive of the Company and their respective associates shall abstain from voting in favour of the resolution(s) in relation to the Rights Issue at the EGM.

The Rights Issue does not result in a theoretical dilution effect of 25% or more. As such, the theoretical dilution impact of the Rights Issue is in compliance with Rule 10.44A of the GEM Listing Rules.

## **ESTABLISHMENT OF INDEPENDENT BOARD COMMITTEE AND APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER**

The Independent Board Committee comprising all the independent non-executive Directors has been established to provide recommendations to the Independent Shareholders as to whether the terms of the Rights Issue are fair and reasonable and in the interest of the Company and the Shareholders as a whole and to make recommendations to the Independent Shareholders on how to vote at the EGM. In this connection, Alpha Financial has been appointed to advise the Independent Board Committee and the Independent Shareholders as to whether the terms of the Rights Issue are fair and reasonable.

### **GENERAL**

An EGM will be convened and held for the Shareholders to consider and, if thought fit, approve, the Rights Issue. A circular containing, among other things, (i) further details of the Rights Issue; (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders in respect of Rights Issue; (iii) a letter of advice from Alpha Financial to the Independent Board Committee and the Independent Shareholders on the Rights Issue; and (iv) a notice convening the EGM, is expected to be despatched on or before Thursday, 23 May 2024 to allow sufficient time for the preparation of the relevant information for inclusion in the circular.

Subject to the approval of the Rights Issue by the Independent Shareholders at the EGM, the Prospectus Documents containing information on the Rights Issue are expected to be despatched to the Qualifying Shareholders on or around Friday, 28 June 2024. The Company will not extend the Rights Issue to the Non-Qualifying Shareholders. The Company will, subject to the advice of the Company's legal advisers in the relevant jurisdiction(s) where the Non-Qualifying Shareholders are located and to the extent reasonably practicable, send copies of the Prospectus with the Overseas Letter to the Non-Qualifying Shareholders (if any) for information purposes only but will not send any PAL to them.

### **WARNING ON THE RISKS OF DEALING IN THE SHARES AND THE NIL-PAID RIGHTS SHARES**

**Shareholders and potential investors of the Company should note that the Rights Issue is subject to the fulfilment of conditions including, among other things, the Stock Exchange granting the listing of, and permission to deal in, the Rights Shares in their nil-paid and fully-paid forms. Please refer to the section headed "Conditions of the Rights Issue" in this announcement. Shareholders and potential investors of the Company should note that if the conditions to the Rights Issue are not satisfied, the Rights Issue will not proceed.**

**The Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptances of the provisionally allotted Rights Shares.**

**Any dealings in the Shares from the date of this announcement up to the date on which all the conditions of the Rights Issue are fulfilled, and any Shareholders dealing in the Rights Shares in nil-paid form will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed. Any Shareholders or other persons contemplating any dealings in the Shares and/or Rights Shares in their nil-paid form are recommended to consult their professional advisers.**

## **PROPOSED RIGHTS ISSUE**

The Company proposes, subject to, among other things, the Rights Issue with the terms set out as follows:

### **Issue statistics**

Basis of the Rights Issue	:	Three (3) Rights Shares for every one (1) Share held on the Record Date
Subscription Price	:	HK\$0.25 per Rights Share
Number of Shares in issue as at the date of this announcement	:	84,804,860 Shares
Number of Rights Shares	:	Not less than 254,414,580 Rights Shares (assuming no new Shares are issued or repurchased on or before the Record Date)
Amount to be raised by the Rights Issue before expenses	:	Approximately HK\$63.6 million

The Company does not have any outstanding convertible securities, options or warrants in issue or similar rights which confer any right to subscribe for, convert or exchange into the Shares.

Assuming that there is no change in the issued share capital of the Company from the date of this announcement up to the Record Date, the 254,414,580 Rights Shares to be allotted and issued pursuant to the Rights Issue represent (i) 300% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 75.00% of the issued share capital of the Company as enlarged by the allotment and issue of the Rights Shares.

Save for the connected transaction in relation to subscription of new shares under specific mandate and the subscription of new shares under general mandate, the Company did not conduct any equity fund raising activities during the 12 months immediately preceding the date of this announcement. The Rights Issue does not result in a theoretical dilution effect of 25% or more on its own.

## **Non-underwritten basis**

Subject to the fulfilment of the conditions of the Rights Issue, the Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptances of the provisionally allotted Rights Shares. In the event the Rights Issue is not fully subscribed, any Rights Shares not taken up by the Qualifying Shareholders will be placed to independent Places under the Compensatory Arrangements. Any Unsubscribed Rights Shares or NQS Unsold Rights Shares remain not placed under the Compensatory Arrangements will not be issued by the Company and the size of the Rights Issue will be reduced accordingly. There is no minimum amount to be raised under the Rights Issue. There are no applicable statutory requirements under the laws of the Cayman Islands regarding minimum subscription levels in respect of the Rights Issue.

As the Rights Issue will proceed on a non-underwritten basis, Shareholder who applies to take up all or part of his/her/its entitlement under the PAL(s) may unwittingly incur an obligation to make a general offer for the Shares under the Takeovers Code. Accordingly, the Rights Issue will be made on terms that the Company will provide for the Shareholders to apply on the basis that if the Rights Shares are not fully taken up, the application of any Shareholder (except for HKSCC Nominees Limited) for his/her/its assured entitlement under the Rights Issue will be scaled down to a level which does not trigger an obligation on part of the relevant Shareholder to make a general offer under the Takeovers Code in accordance to the note to Rule 10.26(2) of the GEM Listing Rules or result in non-compliance with the Public Float Requirement.

Ms. Niu also irrevocably and unconditionally undertake to the Company that she will subscribe for an amount of shares under the proposed issue of 254,414,580 Rights Shares at HK\$0.25 per Rights Share on the basis of three (3) Rights Share for every one (1) Shares with the said amount of shares being scaled down to a level which does not trigger an obligation on Ms. Niu's part to make a general offer under The Hong Kong Code on Takeovers and Mergers.

