

STRICTLY PRIVATE AND CONFIDENTIAL

26 April 2024

Flying Financial Service Holdings Limited

Room 1007, 10/F,
West Wing, Tsimshatsui Centre
66 Mody Road
Tsim Sha Tsui
Kowloon
Hong Kong

Attn.: The Board of Directors

Dear Sirs,

**Flying Financial Service Holdings Limited (the “Company”, together with its subsidiaries, the “Group”)
Placing (the “Placing”) of new shares of HK\$0.01 par value each (the “Shares”) in the Company untaken in the Rights Issue**

We refer to the draft announcement in relation to the proposed Rights Issue, a draft of which is attached hereto for reference. Capitalised terms used herein and not defined shall have the same meaning as in the abovementioned announcement unless the context otherwise requires.

PART 1 – THE PLACING

The Company has proposed, by way of a rights issue, to offer the Rights Shares to the Qualifying Shareholders on the basis of three (3) Rights Shares for every one (1) existing Shares held by the Qualifying Shareholders registered as such on the Record Date.

The Company intends to appoint us, Tiger Faith Securities Limited (the “**Placing Agent**”), to place the number of Unsubscribed Rights Share(s) not taken up by the Qualifying Shareholder(s) as well as the NQS Unsold Rights Shares (collectively the “**Placing Shares**”) during the Placing Period, being the period commencing from the sixth Business Day after the Latest Time for Acceptance and ending on 4:00 p.m. on the eighth Business Day after the Latest Time for Acceptance.

On the terms set out in this agreement (the “**Placing Agreement**”), we agree, on a best effort basis, to place, or procure the placing of, the Placing Shares, with institutional, corporate, individual or other investors (the “**Placees**”), who and whose ultimate beneficial owner(s) shall be the Independent Third Parties (as we may select at the placing price (the “**Placing Price**”) of not less than the Subscription Price and the final price determination will depend on the demand for and the market conditions of the Unsubscribed Rights Shares and NQS Unsold Rights Shares during the process of our placement (together with the Stock Exchange trading fee, Securities and Futures Commission (the “**SFC**”) transaction levy and Central Clearing and Settlement System (“**CCASS**”) stock settlement fee and brokerage as may be payable by the Placees) in the capacity as the Company’s agent.

number of the Placing Shares to be subscribed by each Placee (together with the duly completed placing letters and confirmations as to their independence, as required by the Stock Exchange, to the Company and the Stock Exchange as soon as practicable and as and when known), the names and denomination (in board lots or otherwise) in which the Placing Shares are to be registered and, where relevant, the particulars of the account with the CCASS operated by Hong Kong Securities Clearing Company Limited to which Placing Shares are to be credited.

For the avoidance of doubt, notwithstanding that if there remains any Placing Shares not being placed by the Placing Agent by 4:00 p.m. on 29, July 2024, paragraph D(ii) shall apply accordingly.

The Placing Agent and the Company agree that they will use their best endeavours to ensure the Company will continue to comply with the public float requirements under Rule 11.23(7) of the GEM Listing Rules after Completion.

A. Placing Agent for the Placing

As the Placing Agent, the major areas of our involvement would be as follows:-

- to place on a best effort basis all the Placing Shares (i) to institutional, corporate, individual or other investor(s) who and whose ultimate beneficial owner(s) shall be the Independent Third Parties; (ii) such that the Placing will not have any implications under the Takeovers Code and no shareholder will be under any obligation to make a general offer under the Takeovers Code as a result of the Placing and (iii) such that the Placing will not result in non-compliance with the Public Float Requirement; and
- to assist the Company in coordinating and liaising with such investor(s) in relation to the Placing.

B. Proposed Placing timetable

The proposed period for the Placing shall commence on 24 July 2024 or such other dates as the Company may announce, and end on 26 July 2024 or such other dates as the Company may announce, being the period during which the Placing Agent will seek to effect the Placing.

C. Proposed remuneration in relation to the Placing

With respect to the services outlined above, we would propose the following fee structure:

(i) The Placing

Upon Completion, a placing commission of HKD800,000 or 3% of the aggregate amount equal to the Placing Price multiplied by the number of the Placing Shares successfully placed by the Placing Agent (whichever is higher) is payable to the Placing Agent. For this purpose, the Placing Agent may deduct the full amount of such placing commission and all reasonable costs and expenses (as set out under the clause “**Expenses**” below) from the amount of any placing moneys paid by such investor(s).

We understand that the Company will convene the EGM as soon as practicable after the date hereof for the purpose of approving the Rights Issue. Accordingly, the Placing Shares will be allotted and issued subject to the Rights Issue being approved at the EGM.

