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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)**

### **DISCLOSEABLE AND CONNECTED TRANSACTION THE EQUITY SALE AND PURCHASE AGREEMENTS**

On 24 January 2025, the Company and the Vendor entered into the Equity Sale and Purchase Agreements whereby the Company agreed to acquire the Sale Shares, representing approximately 30% of the issued share capital of the Target Company, from the Vendor.

As of the date of this announcement, Ms. Niu holds approximately 44.90% of the issued share capital of the Company and is therefore a connected person of the Company. Since one or more applicable percentage ratios (as defined in the GEM Listing Rules) in relation to the Equity Sale and Purchase Agreements are above 5%, according to Chapter 20 of the GEM Listing Rules, the transactions contemplated under the Equity Sale and Purchase Agreements will constitute non-exempt connected transaction of the Company and are subject to the reporting, announcement, circular and Independent Shareholders' approval requirements.

As one or more of the relevant percentage ratios (as defined in the GEM Listing Rules) of the Equity Sale and Purchase Agreements exceed 5% but are less than 25%, the Supplemental Agreements constitute discloseable transaction of the Company and are subject to relevant notification and announcement requirements under Chapter 19 of the GEM Listing Rules.

The Independent Board Committee comprising all the independent non-executive Directors will be formed to advise the Independent Shareholders on the transactions contemplated under the Equity Sale and Purchase Agreements, and independent financial adviser will be appointed to advise the Independent Board Committee and the Independent Shareholders on the fairness and reasonableness of the transactions contemplated under the Equity Sale and Purchase Agreements, and whether such transactions are in the interests of the Company and its shareholders as a whole.

A circular containing, among other things, further information on the terms of the Equity Sale and Purchase Agreements, a letter from the Independent Board Committee, the opinion from independent financial adviser, together with a notice to convene an extraordinary general meeting to approve the Equity Sale and Purchase Agreements, is expected to be despatched to the shareholders as soon as possible and in any event, no later than 5 April 2025 (after taking into account the estimated time required for the Company to prepare relevant information for inclusion in the circular).

## **INTRODUCTION**

On 24 January 2025, the Company and the Vendor entered into the Equity Sale and Purchase Agreements whereby the Company agreed to acquire the Sale Shares, representing approximately 30% of the issued share capital of the Target Company, from the Vendor.

The principal terms of the Equity Sale and Purchase Agreements are as follows:

**Date:** 24 January 2025

**Parties:**

Purchaser: the Company

Vendor: the Vendor

**Subject Matter:**

The Company has conditionally agreed to acquire, and the Vendor has conditionally agreed to sell 30% shares of the Target Company. The Sale Shares represent 30% of the issued share capital of the Target Company.

**Consideration:**

Pursuant to the Equity Sale and Purchase Agreements, the total consideration of HKD27,600,000 for the purchase of the Sale Shares shall be satisfied by the Company by way of: (i) cash consideration of HKD7,000,000 shall be payable within five business days from the date of the Equity Sale and Purchase Agreements as a deposit and partial payment; and (ii) issue of a Promissory Notes on the Completion Date in the sum of HKD20,600,000 to the Vendor. The Consideration of the Equity Sale and Purchase Agreements was determined and arrived at after arm's length negotiation by the parties with reference to the Valuation Report of the Target Company prepared by Peak Vision. The appraised value of 30% of the Target Company, which is calculated by using market approach, is approximately HKD27,617,000 as at 31 December 2024.

The principal assumptions adopted in the Valuation Report of the Target Company have been disclosed below in relation to the Equity Sale and Purchase Agreements.

**Promissory Notes**

The terms of the Promissory Notes have been negotiated on an arm's length basis and the principal terms of which are summarised below:

**Issuer**

The Company

**Principal amount**

HK\$20,600,000

**Interest**

The Promissory Notes will carry interest rate of 2.5% per annum, and is payable once a year after the issuance of the Promissory Notes.

