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**Flying Financial Service Holdings Limited**  
**匯聯金融服務控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock code: 8030)**

**(1) QUARTERLY UPDATE ON STATUS OF RESUMPTION;  
(2) VACATION OF OFFICE OF EXECUTIVE DIRECTOR; AND  
(3) CHANGE IN COMPOSITION OF THE BOARD COMMITTEES**

This announcement is made by Flying Financial Service Holdings Limited (the “**Company**”, collectively with its subsidiaries, the “**Group**”) pursuant to Rule 17.10(2) of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”) and the inside information provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

References are made to (i) the announcements of the Company dated 8 December 2020, 26 March 2021 and 18 June 2021, in relation to, among others, the inside information of the Company (collectively, the “**Inside Information Announcements**”); (ii) the annual report for the year ended 31 December 2020 of the Company (“**2020 Annual Report**”); (iii) the first quarterly report for the three months ended 31 March 2021 of the Company (the “**First Quarterly Report**”); and (iv) the announcement of the Company dated 4 June 2021 in relation to the Resumption Guidance (the “**Resumption Guidance Announcement**”). Unless otherwise defined, capitalised terms used in this announcement shall have the same meaning as those defined in the Inside Information Announcements, the First Quarterly Report and the Resumption Guidance Announcement.

# QUARTERLY UPDATE ON STATUS OF RESUMPTION

## Resumption guidance

The Stock Exchange has set out the below Resumption Guidance for the Company on 3 June 2021:

- (a) conduct an appropriate independent investigation into the custody of Mr. Zheng, Ms. Guo and three employees of the Group by the Nanshan Branch of Shenzhen Public Security Bureau since December 2020 pending investigation regarding certain suspected illegal absorption of public deposits conducted by a subsidiary of the Company, assess the impact on the Company's business operation and financial position, announce the findings and take appropriate remedial actions;
- (b) demonstrate that there is no reasonable regulatory concern about management integrity and/or the integrity of any persons with substantial influence over the Company's management and operations, which may pose a risk to investors and damage market confidence;
- (c) address the issues giving rise to the disclaimer of opinion on the Annual Results Announcement, provide comfort that the disclaimer of opinion in respect of such issues would no longer be required and disclose sufficient information to enable investors to make an informed assessment of its financial positions as required under Rule 17.49B of the GEM Listing Rules;
- (d) demonstrate that the Company has in place adequate internal control systems to meet the obligations of the GEM Listing Rules; and
- (e) announce all material information for the Company's shareholders and investors to appraise the Company's position.

Pursuant to Rule 17.26A of the GEM Listing Rules, the Board wishes to update the shareholders and potential investors of the Company that, as at the date of this announcement, the latest development on the progress of the Company's efforts to fulfil the Resumption Guidance and the development of its principal businesses are as follows:

## Update on business operations

### *(i) Investment in property development projects*

Due to the impact of the global pandemic and the unfavourable government policies, the real estate industry was under mounting pressure. In order to cope with the impact of the cyclical downtrend of the real estate industry, the Group focused on the development of pipeline property development projects.

The Group explored other business opportunities along the business value chain and aimed to control business risks with prudent operation through reducing cash expenditure relating to investment.

***(ii) Fin-tech platform***

With the impact of the outbreak of COVID-19, restrictions in travelling have greatly slowed down the communication and cooperation with the Group's potential customers of the fin-tech platform, which hindered the development of the fin-tech platform and affected the financial performance of this segment.

***(iii) Provision of loan services, financial consultation services and finance lease services***

For the provision of loan services and the financial consultation services segments, in order to streamline into a more asset-light and risk-averse business model, the Group has downsized these segments and allocated more resources to source new business opportunities in respect of the fin-tech platform. For the finance lease services segment, due to the lack of funds and a suitable team to develop and promote this segment, the Group currently only has a small number of customers for this segment, which generates limited revenue for the Group.

To cope with the industry downward of its principal businesses, the Group further reduced its costs and strengthened its internal control. Through optimising human resources and streamlining organisational structure of the Group, the operation efficiency and per capita efficiency were further enhanced. In addition, the Group refined its business operation and improved its rules and regulations after assessment and supervision of the internal control of various business segments. The Group's internal control system was improved through supervising the implementation of remedial measures for the loopholes found during the inspection.

**Update on progress of resumption**

The Company has continued to take active steps to address and comply with the Resumption Guidance. The following are the updates on the progress of compliance with the Resumption Guidance:

***(a) The Custodies***

As disclosed in the announcement of the Company dated 18 June 2021, Mr. Zheng, Ms. Guo and the three employees of the Group were transferred from the Nanshan Branch of the Shenzhen Public Security Bureau\* (深圳市公安局南山分局)(the “**Bureau**”) to the People's Procuratorate of Nanshan Shenzhen\* (深圳市南山區人民檢察院)(“**Nanshan Procuratorate**”) for examination and prosecution, according to a notice issued by the Nanshan Procuratorate.