The Company represents, warrants and undertakes to the Placing Agent that:

- (a) the Placing Shares will, when fully paid, be allotted and issued in accordance with the articles of association of the Company and with the relevant rules and regulations applicable to the Company in Hong Kong and will, at Completion (as hereinafter defined), be free from all liens, charges, encumbrances or third party rights of whatsoever nature and together with all rights attaching thereto at Completion (as hereinafter defined) and thereafter; and
- (b) the Placing Shares will rank *pari passu* in all respects with the existing Shares in issue and the Rights Shares as at the date of allotment and issue of the Placing Shares.

The Placing Agent represents, warrants and undertakes to the Company that:

- (a) the Placing Agent will not, directly or indirectly, offer, sell or deliver any Placing Shares or distribute or publish any documents in relation to the Placing (including without limitation to the foregoing, any prospectus, form of application, offering circular, advertisement or other offering material) in any country or jurisdiction except under circumstances that will not result in the breach of any applicable laws and regulations;
- (b) the Placing Agent has not offered for subscription or sold and will not offer for subscription or sell in Hong Kong, by means of any document, any Placing Shares except in circumstances which do not constitute an offer to the public within the meaning of the Companies Ordinance (Chapter 32 of the Laws of Hong Kong) or in contravention of any securities laws in Hong Kong;
- (c) the Placing Agent undertakes to place the Placing Shares (i) only to institutional, corporate, individual or other investors and each of the placees procured by the Placing Agent shall be an Independent Third Party (as defined in the GEM Listing Rules) of and not connected with the Company, any of the Directors or chief executive or substantial shareholders of the Company or their respective associates; (ii) such that the Placing will not have any implications under the Takeovers Code and no 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) will not hold in aggregate 30% (or such percentage which will trigger any obligation to make a general offer under the Takeovers Code) or more of the voting rights of the Company immediately after the Rights Issue; and (iii) such that the Placing will not result in non-compliance with the requirement under Rule 11.23(7) of the GEM Listing Rules that at least 25% of the issuer's total number of issued shares must at all times be held by the public (the "**Public Float Requirement**"); and
- (d) by not later than 4:00 p.m. on the second business day immediately prior to Completion (as hereinafter defined), the Placing Agent shall deliver to the Company or its professional advisers a list of the Placees procured by it, the

(ii) Expenses

Upon Completion, the Placing Agent will deduct all costs and expenses reasonably incurred in connection with or arising out of the Placing, including without limitation, travelling, printing, postage and telecommunications costs from the proceeds of the Placing. In addition, all fees and expenses of other professional advisers involved in the Placing will be for the Company's account.

D. Conditions of the Placing

(i) Completion of the Placing is conditional upon:-

(i) the GEM Listing Committee having granted the approval for the listing of, and permission to deal in, the Rights Shares, including the Unsubscribed Rights Shares and/or the NQS Unsold Rights Shares;

(ii) approval of the Rights Issue and this Placing Agreement by Independent Shareholders at the EGM;

(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, including provisions regarding the force majeure events.

In the event that the above condition precedents have not been fulfilled on or before the Latest Time for Termination, all rights, obligations and liabilities of the parties thereunder in relation to the Placing shall cease and determine and none of the parties shall have any claim against the other in respect of the Placing (save for any antecedent breaches thereof).

The Placing Agent may, in its absolute discretion, waive the fulfilment of all or any or any part of the above conditions (other than those set out in sub-paragraph (ii) above) by notice in writing to the Company.

(ii) Completion of the Placing regardless of the number of Placing Shares placed / subscribed will take place within five Business Days after the publication of an announcement of results of the Rights Issue or waiver (as the case may be) of the above conditions or such other date as the Company and the Placing Agent may agree in writing (the "**Completion**").

(iii) The Placing Agent shall, in accordance with terms and conditions of this Placing Agreement, use its best endeavours to procure, and shall give all necessary assistance to the Company, in, the satisfaction of the above conditions on the respective dates stipulated in paragraph D(i) above.

- (iv) If the Placing does not become unconditional, the Company shall arrange for the repayment to all investor(s) of all application moneys paid by them without interest.

Upon Completion, the Placing Agent shall deliver to the Company the net proceeds from the Placing by way of a cheque or telegraphic transfer after deduction of the Stock Exchange trading fee, SFC transaction levy and CCASS stock settlement fee and brokerage (if any) and any other fees payable by the Company in respect of the Placing Shares placed by the Placing Agent as well as any outstanding fees and expenses payable by the Company as set out in paragraph C above from the proceeds of the Placing, and the Company shall deliver share certificates of the Placing Shares to the Placing Agent or arrange the Placing Shares to be issued in the name of HKSCC Nominees Limited and deposited into CCASS for the credit of the placees' designated investor participants' or CCASS participants' stock accounts (as the case may be).

