

**THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

**If you are in any doubt** as to any aspect of this Prospectus or as to the action you should take, you should consult your licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in **Flying Financial Service Holdings Limited**, you should at once hand this Prospectus and the accompanying form of proxy to the purchaser or the transferee or to the bank manager, licensed securities dealer or registered institution in securities or other agent through whom the sale was effected for transmission to the purchaser or the transferee.

Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and the Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this Prospectus, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Prospectus.

A copy of each of the Prospectus Documents, having attached thereto the documents specified in the paragraph headed “14. Documents Delivered to the Registrar of Companies in Hong Kong” in Appendix III to this Prospectus, have been registered with the Registrar of Companies in Hong Kong as required by Section 342C of the Companies (Winding up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong). The Securities and Futures Commission and the Registrar of Companies in Hong Kong take no responsibility as to the contents of this Prospectus or any other documents referred to above.

Dealings in the Shares and the Rights Shares in both nil-paid and fully-paid forms may be settled through CCASS established and operated by HKSCC and you should consult your stockbroker or licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser for details of the settlement arrangements and how such arrangements may affect your rights and interests.

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 requirements 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 their respective commencement dates of dealings in the Rights Shares on the Stock Exchange or such other dates as 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.



**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)**

**RIGHTS ISSUE ON THE BASIS OF  
THREE RIGHTS SHARES FOR EVERY ONE SHARE**

**Financial Adviser**



Capitalised terms used in this Prospectus shall have the same meanings as defined in the section headed “Definitions” in this Prospectus unless the context otherwise requires.

The Rights Issue is on a non-underwritten basis. There is no statutory requirement regarding minimum subscription level in respect of the Rights Issue. The Rights Issue is subject to fulfilment of the conditions set out in the section headed “Letter from the Board — Conditions of the Rights Issue” in this Prospectus at or prior to the latest time for the Rights Issue to become unconditional. If the Conditions of the Rights Issue are not fulfilled at or prior to the latest time for the Rights Issue to become unconditional, the Rights Issue will not proceed.

Dealings in the Rights Shares in the nil-paid form will take place from Wednesday, 3 July 2024 to Wednesday, 10 July 2024 (both days inclusive). If the conditions of the Rights Issue are not fulfilled, the Rights Issue will not proceed. Any person contemplating dealing in the nil-paid Rights Shares during the period from Wednesday, 3 July 2024 to Wednesday, 10 July 2024 (both days inclusive) will accordingly bear the risk that the Rights Issue may not become unconditional and/or may not proceed. Any person contemplating dealing in the Shares and/or the Rights Shares in their nil-paid form are recommended to consult his/her/its/their own professional advisers.

The latest time for acceptance of and payment for the Rights Shares and for application is 4:00 p.m. on Monday, 15 July 2024. The procedure for acceptance and payment or transfer is set out on pages 11 to 12 of this Prospectus.

28 June 2024

## CHARACTERISTICS OF GEM

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a high 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.

Given that the companies listed on GEM are generally small and mid-sized companies, 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.

The Rights Issue is conditional upon the fulfilment of the conditions of the Rights Issue as set out in the section headed “Letter from the Board — Rights Issue — Conditions of the Rights Issue” in this prospectus.

Any Shareholder or other person contemplating transferring, selling or purchasing the Shares and/or the Rights Shares in their nil-paid form is advised to exercise caution when dealing in the Shares and/or the nil-paid Rights Shares. Any person who is in any doubt about his/her/its position or any action to be taken is recommended to consult his/her/its own professional adviser(s). Any Shareholder or other person dealing in the Shares or in the nil-paid Rights Shares up to the date on which all the conditions to which the Rights Issue is subject are fulfilled will accordingly bear the risk that the Rights Issue may not become unconditional and/or may not proceed.

This prospectus does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to acquire, the nil-paid Rights Shares or fully-paid Rights Shares or to take up any entitlements to the nil-paid Rights Shares or fully-paid Rights Shares in any jurisdiction in which such an offer, invitation or solicitation is unlawful. None of the nil-paid Rights Shares, the fully-paid Rights Shares, this prospectus and the PAL have been or will be registered or filed under the securities laws of any jurisdiction or with any securities commission or similar regulatory authority in any jurisdiction other than in Hong Kong.

Shareholders with registered addresses in, and investors who are located or residing in, any of the jurisdictions outside Hong Kong or who hold Shares on behalf of persons with such addresses should refer to the section headed “Letter from the Board — Rights Issue — Rights of Overseas Shareholders” in this prospectus.

Each person acquiring the nil-paid Rights Shares and/or Rights Shares under the Rights Issue will be required to confirm, or be deemed by his acquisition of the nil-paid Rights Shares and/or Rights Shares to confirm, that he is aware of the restrictions on offers and sales of the nil-paid Rights Shares and/or Rights Shares described in this prospectus.

## CHARACTERISTICS OF GEM

### FORWARD-LOOKING STATEMENTS

All statements in this prospectus other than statements of historical fact are forward-looking statements. In some cases, forward-looking statements may be identified by the use of words such as “might”, “may”, “could”, “would”, “will”, “expect”, “intend”, “estimate”, “anticipate”, “believe”, “plan”, “seek”, “continue”, “illustrate”, “illustration”, “projection” or similar expressions and the negative thereof. Forward-looking statements in this prospectus include, without limitation, statements in respect of the Group’s business strategies, service offerings, market position, competition, financial prospects, performance, liquidity and capital resources, as well as statements regarding trends in the relevant industries and markets in which the Group operates, technological advances, financial and economic developments, legal and regulatory changes and their interpretation and enforcement.

The forward-looking statements in this prospectus are based on management’s present expectations about future events. Management’s present expectations reflect numerous assumptions regarding the Group’s strategy, operations, industry, developments in the credit and other financial markets and trading environment. By their nature, they are subject to known and unknown risks and uncertainties, which could cause actual results and future events to differ materially from those implied or expressed by forward-looking statements. Should one or more of these risks or uncertainties materialise, or should any assumptions underlying forward-looking statements prove to be incorrect, the Group’s actual results could differ materially from those expressed or implied by forward-looking statements. Additional risks not known to the Group or that the Group does not currently consider material could also cause the events and trends discussed in this prospectus not to occur, and the estimates, illustrations and projections of financial performance not to be realised.

Prospective investors are cautioned that forward-looking statements speak only as at the date of publication of this prospectus. Except as required by applicable law, the Group does not undertake, and expressly disclaims, any duty to revise any forward-looking statement in this prospectus, be it as a result of new information, future events or otherwise.

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## EXPECTED TIMETABLE

Set out below is the expected timetable for the Rights Issue which is indicative only and has been prepared on the assumption that the conditions of the Rights Issue will be fulfilled.

All times and dates stated below refer to Hong Kong local times and dates. All dates and deadlines specified in the expected timetable are indicative only and may be varied. Any changes to the expected timetable will be announced in separate announcement(s) by the Company as and when appropriate.

<b>Event</b>	<b>2024</b>
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 subject to the Compensatory Arrangements .....	Tuesday, 23 July
Commencement of placing of Unsubscribed Rights Shares by the Placing Agent .....	Wednesday, 24 July
Latest time of placing of the Unsubscribed 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 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 amount of the Net Gain per Unsubscribed Rights Share under the Compensatory Arrangements) .....	Monday, 5 August

## EXPECTED TIMETABLE

**Event****2024**

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
Payment of Net Gain to relevant No Action Shareholders (if any).....	Tuesday, 13 August

*Notes:*

- (1) Shareholders should note that the dates and deadlines specified in the above timetable, and in other parts of this prospectus are indicative only and subject to change. Further announcement(s) will be made if there is any change to the expected timetable.
- (2) All references to times and dates are references to Hong Kong times and dates.

All times and dates in this prospectus refer to Hong Kong local times and dates. In the event that any special circumstances arise, such dates and deadlines may be adjusted by the Board if it considers appropriate. Any changes to the expected timetable will be published or notified to the Shareholders by way of announcement(s) on the website of the Stock Exchange and on the website of the Company as and when appropriate.

