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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)

**INSIDE INFORMATION
FINDINGS OF AGREE-UPON PROCEDURES REPORT
IN RELATION TO
REVENUE OF THE COMPANY
FOR THE SEVEN MONTHS ENDED 31 JULY 2022
AND
BUSINESS UPDATE**

Financial adviser to the Company



瓏盛資本有限公司
Draco Capital Limited

This announcement is made by Flying Financial Service Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 17.10(2)(a) of the Rules Governing the Listing of Securities on GEM (the “**GEM Listing Rules**”) of the Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) 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 4 June 2021, 28 June 2021 and 19 November 2021 in relation to, among others, the Resumption Guidance; (ii) the announcements of the Company dated 28 June 2021, 28 September 2021, 28 December 2021, 4 April 2022, 4 July 2022 and 3 October 2022 in relation to, among others, the quarterly update on the status of Resumption; (iii) the announcements of the Company dated 6 May 2022, 17 May 2022, 27 May 2022, 9 June 2022 and 10 June 2022 in relation to, among others, the listing committee decision on cancellation of listing and the review request made by the Company; and (iv) the announcements of the Company dated 9 August 2022 and 16 August 2022 in relation to, among others, the decision of the Listing Review Committee in relation to the Delisting Decision and the schedule of the Rehearing (collectively, the “**Previous Publications**”). Unless otherwise defined, capitalised terms used in this announcement shall have the same meaning as those defined in the Previous Publications.

AGREE-UPON PROCEDURES ENGAGEMENT WITH AUDITOR

As disclosed in the announcement of the Company dated 9 August 2022, the Listing Review Committee noted that the only conditions of the Resumption Guidance that therefore remained at issue between the Company and the Listing Division were, among other things, whether the Company had been able to demonstrate that it had now complied with Rule 17.26 of the GEM Listing Rules (the “**October AUP Procedures**”).

In order to provide more supportive evidence to the shareholders and potential investors of the Company as well as the Stock Exchange in relation to the progress of the fulfilment of the Resumption Guidance before the Rehearing, which has been scheduled for 4:30 p.m. on Tuesday, 18 October 2022, the Board has therefore engaged the auditor of the Company (the “**Auditor**”) on 9 September 2022 to conduct the agree-upon procedures engagement in accordance with the Hong Kong Standard on Related Services (HKSRS) 4400 (Revised) “Agreed-Upon Procedures Engagements” (“**HKSRS 4400 (Revised)**”) for the purpose of assisting the Group in determining whether the Group’s revenue for the seven months ended 31 July 2022 is supported by relevant service agreements/sales contract and payment records.

The Auditor has issued the respective agree-upon procedures report (the “**October AUP Report**”) on 10 October 2022. The Company would like to update its shareholders and set out the findings of the October AUP Report in this announcement.

Revenue of the Group for the seven months ended 31 July 2022

After the continuing focus on the development of its financial consultation services platforms and the expansion of its core customer base, there is a further increase in revenue for the seven months ended 31 July 2022 as compared to the six months ended 30 June 2022. In relation to such increase in revenue of the Group for the seven months ended 31 July 2022, the procedures performed by the Auditor and the findings of the October AUP Procedures on confirming the Group's revenue for the seven months ended 31 July 2022 is supported by relevant service agreements/sales contract and sales invoice in all material aspect are summarised as follows:

Procedures	Findings
1.1 Obtain the Group's consolidated management accounts for the seven months ended 31 July 2022;	The Auditor have obtained and agreed the consolidated management accounts of the Company for the seven months ended 31 July 2022;
1.2 Obtain the Group's revenue breakdown for the seven months ended 31 July 2022 and agree the revenue breakdown to the Group's consolidated management accounts set out in procedures 1.1; and	The Auditor agreed the consolidated revenue of approximately RMB35.8 million for the seven months ended 31 July 2022 stated in the consolidated management accounts set out in procedures 1.1 to the revenue breakdown; and
1.3 Obtain the relevant service agreement/sales contracts and payment records and agree to the Group's revenue breakdown set out in procedures 1.2 on a sampling basis.	The Auditor agreed sales transactions in the breakdown are supported by relevant service agreement/sales contracts and payment records on a sampling basis.