## **Undertaking**

As at the date of this announcement, the Company has not received any indication from any Substantial Shareholder of the Company whether or not they intend to take up their entitlement under the Rights Issue.

## **Subscription Price**

The Subscription Price of HK\$0.25 per Rights Share, is payable in full when a Qualifying Shareholder accepts his/her/its provisional allotment under the Rights Issue or applies for excess Rights Shares or a transferee of nil-paid Rights Shares subscribes for the Rights Shares.

The Subscription Price represents:

- (i) a discount of approximately 24.2% to the closing price of HK\$0.33 per Existing Share as quoted on the Stock Exchange on the Last Trading Day;

- (ii) a discount of approximately 22.8% to the average closing price of approximately HK\$0.324 per Existing Share for the last five (5) consecutive trading days as quoted on the Stock Exchange up to and including the Last Trading Day;
- (iii) a discount of approximately 22.4% to the average closing price of approximately HK\$0.322 per Existing Share for the last ten (10) consecutive trading days as quoted on the Stock Exchange up to and including the Last Trading Day;
- (iv) a discount of approximately 7.4% to the theoretical ex-rights price of approximately HK\$0.25 per Share based on the benchmarked price of approximately HK\$0.27 per Share;
- (v) a discount of approximately 64.8% to the net asset value per Share of approximately HK\$0.71 (based on the latest audited consolidated net asset value of the Group of approximately HK\$60.5 million as at 31 December 2023 as disclosed in the annual report of the Company for the financial year ended 31 December 2023 and 84,804,860 Shares); and
- (vi) a theoretical dilution effect (as defined under Rule 10.44A of the GEM Listing Rules) of approximately 23.7%, represented by the theoretical diluted price of approximately HK\$0.252 per Share to the benchmarked price of approximately HK\$0.33 per Share (as defined under Rule 10.44A of the GEM Listing Rules, taking into account the closing price on the Last Trading Day of HK\$0.33 per Existing Share and the average of the closing prices of the Shares as quoted on the Stock Exchange for the five (5) previous consecutive trading days prior to the date of this announcement of approximately HK\$0.324 per Existing Share).

The Subscription Price was determined with reference to, among other things, the market price and trading liquidities of the Shares under the prevailing market conditions; and the reasons for the Rights issue as discussed in the section headed “reasons for the rights issue and use of proceeds” in this announcement.

As all Qualifying Shareholders are entitled to subscribe for the Rights Shares in the same proportion to his/her/its existing shareholding in the Company held on the Record Date, the Board considers that the discount of the Subscription Price would encourage the Qualifying Shareholders to participate in the future growth of the Group. The Board (excluding the members of the Independent Board Committee whose opinion will be rendered after considering the advice from Alpha Financial) considers that the Subscription Price is fair and reasonable and in the interest of the Company and the Shareholders as a whole.

The estimated net price per Rights Share after deducting the related expenses of the Rights Issue will be approximately HK\$0.24.

## **Conditions of the Rights Issue**

The Rights Issue is conditional upon:

- (i) the passing by the Independent Shareholders (as the case may be) at the EGM of the necessary resolution(s) to approve the Rights Issue, the Placing Agreement and the transactions contemplated thereunder (including but not limited to the allotment and issue of the Rights Shares) by no later than the Prospectus Posting Date;
- (ii) the GEM Listing Committee granting or agreeing to grant and not having withdrawn or revoked the listing of, and permission to deal in, all the Rights Shares (in their nil-paid and fully-paid forms);
- (iii) the delivery to the Stock Exchange and the filing and registration with the Registrar of Companies in Hong Kong respectively one duly certified copy of each of the Prospectus and the PALs (and all other documents required to be attached thereto) in compliance with the Companies (WUMP) Ordinance and the GEM Listing Rules by no later than the Prospectus Posting Date;
- (iv) the posting of the Prospectus Documents to Qualifying Shareholders and the posting of the Prospectus to the Non-Qualifying Shareholders, if any, for information purpose only by the Prospectus Posting Date; and
- (v) the Placing Agreement not being terminated.

The Company shall use all reasonable endeavours to procure the fulfilment of all the above conditions by the respective dates specified above. As the Rights Issue is subject to the above conditions, it may or may not proceed.

## **Basis of provisional allotment**

The basis of the provisional allotment shall be three (3) Rights Shares for every one (1) Share held by the Qualifying Shareholders on the Record Date. Acceptance of all or any part of a Qualifying Shareholder's provisional allotment should be made by completing the PAL and lodging the same with a remittance for the Rights Shares being applied for with the Registrar on or before the Latest Time for Acceptance.

## **Status of the Rights Shares**

The Rights Shares, when allotted, issued and fully-paid, will rank *pari passu* with the Shares then in issue in all respects. Holders of the fully-paid Rights Shares will be entitled to receive all future dividends and distributions which are declared, made or paid on or after the date of allotment and issue of the Rights Shares in their fully-paid form.

## **Fractional entitlements to the Rights Shares**

On the basis of provisional allotment of three (3) Rights Shares for every one (1) Share held by the Qualifying Shareholders on the Record Date, no fractional entitlements to the Rights Shares will arise under the Rights Issue.

## Closure of register of members

The register of members of the Company will be closed from Friday, 21 June 2024 to Thursday, 27 June 2024, both dates inclusive, to determine entitlements of the Qualifying Shareholders to participate in the Rights Issue. No transfer of Shares will be registered during this period.

## Qualifying Shareholders

The Rights Issue will only be available to the Qualifying Shareholders. Subject to the registration of the Prospectus Documents in accordance with the applicable laws and regulations, the Prospectus Documents setting out details of the Rights Issue will be despatched to the Qualifying Shareholders on the Prospectus Posting Date.

To qualify for the Rights Issue, a Shareholder must (i) be registered as a member of the Company on the Record Date and (ii) not be a Non-Qualifying Shareholder.

Shareholders whose Shares are held by nominee companies (or held in CCASS) should note that the Board will regard a nominee company as a single Shareholder according to the register of members of the Company. Shareholders with their Shares held by nominee companies (or held in CCASS) are advised to consider whether they would like to arrange for registration of the relevant Shares in the name of the beneficial owner(s) prior to the Record Date. Shareholders and investors should consult their professional advisers if they are in doubt as to their status and action to be taken.