The interest rate was determined after arm's length negotiations with reference to the lending rate of loans of financial institutions.

**Maturity**

A fixed term of two years from the date of issue of the Promissory Notes.

## **Early repayment**

The Purchaser could, at its option, early repay the Promissory Note with outstanding interest accrued thereon in whole or in part in integral multiples of principal amount of HK\$100,000 by giving a prior ten Business Days' written notice to the relevant Vendor.

## **Transferability**

The Promissory Note is transferrable in integral multiples of principal amount of HK\$100,000.

## **Conditions precedent:**

Completion is conditional upon fulfilment or waiver (as the case may be) of the following conditions:

- (i) the Company having obtained the approval from its Independent Shareholders in respect of, *inter alia*, (a) the Acquisition; and (b) the issue of the promissory notes to the Vendor pursuant to the terms of the Equity Sale and Purchase Agreements, in the manner required by the GEM Listing Rules;
- (ii) the Company having obtained the approval from the Board in respect of the transactions contemplated under the Equity Sale and Purchase Agreements as well as the issue of the promissory notes;
- (iii) Each party having complied with the terms and conditions of the Equity Sale and Purchase Agreements and there having been no material breach of the Equity Sale and Purchase Agreements by any party to the Equity Sale and Purchase Agreements;
- (iv) all of the warranties and representations contained in the Equity Sale and Purchase Agreements being true, correct, complete, accurate and not misleading in all material respects at Completion, as if repeated at Completion and all undertakings contained in the Equity Sale and Purchase Agreements, to the extent being capable of being fulfilled prior to the Completion Date, having been fulfilled in all respects;
- (v) the purchaser, the vendor and the Target Company having complied with the GEM Listing Rules in all respects in connection with the Acquisition; and
- (vi) the Company being satisfied with the results of the legal and/or financial due diligence review of the Target Company.

If the conditions above have not been fulfilled or waived (as the case may be) within six months from the date of the Equity Sale and Purchase Agreements (or such later date as the parties may agree), the Equity Sale and Purchase Agreements shall cease and terminate and neither party shall have any obligations and liabilities towards each other thereunder save for any antecedent breaches of the Equity Sale and Purchase Agreements.

## **Completion**

Completion shall take place within seven business days after fulfilment or waiver (as the case may be) of all the conditions precedent to the Equity Sale and Purchase Agreements, or such other date as the parties to the Equity Sale and Purchase Agreements may agree in writing.

Upon the Completion, the Company will hold 30% equity interest in the Target Company and the financial statements of the Target Company will be taken into account by the Group by ways of equity method of accounting.

## **VALUATION**

### **Valuation Methodology**

In arriving at the appraised value of 30% equity interest in the Target Company, Peak Vision has considered three generally accepted approaches, namely the income approach, the asset approach, and the market approach. The income approach is not adopted given that long-term forecasts inherently rely on various subjective assumptions, which may or may not be sustainable. Furthermore, the profit of the Target Company was relatively volatile. Therefore, preparing the financial projection of the Target Company involves subjective judgement and uncertainties. The asset approach is not applied as the valuation of the Target Company is conducted on a going concern basis, and the summation of its assets is inappropriate as such method ignores the future economic benefits of the business as a whole and market sentiment regarding the shares of the Target Company. In contrast, the market approach is better suited to capturing market sentiment and producing a less biased valuation of the Target Company as it requires fewer subjective inputs. Having considered the three general valuation approaches, Peak Vision considers that the market approach would be appropriate and reasonable in the valuation of the market value of the Target Company.

The market approach can be applied through two commonly used methods, namely, the guideline public company method and the comparable transaction method. The comparable transaction method utilizes information on transactions involving assets that are the same as or similar to the subject asset. However, for this particular valuation exercise, it is difficult to acquire sufficient and timely information of such transactions. Therefore, in this valuation exercise, the market value of the 30% equity interest in the Target Company is developed through the guideline public company method.

