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Fengyinhe Holdings Limited

豐銀禾控股有限公司

(formerly known as 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)

CHANGE IN USE OF PROCEEDS FROM RIGHTS ISSUE

Reference is made to the prospectus of Fengyinhe Holdings Limited (formerly known as Flying Financial Service Holdings Limited) (the “**Company**”) dated 28 June 2024 in relation to the rights issue on the basis of three (3) rights shares for every one (1) existing share at HK\$0.25 per rights share (the “**Rights Issue**”) (the “**Rights Issue Prospectus**”). Unless otherwise specified, capitalised terms used herein shall have the same meanings as those defined in the Rights Issue Prospectus.

USE OF PROCEEDS FROM RIGHTS ISSUE

As disclosed in the Rights Issue Prospectus, the gross proceeds from the Rights Issue were approximately HK\$63.6 million and the net proceeds from the Rights Issue, after deducting the underwriting commission and all other relevant expenses for the Rights Issue, were estimated to be approximately HK\$60.3 million (the “**Net Proceeds**”).

It was stated in the section headed “**REASONS FOR THE RIGHTS ISSUE AND THE USE OF PROCEEDS**” of the letter from the Board in the Rights Issue Prospectus that the Company intended to use the Net Proceeds received for the following purposes:

- (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.

CHANGES IN USE OF NET PROCEEDS

Set out below is the detailed information, as of the date of this announcement, the status on the allocation and the utilisation of the Net Proceeds, and the change in the use of the Net Proceeds as resolved by the board of directors of the Company:

	Original allocation of Net Proceeds as stated in the Rights Issue Prospectus HK\$'000	Actual use of Net Proceeds as at the date of this announcement HK\$'000	Unutilised Net Proceeds as at the date of this announcement HK\$'000	Revised allocation of unutilised Net Proceeds as disclosed in this announcement HK\$'000	Expected timeline for utilising the remaining Net Proceeds
Development and operation of the data center of the Group	19,600	–	19,600	19,600	On or before 31 December 2025
Development and operation of new service platform in relation to financial technology and travelling in Hong Kong, Macau	19,600	(9,000)	10,600	10,600	On or before 31 December 2025
Development and operation of new service platform in relation to financial technology and travelling in Philippines	9,000	(2,000)	7,000	–	–
General working capital of the Company in Hong Kong	12,100	(4,000)	8,100	15,100	On or before 31 December 2025
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Total	<u>60,300</u>	<u>(15,000)</u>	<u>45,300</u>	<u>45,300</u>	

REASONS FOR THE CHANGE IN USE OF NET PROCEEDS

As disclosed in the above table, the Group will reallocate approximately HK\$7 million (and approximately 11.6% of the Net Proceeds) to the general working capital of the Company in Hong Kong.

In view of the news these few days that the vice president of Philippines publicly claimed revenge for hiring a killer to kill the president of Philippines (relevant website of the news for reference: <https://international.caixin.com/2024-11-25/102261276.html>), the Board has made a reassessment of the investment environment of Philippines and the Group's existing utilisation plan of the Net Proceeds and is of the view that the adjustment of the use of the Net Proceeds is necessary to actively management the investment risk.

The Board believes that the change in use of Net Proceeds will still meet the Group's operational needs and such change in use of Net Proceeds will not have any material adverse effect on the existing business and operation of the Group and is in the best interests of the Company and its shareholders as a whole.

By order of the Board
Fengyinhe Holdings Limited
Liu Yi
Executive Director

Hong Kong, 29 November 2024

As at the date hereof, the Board comprises Ms. Liu Yi as executive Director; and Mr. Kam Hou Yin, John, Ms. Chong Kan Yu and Mr. Qi Zhenping as independent non-executive Directors.

This announcement, for which the Directors of the Company 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 this announcement or any statement herein misleading.

This announcement will remain on the GEM website at www.hkgem.com on the "Latest Company Announcements" page for at least 7 days from the date of its posting and on the website of the Company at www.fengyinhe.com.