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Fenbi Ltd.

粉筆有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 2469)

CHANGE IN USE OF PROCEEDS FROM THE GLOBAL OFFERING

Reference is made to (i) the prospectus of Fenbi Ltd. (the "**Company**", together with its subsidiaries and consolidated affiliated entities, the "**Group**") dated December 23, 2022 (the "**Prospectus**") in relation to the global offering (the "**Global Offering**"), which sets out the intended use of the net proceeds from the Global Offering (the "**Net Proceeds**"), and (ii) the annual report of the Company for the year ended December 31, 2024 (the "**Annual Report**"), in which the utilization of the Net Proceeds up to December 31, 2024 was disclosed. Unless otherwise defined, terms used in this announcement shall bear the same meanings as those defined in the Prospectus and the Annual Report.

CHANGES IN USE OF PROCEEDS

The Net Proceeds received by the Company, after deduction of the underwriting fees and other related expenses payable by the Company, was approximately HK$113.2 million. The original intended use and allocation of the Net Proceeds was disclosed in the section headed "Future Plans and Use of Proceeds" in the Prospectus.

As at December 31, 2024, the unutilized Net Proceeds amounted to approximately HK$60.8 million. For the reasons set out in the section below headed "Reasons for and Benefits of the Change in Use of Proceeds" in this announcement, the board of directors (the "**Board**") has resolved and approved to re-allocate the unutilized Net Proceeds.

The following table sets out the details of the Net Proceeds originally raised, utilized and unutilized Net Proceeds as of the dates indicated and the re-allocated Net Proceeds:

	Intended use of the Net Proceeds *Percentage* *%*	**Originally raised Net Proceeds** *Amount* *HK$ million*	**Utilized Net Proceeds as at December 31, 2024** *Amount* *HK$ million*	**Unutilized Net Proceeds as at December 31, 2024** *Amount* *HK$ million*	**Balance of the Unutilized Net Proceeds after re-allocation as at August 13, 2025** *Amount* *HK$ million*
Enriching our course offerings and expanding our student base	52.0	58.9	11.7	47.2	–
Enhancing our content and technological development capabilities (group-wide for both online and classroom-based services)	28.5	32.2	32.2	–	–
Conducting marketing campaigns primarily for our newly developed courses (group-wide for both online and classroom-based services)	12.0	13.6	0.0	13.6	–
Working capital and other general corporate purposes (group-wide for both online and classroom-based services)	7.5	8.5	8.5	–	–
Investing in AI vertical model, technology research development and AI product commercialization	–	–	–	–	12.0
Investing in advanced AI related high-end talent and infrastructure	–	–	–	–	48.8
Total	**100.0**	**113.2**	**52.4**	**60.8**	**60.8**

The Company currently expects to fully utilize the balance of the unutilized Net Proceeds by December 2026. The expected timeline is based on estimation of the future market condition made by the Group. It may be subject to change based on the current and future development of market conditions.

REASONS FOR AND BENEFITS OF THE CHANGE IN USE OF PROCEEDS

A strategic reallocation of unutilized Net Proceeds to focus on AI-related development in line with recent market deployment of our new AI-empowered products. This decision underscores AI technology as a core strategic investment for the Company, reflecting its critical role in driving innovative new courses and competitive advantage within the industry. Leveraging the Company's mature capabilities of AI technology development and industry-specific online data that has been accumulated over a decade, the Company has developed the first AI vertical model specializing on recruitment examinations and has already applied it to commercial use.

By redirecting entire 100% of unutilized Net Proceeds to AI research, development, infrastructure and implementation, the Company aims to further enhance its technological capabilities, accelerate the creation of cutting-edge learning solutions to students, and deliver long-term value to shareholders through improved efficiency, new revenue streams, and a strengthened market position in the rapidly evolving landscape.

In view of the above, the Board considers that the re-allocation of the unutilized Net Proceeds as set out above is in line with the business strategies of the Group and will enhance the Group's financial management flexibility. The Board believes that such change in the use of proceeds from the Global Offering is fair and reasonable and will not have any material adverse effect on the business operation of the Group, and is in the best interests of the Company and its shareholders as a whole.

By order of the Board
Fenbi Ltd.
ZHANG Xiaolong
Chairman

Hong Kong, August 13, 2025

As at the date of this announcement, the Board comprises Mr. ZHANG Xiaolong and Mr. WEI Liang as executive Directors; and Mr. QIU Dongxiao Larry, Mr. YUEN Kai Yiu Kelvin and Ms. YUAN Jia as independent non-executive Directors.