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Fengyinhe Holdings Limited

豐銀禾控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8030)

**SUPPLEMENTAL ANNOUNCEMENT
IN RELATION TO THE 2025 ANNUAL REPORT
AND
CHANGE IN USE OF PROCEEDS FROM RIGHTS ISSUE**

Reference is made to the prospectus of Fengyinhe Holdings Limited (the “Company”, together with its subsidiaries, the “Group”) dated 28 June 2024 (the “Prospectus”), the announcement dated 29 November 2024 concerning the change in use of proceeds, the annual report for the year ended 31 December 2025 (the “Annual Report”) and the interim report for the six months ended 30 June 2026 (the “Interim Report”).

This announcement provides supplemental information on the proceeds brought forward into 2025, the use of proceeds during 2025 and the reasons for the extended utilisation timetable. It also sets out the proposed reallocation of the remaining proceeds following a review of the Group’s project requirements.

BACKGROUND TO THE RIGHTS ISSUE

The Company raised net proceeds of approximately HK\$60.30 million (the “Net Proceeds”) from the 2024 rights issue on the basis of three rights shares for every one existing share at HK\$0.25 per rights share. The original allocation was HK\$19.60 million for the data centre, HK\$19.60 million for the Hong Kong and Macau financial technology and travel platform, HK\$9.00 million for the Philippines platform and HK\$12.10 million for general working capital in Hong Kong.

PROCEEDS BROUGHT FORWARD, UTILISATION AND PROPOSED REALLOCATION

At 31 December 2024, HK\$20.15 million had been utilised and HK\$40.15 million remained available. During 2025, HK\$25.93 million was utilised and HK\$14.22 million remained at 31 December 2025. The table below sets out the opening unutilised balance at 31 December 2024, utilisation during 2025 and the six months ended 30 June 2026, the balance remaining as at 20 October 2026, the proposed transfer and the expected timeline for full utilisation. Amounts are in HK\$ million.

Purpose	Opening unutilised balance as at 31 Dec 2024*	Used during year ended 31 Dec 2025	Unutilised as at 31 Dec 2025	Used during six months ended 30 Jun 2026	Unutilised as at 20 Oct 2026	Proposed transfer	Unutilised after proposed change	Expected timeline for full utilisation
General working capital	15.65	13.69	1.96	1.96	0.00	12.26	12.26	On or before 31 Mar 2027
Philippines platform	0.00	0.00	0.00	0.00	0.00	0.00	0.00	N/A
Hong Kong and Macau platform	4.90	0.00	4.90	0.00	4.90	(4.90)	0.00	N/A
Data centre	19.60	12.24	7.36	0.00	7.36	(7.36)	0.00	N/A
Total	40.15	25.93	14.22	1.96	12.26	0.00	12.26	

* The opening balances reflect the HK\$6.30 million reallocation from the Philippines platform to general working capital announced on 29 November 2024. The aggregate opening unutilised balance remains HK\$40.15 million.

The proposed use of the HK\$12.26 million reallocated to general working capital is intended to cover the general working capital requirements of the Group's Hong Kong and Shenzhen offices, having regard to the Group's current operational requirements.

General working capital in Hong Kong — utilisation during 2025

Expenditure category	Description	HK\$ million
Staff costs	Remuneration and related employment costs of Hong Kong personnel	4.83
Rental costs	Hong Kong office rent and related premises costs	1.20
Professional fees	Professional services relating to Hong Kong corporate and operating activities	4.30
Stamp Duty	Stamp duty for acquisition of Hong Kong Property	1.02
Other overhead expenses	Office administration and other operating overheads in Hong Kong	2.34
Total		13.69

Data centre development and operation — utilisation during 2025

Expenditure category	Description	HK\$ million
Professional fee	Professional fee for data-centre development and operation	3.42
Research and Development costs	Research and development cost for data-centre assets or investments	5.85
Other overhead expenses	Office administration and other operating overheads in Hong Kong	2.97
Total		12.24

INTENDED WORKING CAPITAL USE AND EXPECTED TIMETABLE

The proposed working-capital allocation follows the expense categories identified in the Prospectus. The Company proposes to apply the HK\$12.26 million as follows:

Intended use in Hong

Kong and Shenzhen

Offices

	HK\$ million	Expected timeline Percentage for full utilisation
Staff costs	5.130	42% On or before 31 March 2027
Rental costs	2.452	20% On or before 31 March 2027
Professional fees	2.452	20% On or before 31 March 2027
Other overhead expenses	2.226	18% On or before 31 March 2027
Total	12.260	100% On or before 31 March 2027

Staff costs comprise remuneration and related employment expenses; rental costs cover office premises; professional fees cover corporate and operating services; and other overheads cover office administration and ordinary operating expenses. The amounts above are the proposed budget for future expenditure and do not represent the actual expense split for 2025.

The revised timetable reflects the application of the proceeds to recurring operating requirements over the coming six months. The timing remains subject to the actual incidence of expenditure and business requirements. Any material change to the proposed allocation or timetable will be disclosed in accordance with the GEM Listing Rules.

REASONS FOR THE EXTENSION OF THE UTILISATION TIMETABLE

The announcement of 29 November 2024 stated an expected utilisation date of 31 December 2025. The Annual Report subsequently stated 30 June 2026, and the Interim Report further extended the timetable for the two remaining projects to 31 December 2026.