In order to be registered as members of the Company on the Record Date, Shareholders must lodge any transfers of the Shares (together with the relevant share certificates) with the Registrar at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration no later than 4:30 p.m. (Hong Kong time) on Thursday, 20 June 2024.

The last day for dealing in the Shares on a cum-rights basis is Tuesday, 18 June 2024. The Shares will be dealt with on an ex-rights basis from Wednesday, 19 June 2024.

The latest time for acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares is expected to be at 4:00 p.m. on Monday, 15 July 2024.

**If a Qualifying Shareholder does not take up any of his/her/its entitlement in full under the Rights Issue, his/her/its proportionate shareholding in the Company will be diluted.**

## Non-Qualifying Shareholders

The Prospectus Documents are not intended to be registered under the applicable securities legislation of any jurisdiction other than Hong Kong.

Pursuant to Rule 17.41(1) of the GEM Listing Rules, the Company will make enquiries regarding the feasibility of extending the Rights Issue to the Overseas Shareholders. The Company notes the requirements specified in section 140 of the Companies Ordinance and Rule 17.41(1) of the GEM Listing Rules and will only exclude the Overseas Shareholders from the Rights Issue whom the Directors, after making enquiries, consider it necessary or expedient to exclude on account of either the legal restrictions under the laws of the relevant

jurisdictions or any requirements of the relevant regulatory bodies or stock exchanges in such jurisdictions. The basis of exclusion of the Non-Qualifying Shareholders from the Rights Issue, if any, will be disclosed in the Prospectus. The Company will not offer the Rights Shares to the Non-Qualifying Shareholders. Accordingly, no provisional allotment of Rights Shares will be sent to the Non-Qualifying Shareholders. The Company will, subject to the advice of the Company's legal advisers in the relevant jurisdiction(s) where the Non-Qualifying Shareholders are located and to the extent reasonably practicable, send copies of the Prospectus to the Non-Qualifying Shareholders (if any) for their information only, but the Company will not send any PAL to them.

Arrangements will be made for the Rights Shares, which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders had they been Qualifying Shareholders, to be sold in the market in their nil-paid form as soon as practicable after dealings in the nil-paid Rights Shares commence and in any event before dealings in the nil-paid Rights Shares end, if a premium in excess of all expenses of sale can be obtained. The aggregate net proceeds of such sale will be distributed by the Company to the Non-Qualifying Shareholders (pro-rata to their respective entitlements on the Record Date and round down to the nearest cent) in Hong Kong dollars, provided that if any of such Non-Qualifying Shareholders would be entitled to a sum not less than HK\$100. In view of administrative costs, the Company will retain individual amount of less than HK\$100 for its own benefit.

Any NQS Unsold Rights Shares, which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders in nil-paid form, will be placed by the Placing Agent at the price at least equal to the Subscription Price under the Compensatory Arrangements together with the Unsubscribed Rights Shares. Any Unsubscribed Rights Shares and the NQS Unsold Rights Shares remain not placed after completion of the Compensatory Arrangements will not be issued by the Company and the size of the Rights Issue will be reduced accordingly. For the nil-paid Rights Shares that were sold as described above and the buyer of such nil-paid Rights Shares who will not take up the entitlement, such Unsubscribed Rights Shares will be subject to the Compensatory Arrangements.

Overseas Shareholders should note that they may or may not be entitled to the Rights Issue. Accordingly, Overseas Shareholders should exercise caution when dealing in the securities of the Company.

### **Share certificates and refund cheques for the Rights Shares**

Subject to the fulfillment of the conditions of the Rights Issue, share certificates for all fully paid Rights Shares are expected to be posted to those who have accepted and (where applicable) applied for and paid for the Rights Shares on or before Tuesday, 6 August 2024 by ordinary post at their own risk. If the Rights Issue is terminated or for unsuccessful application for Rights Issue, refund cheques in respect of the acceptance for Rights Shares are expected to be posted on or before Tuesday, 6 August 2024 by ordinary post to the applicants at their own risk.

### **Application for listing of the Rights Shares**

The Company will apply to the GEM Listing Committee for the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully paid forms on the Stock Exchange.

No part of the securities of the Company is listed or dealt in or on which listing or permission to deal is being or is proposed to be sought on any other stock exchange.

Subject to the granting of the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully paid forms on the Stock Exchange as well as compliance with the stock admission requirement of HKSCC, the Rights Shares in both their nil-paid and fully paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement dates of dealings in Rights Shares in both their nil-paid and fully paid forms on the Stock Exchange or such other date as may be determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. Shareholders should seek advice from their stockbrokers or other professional advisers for details of those settlement arrangements and how such arrangements will affect their rights and interests.

The nil-paid Rights Shares shall have the same board lot size as the Shares, i.e. 5,000 Shares per each board lot.

Dealings in the Rights Shares in both their nil-paid and fully paid forms, which are registered in the branch register of members of the Company in Hong Kong, will be subject to the payment of stamp duty, Stock Exchange trading fee, the Securities and Futures Commission transaction levy, and any other applicable fees and charges in Hong Kong.

## **TAXATION**

Qualifying Shareholders are recommended to consult their professional advisers if they are in doubt as to the taxation implications of subscribing for the Rights Shares, or about purchasing, holding or disposals of, or dealings in or exercising any rights in relation to the Shares or the Rights Shares, and similarly, the Non-Qualifying Shareholders (if any) as regards their receipt of the net proceeds of sale of the Rights Shares otherwise falling to be issued to them under the Rights Issue under the laws of jurisdictions in which they are liable to taxation. It is emphasised that none of the Company, the Directors nor any other parties involved in the Rights Issue accepts responsibility for any tax effects on, or liabilities of, any person resulting from subscribing for, purchasing, holding, disposal of, dealings in or exercising any rights in relation to the Shares or the Rights Shares.

**Those Qualifying Shareholders who do not take up the Rights Shares to which they are entitled should note that their shareholdings in the Company will be diluted.**

As at the date of this announcement, the Company has not received any indication from any Substantial Shareholder of the Company of whether or not they intend to take up their entitlement under the Rights Issue.