### **EFFECT OF BAD WEATHER ON LATEST TIME FOR ACCEPTANCE OF AND PAYMENT FOR THE RIGHTS SHARES**

The Latest Time for Acceptance of and payment for the Rights Shares will not take place at the time indicated above if there is a tropical cyclone warning signal no. 8 or above, or “extreme conditions” caused by super typhoons announced by the Government of Hong Kong or a “black” rainstorm warning:

- (i) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on Monday, 15 July 2024. Instead the Latest Time for Acceptance and payment for the Rights Shares will be extended to 5:00 p.m. on the same Business Day; or
- (ii) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on Monday, 15 July 2024. Instead the Latest Time for Acceptance will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force in Hong Kong 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 Latest Time, the dates mentioned in the section headed “Expected Timetable” above may be affected. An announcement will be made by the Company in such event as soon as possible.

## DEFINITIONS

*In this Prospectus, the following expressions have the following meanings unless the context requires otherwise:*

“Announcement”	the announcement of the Company dated 26 April 2024 in relation to the Rights Issue
“associate(s)”	has the meaning as ascribed thereto under the GEM Listing Rules
“Board”	the board of Directors
“Business Day”	any day (other than a Saturday, Sunday or public holiday, or a day on which the typhoon signal no. 8 or above or “black” rainstorm warning signal is hoisted or “extreme conditions” is announced by the Government of 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 open in Hong Kong for general banking business; 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
“Circular”	the circular of the Company dated 23 May 2024 in relation to, among others, the Rights Issue
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended from time to time
“Companies (Winding Up and Miscellaneous Provisions) Ordinance” or “Companies (WUMP) Ordinance”	Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong)
“Company”	Flying Financial Service Holdings Limited (Stock Code: 8030), a company incorporated in Cayman Islands with limited liability, the shares of which are listed on GEM
“Compensatory Arrangements”	the compensatory arrangements made pursuant to Rule 10.31(1)(b) of the GEM Listing Rules as described in the paragraph headed “Procedures in respect of the Unsubscribed Rights Shares and the Compensatory Arrangements” in the letter from the Board of this Prospectus
“Director(s)”	the director(s) of the Company

## DEFINITIONS

“EGM”	the extraordinary general meeting of the Company convened and held on Monday, 17 June 2024 to consider and approve the Rights Issue
“Existing Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“GEM”	GEM operated by the Stock Exchange
“GEM Listing Committee”	has the meaning ascribed to it in the GEM Listing Rules
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“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 is (are) not required to abstain from voting on the resolution relating to the Rights Issue at the EGM under the GEM Listing Rules
“Independent Third Parties”	any individual or company not being the connected persons of the Company, independent of the Company and its connected persons and not connected with any of them or their respective associates
“Irrevocable Undertaking”	the irrevocable undertaking given by Ms. Niu in favour of the Company



## DEFINITIONS

“Last Trading Day”	Friday, 26 April 2024, the last day on which the Existing Shares were traded on the Stock Exchange immediately preceding the announcement of the Rights Issue
“Latest Practicable Date”	25 June 2024, being the latest practicable date before the printing of this Prospectus for the purpose of ascertaining certain information contained herein
“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
“Latest Time for Termination”	4:00 p.m. on 29 July 2024 or such later date as the Company and the Placing Agent may agree in writing, being the latest time to terminate the Placing Agreement
“Ms. Niu”	Ms. Niu Chengjun, a substantial Shareholder of the Company
“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”	those Qualifying Shareholders or their renouces who do not subscribe for the Rights Shares (whether partially or fully) under the PALs or their renouces, or such persons who hold any nil-paid rights at the time such nil-paid rights are lapsed
“Overseas Shareholders”	the Shareholder(s) whose registered address(es) as shown in the register of members of the Company as at the close of business on the Record Date is/are outside Hong Kong
“PAL(s)” or “Provisional Allotment Letter(s)”	the provisional allotment letter(s) to be issued to the Qualifying Shareholders in connection with the Rights Issue
“Placee(s)”	institutional, corporate or individual investor(s) procured by the Placing Agent and/or its sub-placing agents to subscribe for the Placing Shares pursuant to the Placing Agreement
“Placing”	the placing of the Placing Shares on a best effort basis by the Placing Agent and/or its sub-placing agent(s) to the Placees on the terms and conditions of the Placing Agreement

## DEFINITIONS

“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 Agent in relation to the placing arrangement of the Rights Issue
“Placing Completion Date”	26 July 2024 or such other date as the Company and the Placing Agent may agree
“Placing Period”	a period commencing from the first Business Day after the date of announcement of the number of the Placing Shares, which is expected to be Wednesday, 24 July 2024, and ending at the 6:00 p.m. on Friday, 26 July 2024
“Placing Shares”	the Unsubscribed Rights Shares
“PRC”	the People’s Republic of China, excluding, for the purpose of this Prospectus only, Hong Kong
“Prospectus”	the prospectus issued to the Shareholders on the Prospectus Posting Date in connection with the Rights Issues
“Prospectus Documents”	the Prospectus and the PAL
“Prospectus Posting Date”	Friday, 28 June 2024 or such other date as the Company may determine, being the date on which the Prospectus Documents are posted to the Qualifying Shareholders
“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 the close of business on the Record Date
“Record Date”	Thursday, 27 June 2024 or such other date as may be determined by the Company for determination of the entitlements under the Rights Issue
“Rights Issue”	the issue of the Rights Shares by way of rights on the basis of three (3) Rights Shares for every one (1) Share held by the Qualifying Shareholders on the Record Date at the Subscription Price on the terms and subject to the conditions set out in the Placing Agreement and the Prospectus Documents

## DEFINITIONS

“Rights Shares”	the proposed issue of three (3) Rights Shares for every one (1) Share in issue and held on the Record Date at the Subscription Price on the terms and subject to the conditions set out in the Placing Agreement and the Prospectus Documents
“SFC”	the Securities and Futures Commission
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share Registrar”	Tricor Investor Services Limited, the Hong Kong branch share registrar of the Company, whose address is at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong
“Share(s)”	the Existing Share(s) and/or the Share(s) (as the case may be)
“Shareholders”	holders of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	HK\$0.25 per Rights Share
“Substantial Shareholder(s)”	has the meaning as ascribed thereto under the GEM Listing Rules
“Takeovers Code”	The Codes on Takeovers and Mergers and Share Buybacks
“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

LETTER FROM THE BOARD



**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)**

*Executive Director:*

Ms. Liu Yi

*Independent Non-executive Directors:*

Mr. Luo Sigang

Mr. Kam Hou Yin, John

Ms. Chong Kan Yu

*Registered Office:*

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

*Principal Place of Business*

*in Hong Kong:*

Room 1007, 10/F

West Wing, Tsimshatsui Centre

66 Mody Road

Tsim Sha Tsui

Kowloon, Hong Kong

*Head office and principal place of  
business in the PRC:*

Room 902, Block A

Xiangnian Plaza

No. 4060, Qiaoxiang Road

Gaofa Community

Shahe Street, Nanshan District

Shenzhen, China

28 June 2024

*To the Qualifying Shareholders*

Dear Sir or Madam,

**RIGHTS ISSUE ON THE BASIS OF  
THREE (3) RIGHTS SHARES FOR EVERY ONE (1) SHARE**

**INTRODUCTION**

Reference is made to the Announcement and the Circular, in relation to, among others, the Rights Issue. The Company proposes to raise gross proceeds of up to approximately HK\$63.6 million by way of the issue of up to not less than 254,414,580 Rights Shares at the Subscription Price of HK\$0.25 per Rights Share on the basis of three (3) Rights Share for every one (1) Share held on the Record Date. The Rights Issue is only available to the Qualifying Shareholders.

## LETTER FROM THE BOARD

At the EGM, the resolution approving the Rights Issue including the Placing Agreement and the transaction contemplated respectively thereunder was duly passed by the Independent Shareholders by way of poll. The purpose of this Prospectus is to provide you with, among others, the information of the Rights Issue, including the procedures for acceptance of the Rights Shares provisionally allotted to you, together with certain financial and other general information of the Group.

### RIGHTS ISSUE

#### Issue statistics

Set out below are the details of the Rights Issue statistics:

Basis of Rights Issue:	Three (3) Rights Shares for every one (1) Share held by the Qualifying Shareholders at the close of business on the Record Date
Subscription Price:	HK\$0.25 per Rights Share
Number of Shares in issue as at the Latest Practicable Date:	84,804,860 Shares
Number of Rights Shares:	Not less than 254,414,580 Rights Shares
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.

