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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)**

### **DECISION OF THE LISTING REVIEW COMMITTEE TO OVERTURN GEM LISTING COMMITTEE'S DECISION TO CANCEL THE LISTING OF THE COMPANY'S SHARE ON THE GEM UNDER GEM RULE 9.14A**

**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 the announcements of the Company dated (i) 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, 3 October 2022 and 4 January 2023 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, 10 June 2022 and 21 November 2022 in relation to, among others, the listing committee decision on cancellation of listing (the “**GEM LC's Decision**”) and the review request made by the Company; (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; (v) the announcements of the Company dated 29 July 2022, 12 October 2022, 7 November 2022 and 1 February 2023 in relation to, among others, the business update of the Company; and (vi) the announcements of the Company dated 21 November 2022 in relation to, among others, the decision of the

Listing Committee on cancellation of listing and the Company's review request (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.

## **DECISION OF THE LISTING REVIEW COMMITTEE**

The Board wishes to inform the shareholders and potential investors of the Company that on 8 February 2023, the Listing Review Committee ("**LRC**") heard ("**LRC Review Hearing**") an application by the Company for a review of the decision of the GEM Listing Committee ("**LC**"), set out in a letter dated 17 November 2022, to cancel the listing of the Company's shares on the GEM under GEM Rule 9.14A (the "**2nd LC Decision**").

On 17 February 2023, the Company received a letter from the Stock Exchange notifying the Company that having carefully considered all the facts and evidence, and all the submissions presented by the Company and the Listing Division, the LRC decided to overturn the 2nd LC Decision (the "**LRC Decision**").

### **The Listing Review Committee's views:**

1. The LRC noted that it only needed to consider whether the Company had demonstrated its compliance with GEM Rule 17.26/RG5, as according to the 2nd LC Decision and the latest submissions by the Listing Division, this was the only outstanding issue where the parties disagreed about the Company's compliance with the Resumption Guidance.
2. Having considered all the submissions and evidence presented, the LRC concluded that as at the time of the LRC Review Hearing, the Company had sufficiently demonstrated that its business was of substance and viable and sustainable under GEM Rule 17.26 to warrant a continued listing of its shares.
3. The LRC noted that pursuant to GEM Rule 17.26(1), an issuer must "carry out a business with a sufficient level of operations and assets of sufficient value to support its operations to warrant the continued listing of the issuer's securities". The notes to GEM Rule 17.26(1) elaborate that this is a qualitative test and that the Exchange will make an assessment of specific facts and circumstances of individual issuers.
4. In assessing the Company's business, the LRC did not agree with the Listing Division's submissions that the Company's business was not of substance: the Small Loan Platform of the Group was operated by a number of Company staff with relevant qualifications and expertise. The Company had grown the number of customers in 2022. In addition, for FY2022, the unaudited revenue was RMB73.7 million, which according to the Company, was generated through service fees. On balance, the LRC therefore considered that the Company had demonstrated it had a sufficient scale of operations, a necessary number of staff members, a substantial loan portfolio from which its revenue was derived, and, even for the number of customers, the LRC considered that the number of enterprise customers of the Group, while relatively small, fell outside of the scope of paragraph 13(a) of GL106-19. The LRC therefore considered the Company's business to be of substance.