Limitation of the October AUP Procedures

The Auditor confirmed that their engagement of regarding the October AUP Procedures is conducted in accordance with HKSRS 4400 (Revised) which involves the Auditor's performing the procedures that have been agreed with the Directors, and reporting the findings, which are the factual results of the October AUP Procedures performed. The Auditor make no representation regarding the appropriateness of the October AUP Procedures. The October AUP Procedures is not an assurance engagement and the Auditor does not express an opinion or an assurance conclusion.

Because the above procedures do not constitute an assurance engagement made in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA, the Auditor did not express any assurance on the Group's revenue for the seven months ended 31 July 2022.

OPINIONS OF THE BOARD

The Board have acknowledged that the October AUP Procedures are appropriate for the purpose of the engagement. The Directors are responsible for the subject matter on which the October AUP Procedures are performed.

Based upon the results of the above-mentioned October AUP Procedures and having considered the findings of the October AUP Report, the Board are of the view that the improvement of the business operation for the seven months ended 31 July 2022 has sufficiently demonstrate the Company's compliance with Rule 17.26 of the GEM Listing Rules.

As such, the Company considers that the relevant Resumption Guidance mentioned above in this announcement as fulfilled.

During the recent months, the Company has already taken several appropriate steps to resolve the issue(s) causing its trading suspension and to fully comply with the GEM Listing Rules to the Stock Exchange's satisfaction. The Company will continue to commit itself and actively communicate with the Stock Exchange and seek to resume trading of its shares on the Stock Exchange as soon as possible.

PRELIMINARY FINANCIAL INFORMATION FOR NINE MONTHS ENDED 30 SEPTEMBER 2022

The board of directors of the Company (the “**Board**”) informs the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on the preliminary assessment of the Board with reference to the most recent unaudited consolidated management accounts of the Group for the nine months ended 30 September 2022 (the “**Third Quarter 2022**”), the Group expects to record consolidated revenue amounted to approximately RMB56.5 million, representing an increase of approximately 108.5% as compared to approximately RMB27.1 million for the six months ended 30 June 2022 (the “**Interim 2022**”).

In order to fulfilling the remaining Resumption Guidance, the Group has put great effort in transforming its internet finance business segment and cooperated with internet small loan companies to develop internet small loan business. The Board believes that the further increase in revenue for Third Quarter 2022 as compared to Interim 2022 was mainly attributable to the continuing focus on the development of its financial consultation services platforms and the expansion of its core customer base.

As a result of the dedicated efforts of the Company, the financial position of the Group for the Third Quarter 2022 has gradually improved. The Board would like to place special thank to the sales and operating team of the Group for their efforts and contribution during these periods. The Board believes that the Group's operation shall be improving, and that the revenue of the Group is expected to increase steadily.

Information contained in this announcement is a preliminary assessment by the Board based on the information currently available. The Company has yet to finalise the third quarter results of the Group for the Third Quarter 2022, the actual results of the Group for the Third Quarter 2022 may be different from what is disclosed herein and are subject to approval by the Board at the board meeting to be held in mid-November 2022. Shareholders and potential investors are advised to read carefully the third quarterly results announcement of the Company for the Third Quarter 2022 which is scheduled to be published in mid-November 2022.

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 the Company fulfils the Resumption Guidance.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the Shares. When in doubt, shareholders of the Company and potential investors are advised to seek advice from professional or financial advisers.

By the Order of the Board
Flying Financial Service Holdings Limited
Leung Man Kit
Executive Director

Hong Kong, 12 October 2022

As at the date of this announcement, the executive Directors are Mr. Zhang Gongjun (Chairman and Chief Executive Officer), Ms. Wan Suyuan, Mr. Leung Man Kit and Ms. Liu Yi; and the independent non-executive Directors are Dr. Vincent Cheng, Dr. Miao Bo, Mr. Hsu Tawei, Mr. Tsao Hoi Ho and Mr. Lau Jing Yeung William.

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

This announcement will remain on the "Latest Company Announcements" page of the website of the Stock Exchange at www.hkexnews.hk for a minimum period of seven days from the date of its publication and on the Company's website at www.flyingfinancial.hk.