Any Shareholder, together with parties acting in concert with it (if any), who as a result of the Rights Issue collectively hold 30% or more of the voting rights in the Company will, subject to any waiver which may be granted by the Securities and Futures Commission, be obliged to make a mandatory general offer under Rule 26 of the Takeovers Code for all the Shares not already held by it.

## REASONS FOR THE RIGHTS ISSUE AND USE OF PROCEEDS

The Company is an investment holding company and the Group is principally engaged in its operation of financial service platforms. Such financial service platform has established comprehensive business process and technology system covering customer acquisition, risk identification, risk assessment, loan distribution channel, payment channel and big data analysis.

Reference is made to the announcements of the Company as at 23 February 2024 and 15 March 2024, the Company is in the progress of setting up subsidiaries in Hong Kong, Macau and Philippines for planning and developing the new service platform in relation to financial technology and travelling to capture new market opportunities. As at the date of this announcement, the cash and bank balance of the Company in Hong Kong is insufficient to meet the upcoming development and general working capital requirement of the Group, including staff costs, rental costs, professional fees and other overhead expenses in Hong Kong in the next 18 months. As such, the net proceeds of the proposed Rights Issue are intended to be applied primarily for the upcoming development and general working capital of the Group for the next 18 months in Hong Kong.

Assuming that there is no change in the number of issued Shares on or before the Record Date and all Rights Shares to be issued under the Rights Issue have been taken up in full, the gross proceeds from the Rights Issue will be approximately HK\$63.6 million. The net proceeds from the Rights Issue (after deduction of estimated professional fees and other related expenses of approximately HK\$3.3 million) are estimated to be approximately HK\$60.3 million (assuming no other change in the number of Shares in issue on or before the Record Date), which are intended to be applied in following manner:

- (i) HK\$19.6 million, representing approximately 32.5% of the net proceeds, shall be applied for the development and operation of the data center of the Group, out of which approximately 20% is for staff costs, approximately 60% is for the acquisition cost of the data center, approximately 20% is for the purchases of computer and equipments; and
- (ii) HK\$19.6 million, representing approximately 32.5% of the net proceeds, shall be applied for development and operation of new service platform in relation to financial technology and travelling in Hong Kong, Macau out of which approximately 50% is for staff costs, approximately 30% is for the office rental cost, approximately 20% is for the purchases of computer and equipments; and
- (iii) HK\$9 million, representing approximately 15% of the net proceeds, shall be applied for development and operation of new service platform in relation to financial technology and travelling in Philippines; and
- (iv) HK\$12.1 million, representing approximately 20% of the net proceeds, shall be applied for general working capital of the Company in Hong Kong.

The Board has considered other fund raising alternatives before resolving to the Rights Issue, including but not limited to debt financing and issue of new shares. Debt financing will result in additional interest burden which interest rate currently is already extremely high, higher gearing ratio of the Group and subject the Group to repayment obligations.

The Board considers that equity financing methods such as placing or subscription of new shares is not a better alternative. The Company has conducted subscription of new Shares under general mandate on 21 December 2023 and such subscription was completed on 9 January 2024. The Company has utilised almost the entire general mandate granted to the Directors by the Shareholders at the annual general meeting of the Company held on 20 June 2023 to allot and issue new Shares.

The Board considers that the Rights Issue would allow all Qualifying Shareholders to participate in the future development of the Company and at the same time offer more flexibility to the Qualifying Shareholders to choose whether to maintain, increase or decrease their respective pro rata shareholdings in the Company by taking up only their respective rights entitlement, acquiring additional rights entitlement or disposing of their rights entitlements in the open market (subject to availability).

In view of the above, the Board considered that raising funds by way of the Rights Issue is beneficial to the Company and its Shareholders as a whole.

### **Procedures in respect of Unsubscribed Rights Shares and the NQS Unsold Rights Shares and the Compensatory Arrangements**

The Company will make arrangements described in Rule 10.31(1)(b) of the GEM Listing Rule to dispose of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares by offering the Unsubscribed Rights Shares and the NQS Unsold Rights Shares to independent Placées for the benefit of Shareholders to whom they were offered by way of the Rights Issue. There will be no excess application arrangements in relation to the Rights Issue.

The Company therefore appointed the Placing Agent to place the Unsubscribed Rights Shares and the NQS Unsold Rights Shares after the Latest Time for Acceptance of the Rights Shares to be allotted and issued under the Rights Issue to independent Placées on a best effort basis. Any premium over the Subscription Price for those Rights Shares that is realised will be paid to the No Action Shareholders and Non-Qualifying Shareholders on a pro-rata basis. The Placing Agent will, on a best effort basis, procure, by not later than 6:00 p.m., on Friday, 26 July 2024, acquirers for all (or as many as possible) of those Unsubscribed Rights Shares and the NQS Unsold Rights Shares if a premium over the Subscription Price and the expenses of procuring such acquirers (including any related commissions and any other related expenses/fees) can be obtained. Any Unsubscribed Rights Shares and the NQS Unsold Rights Shares remain not placed after completion of the Compensatory Arrangements will not be issued by the Company and the size of the Rights Issue will be reduced accordingly.

Net Gain (if any) will be paid (without interest) on pro-rata basis (on the basis of all Unsubscribed Rights Shares and NQS Unsold Rights Shares) to the No Action Shareholders and the Non-Qualifying Shareholders (but rounded down to the nearest cent) as set out below:

- (i) where the Nil-Paid Rights are, at the time they lapse, represented by a PAL, to the person whose name and address appeared on the PAL (unless that person is covered by (iii) below);

- (ii) where the Nil-Paid Rights are, at the time they lapse, registered in the name of HKSCC Nominees Limited, to the beneficial holders (via their respective CCASS participants) as the holder of those nil-paid rights in CCASS (unless that person is covered by (iii) below);
- (iii) if the Rights Issue is extended to the Overseas Shareholders and where an entitlement to the Rights Shares was not taken up by such Overseas Shareholders, to that Overseas Shareholders.