For the valuation of the Target Company, Peak Vision has employed the enterprise value to earnings before interests and taxes (“**EV/EBIT**”) ratio. Peak Vision considers the EV/EBIT ratio is more appropriate in valuing the Target Company when compared to other commonly adopted price multiples such as price to sales (“**P/S**”) ratio, price to book (“**P/B**”) ratio and price to earnings (“**P/E**”) ratio due to the following reasons:

- Earnings is the primary determinant of value;
- P/S ratio and P/B ratio do not account for the profitability of the business, and fail to reflect the true earnings power and value of the business; and
- Enterprise multiples are useful for comparisons across comparable companies with different capital/asset structures because they exclude the distorting effects of individual companies’ capital/asset levels, and the ratio tends to be more stable.

## **ASSUMPTIONS OF THE VALUATION**

### **Major Assumptions**

- For the Target Company to continue as a going concern, the Target Company will successfully carry out all necessary activities for the development of its business;
- Key management, competent personnel, professional and technical staff will all be retained to support the ongoing operations of the Target Company;
- The availability of finance will not be a constraint on the forecast growth of the Target Company's operations in accordance with the business plans;
- Market trends and conditions where the Target Company operates will not deviate significantly from the economic forecasts in general;
- The financial information of the Target Company as supplied to us has been prepared in a manner which truly and accurately reflects the financial performances and positions of the Target Company as at the respective financial statement dates;
- There will be no material changes in the business strategy of the Target Company and its operating structure;
- Interest rates and exchange rates in the localities for the operations of the Target Company will not differ materially from those presently prevailing;
- All relevant approvals, business certificates, licences or other legislative or administrative authority from any local, provincial or national government, or private entity or organization required to operate in the localities where the Target Company operates or intends to operate will be officially obtained and renewable upon expiry unless otherwise stated; and
- There will be no major changes in the political, legal, economic or financial conditions and taxation laws in the localities in which the Target Company operates or intends to operate, which would adversely affect the revenues and profits attributable to the Target Company.

## **INPUTS AND COMPUTATION PROCESS OF THE VALUATION**

### **Formula and Parameters**

In the course of the valuation, Peak Vision has identified a total of six guideline public companies for valuation analysis. The Target Company is a computer information service confidentiality provider that focuses on the encryption protection of private information, and there are no perfect match of comparable companies with exactly the same financial performance, business operations and risk profile as the business subject. However, the comparable companies they identified are also engaged in the software security business and therefore Peak Vision considers they are subject to similar business, industry and economic risks and rewards as the Target Company.

Selection criteria of comparable companies are listed as follows:

- a. Companies that are actively traded and publicly listed in the PRC, Hong Kong or Taiwan;
- b. Companies that have been publicly listed for at least two years before the valuation date (31 December 2024);
- c. Companies principally engaged in the software or internet security activities according to The Refinitiv Business Classification;
- d. Under the abovementioned software or internet security classification, at least 80% of the revenue is derived from the provision of products or services in relation to encryption, software security, cybersecurity, network security, internet security, software security, digital security, password security or authentication; and
- e. Companies that are generating operating profit according to Refinitiv.



Based on Peak Vision’s search of the Refinitiv database using the criteria above, the exhaustive list of six guideline public companies are set out below:

<b>Ticker</b>	<b>Name</b>	<b>Market Capitalization as at the Valuation Date (HK\$'million)</b>	<b>Normalized Earnings Before Interest and Taxes (HK\$'million)</b>
002439.SZ	Venustech Group Inc.	20,511	262 <sup>(2)</sup>
300768.SZ	Hangzhou DPtech Technologies Co., Ltd.	11,990	113 <sup>(2)</sup>
603232.SS	Koal Software Co., Ltd.	3,235	8 <sup>(2)</sup>
688168.SS	Beijing ABT Networks Co., Ltd.	3,198	14 <sup>(2)</sup>
688244.SS	Integrity Technology Group Inc.	2,785	23 <sup>(2)</sup>
6690.TWO	Acer Cyber Security Inc.	1,473	65 <sup>(2)</sup>