During 2025, the Group commenced a review of its development approach in light of advances in artificial intelligence (AI), including coding agents and large language models. Management assessed whether work originally expected to require additional programmers, outsourced development services and dedicated project support could instead be performed using existing personnel assisted by AI tools. Pending that assessment, the Group deferred further recruitment, development orders and related procurement to avoid committing expenditure to a delivery model that could be achieved at a lower cost.

The review had not been concluded by 31 December 2025. The Group therefore retained the uncommitted project balances while assessing the revised delivery arrangements, and extended the expected utilisation date to 30 June 2026. Technical evaluation and the reassessment of staffing, procurement and implementation requirements continued in the first half of 2026, leading to the further extension to 31 December 2026 disclosed in the Interim Report. The review has now concluded that the remaining project allocations are surplus to requirements under the revised plans.

The HK\$1.96 million remaining for general working capital at 31 December 2025 reflected a slower drawdown of the budget as operating expenses were incurred and fell due. This balance was fully utilised during the six months ended 30 June 2026. It is separate from the HK\$12.26 million of project savings now proposed for reallocation.

Relationship between AI and the Group's business

The Group operates financial service platforms and provides loan and financial consultation services. Its platform processes cover customer acquisition, risk identification and assessment, loan distribution, payment channels and data analysis. The Hong Kong and Macau platform plan also contemplated matching fleets and travellers, customer referrals between platforms and travel packages. These businesses require software interfaces, data processing, documentation and routine workflow coordination.

For the financial technology and travel platforms, AI-assisted development supports the preparation of software code, interfaces and data-processing scripts, test cases, technical documentation and routine progress reports. In the Group's business, these functions are relevant to customer onboarding workflows, connections with partner systems, data reconciliation, reporting and the proposed fleet-and-traveller matching service. Automating these defined tasks reduces the additional programming and coordination effort required and the need for separately commissioned software modules. Management retains responsibility for technical acceptance, information security and decisions concerning customers, lending and risk.

REVISED PROJECT REQUIREMENTS AND BUDGET SAVINGS

For the data centre, the review covered both the software and operating workflows and the extent of additional acquisition and equipment expenditure required. AI-assisted scripting, testing, log analysis and routine reporting reduced the additional development and support work envisaged. Management also reassessed the capacity already available under the revised plan and concluded that the further acquisition and equipment commitments previously budgeted were unnecessary. The resulting saving therefore reflects the revised resource and procurement plan as well as lower labour and software-development requirements.

The review resulted in a reduction of HK\$4.90 million in the budget for the Hong Kong and Macau platform, from HK\$19.60 million to HK\$14.70 million, representing 25.00% of the original budget, and a reduction of HK\$7.36 million in the budget for the data centre, from HK\$19.60 million to HK\$12.24 million, representing 37.55% of the original budget. In aggregate, the two project budgets were reduced by HK\$12.26 million, from HK\$39.20 million to HK\$26.94 million, representing 31.28% of the original combined budgets. The revised budgets equal the expenditure already incurred under the revised project plans.

The revised project budgets are HK\$14.70 million for the Hong Kong and Macau platform and HK\$12.24 million for the data centre, equal to the amounts already utilised. There is no remaining project expenditure, unpaid project cost or outstanding project commitment under the revised plans. Accordingly, no further funding is required to complete those plans and the full HK\$12.26 million can be released to general working capital. These percentages measure reductions in the original project budgets; they are not percentages of employees replaced or reductions in the Group's total operating expenses.

PROPOSED CHANGE IN USE OF THE REMAINING NET PROCEEDS

As at 20 October 2026, the unutilised Net Proceeds remain HK\$12.26 million, comprising HK\$4.90 million for the Hong Kong and Macau platform and HK\$7.36 million for the data centre. These amounts are unchanged from 30 June 2026. The Company proposes to reallocate the full HK\$12.26 million to general working capital. The Company proposes to broaden the use of the reallocated proceeds to cover the general working capital requirements of its Hong Kong and Shenzhen Offices, having regard to the Group's current operational requirements.

Following approval of the proposal, the total allocation of the Net Proceeds will be HK\$30.66 million for general working capital, HK\$2.70 million for the Philippines platform, HK\$14.70 million for the Hong Kong and Macau platform and HK\$12.24 million for the data centre, totalling HK\$60.30 million. Cumulative utilisation remains HK\$48.04 million.

REASONS FOR THE PROPOSED CHANGE IN USE

The revised development approach has reduced the additional resources required for the two projects. Retaining the surplus in the original project allocations would no longer reflect their funding requirements. Applying the released funds to the Company's Hong Kong and Shenzhen operating expenses will support its continuing business and preserve flexibility in managing its cash resources. The proposed change does not require further expenditure on the two projects under their revised plans.

The supplemental information concerning historical utilisation does not, by itself, constitute approval of the proposed reallocation.

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

Hong Kong, 20 October 2026

As at the date of this announcement, the Board comprises Ms. Liu Yi, Mr. Qi Zhenping and Mr. Yu Xiuliang as executive Directors; and Mr. Kam Hou Yin, John, Ms. Chong Kan Yu and Ms. Fok Ka Man as independent non-executive Directors.

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 this announcement misleading.

This announcement will be published on the Stock Exchange's website at www.hkexnews.hk and will remain on the "Latest Listed Company Information" page for at least seven days from the date of its publication. This announcement will also be published on the Company's website at www.fengyinhe.com.