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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)**

### **ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2024**

#### **CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)**

**GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.**

**Given the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.**

*This announcement, for which the directors (the “**Directors**”) of Fengyinhe Holdings Limited (the “**Company**”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “**GEM Listing Rules**”) for the purposes 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: (i) the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive; (ii) there are no other matters the omission of which would make any statement herein or this announcement misleading; and (iii) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.*

## AUDITED ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2024

The board (the “**Board**”) of Directors hereby submits the audited consolidated results of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 31 December 2024, together with the comparative audited figures for the year ended 31 December 2023 as follows:

### CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

*For the year ended 31 December 2024*

	<i>Notes</i>	<b>2024</b> <b>RMB'000</b>	2023 <i>RMB'000</i> (Re-presented)
<b>Revenue</b>	4	<b>131,245</b>	87,307
Cost of services		<u>(33,130)</u>	<u>(43,756)</u>
<b>Gross profit</b>		<b>98,115</b>	43,551
Other income	6	<b>8,217</b>	260
Other gains	7	<b>11,390</b>	–
Administrative expenses		<b>(29,304)</b>	(13,792)
Impairment loss recognised under expected credit loss model, net of reversal	8	<b>(5,691)</b>	(2,966)
Finance costs		<u>(136)</u>	<u>(48)</u>
<b>Profit before tax</b>	9	<b>82,591</b>	27,005
Income tax expense	10	<u>(28,031)</u>	<u>(10,143)</u>
<b>Profit for the year</b>		<u><b>54,560</b></u>	<u>16,862</u>
<b>Other comprehensive income/(expense)</b>			
Item that may be reclassified subsequently to profit or loss			
Exchange differences arising on translation of foreign operations		<u>258</u>	<u>(832)</u>
<b>Other comprehensive income/(expense) for the year, net of tax</b>		<u>258</u>	<u>(832)</u>
<b>Total comprehensive income for the year</b>		<u><b>54,818</b></u>	<u>16,030</u>

	<i>Notes</i>	<b>2024</b> <b>RMB'000</b>	2023 <i>RMB'000</i> (Re-presented)
<b>Profit for the year attributable to:</b>			
— Owners of the Company		<b>54,873</b>	16,926
— Non-controlling interests		<b>(313)</b>	(64)
		<u><b>54,560</b></u>	<u>16,862</u>
<b>Total comprehensive income/(expense) for the year attributable to:</b>			
— Owners of the Company		<b>55,131</b>	16,094
— Non-controlling interests		<b>(313)</b>	(64)
		<u><b>54,818</b></u>	<u>16,030</u>
			(Restated)
<b>Earnings per share</b>			
	<i>11</i>		
Basic ( <i>RMB cents</i> )		<b>28.93</b>	29.00
Diluted ( <i>RMB cents</i> )		<b>28.93</b>	29.00

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

*As at 31 December 2024*

	<i>Notes</i>	<b>2024</b> <b>RMB'000</b>	2023 <i>RMB'000</i> (Re-presented)
<b>Non-current assets</b>			
Plant and equipment		5	33
Right-of-use assets		–	5,095
		<u>5</u>	<u>5,128</u>
<b>Current assets</b>			
Loans and interest receivables	12	160,674	72,997
Trade receivables		–	119
Prepayments, deposits and other receivables		6,544	7,562
Cash and cash equivalents		54,604	16,561
		<u>221,822</u>	<u>97,239</u>
<b>Current liabilities</b>			
Other payables and accruals		12,051	22,551
Contract liabilities		–	470
Amount due to a director		1,028	1,536
Lease liabilities		–	1,774
Income tax payable		36,347	17,131
		<u>49,426</u>	<u>43,462</u>
<b>Net current assets</b>		<u>172,396</u>	<u>53,777</u>
<b>Total assets less current liabilities</b>		<u>172,401</u>	<u>58,905</u>
<b>Non-current liabilities</b>			
Lease liabilities		–	3,830
Provision of long service payment		15	–
		<u>15</u>	<u>3,830</u>
<b>NET ASSETS</b>		<u>172,386</u>	<u>55,075</u>
<b>Capital and reserves</b>			
Share capital		3,073	611
Reserves		169,313	54,274
		<u>172,386</u>	<u>54,885</u>
Equity attributable to owners of the Company		172,386	54,885
Non-controlling interests		–	190
		<u>172,386</u>	<u>55,075</u>
<b>TOTAL EQUITY</b>		<u>172,386</u>	<u>55,075</u>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