5. For assessing whether the Company's business was viable and sustainable, the LRC considered the Company's business model against the industry norm for a money lending business in accordance with paragraph 17(i) of GL106-19. The LRC noted that money lending businesses were normally conducted on an asset-light basis with relatively few staff members. The Company's operations therefore were no exception from the industry norm. The LRC noted that the Company had developed its own infrastructure with the Small Loan Platform. The LRC also considered that the Company's staff, in particular, the Executive Director, appeared to have the required expertise, as it was through such staff that the Company was able to achieve substantial growth and development for FY2022. The LRC noted the unaudited revenue of RMB73.7 million for FY2022, which demonstrated that the Company had achieved a sufficient size of operations. The LRC therefore did not find that the Company's business model differed sufficiently from the industry norm to raise questions regarding its viability or sustainability.
6. The LRC further noted the parties disagreed whether the Company's business was a new business. The Company submitted that it had operated the Small Loan Platform for some time and had therefore the historic expertise to ensure its business was sustainable, which was supported by the results for its current operations that had produced substantial revenue for FY2022. The Listing Division submitted that the Company's operation of the Small Loan Platform was a new business and that an analysis of the sustainability of the Company's business would therefore depend on the Company's forecasts pursuant to paragraph 17(ii) of GL106-19.
7. The LRC noted the Listing Division's concerns for the Company's forecasts and business plans, that (i) the Company had presented limited supporting documents for its business in 2023, (ii) the Company's customers might not generate repeat business, and (iii) the sustainability of the Company's business might be at risk due to an overreliance on the Executive Director for business generation. The LRC acknowledged that these were valid concerns. However, it did not regard these concerns as necessarily different from or materially worse than other businesses in the same industry which was volatile in nature. The LRC noted that the Company had achieved growth for FY2022 and it also noted the Company's plans to expand its customer base, including for individual customers. On balance, the LRC therefore considered that the Company had demonstrated it had a viable and sustainable business even when applying a forecast-based assessment for a new business as the Listing Division had argued.
8. Finally, as the Company operated an asset-light business and was generating sufficient revenue, the LRC considered that the Company had sufficient assets to support its continued operation.

9. In terms of the 2nd LC Decision and the LC's finding that the Company had failed to demonstrate that it had a viable and sustainable business in compliance with GEM Rule 17.26, the LRC noted that since the 2nd LC Decision, the Company was able to demonstrate through the unaudited revenue recorded for FY2022 that it could substantially fulfil its forecast for FY2022. The LRC therefore took a different view on the sustainability of the Company's business and the Company's ability to achieve its forecasts for FY2023.
10. The Listing Division confirmed to the LRC at the Hearing that it had no ongoing open compliance matters as to the Incident and integrity of the Company and management, which was also confirmed to the LRC by the Company through its CEO, INED and Company Secretary.
11. In summary and upon a qualitative review of all the relevant facts and circumstances before it, including the concerns of the Listing Division and the LC, the LRC was of the view that as of the time of the Hearing the Company had, on balance, demonstrated that its business had substance and was viable and sustainable with reference to GEM Rule 17.26/RG5.

**The Listing Review Committee's Decision:**

12. The Listing Review Committee therefore decided to overturn the Listing Committee's decision set out in a letter dated 17 November 2022 to cancel the Company's listing pursuant to GEM Rule 9.14A.

**Shareholders should note that decisions of the Listing Review Committee do not represent binding precedents, and do not constrain the discretion of or otherwise bind the Stock Exchange or other committees (including, without limitation the Listing Review Committee) in respect of other matters. Shareholders who have any queries about the implications of the LRC Decision are advised to obtain appropriate professional advice.**

**COMPANY'S PERSPECTIVE ON THE DECISION**

The Board welcomes the LRC Decision and wishes to appreciate the Listing Review Committee for reaching the LRC Decision which allows the Company to resume the trading of its shares on the Stock Exchange.

The Board also wishes to place special thanks to the sales and operating team of the Company as well as the professional parties and advisers to the Company for their efforts and contribution during these periods. The Board believes that the results of the LRC Decision is an affirmation of the commitment of the aforesaid parties during these periods.

The Company is finalising the schedule of the Capital Reorganisation and the Subscription. In respect of the expected timetable of the Capital Reorganisation, the Subscription and the resumption of trading of the Shares, the Company will make further announcement(s) in accordance with the GEM Listing Rules as soon as possible.

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

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

Hong Kong, 21 February 2023

*As at the date of this announcement, the executive Directors are Mr. Zhang Gongjun (Chairman and Chief Executive Officer) and Ms. Liu Yi; 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 website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) for a minimum period of seven days from the date of its publication and on the Company’s website at [www.flyingfinancial.hk](http://www.flyingfinancial.hk).*