As at the Latest Practicable 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 Latest Practicable Date; 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 (please refer to the section headed “Equity Fund-Raising Activities in the Past 12 months from the Latest Practicable Date” in this Prospectus) in relation to subscription of new shares under specific mandate and the subscription of new shares under general mandate as stated under the heading “Equity Fund-Raising Activities In The Past 12 Months From The Latest Practicable Date” on page 23 of the Prospectus, the Company did not conduct any equity fund raising activities during the 12 months immediately preceding the date of Placing Agreement. The Rights Issue does not result in a theoretical dilution effect of 25% or more on its own.

## LETTER FROM THE BOARD

### **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 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, a Qualifying 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 Qualifying Shareholders to apply on the basis that if the Rights Shares are not fully taken up, the application of any Qualifying 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 Qualifying 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.

Ms. Niu also irrevocably and unconditionally undertake to the Company that she will subscribe for any 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 Shares for every one (1) Share 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. The maximum number of Shares that may be subscribed by Ms. Niu is (i) 1,085,502 Shares (42.50% (being the lowest percentage) +2% "creeper" minus 43.22% (percentage as at the Latest Practicable Date)) times 84,804,860 Existing Shares if nil acceptance of the Rights Shares by all other Shareholders; and (ii) 109,956,201 Shares (being 36,652,067 Existing Shares times three) if all the Rights Issue has been fully subscribed or placed.

### **Irrevocable Undertaking**

As at the Latest Practicable Date, Ms. Niu, a substantial Shareholder of the Company, is interested in 36,652,067 Shares, representing approximately 43.22% of the issued share capital of the Company. Pursuant to the Irrevocable Undertaking, Ms. Niu has, among other things, irrevocably and unconditionally undertaken to the Company that she will subscribe for any 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 Shares for every one (1) Share 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.

## LETTER FROM THE BOARD

Save for the above Irrevocable Undertaking, the Company has not received, as at the Latest Practicable Date, any other information or irrevocable undertaking from other Shareholders of their intention to take up the Rights Shares to be provisionally allotted to them under the Rights Issue.

### **The 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 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 9.4% to the theoretical ex-rights price of approximately HK\$0.25 per Share based on the closing price of HK\$0.276 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (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);
- (vi) a theoretical dilution effect (as defined under Rule 10.44A of the GEM Listing Rules) of approximately 23.79%, represented by the theoretical diluted price of approximately HK\$0.25 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 immediately prior to the Last Trading Day of approximately HK\$0.324 per Existing Share); and
- (vii) a discount of approximately 16.7% to the closing price of HK\$0.3 per Share as quoted on the Stock Exchange on the Latest Practicable Date.

## LETTER FROM THE BOARD

The Directors consider that the discount of the Subscription Price would be necessary to enhance the attractiveness of, and to encourage Shareholders to participate in, the Rights Issue, in particular in view of the sustained low trading volume and low market price of the Shares in recent years, and accordingly to maintain their shareholdings in the Company and to participate in the growth and development of the Group going forward. Despite the dilutive impact of the Rights Issue on those Shareholders who do not take up their entitlements to the Rights Shares, the Directors consider that the significant discount of the Subscription Price provides all Shareholders with the opportunity to maintain their shareholding in the Company at a lower cost through this fund raising, and that this approach balances the interests of both the Company and the Shareholders in the exercise. Taking into account the reasons for the Rights Issue as stated in the section headed “REASONS FOR THE RIGHTS ISSUE AND THE USE OF PROCEEDS” below, the Directors believe that the terms of the Rights Issue, including the Subscription Price, are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

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 considers that the terms of the Rights Issue, including the Subscription Price, are 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.

### **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 as at the close of business on the Record Date. The PAL(s) relating to the Rights Shares will be enclosed with the Prospectus entitling the Qualifying Shareholders to whom it is addressed to subscribe for the Rights Shares.

Application for all or any part of a Qualifying Shareholder’s provisional allotment should be made by completing a PAL and lodging the same with a remittance for the Rights Shares being applied for with the Share Registrar on or before the Latest Time for Acceptance.

### **Qualifying Shareholders**

The Rights Issue will only be available to the Qualifying Shareholders.

To qualify for the Rights Issue, a Shareholder must be registered as a member of the Company on the Record Date.



## LETTER FROM THE BOARD

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 and investors should consult their professional advisers if they are in doubt as to their status and action to be taken.

The latest time for acceptance of and payment for the 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.

### **Rights of Overseas Shareholders**

According to the register of members of the Company as at the Latest Practicable Date, there were three (3) Overseas Shareholders with registered addresses situated outside Hong Kong.

Overseas Shareholders should note that they are entitled to the Rights Issue, after making the enquiries with the legal advisers made by the Board pursuant to Rule 17.41(1) of the GEM Listing Rules regarding the feasibility of extending the Rights Issue to the Overseas Shareholders.

### **Procedures for acceptance and payment or transfer**

A PAL is enclosed with this Prospectus which entitles the Qualifying Shareholders to whom it is addressed to subscribe for the number of Rights Shares shown therein. If a Qualifying Shareholder wishes to accept all the Rights Shares provisionally allotted to him/her/it as specified in the PAL, he/she/it must lodge the PAL in accordance with the instructions printed thereon, together with a remittance for the full amount payable on acceptance with the Share Registrar at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong by not later than 4:00 p.m. on Monday, 15 July 2024. All remittances must be made in Hong Kong dollars by cheques which must be drawn on an account with, or by cashier's orders which must be issued by, a licensed bank in Hong Kong and made payable to "FLYING FINANCIAL SERVICE HOLDINGS LIMITED" and crossed "ACCOUNT PAYEE ONLY".

## LETTER FROM THE BOARD

It should be noted that unless the duly completed PAL, together with the appropriate remittance, have been lodged with the Share Registrar by not later than 4:00 p.m. on Monday, 15 July 2024 whether by the original allottee or any person in whose favour the rights have been validly transferred, that provisional allotment and all rights thereunder will be deemed to have been declined and will be cancelled. The Company may, at its sole discretion, treat a PAL as valid and binding on the person by whom or on whose behalf it is lodged even if the PAL is not completed in accordance with the relevant instructions. The Company may require such incomplete PAL to be completed by the relevant applicants at a later stage.

If a Qualifying Shareholder wishes to accept only part of his/her/its provisional allotment or transfer part of his/her/its rights to subscribe for the Rights Shares provisionally allotted to him/her/it under the PAL or to transfer part or all of his/her/its rights to more than one person, the entire PAL must be surrendered and lodged for cancellation by not later than 4:30 p.m. on Friday, 5 July 2024 to the Share Registrar, who will cancel the original PAL and issue new PALs in the denominations required which will be available for collection from the Share Registrar at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, after 9:00 a.m. on the second Business Day after the surrender of the original PAL.

The PAL contains further information regarding the procedures to be followed for acceptance and/or transfer of the whole or part of the provisional allotment of the Rights Shares by the Qualifying Shareholders. All cheques or cashier's orders will be presented for payment following receipt and all interest earned on such monies will be retained for the benefit of the Company. Completion and return of the PAL with a cheque or a cashier's order, whether by a Qualifying Shareholder or by any nominated transferee(s), will constitute a warranty by the applicant that the cheque or the cashier's order will be honoured on first presentation. Without prejudice to the other rights of the Company in respect thereof, the Company reserves the right to reject any PAL in respect of which the cheque or cashier's order is dishonoured on first presentation, and in that event the provisional allotment and all rights thereunder will be deemed to have been declined and will be cancelled.

If the conditions of the Rights Issue as set out in the section headed "Conditions of the Rights Issue" below are not fulfilled, the monies received in respect of acceptances of the Rights Shares will be returned to the Qualifying Shareholders or such other persons to whom the Rights Shares in their nil-paid form have been validly transferred or, in the case of joint acceptances, to the first-named person without interest, by means of cheques despatched by ordinary post at the risk of such Qualifying Shareholders to their registered addresses by the Share Registrar on or before Tuesday, 6 August 2024.

No receipt will be issued in respect of any application monies received.

### **Status of the Rights Shares**

The Rights Shares, when allotted, issued and fully paid, will rank *pari passu* in all respects among themselves and with the Shares in issue at the time. Holders of fully-paid Rights Shares will be entitled to receive all future dividends and distributions which may be declared, made or paid by the Company after the date of allotment and issue of the fully-paid Rights Shares.