*For the Year Ended 31 December 2024*

## 1. CORPORATE INFORMATION

Fengyinhe Holdings Limited (the “**Company**”) (formerly known as Flying Financial Service Holdings Limited) was incorporated and registered as an exempted company with limited liability in the Cayman Islands under the Companies Law of the Cayman Islands on 4 May 2011 with its shares listed on the GEM of the Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 7 May 2012. The address of the Company’s registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The address of the Company’s principal place of business in Hong Kong is Room 1007, 10/F., West Wing, Tsim Sha Tsui Centre, 66 Mody Road, Tsim Sha Tsui, Kowloon, Hong Kong, and the head office and principal place of business in the People’s Republic of China (the “**PRC**” or “**China**”) is Room 902, Block A, Xiangnian Plaza, No. 4060 Qiaoxiang Road, Gaofa Community, Shahe Street, Nanshan District, Shenzhen, China.

The Company is an investment holding company and its subsidiaries (collectively referred to as the “**Group**”) are engaged in the operation of financial services platform, provision of other loan services and financial consultation services in the mainland (“**Mainland China**”) of the PRC.

In the opinion of the directors of the Company, the immediate and ultimate holding company of the Company is Ming Cheng Investments Limited, a company incorporated in the British Virgin Islands (the “**BVI**”).

The functional currency of the Company is Hong Kong dollars (“**HK\$**”), while these consolidated financial statements are presented in Renminbi (“**RMB**”). Since the Company mainly holds subsidiaries whose underlying operations are primarily in the PRC with RMB being the functional currency. The directors of the Company have determined that RMB better reflects the economic substance of the Company and its business activity as an investment holding company primarily holding subsidiaries with primary economic environment in the PRC. All values are rounded to the nearest thousand (RMB’000) except when otherwise indicated.

For the year ended 31 December 2024, the Group has re-presented certain line items in its consolidated statement of profit or loss and other comprehensive income and consolidated statement of financial position to better reflect the function and nature of items within the Group. Comparative figures in the consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position and the consolidated statement of cash flows, and the related disclosure notes have also been re-presented to conform with the current year’s presentation. Such re-presentation did not have any impact on the Group’s profit or loss and total comprehensive income, non-current assets, current assets, non-current liabilities, current liabilities and total equity as at 31 December 2023; and cash flows for comparative year ended 31 December 2023.

The following table highlights the impact from the aforesaid changes on certain line items in the consolidated statement of profit or loss and other comprehensive income and consolidated statement of financial position as at 31 December 2023.

## Consolidated Statement of Profit or Loss and Other Comprehensive Income (Extracted)

	2023 (Previously presented) RMB'000	2023 Adjustments RMB'000	2023 (Re-presented) RMB'000
Cost of services	–	(43,756)	(43,756)
Employee benefit expenses	(5,210)	5,210	–
Administrative expenses	(52,338)	38,546	(13,792)

## Consolidated Statement of Financial Position (Extracted)

	2023 (previously presented) RMB'000	2023 Adjustments RMB'000	2023 (Re-presented) RMB'000
<b>Non-current assets</b>			
Property, plant and equipment	5,128	(5,095)	33
Right-of-use assets	–	5,095	5,095
<b>Current assets</b>			
Loans and accounts receivables	73,116	(73,116)	–
Loans and interest receivables	–	72,997	72,997
Trade receivables	–	119	119
<b>Current liabilities</b>			
Receipts in advance, accruals and other payables and contract liabilities	(23,021)	23,021	–
Other payables and accruals	–	(22,551)	(22,551)
Contract liabilities	–	(470)	(470)