<sup>(1)</sup> Normalized earnings before interest and taxes for the trailing 12 months ended 30 June 2024

<sup>(2)</sup> Normalized earnings before interest and taxes for the trailing 12 months ended 30 September 2024

Source: Refinitiv

The details of the six guideline public companies selected are set out as follows:

Venustech Group Inc. (002439.SZ) is a China-based company, principally engaged in the research and development, manufacture and distribution of information and network security products, as well as the provision of security services. The company’s security products include security gateway, security monitoring and data security and platforms. The company also provides security services and tools, and hardware among others. Its products are applied in government, telecommunication, finance, education, electric power, transportation and petrochemical industries, among others. The company distributes mainly in domestic markets. According to Refinitiv, 99% of the revenue was derived from the provision of information network security during the six months ended 30 June 2024.

Hangzhou DPtech Technologies Co., Ltd. (300768.SZ) is a China-based company principally involved in the research and development, manufacturing and sales of enterprise-level network communication products, as well as the provision of related professional services for users. The company’s main products include network security products, application delivery products and basic network products which are used in the user network exit, server front-end position or routing switching core, and network sink or core node, among others. The company primarily conducts its businesses in domestic market. According to Refinitiv, 80% of the revenue was derived from the provision of network security products during the six months ended 30 June 2024.

Koal Software Co., Ltd. (603232.SS) is a China-based company principally engaged in the research and development, manufacture and sales of commercial passwords software products based on public key infrastructure (PKI). The company's main products include PKI infrastructure products, PKI security application products and general security products. The company distributes its products within China domestic market. According to Refinitiv, 100% of the revenue was derived from the provision of passwords software products during the six months ended 30 June 2024.

Beijing ABT Networks Co Ltd (688168.SS) is a China-based company mainly engaged in the research, development and sales of network security core software products. The company's main products are embedded security gateway, virtualized security gateways, and security management products. Embedded security gateways include next generation firewalls and network behavior management & auditing components, which are used in data communication networks. Virtualized security gateways utilize universal servers as hardware carrier, and they are used in large data center and cloud computing center. Security management products mainly include traffic visualization, policy visualization, and cloud security management products. According to Refinitiv, 100% of the revenue was derived from the provision of network security core software products during the year ended 31 December 2023.

Integrity Technology Group Inc (688244.SS) is a China-based company mainly engaged in the research and development, production and sales of network security products, as well as the provision of network security services. Its products and services mainly include network shooting range products, security control and honeypot products, security tool products, security protection series services, network security competition services and other services, among which other services mainly include online and offline training services. Its security tool products are mainly for government supervision departments, and other services are mainly for individuals, enterprises and institutions. The company mainly operates in the domestic market. According to Refinitiv, 100% of the revenue was derived from the provision of information security software and network range series products, digital wind tunnel test evaluation and security and control services during the six months ended 30 June 2024.

Acer Cyber Security Inc. (6690.TWO) is a Taiwan-based company mainly engaged in providing professional electronic information management services. The company mainly provides information security services, including the Security Monitoring and Protection Center (SOC) operation services, the security information sharing analysis and monitoring services (ISAC), flood prevention monitoring services, anti-virus monitoring services, decentralized blocking attack drill services, system vulnerability scanning, among others; as well as computer room, cloud service and commercial software sales, including enterprise exclusive computer room rental, host performance monitoring, backup service, information system maintenance outsourcing management, disaster recovery planning service and drill, emergency preparation aid center. According to Refinitiv, 88% of the revenue was derived from the provision of information security service during the year ended 31 December 2023.

The above comparable companies, together with the Target Company, are subject to similar fluctuations in the economy and performance of the software security industry, among other factors. Thus, Peak Vision considers they are confronted with similar risks and rewards.