## LETTER FROM THE BOARD

### **Fractional entitlement to the Rights Shares**

The Company will not provisionally allot fractions of Rights Shares in nil-paid form to the Qualifying Shareholders. All fractions of Rights Shares will be aggregated (and rounded down to the nearest whole number of a Share) and all nil-paid Rights Shares arising from such aggregation will be sold in the market for the benefit of the Company if a premium (net of expenses) can be achieved.

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

According to Rule 10.31(1)(b) of the GEM Listing Rule, the Company will make Compensatory Arrangements to dispose of the Unsubscribed Rights Shares and Placing Shares) by offering the Placing Shares to independent placees for the benefit of the relevant No Action Shareholders. As the Compensatory Arrangements are in place, there will be no excess application arrangements in relation to the Rights Issue.

Accordingly, on 26 April 2024 (after trading hours of the Stock Exchange), the Company entered into the Placing Agreement with the Placing Agent, pursuant to which the Company has appointed the Placing Agent to place the Placing Shares during the Placing Period to Placee(s) who and whose ultimate beneficial owner(s) are Independent Third Party(ies) on a best effort basis. Any premium over the Subscription Price that is realised will be paid to the No Action Shareholders on a pro-rata basis. Any Placing Shares which are not placed under the Placing will not be issued by the Company and the size of the Rights Issue will be reduced accordingly.

Net Gain (if any but rounded down to the nearest cent) will be paid (without interest) on a pro-rata basis to the relevant No Action Shareholders as set out below.

For No Action Shareholders, the relevant Qualifying Shareholders (or such persons who hold any nil-paid rights at the time such nil-paid rights are lapsed) whose nil-paid rights are not validly applied for in full, by reference to the extent that Shares in his/her/its nil-paid rights are not validly applied for.

If and to the extent in respect of any Net Gain, any No Action Shareholders become entitled on the basis described above to an amount of (i) more than HK\$100, the entire amount will be paid to the relevant No Action Shareholders in Hong Kong Dollars only; or (ii) HK\$100 or less, such amount will be retained by the Company for its own benefit.

Shareholders are reminded that Net Gain may or may not be realised and, accordingly, the No Action Shareholders may or may not receive any Net Gain.

## LETTER FROM THE BOARD

### 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 Placers, on a best effort basis, to subscribe for the Unsubscribed Rights Shares. Details of the Compensatory Arrangement 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:	Up to 254,414,580 Rights Shares
Fees and expenses:	(i) 3% of the amount which is equal to the placing price multiplied by the Unsubscribed 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, 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 the Unsubscribed Rights Share:	The placing price of each of the Unsubscribed Rights Share shall be not less than the Subscription Price.  The final price determination will depend on the demand and market conditions of the Unsubscribed Rights Shares during the process of Placing.

## LETTER FROM THE BOARD

Placees:

The Unsubscribed Rights Shares are expected to be placed to placees, who (1) 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; and (2) 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.

Ranking of the Unsubscribed Rights Shares:

The Unsubscribed 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.

## LETTER FROM THE BOARD

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;
- (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.

As at the date of this Prospectus, condition (i) above have already been fulfilled.

## LETTER FROM THE BOARD

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 places 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 place procured by the Placing Agent (together with parties acting in concert with the respective places or any of the connected persons or associates of the respective places) 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 Latest Practicable Date. 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 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.

### **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.

### **Eligibility for admission into CCASS**

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

## **LETTER FROM THE BOARD**

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.

### **Stamp duty and other applicable fees**

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. 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.

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

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. One share certificate will be issued for all the Rights Shares allotted to an applicant.



## **LETTER FROM THE BOARD**

### **CONDITIONS OF THE RIGHTS ISSUE**

The Rights Issue is conditional upon each of the following conditions being fulfilled:

- (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 by the Prospectus Posting Date; and
- (v) the Placing Agreement not being terminated.

None of the above conditions precedent can be waived. If any of the above conditions are not satisfied at or before 4:00 p.m. on Monday, 29 July 2024 (or such other date as the Company and the Placing Agent may agree), the Rights Issue will not proceed. As at the date of this Prospectus, conditions (i) and (iii) have already been fulfilled.

### **REASONS FOR THE RIGHTS ISSUE AND THE 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. The Company's executive Director, Ms. Liu Yi, has developed connection and management experience in travel industry besides her experience in finance industry. The Company plans to adopt an open platform business model (open for fleets and travelers to join the platform) to (i) identify the opportunity of improving personal mobility by matching fleets and travelers; (ii) create the value proposition for each group and have competitive pricing and reduced wait times; (iii) create cross-referral opportunities between the Company's existing financial platform and the new platform and (iv) develop and offer travel package to customers of the new platform so as

## LETTER FROM THE BOARD

to catch opportunities of the recovered travelling industry. The budgeted capital investment of the new service platform is approximately HK\$11.8 million and the budgeted capital investment for the development of existing financial service platform is approximately HK\$7.8 million. As disclosed in the latest published financial statement as at 31 December 2023, the Company's cash and bank balance is approximately RMB16,561,000. The estimated general working capital requirement of the Group in the next 18 months is over RMB100 million. The Company has funds in PRC, the Company does not transfer funds from PRC to Hong Kong because of foreign exchange control of PRC. As at the Latest Practicable Date, the cash and bank balance of the Company in Hong Kong is insufficient to meet the upcoming planned development and general working capital requirement of the Group, including staff costs, rental costs, professional fees and other overhead expenses 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. If the rights issue does not proceed, the Company would delay or scale down the upcoming planned development to ensure sufficient working capital. The Company does not have any intention, arrangement, agreement, understanding or negotiation (concluded or otherwise) to downsize or dispose of the existing business.

Assuming 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, 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 proposed Rights Issue, including but not limited to debt financing, placing and open offer. As debt financing would result in additional interest burden, higher gearing ratio of the Group and subject the Group to repayment obligations, the Board does not consider it to be beneficial to the Group. In addition, debt financing may not be achievable on favourable terms in a timely

## LETTER FROM THE BOARD

manner. As for placing of new Shares, taking into account that (i) it is relatively smaller in scale as compared to fund raising through rights issue; (ii) it would lead to immediate dilution in the shareholding interest of existing Shareholders without offering them the opportunity to participate in the enlarged capital base of the Company, which is not the intention of the Company, it was not considered by the Board to be the most suitable fund-raising method for the Company. As for open offer, while it is similar to a rights issue, offering qualifying shareholders to participate, it does not allow free trading of rights entitlements in the open market unlike a rights issue, which would allow Shareholders to have more flexibility in dealing with the Shares and the nil paid rights attaching thereto.

The Board considers that the Rights Issue, when compared with other forms of equity fund raising, would offer the Qualifying Shareholders the opportunity to subscribe for Rights Shares in proportion to their existing shareholdings in the Company without having their relative shareholdings being diluted and the Board considers that the terms of the Rights Issue are fair and reasonable and in the best interest of the Shareholders as a whole as it allows Qualifying Shareholders to maintain their respective pro rata shareholding interests in the Company and to continue to participate in the future development of the Company and it will improve the capital base and gearing ratio of the Company. However, 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.

The Company choose to conduct the Rights Issue on the non-underwritten basis because fully underwritten basis would not be feasible for the Company after consulting financial adviser under the current market condition and with reference to the drop-off of fund raising activities of the initial public offerings in the recent years; if the Company cannot raise sufficient funds for the intended uses, the Company will delay to proceed with the new service platform or scale down the development if it cannot obtain the required funds. The overall allocation of the proceeds will decrease proportionally if the Company raised less than the target fund.

The Company has fully utilized the proceeds by the Latest Practicable Date raised from the connected transaction announced in May 2022 and the subscription under general mandate announced in December 2023. Since the process of Rights Issue usually takes around three to four months to complete, therefore the Company needs to conduct the Rights Issue.

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.

### **DILUTION EFFECT ON THE SHAREHOLDING INTERESTS OF THE EXISTING PUBLIC SHAREHOLDERS**

All the Qualifying Shareholders are entitled to subscribe for the Rights Shares. For those Qualifying Shareholders who take up their full provisional allotments under the Rights Issue, their shareholding interests in the Company will remain unchanged after the Rights Issue. Referring to the section headed “SHAREHOLDING STRUCTURE OF THE COMPANY” in the Letter from the Board, 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 upon completion of the Rights Issue and their aggregate shareholding interests in the Company may be reduced by a maximum of approximately 75%.