It is proposed that Net Gain to any of the No Action Shareholder(s) mentioned in (i) to (iii) above of HK\$100 or more will be paid to them in Hong Kong Dollars only and the Company will retain individual amounts of less than HK\$100 for its own benefit. Shareholders are reminded that Net Gain may or may not be realised, and accordingly the No Action Shareholders and the Excluded Shareholders may or may not receive any Net Gain.

## **THE PLACING AGREEMENT**

On 26 April 2024 (after trading hours), the Company and the Placing Agent entered into the Placing Agreement, pursuant to which the Placing Agent has conditionally agreed as agent of the Company (either by itself or through its sub-placing agents) to procure independent Placees, on a best effort basis, to subscribe for the Unsubscribed Rights Shares and the NQS Unsold Rights Shares. Details of the Placing Agreement are as follows:

- Date : 26 April 2024 (after trading hours)
- Parties : (i) the Company, as issuer; and  
(ii) the Placing Agent
- Placing agent : Tiger Faith Securities Limited, a corporation licensed to carry out type 1 (dealing in securities) regulated activities under the SFO and its ordinary course of business includes securities brokerage and underwriting and placement of securities. As at the date hereof, it is independent of and not connected with the Company or its connected persons.
- Number of placing Shares : 254,414,580 Rights Shares (assuming no new Shares are issued or repurchased on or before the Record Date)
- Fees and expenses : (i) 3% of the amount which is equal to the placing price multiplied by the Unsubscribed Rights Shares and NQS Unsold Rights Shares, that have been successfully placed by the Placing Agent pursuant to the terms of the Placing Agreement or (ii) HK\$800,000, whichever is higher, and reimbursed for the expenses in relation to the placing of the Unsubscribed Rights Shares and NQS Unsold Rights Shares, which the Placing Agent is authorised to deduct from the payment to be made by the Placing Agent to the Company at completion.

- Placing price of each of the Unsubscribed Rights Share and/or the NQS Unsold Rights Share (as the case may be) : The placing price of each of the Unsubscribed Rights Share and/or the NQS Unsold Rights Share (as the case may be) shall be not less than the Subscription Price.
- The final price determination is depended on the demand and market conditions of the Unsubscribed Rights Shares and the NQS Unsold Rights during the process of placement.
- Placees : Any individuals, corporate, institutional investor(s) or other investor(s), who and whose ultimate beneficial owner(s) shall be the Independent Third Party(ies), procured by the Placing Agent and/or its sub-placing agents, who and whose ultimate beneficial owners shall be the Independent Third Party(ies), to subscribe for any of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares pursuant to the Placing Agreement.
- Ranking of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares : The Unsubscribed Rights Shares and the NQS Unsold Rights Shares (when placed, allotted, issued and fully paid) shall rank *pari passu* in all respects among themselves and with the Shares then in issue.
- Termination : The Compensatory Arrangements shall end on Monday, 29 July 2024 or any other date by mutual written agreement between the Placing Agent and the Company.
- The engagement of the Placing Agent may also be terminated by the Placing Agent in case of force majeure resulting in the Company and the Placing Agent being unable to fulfill their respective duties and responsibilities under the engagement. However, if during the course of the engagement it has come to the Placing Agent's knowledge that there is any material adverse change in the business and operational environment in the Company which, in the sole opinion of the Placing Agent, may make it inadvisable to continue the engagement, the Placing Agent shall have the right to terminate the engagement by written notice to the Company with immediate effect.

- Conditions Precedent : The obligations of the Placing Agent and the Company under the Placing Agreement are conditional upon, among others, the following conditions (the “**Conditions**”) being fulfilled (or being waived by the Placing Agent in writing, if applicable):
- (i) the passing by the Shareholders or Independent Shareholders (as the case may be) at the EGM of the necessary resolution(s) to approve the Rights Issue, the Placing Agreement and the transactions contemplated thereunder (including but not limited to the allotment and issue of the Rights Shares);
  - (ii) the GEM Listing Committee granting the approval for the listing of, and the permission to deal in, the Rights Shares, including the Unsubscribed Rights Shares and/or the NQS Unsold Rights Shares;
  - (iii) none of the representations, warranties or undertakings contained in the Placing Agreement being or having become untrue, inaccurate or misleading in any material respect at any time before the completion, and no fact or circumstance having arisen and nothing having been done or omitted to be done which would render any of such undertakings, representations or warranties untrue or inaccurate in any material respect if it was repeated as at the time of completion; and
  - (iv) the Placing Agreement not having been terminated in accordance with the provisions thereof. The Placing Agent may, in its absolute discretion, waive the fulfillment of all or any or any part of the Conditions (other than those set out in paragraph (ii) above) by notice in writing to the Company.
- Completion : Placing completion shall take place at the offices of the Placing Agent within five Business Days after publication of an announcement of results of the Rights Issue or waiver (as the case may be) of the Conditions or such other date as the Company and the Placing Agent may agree in writing.

Pursuant to the Placing Agreement, the Placing Agent shall ensure that (1) each of the placees procured by the Placing Agent shall be an Independent Third Party of and not connected with the Company, any of the Directors or chief executive or substantial shareholders of the Company or their respective associates; (2) the Public Float Requirement be complied with by the Company upon completion of the Rights Issue; and (3) each placee procured by the Placing Agent (together with parties acting in concert with the respective placees or any of the connected persons or associates of the respective placees) shall not hold in aggregate 30% (or such percentage which will trigger any mandatory general offer obligation under the Takeovers Code) or more of the voting rights of the Company immediately after the Rights Issue.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Placing Agent and its associates do not hold any Shares as at the date of this announcement. The Placing Agent and its ultimate beneficial owners are independent third parties and not connected with the Company or its connected persons as defined under the GEM Listing Rules.

The engagement between the Company and the Placing Agent for the placing of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares was determined after arm's length negotiations between the Placing Agent and the Company and is on normal commercial terms with reference to the market conditions, the existing financial position of the Group and the size of the Rights Issue. The Board considers the terms of the Placing Agreement (including the commission payable) are on normal commercial terms.