In order to form a meaningful and fair valuation, Peak Vision has adjusted the differences in characteristics between the Target Company and the comparable companies.

Different companies are exposed to different levels of risk, in terms of size premium, country risk and other relevant specific risk, etc. Therefore, the multiples of comparable companies should be adjusted so that they reflect the risk of the Target Company. In the course of our valuation, Peak Vision has assessed the risk relative to the comparable companies by making reference to their sizes and listing locations, and accordingly adjusted the multiples upward or downward where appropriate based on the differences.

The unadjusted and adjusted multiples are presented as follows:

<b>Ticker</b>	<b>Name</b>	<b>EV/EBIT</b>	<b>Adjusted EV/EBIT</b>
002439.SZ	Venustech Group Inc	66.74	14.61
300768.SZ	Hangzhou DPtech Technologies Co Ltd	79.67	15.58
603232.SS	Koal Software Co., Ltd.	349.03	N/A
688168.SS	Beijing ABT Networks Co Ltd	231.51	N/A
688244.SS	Integrity Technology Group Inc	114.18	N/A
6690.TWO	Acer Cyber Security Inc	25.33	16.81
	Mean		15.67
	Applied ratio		15.67

\* *Figures above are subject to rounding*

*Notes:*

N/A means extreme outliers or negative ratio which are not applicable for comparable analysis.

Based on the above table, the adjusted EV/EBIT ratio of the comparable companies ranged from the minimum of 14.61x to the maximum of 16.81x, resulting in a mean of approximately 15.67x.

## **Discount for Lack of Marketability**

Peak Vision has adopted a lack of marketability discount of approximately 20.4% as ownership interest in closely held companies are typically not readily marketable compared to similar interest in publicly listed companies. Therefore, a share of stock in a privately held company is usually worth less than an otherwise comparable share in a publicly held company.

The discount of 20.4% was determined with reference to Stout Restricted Stock Study Companion Guide (2024 Edition).

## **Calculation of Valuation Results**

Based on Peak Vision's analysis as at the valuation date of 31 December 2024, the mean of the adjusted EV/EBIT ratio of the comparable companies was approximately 15.67x.

By applying the earnings before interests and taxes (i.e. excluding investment income, other income and interest expenses in the sum of approximately HK\$1,618,000) of approximately HK\$7,897,000 of the Target Company and lack of marketability discount, the implied values of 100% equity interest of the Target Company (non-controlling basis) as at the Valuation Date were in the sum of HK\$92,057,000. Given the above, the market value of 30% equity interest of the Target Company as at the valuation date was in the sum of HKD27,617,000.

The Board has discussed and reviewed the valuation methodology and assumptions used by Peak Vision in formulating the valuation of the Target Company, and understands that Peak Vision has adopted the market approach for the valuation which was prepared with reference to the exhaustive list of comparable companies operating in a similar business as the Target Company, adjusted for the risk, market capitalization, and profitability of the Target Company being valued. After thorough consideration, the Board is of the view that the valuation methodology and assumptions used, and the valuation results are fair and reasonable.

## **INFORMATION OF THE GROUP**

The Company is an investment holding company and the Group is principally engaged in its operation of financial service platforms. Such financial service platform has established comprehensive business process and technology system covering customer acquisition, risk identification, risk assessment, loan distribution channel, payment channel and big data analysis.

## INFORMATION OF THE TARGET COMPANY

### Principal business of the Target Company

The Target Company is a computer information service confidentiality provider that focuses on the encryption protection of private information and owns multiple national patents and software copyrights. The company's core technical team comes from Huawei and it also has in-depth technical cooperation with Huazhong University of Science and Technology and Hong Kong Polytechnic University.

The company is committed to edge security computing and encryption algorithm technology to achieve data protection, allowing customers to enjoy the convenience of life, work, and entertainment brought by IoT technology while fully protecting private data and information security. The company will continue to create decentralized security products and services based on the zero-trust concept. Gradually upgrade product applications from computer encryption to mobile devices, instant messaging, data storage and all IoT terminal devices.