## LETTER FROM THE BOARD

It should be noted that the actual changes in the shareholding structure of the Company upon completion of the Rights Issue are subject to various factors, including but not limited to the results of acceptance of the Rights Issue. Having taken into account (i) all Qualifying Shareholders are provided an equal opportunity to subscribe for their assured entitlements under the Rights Issue for the purpose of maintaining their respective existing shareholding interests in the Company; (ii) the Qualifying Shareholders have the opportunity to sell their nil-paid Rights Shares in the market if they do not wish to take up the Rights Issue entitlements; and (iii) shareholding dilution is generally inherent in all rights issue, we are of the view that the potential dilution effect on the shareholding is acceptable.

### POTENTIAL EFFECT ON THE SHAREHOLDING STRUCTURE

Set out below is the shareholding structure of the Company, assuming there is no further issue or repurchase of Shares before completion of the Rights Issue other than the allotment and issue of the Rights Shares pursuant to the Rights Issue, (i) as at the Latest Practicable Date; (ii) immediately upon completion of the Rights Issue, assuming full acceptance of the Rights Shares by the Qualifying Shareholders; (iii) immediately upon completion of the Rights Issue assuming nil acceptance of the Rights Shares by the Qualifying Shareholders and none of Unsubscribed Rights Shares have been placed by the Placing Agent; and (iv) immediately upon completion of the Rights Issue assuming nil acceptance of the Rights Shares by the Qualifying Shareholders and all Unsubscribed Rights Shares have been placed by the Placing Agent:

	As at the Latest Practicable Date		Immediately upon completion of the Rights Issue assuming full acceptance of the Rights Shares by the Qualifying 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 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 have been placed by the Placing Agent	
	<i>No. of Shares</i>	<i>Approx %</i>	<i>No. of Shares</i>	<i>Approx %</i>	<i>No. of Shares</i>	<i>Approx %</i>	<i>No. of Shares</i>	<i>Approx %</i>
<b>Shareholders</b>								
Ms. Niu Chengjun <sup>(1)</sup>	36,652,067	43.22	146,608,268	43.22	36,652,067	43.22	36,652,067	10.80
<b>Public Shareholders</b>								
Sino-Africa Resources Holdings Limited <sup>(2)</sup>	5,113,520	6.03	20,454,080	6.03	5,113,520	6.03	5,113,520	1.51
Independent Places <sup>(3)</sup>	—	—	—	—	—	—	254,414,580	75.00
Other public Shareholders	43,039,273	50.75	172,157,092	50.75	43,039,273	50.75	43,039,273	12.69
<b>Total</b>	<u>84,804,860</u>	<u>100.00</u>	<u>339,219,440</u>	<u>100.00</u>	<u>84,804,860</u>	<u>100.00</u>	<u>339,219,440</u>	<u>100.00</u>

## LETTER FROM THE BOARD

*Notes:*

- (1) The maximum number of Shares that may be subscribed by Ms. Niu is (i) 1,085,502 Shares if nil acceptance of the Rights Shares by all other Shareholders; and (ii) 109,956,201 Shares if all the Rights Issue has been fully subscribed or placed. For any amount of Shares that Ms. Niu would subscribe, the amount of Shares will be 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.
- (2) 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.
- (3) According to the Placing Agreement, the Placing Agent shall ensure that (1) each of the places 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. Therefore, the Independent Places shall be public shareholders. The public float under the scenario "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 have been placed by the Placing Agent" and "Immediately upon completion of the Rights Issue assuming nil acceptance of the Rights Shares by the Qualifying Shareholders and all Unsubscribed Rights Shares have been placed by the Placing Agent" shall be approximately 56.8%, 56.8% and 89.2%, respectively.

### EQUITY FUND-RAISING ACTIVITIES IN THE PAST 12 MONTHS FROM THE LATEST PRACTICABLE DATE

The Company had carried out the following equity fund-raising activities in the 12 months immediately preceding the Latest Practicable Date:

Date of initial Announcement	Fund raising activity	Net proceeds raised (Approximately) (HK\$)	Intended use of proceeds	Actual use of proceeds as at the Latest Practicable Date
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	Fully utilised
21 December 2023	Subscription of new shares under general mandate	4.35 million	Development of the Group's new data security related business	Fully utilised

## LETTER FROM THE BOARD

As at the Latest Practicable Date, save for the Rights Issue, there is no agreement, arrangement, understanding, intention, negotiation (concluded or otherwise) for any fund raising activity for the Group in the coming 12 months; and the Company has no intention to carry out any other corporate actions or arrangements that may affect the trading in the Shares (including share consolidation, share subdivision and change in board lot size) in the coming 12 months.

### **WARNING OF THE RISKS OF DEALING IN THE SHARES AND 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”. 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 Latest Practicable Date 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.

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.

**LETTER FROM THE BOARD**

**ADDITIONAL INFORMATION**

Your attention is drawn to the information set out in the appendices to this Prospectus.

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

## 1. FINANCIAL INFORMATION SUMMARY OF THE GROUP

The financial information of the Group for the three years ended 31 December 2021, 2022 and 2023 are disclosed in the following documents which have been published on the website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the website of the Company ([www.flyingfinancial.hk](http://www.flyingfinancial.hk)):

- (i) the audited financial information of the Group for the year ended 31 December 2023 is disclosed in the annual report of the Company for the year ended 31 December 2023 published on 30 April 2024, from pages 62 to 160 (<https://www1.hkexnews.hk/listedco/listconews/gem/2024/0430/2024043002052.pdf>);
- (ii) the audited financial information of the Group for the year ended 31 December 2022 is disclosed in the annual report of the Company for the year ended 31 December 2022 published on 16 April 2023, from pages 115 to 232 (<https://www1.hkexnews.hk/listedco/listconews/gem/2023/0416/2023041600029.pdf>);
- (iii) the audited financial information of the Group for the year ended 31 December 2021 is disclosed in the annual report of the Company for the year ended 31 December 2021 published on 30 June 2022, from pages 125 to 258 (<https://www1.hkexnews.hk/listedco/listconews/gem/2022/0630/2022063003275.pdf>).

## 2. STATEMENT OF INDEBTEDNESS

As at 10 May 2024, the Group had lease liabilities of RMB1,774,000 representing present value of the remaining lease payments for certain office equipment and leased property, discounted by the Group's incremental borrowing rates in accordance with HKFRS 16. Save as disclosed above and otherwise disclosed herein, and apart from intra-group liabilities, the Group did not have, at the close of business on 10 May 2024, any loan capital issued and outstanding or agreed to be issued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances or acceptance credits, debentures, mortgages, charges, hire purchases commitments, guarantees or contingent liabilities. To the best knowledge of the Directors, having made all reasonable enquiries, there has been no material change in indebtedness or contingent liabilities of the Group since 10 May 2024 and up to the Latest Practicable Date.

## 3. SUFFICIENCY OF WORKING CAPITAL

The Directors are of the opinion that, after taking into account the financial resources available to the Group, including internally generated funds, available facilities and the estimated net proceeds from the Rights Issue, the Group will have sufficient working capital for its requirements for at least the next twelve months from the Latest Practicable Date.



#### 4. MATERIAL CHANGE

Save that the Company proposed to conduct the Rights Issue to raise estimated net proceeds of approximately HK\$60.3 million of the Group, the Directors confirmed that there has been no material change in the financial or trading position or outlook of the Group since 31 December 2023 (being the date to which the latest published audited consolidated financial statements of the Group were made up) and up to and including the Latest Practicable Date.

#### 5. BUSINESS TREND AND FINANCIAL AND TRADING PROSPECT

The Group's business operations mainly comprise of the operation of the financial service platform (as part of the fin-tech platform) and the provision of consultation services.

As at the Latest Practicable Date, the financial service platform of the Group serves as a platform to bridge small loan customers referred by the enterprise customers and internet small loan companies and to provide consultation services to the customers. Under the financial service platform, the Group makes use of its established business process and technology system to collect information from individual customers and conduct credit risk assessment, the results of which will be provided to the partnered internet small loan companies. The Group charges the enterprise customers a financial consultation service fee for each successful small loan.