## SHAREHOLDING STRUCTURE OF THE COMPANY

Assuming there is no other change in the number of Shares in issue from the date of this announcement up to and including the date of completion of the Rights Issue, the table below sets out the shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately after completion of the Rights Issue:

	As at the date of this announcement		Immediately upon completion of the Rights Issue assuming full acceptance of the Rights Shares by the existing Shareholders		Immediately upon completion of the Rights Issue assuming nil acceptance of the Rights Shares by the Qualifying Shareholders and none of Unsubscribed Rights Shares and NQS Unsold Rights Shares have been placed by the Placing Agent		Immediately upon completion of the Rights Issue assuming nil acceptance of the Rights Shares by the Qualifying Shareholders and all Unsubscribed Rights Shares and NQS Unsold Rights Shares have been placed by the Placing Agent	
	Number of Shares	Approx. %	Number of Shares	Approx. %	Number of Shares	Approx. %	Number of Shares	Approx. %
<b>Shareholders</b>								
Ms. Niu Chengjun	36,652,067	43.22	146,608,268	43.22	36,652,067	43.22	36,652,067	10.80
Yan Qinglin	8,080,195	9.53	32,320,780	9.53	8,080,195	9.53	8,080,195	2.38
Sino-Africa Resources Holdings Limited (Note 1)	5,113,520	6.03	20,454,080	6.03	5,113,520	6.03	5,113,520	1.51
Independent Placees	—	—	—	—	—	—	254,414,580	75
<b>Public Shareholders</b>								
Other public Shareholders	<u>34,959,078</u>	<u>41.22</u>	<u>139,836,312</u>	<u>41.22</u>	<u>34,959,078</u>	<u>41.22</u>	<u>34,959,078</u>	<u>10.31</u>
Total	<u>84,804,860</u>	<u>100</u>	<u>339,219,440</u>	<u>100</u>	<u>84,804,860</u>	<u>100</u>	<u>339,219,440</u>	<u>100</u>

Note:

- (1) These shares were held by Sino-Africa Resources Holdings Limited as beneficial owner. Sino-Africa Resource Holding Limited is a company wholly owned by Mr. Huang Xiguang.

Shareholders and public investors should note that the above shareholding changes are for illustration purposes only and the actual changes in the shareholding structure of the Company upon completion of the Rights Issue are subject to various factors, including the results of acceptance of the Rights Issue. The Company will take appropriate steps to ensure the compliance with public float requirement under GEM Listing Rule 11.23(7) after the Compensatory Arrangements.

## EXPECTED TIMETABLE

The expected timetable for and the Rights Issue set out below is indicative only and is subject to change. All dates and times specified in this announcement refer to Hong Kong local dates and times.

**2024**

Publication of Rights Issue announcement .....	Friday, 26 April
Expected despatch date of the circular, proxy form and notice of the EGM.....	Thursday, 23 May
Latest time for lodging transfers of Existing Shares in order to qualify for attendance and voting at the EGM.....	4:30 p.m., Friday, 7 June
Register of members closes (both dates inclusive) .....	Tuesday, 11 June to Monday, 17 June
Latest time for lodging proxy forms for the EGM (not less than 48 hours prior to the time of the EGM) .....	11:00 a.m., Saturday, 15 June
Record date for determining attendance and voting at the EGM.....	Monday, 17 June
Expected date and time of the EGM.....	11:00 a.m., Monday, 17 June
Announcement of the poll result of the EGM .....	Monday, 17 June
Register of members re-opens .....	Tuesday, 18 June
Last day of dealings in Shares on a cum-rights basis .....	Tuesday, 18 June
First day of dealings in Shares on a ex-right basis .....	Wednesday, 19 June
Latest time to the shareholders to lodge transfer of Shares in order to qualify for the Right Issue.....	4:30 p.m., Thursday, 20 June
Closure of register of members of the Company for the Rights Issue (both dates inclusive) .....	Friday, 21 June to Thursday, 27 June
Record Date for determining entitlements under the Rights Issue.....	Thursday, 27 June
Register of members reopens.....	Friday, 28 June

Prospectus Documents to be despatched.....	Friday, 28 June
First day of dealing in nil-paid Rights Shares .....	Wednesday, 3 July
Latest time for splitting nil-paid Rights Shares.....	4:30 p.m., Friday, 5 July
Last day of dealing in nil-paid Rights Shares .....	Wednesday, 10 July
Latest time for acceptance of and payment for the Rights Shares .....	4:00 p.m., Monday, 15 July
Announcement of the number of Unsubscribed Rights Shares and the NQS Unsold Rights Shares subject to the Compensatory Arrangements .....	Tuesday, 23 July
Commencement of placing of Unsubscribed Rights Shares and the NQS Unsold Rights Shares by the Placing Agent .....	Wednesday, 24 July
Latest time of placing of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares by the Placing Agent .....	6:00 p.m. on Friday, 26 July
Latest time for the Rights Issue and placing of the Unsubscribed Rights Shares and NQS Unsold Rights Shares to become unconditional.....	4:00 p.m. on Monday, 29 July
Announcement of results of the Rights Issue (including results of the placing of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares and the amount of the Net Gain per Unsubscribed Rights Share and per NQS Unsold Rights Share under the Compensatory Arrangements) .....	Monday, 5 August
Refund cheques, if any, to be despatched (if the Rights Issue does not proceed).....	Tuesday, 6 August
Certificates for fully-paid Rights Shares to be despatched .....	Tuesday, 6 August
Expected commencement of dealings in fully-paid Rights Shares .....	9:00 a.m. on Wednesday, 7 August

**EFFECT OF BAD WEATHER AND/OR EXTREME CONDITIONS ON THE LATEST TIME FOR ACCEPTANCE OF AND PAYMENT FOR THE RIGHTS SHARES AND APPLICATION AND PAYMENT FOR EXCESS RIGHTS SHARES**

The Latest Time for Acceptance of and payment for the Rights Shares will not take place at 4:00 p.m. on Monday, 15 July 2024 if there is a tropical cyclone warning signal number 8 or above, or a “black” rainstorm warning or “extreme conditions” is:

- (a) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on the date of the Latest Time for Acceptance, the Latest Time for Acceptance will not take place at 4:00 p.m. on the date of the Latest Time for Acceptance, but will be extended to 5:00 p.m. on the same day instead; or
- (b) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on the date of the Latest Time for Acceptance, the Latest Time for Acceptance will not take place on the date of the Latest Time for Acceptance, but will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:00 p.m.