The Target Company was established on 28 December 2020, and has been in operation for over four years.

### Financial information of the Target Company

Set out below is the audited and unaudited financial information of the Target Company for the two financial years ended 31 December 2023 and 2024, which were prepared in accordance with the HKFRS:

	<b>For the year ended 31 December 2023</b>	<b>For the year ended 31 December 2024</b>
	(audited)	(unaudited)
	<i>HKD</i>	<i>HKD</i>
Revenue	11,762,360	18,720,440
Profit before taxation	496,050	9,515,064

As at 31 December 2024, the total assets and the net asset value based on the unaudited financial information of the Target Company were approximately HKD23,225,705 and HKD10,270,758, respectively.

## **REASONS FOR AND BENEFITS OF THE ENTERING INTO OF THE TRANSACTIONS**

The Group's decision to acquire the Target Company focused on edge security computing and encryption algorithm technology aligns strategically with their core business operations in financial services. The following are reasons for and benefits of this acquisition:

**Data Protection and Security Enhancement:** By acquiring a company specializing in edge security computing and encryption algorithm technology, the Group can enhance the security measures of its financial service platforms. This acquisition will enable the Group to strengthen data protection, mitigate cybersecurity risks, and ensure the confidentiality, integrity, and availability of sensitive customer information.

**IoT Technology Integration:** With an increasing reliance on IoT technology in various aspects of life, work, and entertainment, the acquisition of a company focusing on edge security computing will allow the Group to seamlessly integrate IoT devices into its ecosystem. This integration can enhance the functionality of their financial services platform while ensuring that customer data remains secure across all IoT devices.

**Zero-Trust Security Model:** The acquisition aligns with the Group's vision of creating decentralized security products and services based on the zero-trust concept. By adopting a zero-trust security model, the company can establish strict access controls, continuous monitoring, and data encryption at every touchpoint, thereby enhancing the overall security posture of its operations.

**Product Diversification and Innovation:** Through this acquisition, the Group can diversify its product offerings by introducing advanced security solutions based on cutting-edge encryption algorithms and edge computing technologies. This diversification can attract new customers, drive innovation within the organization, and position the company as a leader in providing secure financial services in a digitally connected world.

**Future-Proofing the Business:** As technology evolves rapidly, acquiring a company specializing in edge security computing and encryption algorithm technology can future-proof the Group's business operations. By staying ahead of cybersecurity threats and technological advancements, the company can adapt to changing market demands, regulatory requirements, and customer expectations, ensuring long-term sustainability and growth.

In summary, the acquisition of a company dedicated to edge security computing and encryption algorithm technology presents the Group with an opportunity to enhance data protection, integrate IoT technology securely, adopt a zero-trust security model, diversify product offerings, and future-proof its business operations. This strategic move can strengthen the company's position in the market and foster trust among customers who value privacy and security in their financial transactions.

Having considered the above factors, the Board considers that the terms of the Equity Sale and Purchase Agreements are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

### **APPROVAL OF THE BOARD**

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, no Director has a material interest in the Equity Sale and Purchase Agreements. Directors have unanimously approved the Equity Sale and Purchase Agreements, and considered that the terms of the Equity Sale and Purchase Agreements are on normal commercial terms, fair and reasonable, and the Equity Sale and Purchase Agreements are in the interests of the Company and its Shareholders as a whole.

### **IMPLICATIONS UNDER THE LISTING RULES**

As of the date of this announcement, Ms. Niu holds approximately 44.90% of the issued share capital of the Company and is therefore a connected person of the Company. Since one or more applicable percentage ratios (as defined in the GEM Listing Rules) in relation to the Equity Sale and Purchase Agreements are above 5%, according to Chapter 20 of the GEM Listing Rules, the transactions contemplated under the Equity Sale and Purchase Agreements will constitute non-exempt connected transaction of the Company and are subject to the reporting, announcement, circular and Independent Shareholders' approval requirements.