Such financial technology 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 through cooperating with Tencent Cloud and other licensed institutions. Business needs of the Group's partners can be fulfilled through quick access to the technologies.

The Group had operated in compliance with the requirements of the regulatory department at material time. Besides, such platform has risk control module to prevent corporate customers from duplicate borrowing and to identify fraud and tax payment pattern and development data.

As at the Latest Practicable Date, the Group does not hold any immovable properties and interests in property development projects. Having considered that (i) the existing operation of financial service platform and consultation services of the Group do not depend on any continuing ownership of any particular investments, immovable properties or heavy assets; and (ii) development opportunities subject to the prevailing the Group shall continue to identify appropriate market conditions and available funds of the Group, the Company considered that the operation of the Group could be sustained without reliance upon continuous ownership of any particular investments, immovable properties or heavy assets. The Group actively seeks various business opportunities from time to time, in order to expand and diversify the Group's revenue sources. During the Group's ordinary and usual course of business in operating the financial service platform, various clients and counterparties have been indicating to Group's management that data security has been an increasingly critical topic in financial service industry and data security service could be compliment/an ancillary service to the Group's already operating financial service platform which the Group find this comment not unreasonable. Accordingly, the Directors are of the view that the expansion of the business scope of the Group into data security related segment is in line with the Group's business development and expansion plan, which will bring better returns to the Shareholders and the Directors consider the above products is also enhance and assist the group original business in the future.

For illustrative purpose only, set out below is the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group after completion of the Rights Issue.

Although reasonable care has been exercised in preparing the unaudited pro forma financial information, Shareholders who read the information should bear in mind that these figures are inherently subject to adjustments and may not give a complete picture of the Group's financial results and positions for the financial periods concerned.

#### **STATEMENT OF UNAUDITED PRO FORMA ADJUSTED NET TANGIBLE ASSETS OF THE GROUP**

The unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to the owners of the Company (the “**Unaudited Pro Forma Financial Information**”) has been prepared in accordance with paragraph 7.31 of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”) and with reference to Accounting Guideline 7 “Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars” issued by the Hong Kong Institute of Certified Public Accountants to illustrate the effect of the Rights Issue on the audited consolidated net tangible assets of the Group attributable to the owners of the Company as if the Rights Issue had taken place on 31 December 2023.

Capitalised terms used herein shall have the same meanings as those defined in this prospectus unless the context otherwise requires. The Unaudited Pro Forma Financial Information is prepared based on the audited consolidated net assets of the Group attributable to the owners of the Company as at 31 December 2023, as extracted from the audited consolidated financial statements for the year ended 31 December 2023 set out in the published 2023 annual report of the Company, after incorporating the unaudited pro forma adjustments described in the accompanying notes.

Audited consolidated net tangible assets of the Group attributable to the owners of the Company as at 31 December 2023 HK\$'000 (Note 1)	Estimated net proceeds from the Rights Issue HK\$'000 (Note 2)	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the owners of the Company after completion of the Rights Issue HK\$'000	Unaudited consolidated net tangible assets per Share attributable to the owners of the Company as at 31 December 2023 HK\$ (Note 3)	Unaudited pro forma adjusted Consolidated net tangible assets per Share attributable to the owners of the Company after completion of the Rights Issue HK\$ (Note 4)
Based on 254,414,580 Rights Shares to be issued at a Subscription Price of HK\$0.25 per Rights Share	<u>60,393</u>	<u>60,301</u>	<u>120,694</u>	<u>0.712</u>
	<u>0.3558</u>			

The Unaudited Pro Forma Financial Information has been prepared by the Directors for illustrative purposes only, based on the judgements and assumptions of the Directors, and because of its hypothetical nature, may not give a true picture of the consolidated net tangible assets of the Group attributable to the owners of the Company had the Rights Issue been completed as at 31 December 2023 or at any future date.

*Notes:*

1. The audited consolidated net tangible assets of the Group as at 31 December 2023 is based on the consolidated net assets of the Group, extracted from the annual report after the exchange translation at the rate as at 31 December 2023.
2. The estimated net proceeds from the right issue are based on 254,414,580 Rights Shares at subscription prices of HK\$0.25, after deduction of the estimated related fees and expenses paid/payable by the Company of approximately HK\$3,303,000.
3. The number of shares used for the calculation of unaudited pro forma adjusted consolidated net tangible assets of the Group per Share before completion of right issue is based on the unaudited pro forma adjusted consolidated net tangible assets as at 31 December 2023 divided by 84,804,860 shares.
4. The number of shares used for the calculation of unaudited pro forma adjusted consolidated net tangible assets of the Group per Share after completion of right issue is based on the unaudited pro forma adjusted consolidated net tangible assets as at 31 December 2023 divided by the 339,219,440 shares assuming the 254,414,580 right shares to be take place.
5. No adjustments have been made to the unaudited pro forma financial information to reflect any trading result or other transactions of the Group entered into subsequent to 31 December 2023.

The following is the text of the independent reporting accountants' assurance report received from Elite Partners CPA Limited, Certified Public Accountants, Hong Kong, the reporting accountants of our Company, in respect of the Group's unaudited pro forma financial information prepared for the purpose of incorporation in this prospectus.

### **INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION**

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Flying Financial Service Holdings Limited (the "**Company**") and its subsidiaries (hereinafter collectively referred to as the "**Group**") by the directors of the Company ("**Directors**") for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of consolidated net tangible assets as at 31 December 2023, and related notes (the "**Unaudited Pro Forma Financial Information**") as set out in Appendix II of the prospectus issued by the Company. The applicable criteria on the basis of which the Directors have compiled the Unaudited Pro Forma Financial Information are described in Appendix II of this prospectus.

The Unaudited Pro Forma Financial Information has been compiled by the Directors to illustrate the impact of the proposed rights issue on the basis of three rights share at the subscription price of HK\$0.250 per rights share (the "**Rights Share**") for every one share held on the Record Date (the "**Rights Issue**") as if the transaction had taken place as at 31 December 2023. As part of this process, information about the audited consolidated statement of financial position of the Group as at 31 December 2023, as extracted by the Directors from the Company's annual report for the year ended 31 December 2023, on which audit report has been published.

### **Directors' Responsibilities for the Unaudited Pro Forma Financial Information**

The Directors are responsible for compiling the unaudited Pro Forma Financial Information in accordance with paragraph 7.31 of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited ("**GEM Listing Rules**") and with reference to Accounting Guideline ("**AG**") 7 Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**").

### **Our Independence and Quality Control**

We have complied with the independence and other ethical requirements of the "Code of Ethics for Professional Accountants" issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior. Our firm applies Hong Kong Standard on Quality Management "Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements" which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

**Reporting Accountants' Responsibilities**

Our responsibility is to express an opinion, as required by paragraph 7.31(7) of the GEM Listing Rules, on the Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 "Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus" issued by the HKICPA. This standard requires that the reporting accountants comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the Unaudited Pro Forma Financial Information in accordance with paragraph 7.31 of the GEM Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Unaudited Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Unaudited Pro Forma Financial Information.

The purpose of the Unaudited Pro Forma Financial Information included in a prospectus is solely to illustrate the impact of the significant transaction on consolidated net tangible assets of the Group as if the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at 31 December 2023 would have been as presented.

A reasonable assurance engagement to report on whether the Unaudited Pro Forma Financial Information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the Unaudited Pro Forma Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The Unaudited Pro Forma Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgement, having regard to the reporting accountants' understanding of the nature of the Group, the event or transaction in respect of which the unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Unaudited Pro Forma Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Opinion**

In our opinion:

- (a) the Unaudited Pro Forma Financial Information has been properly compiled by the Directors on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purpose of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 7.31(1) of the GEM Listing Rules.

**Elite Partners CPA Limited**  
*Certified Public Accountants*

Hong Kong, 28 June 2024

## 1. RESPONSIBILITY STATEMENT

This Prospectus, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with 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 Prospectus 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 in this Prospectus or this Prospectus misleading.