If the Latest Time for Acceptance does not take place on the date of the Latest Time for Acceptance, the dates mentioned in the section headed “Expected Timetable” in this announcement may be affected. An announcement will be made by the Company in such event as soon as practicable.

## FUND RAISING ACTIVITIES OF THE COMPANY IN THE PAST TWELVE MONTHS

Set out below are the fund raising activities conducted by the Company in the past 12 months immediately preceding the date of this announcement:

Date of initial announcement	Fund raising activity	Net proceeds raised <i>Approximate</i> <i>(HK\$)</i>	Intended use of proceeds	Actual use of proceeds as at the date of this announcement
23 May 2022	Connected transaction in relation to subscription of new shares under specific mandate	23.95 million	Development and operation of the financial service platform; Repayment of indebtedness of the Company; Company's general working capital	To be fully utilized in mid-2024
21 December 2023	Subscription of new shares under general mandate	4.35 million	Development of the Group's new data security related business	To be fully utilized in mid-2024

As at the date of this announcement, save for the connected transaction in relation to subscription of new shares under specific mandate and the subscription of new shares under general mandate, the Company did not conduct any equity fund raising activities during the 12 months immediately preceding the date of this announcement.

## IMPLICATIONS UNDER THE GEM LISTING RULES

### Rights Issue

In accordance with Rule 10.29(1) of the GEM Listing Rules, as the Rights Issue will increase the total number of issued Shares by more than 50% within a 12 months period immediately preceding the date of this announcement, the Rights Issue is conditional upon the Independent Shareholders' approval at the EGM, and any controlling shareholders of the Company and their respective associates, or where there are no controlling shareholders, the Directors (excluding the independent non-executive Directors) and the chief executive of the Company and their respective associates shall abstain from voting in favour of the resolution(s) in relation to the Rights Issue at the EGM.

## **ESTABLISHMENT OF INDEPENDENT BOARD COMMITTEE AND APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER**

The Independent Board Committee comprising all the independent non-executive Directors has been established to provide recommendations to the Independent Shareholders as to whether the terms of the Rights Issue are fair and reasonable and in the interest of the Company and the Shareholders as a whole and to make recommendations to the Independent Shareholders on how to vote at the EGM. In this connection, Alpha Financial has been appointed to advise the Independent Board Committee and the Independent Shareholders as to whether the terms of the Rights Issue are fair and reasonable.

### **GENERAL**

An EGM will be convened and held for the Shareholders to consider and, if thought fit, approve, the Rights Issue. A circular containing, among other things, (i) further details of the Rights Issue; (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders in respect of Rights Issue; (iii) a letter of advice from Gram Capital to the Independent Board Committee and the Independent Shareholders on the Rights Issue; and (iv) a notice convening the EGM, is expected to be despatched on or before Thursday, 23 May 2024 to allow sufficient time for the preparation of the relevant information for inclusion in the circular.

The Prospectus Documents containing information on the Rights Issue are expected to be despatched to the Qualifying Shareholders on or around Friday, 28 June 2024. The Company will not extend the Rights Issue to the Non-Qualifying Shareholders. The Company will, subject to the advice of the Company's legal advisers in the relevant jurisdiction(s) where the Non-Qualifying Shareholders are located and to the extent reasonably practicable, send copies of the Prospectus with the Overseas Letter to the Non-Qualifying Shareholders (if any) for information purposes only but will not send any PAL to them.

### **WARNING ON THE RISKS OF DEALING IN THE SHARES AND THE NIL-PAID RIGHTS SHARES**

**Shareholders and potential investors of the Company should note that the Rights Issue is subject to the fulfilment of conditions including, among other things, the Stock Exchange granting the listing of, and permission to deal in, the Rights Shares in their nil-paid and fully-paid forms. Please refer to the section headed "Conditions of the Rights Issue" in this announcement. Shareholders and potential investors of the Company should note that if the conditions to the Rights Issue are not satisfied, the Rights Issue will not proceed.**

**The Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptances of the provisionally allotted Rights Shares.**

**Any dealings in the Shares from the date of this announcement up to the date on which all the conditions of the Rights Issue are fulfilled, and any Shareholders dealing in the Rights Shares in nil-paid form will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed. Any Shareholders or other persons contemplating any dealings in the Shares and/or Rights Shares in their nil-paid form are recommended to consult their professional advisers.**

**Shareholders should note that the Shares are expected to be dealt in on an ex-right basis from Wednesday, 19 June 2024. Dealings in the Rights Shares in the nil-paid form will take place from Wednesday, 3 July 2024 to Wednesday, 10 July 2024 (both dates inclusive).**

**Any Shareholder or other person contemplating selling or purchasing the Shares and/or nil-paid Rights Shares up to the date when the conditions of the Rights Issue are fulfilled will bear the risk that the Rights Issue may not become unconditional and may not proceed. Shareholders and the public are reminded to exercise caution when dealing in the Shares and any dealings in the Rights Shares in their nil-paid form from Wednesday, 3 July 2024 to Wednesday, 10 July 2024 (both dates inclusive) will accordingly bear the risk that the Rights Issue cannot become unconditional and may not proceed. Any Shareholders or other persons contemplating any dealings in the Shares or nil-paid Rights Shares are recommended to consult their own professional advisers.**

## **DEFINITIONS**

Unless the context otherwise requires, capitalised terms used in this announcement shall have the following meanings:

“associate(s)”	has the meaning as ascribed thereto under the GEM Listing Rules
“Board”	the board of Directors
“Business Day(s)”	a day (other than a Saturday or a Sunday or public holiday or a day on which “extreme conditions” is announced by the Government of Hong Kong or a black rainstorm warning or tropical cyclone warning signal number 8 or above is hoisted or remains hoisted in Hong Kong at any time between 9:00 a.m. and 12:00 noon and is not cancelled at or before 12:00 noon) on which banks are generally open for business in Hong Kong; and for all other purposes, a day on which the Stock Exchange is open for transaction of business
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended from time to time
“Companies (WUMP) Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), as amended from time to time
“Company”	Flying Financial Service Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on GEM