As one or more of the relevant percentage ratios (as defined in the GEM Listing Rules) of the Supplemental Agreements exceed 5% but are less than 25%, the Equity Sale and Purchase Agreements constitute discloseable transaction of the Company and are subject to relevant notification and announcement requirements under Chapter 19 of the GEM Listing Rules.

The Independent Board Committee comprising all the independent non-executive Directors will be formed to advise the Independent Shareholders on the transactions contemplated under the Equity Sale and Purchase Agreements, and independent financial adviser will be appointed to advise the Independent Board Committee and the Independent Shareholders on the fairness and reasonableness of the transactions contemplated under the Equity Sale and Purchase Agreements, and whether such transactions are in the interests of the Company and its shareholders as a whole.

A circular containing, among other things, further information on the terms of the Equity Sale and Purchase Agreements, a letter from the Independent Board Committee, the opinion from independent financial adviser, together with a notice to convene an extraordinary general meeting to approve the Equity Sale and Purchase Agreements, is expected to be despatched to the shareholders as soon as possible and in any event, no later than 5 April 2025 (after taking into account the estimated time required for the Company to prepare relevant information for inclusion in the circular).

## DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings:

“Acquisition”	the acquisition of the Sale Shares by the Company from the Vendor in accordance with the terms and conditions of the Equity Sale and Purchase Agreements
“Board”	the board of Directors of the Company
“Company”	Fengyinhe Holdings Limited (豐銀禾控股有限公司), an exempted company incorporated in the Cayman Islands, whose issued Shares are listed and traded on GEM (Stock code: 8030)
“Completion”	completion of the Acquisition in accordance with the terms and conditions of the Equity Sale and Purchase Agreements
“Completion Date”	the date of Completion
“connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Consideration”	the consideration of HKD30,000,000 for the acquisition of the Sale Shares
“controlling shareholder”	has the meaning ascribed to it under the GEM Listing Rules
“Director(s)”	the director(s) of the Company
“Equity Sale and Purchase Agreements”	the conditional Equity Sale and Purchase Agreements dated 24 January 2025 entered into by the Company and the Vendor respectively in respect of the Acquisition
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“HKD”	Hong Kong Dollar, the lawful currency of Hong Kong



“Independent Board Committee”	the independent board committee, comprising all of the independent non-executive Directors, namely Mr. Kam Hou Yin, John, Ms. Chong Kan Yu and Mr. Qi Zhenping, established for the purpose of advising the Independent Shareholders in respect of the entering into the Equity Sale and Purchase Agreements
“Independent Shareholder(s)”	shareholders other than connected person(s) which is/are interested in the relevant transactions
“Ms. Niu”	Ms. Niu Chengjun. As at the announcement date, Ms. Niu is a controlling shareholder which owns 152,298,268 existing Shares, representing approximately 44.90% of the issued share capital of the Company
“Peak Vision”	Peak Vision Appraisals Limited, an independent professional valuer
“Promissory Notes”	the promissory notes in the principal amount of HK\$20,600,000 to be issued by the Company in favour of the Vendor to settle part of the consideration under the Equity Sale and Purchase Agreements
“PRC”	the People’s Republic of China excluding, for the purpose of this announcement, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Sale Shares”	100% of the issued share capital of the Target Company
“Share(s)”	ordinary shares of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	OnlyOwner Technology Limited, a company incorporated on 28 December 2020 under the laws of the Hong Kong with limited liability
“Valuation Report”	the valuation report prepared by Peak Vision in respect of the Target Company

“Vendor” OnlyOwner Global Limited, a company incorporated under the laws of the British Virgin Islands with limited liability and Ms. Niu is the ultimate beneficial owner

“%” per cent

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

Hong Kong, 24 January 2025

*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](http://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](http://www.fengyinhe.com).*