## 2. SHARE CAPITAL OF THE COMPANY

The authorised and issued share capital of the Company as at the Latest Practicable Date and immediately following completion of the Rights Issue (assuming there is no change in the number of issued Shares and that all Shareholders have taken up all their entitled Rights Shares) will be as follows:

### (a) As at the Latest Practicable Date

HK\$

**Authorised share capital:**

50,000,000,000 Existing Shares of HK\$0.01 each 500,000,000

**Issued and fully paid:**

84,804,860 Existing Shares of HK\$0.01 each 848,048.60

### (b) Immediately following the completion of the Rights Issue (assuming there is no change in the number of issued Shares and that all Shareholders have taken up all their entitled Rights Shares)

HK\$

**Authorised share capital:**

50,000,000,000 Existing Shares of HK\$0.01 each 500,000,000

**Issued and fully paid:**

339,219,440 Existing Shares of HK\$0.01 each 3,392,194.40

The Rights Shares, when issued and fully-paid, will be free from all liens, charges, encumbrances and third-party rights, interests or claims of any nature whatsoever and shall rank pari passu in all respects with the Shares then in issue, including as to the right to receive all dividends and distributions which may be declared, made or paid on or after the date of allotment of the fully-paid Rights Shares.

The Company did not have any options outstanding under any share option scheme of the Company or any other derivatives, options, warrants and conversion rights or other similar rights which are convertible or exchangeable into Shares as at the Latest Practicable Date.

The Rights Shares to be issued will be listed on the Stock Exchange. No part of the share capital or any other securities of the Company is listed or dealt in on any stock exchange other than the Stock Exchange and no application is being made or is currently proposed or sought for the Shares or the Rights Shares or any other securities of the Company to be listed or dealt in on any other stock exchange.

As at the Latest Practicable Date, there were no arrangements under which future dividends are waived or agreed to be waived.

### **3. DISCLOSURE OF INTERESTS**

#### **(a) Directors' and chief executive's interests and short interests and short positions in the shares, underlying shares and debentures of the Company or any associated corporation**

As at the Latest Practicable Date, none of the Directors nor chief executive of the Company had or was deemed to have 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, or as otherwise, notified to the Company and the Stock Exchange pursuant to Sections 324 and 347 of the SFO of the Model Code to be entered in the register referred to therein, or pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules to be notified to the Company and the Stock Exchange as required to be disclosed under the Takeovers Code.



**(b) Interests and short positions of the substantial shareholders in shares and underlying shares of the company**

As at the Latest Practicable Date, so far as was known to the Directors and chief executive of the Company, the following person, other than a Director or chief executive of the Company, had an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group:

*Long position in the Shares*

Name of Shareholder	Capacity	Number of Shares	Approximate percentage of the issued shares
Ms. Niu Chengjun	Beneficial owner	36,652,067	43.22
Sino-African Resources Holdings Limited ( <i>Note 1</i> )	Beneficial owner	5,113,520	6.03
Mr. Huang Xiguang ( <i>Note 1</i> )	Interest of controlled corporation	5,113,520	6.03

*Note:*

1. These shares were held by Sino-African Resources Holdings Limited as beneficial owner. SinoAfrica Resources Holdings Limited is a company wholly owned by Mr. Huang Xiguang.

Save as disclosed above, as at the Latest Practicable Date, the Directors were not aware of any other persons or corporations (other than the Directors and the chief executive of the Company) who had, or was deemed to have, interests or short positions in the Shares or underlying Shares (including any interests in options in respect of such capital), which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group.

#### **4. DIRECTORS' SERVICE CONTRACTS**

Ms. Liu Yi, being executive Director, has renewed or entered his/her service contract with the Company on 23 May 2022, for a term of three years. The aforementioned service contracts with the Company for the executive Directors shall be terminated by not less than three months' notice in writing served by either party.

Each of Mr. Kam Hou Yin, John, Ms. Chong Kan Yu and Mr. Luo Sigang, being the independent non-executive Directors, has entered into a letter of appointment with the Company for a term of two years commencing 23 February 2023 and 8 June 2023, respectively. The aforementioned appointment letters with the Company for each of the independent non-executive Directors shall be automatically renewed and extended for successive term of one year and may be terminated either after the initial term by either party by giving at least three months' notice in writing or be terminated after one year of the initial term. Save as disclosed above, none of the Directors had entered, or been proposed to enter, into any service contract with the Company or any other member of the Group.

#### **5. COMPETING INTERESTS**

As at the Latest Practicable Date, none of the Directors and their respective associates was interested in any business apart from the business of the Group which competes or is likely to compete, either directly or indirectly, with the business of the Group.

#### **6. DIRECTORS' INTEREST IN ASSETS, CONTRACTS AND OTHER INTERESTS**

As at the Latest Practicable Date, none of the Directors had any interest, directly or indirectly, in any asset which, since 31 December 2023, being the date to which the latest published audited financial statements of the Company were made up, had been acquired or disposed of by or leased to or are proposed to be acquired or disposed of by or leased to any member of the Group.

There were no contracts or arrangements subsisting as at the Latest Practicable Date in which any Director was materially interested and which was significant in relation to the business of the Group.

#### **7. MATERIAL ADVERSE CHANGE**

As at the Latest Practicable Date, the Directors confirm that there is no material adverse change in the financial or trading position of the Group since 31 December 2023, being the date to which the latest published audited consolidated financial statements of the Group were made up.

## 8. MATERIAL CONTRACTS

The following material contracts (not being contracts entered into in the ordinary course of business of the Group) were entered into by members of the Group during two years preceding the date of this Prospectus and are or maybe material:

- (i) the Placing Agreement

## 9. LITIGATION

Save as to such litigation and legal proceedings as disclosed in the circular of the Company dated 10 May 2022 and as disclosed in the Company's announcements dated 26 March 2021, 26 January 2022 and 22 February 2022, as at the Latest Practicable Date, no member of the Group was engaged in any litigation or arbitration of material importance and no litigation, arbitration or claim of material importance was known to the Directors to be pending or threatened against any member of the Group.

## 10. EXPERTS AND CONSENTS

The qualification of the expert who has given its opinion in this Prospectus is as follows:

<b>Name</b>	<b>Qualifications</b>
Elite Partners CPA Limited	Certified public accountants

The above expert has given and confirmed that the expert has not withdrawn its written consent to the issue of this Prospectus with the inclusion herein of its letter, report, advice, opinion and/or references to its name in the form and context in which they respectively appear.

As at the Latest Practicable Date, the above expert did not have any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for any Shares, convertible securities, warrants, options or derivatives which carry voting rights in any member of the Group.

As at the Latest Practicable Date, the above expert did not have any interest, either directly or indirectly, in any assets which have been since 31 December 2023 (being the date to which the latest published audited consolidated financial statements of the Company were made up) acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

**11. DIRECTORS OF THE COMPANY**

<b>Name</b>	<b>Address</b>
<i>Executive Director</i>	
Ms. Liu Yi	Room 1007, 10/F, West Wing Tsim Sha Tsui Centre 66 Mody Road, Tsim Sha Tsui Kowloon, Hong Kong
<i>Independent non-executive Directors</i>	
Mr. Luo Sigang	Room 1007, 10/F, West Wing Tsim Sha Tsui Centre 66 Mody Road, Tsim Sha Tsui Kowloon, Hong Kong
Mr. Kam Hou Yin, John	Room 1007, 10/F, West Wing Tsim Sha Tsui Centre 66 Mody Road, Tsim Sha Tsui Kowloon, Hong Kong
Ms. Chong Kan Yu	Room 1007, 10/F, West Wing Tsim Sha Tsui Centre 66 Mody Road, Tsim Sha Tsui Kowloon, Hong Kong

**12. CORPORATE INFORMATION AND PARTIES INVOLVED IN THE RIGHTS ISSUE**

<b>Registered Office and Principal place of business in Hong Kong</b>	Room 1007, 10/F West Wing Tsim Sha Tsui Centre 66 Mody Road, Tsim Sha Tsui Kowloon, Hong Kong
<b>Authorised representatives</b>	Liu Yi Leung Man Kit
<b>Company secretary</b>	Leung Man Kit Flat B, 48/F., Block 9 Le Point Tseung Kwan O New Territories, Hong Kong