“Compensatory Arrangements”	placing of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares by the Placing Agent on a best effort basis pursuant to the Placing Agreement in accordance with Rule 10.31(b) of the GEM Listing Rules
“connected person(s)”	has the meaning as ascribed thereto under the GEM Listing Rules
“Director(s)”	director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened to consider and, if thought fit, approve, among other things, the Rights Issue
“Existing Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“GEM”	the GEM of the Stock Exchange
“GEM Listing Committee”	has the meaning ascribed thereto under the GEM Listing Rules
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“HKSCC”	Hong Kong Securities Clearing Company Limited
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Board Committee”	an independent board committee of the Company comprising all the independent non-executive Directors, which has been established under the GEM Listing Rules to advise the Independent Shareholders in respect of the Rights Issue and the transactions contemplated thereunder
“Independent Financial Adviser” or “Alpha Financial”	Alpha Financial Group Limited, a licensed corporation to carry out Type 1 (Dealing in securities) and Type 6 (advising on corporate finance) regulated activity under the SFO, being the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the Rights Issue and the transactions contemplated thereunder
“Independent Shareholder(s)”	any Shareholder(s) who are not required to abstain from voting at the EGM under the GEM Listing Rules

“Independent Third Parties”	third parties independent of and not connected with the Company and its connected person
“Last Trading Day”	Friday, 26 April 2024, the last day on which the Existing Shares were traded on the Stock Exchange immediately preceding the publication of this announcement
“Latest Time for Acceptance”	4:00 p.m. on Monday, 15 July 2024, being the latest time for acceptance of the offer of and payment for the Rights Shares
“Net Gain”	the premium paid by the Placees over the Subscription Price for the Placing Shares placed by the Placing agent
“Nil-Paid Rights”	Rights to subscribe for Rights Shares before the Subscription Price is paid
“No Action Shareholders”	Qualifying Shareholders or their renounces who do not subscribe for the Rights Shares (whether partially or fully) under the PALs or such persons who are the holders of Nil-Paid Rights when such Nil-Paid Rights lapse
“Non-Qualifying Shareholder(s)”	Overseas Shareholder(s), to whom the Directors, based on legal opinion(s) provided by the legal adviser(s) to the Company, consider it necessary or expedient not to offer the Rights Issue on account either of legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place
“NQS Unsold Rights Share(s)”	the Rights Share(s) which would otherwise has/have been provisionally allotted to the Non-Qualifying Shareholder(s) in nil-paid form that has/have not been sold by the Company
“Overseas Shareholders”	Shareholders whose address on the register of members of the Company are outside Hong Kong
“PAL(s)” or “Provisional Allotment Letter(s)”	the provisional allotment letter(s) in respect of the Rights Issue to be issued to the Qualifying Shareholders
“Placee(s)”	any individuals, corporate, institutional investor(s) or other investor(s), who and whose ultimate beneficial owner(s) shall be the Independent Third Party(ies), procured by the Placing Agent and/or its sub-placing agent(s), who and whose ultimate beneficial owners shall be the Independent Third Party(ies), to subscribe for any of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares pursuant to the Placing Agreement

“Placing Agent”	Tiger Faith Securities Limited, a licensed corporation to carry out type 1 (dealing in securities) regulated activities under the SFO
“Placing Agreement”	the placing agreement dated Friday, 26 April 2024 entered into between the Company and the placing in relation to the underwriting arrangement of the Rights Issue
“Prospectus”	the prospectus to be despatched to the Shareholders on the Prospectus Posting Date in connection with the Rights Issue
“Prospectus Documents”	the Prospectus and the PAL
“Prospectus Posting Date”	Friday, 28 June 2024 (or such later date as may be agreed between the Underwriter and the Company) for the despatch of the Prospectus Documents to the Qualifying Shareholders or the Prospectus to the Non-Qualifying Shareholders (as the case may be)
“Public Float Requirement”	the public float requirement under Rule 11.23(7) of the GEM Listing Rules
“Qualifying Shareholders”	Shareholders whose names appear on the register of members of the Company at 4:00 p.m. on the Record Date, other than the Non-Qualifying Shareholders
“Record Date”	Thursday, 27 June 2024 or such other date as may be agreed between the Company and the Underwriter for determination of the entitlements under the Rights Issue
“Registrar”	the branch share registrar of the Company in Hong Kong, being Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong
“Rights Issue”	the proposed issue of three (3) Rights Share for every one (1) Shares in issue and held on the Record Date at the Subscription Price on the terms and subject to the conditions set out in the Underwriting Agreement and the Prospectus Documents
“Rights Share(s)”	new Shares proposed to be offered to the Qualifying Shareholders pursuant to the Rights Issue
“SFO”	Securities and Futures Ordinance (Cap 571 of the laws of Hong Kong)
“Share(s)”	the Existing Share(s) and/or the Share(s) (as the case may be)

“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	HK\$0.25 per Rights Share
“Substantial Shareholder(s)”	has the meaning described to it under the GEM Listing Rules
“Takeovers Code”	the Codes on Takeovers and Mergers and Share Buy-backs
“Unsubscribed Rights Shares”	means those (if any) of the Rights Shares in respect of which valid application under the PALs (accompanied by remittances for the relevant amounts payable on acceptance or application) have not been received on or before the Latest Time for Acceptance
“%”	per cent

By Order of the Board  
**Flying Financial Service Holdings Limited**  
**Liu Yi**  
*Executive Director*

Hong Kong, 26 April 2024

*As at the date of this announcement, the executive Director is Ms. Liu Yi; and the independent non-executive Directors are Mr. Kam Hou Yin, John, Ms. Chong Kan Yu and Mr. Luo Sigang.*

*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 website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) for a minimum period of seven days from the date of its publication and on the Company’s website at [www.flyingfinancial.hk](http://www.flyingfinancial.hk).*