E. Termination of the Placing

- (i) Unless otherwise agreed between the Company and the Placing Agent, the Placing Agent's appointment shall terminate in case of (a) force majeure resulting in the Company and the Placing Agent being unable to fulfill their respective duties and responsibilities under this Agreement; and (b) 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 this Agreement.
- (ii) Upon the termination of this Placing Agreement pursuant to the paragraph above, all obligations of the Placing Agent hereunder shall cease and determine and no party shall have any claim against any other parties in respect of any matter or thing arising out of or in connection with this Placing Agreement, save for any antecedent breaches and accrued liabilities.

PART 2 - GENERAL

A. Confidentiality

The Placing Agent confirms that all information and documents received from the Company in connection with this engagement will be regarded as strictly confidential to the Company and will be treated accordingly by the Placing Agent.

B. Representations, Warranties and Indemnities

- (i) In agreeing to the terms of this Placing Agreement, the Company hereby agree the followings:
 - (a) The Company shall be responsible for all other professional fees, printer's charges and all disbursements and out of pocket costs incurred by the Placing Agent in relation to the Placing which will include, but not limited to, the photocopying charges, telephone/facsimile charges, postage and delivery expenses provided that the appointment of such

professional(s) has/have been previously approved by the Company in writing.

- (b) The Company shall provide the Placing Agent with all such information relating to the Company, any companies controlled by the Company and the Group as the Placing Agent would reasonably require for the purpose of making an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Group or otherwise and all material facts and information which might reasonably be expected to be relevant in enabling the Placing Agent to fulfil its responsibilities in carrying out the terms of its engagements.
- (c) The Company shall inform the Placing Agent in the event of any material change in the information in respect of (b) above or in the reasonable opinion of the Company relevant to the Placing.
- (d) The Company shall accept full responsibility for the accuracy of all information and facts given by the Company to the Placing Agent in relation to the Placing and warrant that no other material information or material facts have been or will be withheld, the omission of which will make the information or facts given to the Placing Agent incorrect or misleading in any material respect, and to notify the Placing Agent should such omission or inaccuracy first come to the attention of the Company.
- (e) The Placing Agent may, from time to time, disclose information regarding you and each of the companies controlled by you, its directors, shareholders, representatives and officers which may be confidential to the regulatory authorities upon their enquiries, including but not limited to the Stock Exchange and the SFC. Should such disclosure be required to be made, the Placing Agent agrees to obtain the consent from the Company or the Company's representatives prior to such disclosure.

C. Applicable Law and Jurisdiction and Miscellaneous

- (i) This Placing Agreement shall be governed by and construed in accordance with the laws of the Hong Kong Special Administrative Region of the People's Republic of China ("**Hong Kong**") and the parties hereby irrevocably submit to the non-exclusive jurisdiction of the courts of the Hong Kong.
- (ii) The Placing Agent hereby warrants and represents to the Company that it is a licensed corporation under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and it and its ultimate beneficial owner(s) are the Independent Third Parties and are not Shareholders.
- (iii) No third party shall have any right under this Placing Agreement by virtue of the Contracts (Rights of Third Parties) Ordinance (Chapter 623 of the Laws of Hong Kong).

If the Company wish to accept this Placing Agreement subject to the terms and conditions set out above, please duly complete and sign the attached confirmation of

acceptance and return duplicate of this Placing Agreement to the Placing Agent by hand to the Placing Agent at Suit 1502, 15/F., The Chinese Bank Building Nos. 61-65 Des Voeux Road Central, Hong Kong.

Yours faithfully,

For and on behalf of
Tiger Faith Securities Limited



Authorised Signature

acceptance and return duplicate of this Placing Agreement to the Placing Agent by hand to the Placing Agent at Suit 1502, 15/F., The Chinese Bank Building Nos. 61-65 Des Voeux Road Central, Hong Kong.

Yours faithfully,

For and on behalf of
Tiger Faith Securities Limited

Authorised Signature

To : Tiger Faith Securities Limited
Suit 1502, 15/F., The Chinese Bank Building
Nos. 61-65 Des Voeux Road Central, Hong Kong

Confirmation of Acceptance

We confirm our acceptance of the terms and conditions of the placing agreement as set out in your letter dated [DATE] of which this confirmation forms part.

For and on behalf of
Flying Financial Service Holdings Limited



[Handwritten Signature]

Authorised Signature / Director

Name:

Date: 2024.4.26