<b>Auditors</b>	Elite Partners CPA Limited Certified Public Accountants Level 23, YF Life Tower 33 Lockhart Road Wanchai Hong Kong
<b>Financial Adviser to the Company</b>	Draco Capital Limited 4/F, Connaught Harbour Front House 35–36 Connaught Road West Sheung Wan Hong Kong
<b>Legal adviser to the Company as to Hong Kong laws</b>	Yick & Chan, Solicitors Suite A1, 11th Floor One Capital Place 18 Luard Road Wanchai Hong Kong
<b>Independent financial adviser to the Independent Board Committee and the Independent Shareholders</b>	Alpha Financial Group Limited Room A, 17th Floor Fortune House 61 Connaught Road Central Central Hong Kong
<b>Placing Agent</b>	Tiger Faith Securities Limited Suit 1502, 15th Floor The Chinese Bank Building Nos. 61–65 Des Voeux Road Central Hong Kong
<b>Principal banker</b>	Industrial and Commercial Bank of China Shenzhen Excellence Century Centre Branch 1/F, No. 3, Excellence Century Centre Fuhua Three Road Futian District Shenzhen, China
<b>Hong Kong share registrar and transfer office</b>	Tricor Investor Services Limited 17/F. Far East Finance Centre 16 Harcourt Road Hong Kong

<b>Principal share registrar and transfer office in Cayman Islands</b>	Conyers Trust Company (Cayman) Limited Cricket Square Hutchin Drive P. O. Box 2681 Grand Cayman KY1-1111 Cayman Islands
<b>Stock Code</b>	8030
<b>Company Website</b>	<a href="http://www.flyingfinancial.hk/">http://www.flyingfinancial.hk/</a>

### 13. EXPENSES

The expenses payable by the Company in connection with the Rights, including printing, registration, translation, legal, financial advisory, accounting and other professional fees, are estimated to be approximately HK\$3.3 million.

### 14. BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

#### Executive Director

**Ms. LIU Yi (劉毅女士)**, aged 40, was appointed as an executive Director with effect from 23 May 2022. Prior to the Appointment, Ms. Liu served various microcredit and money lending companies in the People's Republic of China (the "PRC") and is well experienced in the money lending business sector. Ms. Liu graduated from Huazhong University of Science and Technology (華中科技大學) in June 2007 with a bachelor degree in financial management (財務管理專業學士).

#### Independent non-executive Directors

**Mr. KAM Hou Yin, John (金孝賢先生)**, aged 51, is a member of Standing Committee of National Committee of the Chinese People's Political Consultative Conference (中國人民政治協商會議全國委員會) of Futian District, Shenzhen. Mr. Kam holds the degree of Master of Business Administration from The Tsinghua University in China and The University of Manchester in the United Kingdom. He is a fellow member of The Association of Chartered Certified Accountants and a member of The Hong Kong Institute of Certified Public Accountants. Mr. Kam has over 20 years' experience in corporate, personal and interbank business. Mr. Kam was the Senior Partner of Shenzhen Zhujin Supply Chain Management Co. Ltd. from November 2018 to December 2020. He was appointed as an Executive Director and Chief Executive Officer of Century Ginwa Retail Holdings Limited from 2 May 2017 to October 2018 and was Zone Manager — Corporate Banking Division and General Manager of Shenzhen Branch of The Bank of East Asia (China), Limited from July 2012 to March 2017 and Zone Manager (Western China) — Corporate Banking Division and General Manager of Xi'an Branch of The Bank of East Asia (China), Limited from November 2006 to June 2012. Mr. Kam was appointed as Co-Chief Executive Officer of DTXS Silk Road Investment Holdings Company Limited from 12 March 2021 and he was an executive director and chief

executive officer of DTXS Silk Road Investment Holdings Company Limited (Stock code: 620) during the period from September 2021 to November 2022. Mr. Kam has been an independent non-executive director of China Ocean Group Development Limited (Stock code: 8047) since March 2020.

**Ms. CHONG Kan Yu (莊瑾瑜女士)**, age 59, been a general manager of Nam Yu International Investment Company Limited (藍瑜國際投資有限公司) since 1989, a company principally engaged in business of cross-border logistic and sea freight forwarding. Ms. Chong has been a director of Vigor Development (China) Company Limited (龍駿發展(中國)有限公司) since 1992 and a director of Bestowal Investment Holdings Limited (龍澤投資集團有限公司) since 2000. Ms. Chong has over 20 years' experience in trading, logistic and real estate and property development. Ms. Chong holds various positions in different social and commercial associations. She was the special committee member of Chinese People's Political Consultative Conference of Dongguang (Hong Kong and Macau) (東莞市(港澳)中國人民政治協商會議), the honorary chairman of the Women's Federation of Guangdong Provincial Association for the Promotion of Exchanges Across Taiwan Straits (廣東省海峽兩岸交流促進會婦女聯會) and the vice-chairman of the Houjie branch of Dongguan Waishang Investment Enterprise Association (東莞外商企業協會厚街分會) and the honorary chairman of Overseas Friendship Association of Dongguan (東莞市海外聯誼會). Ms. Chong is currently a special representative of Shenzhen of All-China Women's Federation Hong Kong Delegates (港區婦聯代表聯誼會), a consultant of Friendship Association of Hong Kong Xiamen (香港廈門聯誼總會), and the vice-chairman of the Agriculture Committee of Guangdong Provincial Association for the Promotion of Exchanges Across Taiwan Straits (廣東省海峽兩岸交流促進會農業委員會).

**Mr. LUO Sigang (羅思剛先生)**, aged 42, is currently working as a manager in Shenzhen Wantong Financing Guarantee Co., Ltd. (深圳市萬通融資擔保有限公司) since 2014, a company principally engaged in financing and secured loan business. Mr. Luo holds the degree of Computer Science and Technology from the Beijing University of Aeronautics and Astronautics. Mr. Luo has over 20 years' experience in financial services and professional legal knowledge and has also participated in handling litigation and other legal aspects of work. He was appointed as a manager of Shenzhen Real Estate Financing Guarantee Co., Ltd. (深圳市不動產融資擔保有限公司) during the period from April 2011 to November 2014. He has also worked as the director of the Yushan Judicial Office in Bazhong City, Sichuan Province from August 2001 to August 2003.

**SENIOR MANAGEMENT****Company secretary**

**Mr. LEUNG Man Kit** (梁文傑先生), (“**Mr. Leung**”) aged 46, was appointed as a Company Secretary on 23 February 2023, he is a Fellow Certified Public Accountant of the Hong Kong Institute of Certified Public Accountants as well as a Fellow Member of the Association of International Accountants, Fellow Member of the Taxation Institute of Hong Kong and also an Associate Member of The Society of Chinese Accountants and Auditors. He obtained a Master Degree of Business Administration in Financial Management from The University of Hull in the United Kingdom. Mr. Leung has many years of audit and tax experience from various listed and private companies in Hong Kong and the PRC. Mr. Leung was appointed as an executive director on 1 February 2022 and appointed as a Compliance Officer on 23 May 2022. He was resigned as an executive director on 5 December 2022.

**15. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG**

A copy of each of the Prospectus Documents, having attached thereto the written consent as referred to in the paragraph headed “10. Experts and Consents” in this appendix, have been registered with the Registrar of Companies in Hong Kong as required by section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

**16. MISCELLANEOUS**

- (i) As at the Latest Practicable Date, there was no restriction affecting the remittance of profit or repatriation of capital of the Company into Hong Kong from outside Hong Kong.
- (ii) As at the Latest Practicable Date, there is no material foreign exchange exposure to the Company. Therefore, no financial instrument was made to hedge such exposures.
- (iii) As at the Latest Practicable Date, there was no contracts for the hire or hire purchase of plant to or by any member of the Group for a period of over one year which were substantial in relation to the Group’s business.
- (iv) This Prospectus has been prepared in both English and Chinese. In the case of any discrepancies, the English text shall prevail over the respective Chinese text.



**17. DOCUMENTS ON DISPLAY**

Copies of the following documents are available on the website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the website of the Company ([www.flyingfinancial.hk](http://www.flyingfinancial.hk)) for 14 days from the date of this Prospectus:

- (i) the letter issued by the reporting accountant regarding the unaudited pro forma financial information of the Group;
- (ii) the written consent referred to in the paragraph under the heading “10. EXPERT AND CONSENT” in this appendix; and
- (iii) the material contracts referenced to in the paragraph under the heading “8. Material Contracts” in this appendix.

**18. BINDING EFFECT**

The Prospectus Documents and all acceptances of any offer or application contained therein are governed by and shall be construed in accordance with the laws of Hong Kong. The Prospectus Documents shall have the effect, if an application is made in pursuance hereof, of rendering all persons concerned bound by all provisions (other than the penal provisions) of sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), so far as applicable.