As at the date of this announcement, the Board is considering the engagement of an independent investigator to conduct investigation in relation to, among others, the Custodies, and to assess the impact on the Company's business operation and financial position. The Company will announce findings from such investigation as and when necessary in accordance with the GEM Listing Rules and take appropriate remedial actions.

**(b) *Management integrity***

As disclosed in the announcement of the Company dated 26 March 2021, (i) Mr. Zheng has tendered his resignation as the chairman, executive Director, Chief Executive Officer, authorised representative and compliance officer of the Company with effect from 26 March 2021, he has also resigned from all his other positions in the Group with effect from 26 March 2021; and (ii) as set out in the paragraphs headed "VACATION OF OFFICE OF EXECUTIVE DIRECTOR" and "CHANGE IN COMPOSITION OF THE BOARD" in this announcement below, the office of Ms. Guo as an executive Director has been vacated with immediate effect since 28 June 2021. As such, the business and operations of the Company are currently under the directions and control of the Board which is independent from the personnel which were suspected to be involved in the operation of the Financial Service Platform, namely Mr. Zheng and Ms. Guo. In addition, so far as the Board is aware, there is no other person(s) who/which may have a substantial influence over the Company's management and operations which will impose a risk to investors and damage market confidence.

**(c) *Disclaimer of opinion***

As at the date of this announcement, the Group is actively negotiating with the relevant parties in relation to address each scope limitation included in the basis of disclaimer of opinion. In particular to the scope limitation relating to going concern, the Group is actively negotiating with potential investors in relation to possible fund raising activities.

**(d) *Internal control***

As at the date of this announcement, the Group is in the process of engaging internal control advisers to review and strengthen the Group's internal control systems, so as to ensure the Company's has in place adequate internal control systems to meet the obligations of the GEM Listing Rules.

***(e) Material information***

The Board considers that the Company has announced all material information regarding the Resumption Guidance for its shareholders and investors to appraise the Company's position. The Company will make further update announcements in relation to the Resumption Guidance as and when appropriate.

**VACATION OF OFFICE OF EXECUTIVE DIRECTOR**

The Board announces that the office of Ms. Guo as an executive Director shall has been vacated pursuant to article 102(iii) of the articles of association of the Company (the “**Articles**”) with effect from 28 June 2021.

Article 102(iii) of the Articles provides that the office of a Director shall be vacated if the Director absents himself/herself from the meetings of the Directors during a continuous period of six months, without special leave of absence from the Directors, and his/her alternate Director, if any, shall not during such period have attended in his/her stead, and the Board resolves that his/her office be vacated.

The Board became aware on 8 December 2020 that Ms. Guo has been held in criminal custody by the Bureau and was later transferred to the Nanshan Procuratorate for examination and prosecution. As the date of this announcement, Ms. Guo has been absent from meetings of the Board for more than six consecutive months without special leave of absence from the Board and has not appointed any alternate Director to attend such meetings of the Board in her stead.

Having considered that Ms. Guo has not been able to discharge her duties as an executive Director and has been absent from the meetings of the board for more than six consecutive months, the Board resolved on 28 June 2021 that the office of Ms. Guo as an executive Director shall be vacated with immediate effect. As such, Ms. Guo shall cease to be a member of the nomination committee of the Board with effect from 28 June 2021.

The Board considered that, save and except for matters disclosed in the Inside Information Announcements, the 2020 Annual Report and the First Quarterly Report, the vacation of Ms. Guo's office as an executive Director will not have any material adverse effect on the functions of the Board nor the operations of the Group. To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, the Boards is not aware of any matter relating to the vacation of Ms. Guo's office as an executive Director that needs to be brought to the attention of the shareholders of the Company or the Stock Exchange.

## **CHANGE IN COMPOSITION OF THE BOARD COMMITTEES**

Following the vacation of Ms. Guo's office as an executive Director, she has also ceased to be a member of the nomination committee of the Board with effect from 28 June 2021.

## **CONTINUED SUSPENSION OF TRADING**

At the request of the Company, trading in the Shares on the Stock Exchange was halted with effect from 11:19 a.m. on 29 March 2021 and will remain suspended until further notice.

The Company will update the shareholders and potential investors of the Company on any further development on the matter by way of further announcement(s) as and when necessary in accordance with the GEM Listing Rules.

**Shareholders of the Company and potential investors are advised to exercise caution when dealing in the Shares.**

By the Order of the Board  
**Flying Financial Service Holdings Limited**  
**Zhang Gongjun**  
*Chairman and Chief Executive Officer*

Hong Kong, 28 June 2021

*As at the date of this announcement, the executive Director is Mr. Zhang Gongjun (Chairman and Chief Executive Officer); and the independent non-executive Directors are Dr. Vincent Cheng, Dr. Miao Bo and Mr. Hsu Tawei.*

*This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive; and there are no other matters the omission of which would make any statement herein or in this announcement misleading.*

*This announcement will remain on the "Latest Company Announcements" page of the GEM website at [www.hkgem.com](http://www.hkgem.com) for a minimum period of seven days from the date of its publication and on the Company's website at [www.flyingfinancial.hk](http://www.flyingfinancial.hk).*