## 2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

### New and Amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) for the first time, which are mandatorily effective for the annual periods beginning on or after 1 January 2024 for the preparation of the consolidated financial statements:

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-Current (the “2020 Amendments”)
Amendments to HKAS 1	Non-current Liabilities with Covenants (the “2022 Amendments”)
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

The application of the new and amendments to HKFRSs in the current year has had no material impact on the Group’s financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

## **New and Amendments to HKFRSs in issue but not yet effective**

The Group has not early applied the followings new and amendments to HKFRSs that have been issued but are not yet effective:

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments <sup>3</sup>
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>1</sup>
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards -Volume 11 <sup>3</sup>
Amendments to HKAS 21	Lack of Exchangeability <sup>2</sup>
HKFRS 18	Presentation and Disclosure in Financial Statements <sup>4</sup>

<sup>1</sup> Effective for annual periods beginning on or after a date to be determined

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2025

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2026

<sup>4</sup> Effective for annual periods beginning on or after 1 January 2027

Except for the amendments to HKFRSs mentioned below, the directors of the Company anticipate that the application of all the new and amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

### **3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION**

#### **(a) Basis of preparation of consolidated financial statements**

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements, include applicable disclosures required by the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and by the Hong Kong Companies Ordinance.

The directors of the Company have, at the time of approving the consolidated financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the consolidated financial statements.

#### 4. REVENUE

Revenue, which is also the Group's turnover, represents the income from its principal activities. Revenue recognised for the year are as follows:

	<b>2024</b> <i>RMB'000</i>	2023 <i>RMB'000</i>
Revenue from contract with customers within the scope of HKFRS 15:		
Platform services income	<b>120,887</b>	83,408
Revenue from other sources:		
Interest income	<b>10,358</b>	3,899
	<b>131,245</b>	87,307

Disaggregation of revenue from contracts with customers by the timing of revenue recognition and by geographic markets is disclosed in note 5(c).

The following table provides information about contract liabilities from contracts with customers.

	<b>2024</b> <i>RMB'000</i>	2023 <i>RMB'000</i>
Contract liabilities	<b>–</b>	470

Contract liabilities decreased by RMB470,000 in 2024 as a result of disposal of certain subsidiaries.

Contract liabilities increased by RMB85,000 in 2023 as a result of the advance consideration received from the customers for platform services.

The transaction price allocated to the performance obligation that is unsatisfied, has not been disclosed, as substantially all of the Group's contracts with customers within the scope of HKFRS 15 have a duration of one year or less.



## 5. SEGMENT INFORMATION

The Group determines its operating segments based on the reports reviewed by the chief operating decision-maker that are used to make strategic decision.

The Group has two (2023: two) reportable and operating segments. The segments are managed separately as each business offers different services and requires different business strategies. The following summary describes the operations in each of the Group's reportable segments:

Operation of financial services platform	Provision of financial consultation services and financial services platform;
Provision of entrusted loan, pawn loan, other loan services, and financial consultation services	Provision of short-term and long-term loans and financial consultation services to borrowers and financial institutions; and

Segment information about reportable segments:

### (a) Business segments

	Operation of financial services platform <i>RMB'000</i>	Provision of entrusted loan, pawn loan, other loan services and financial consultation services <i>RMB'000</i>	Total <i>RMB'000</i>
<b>For the year ended 31 December 2024</b>			
Revenue from external customers	<u>120,887</u>	<u>10,358</u>	<u>131,245</u>
Reportable segment profit	<u>68,692</u>	<u>5,885</u>	<u>74,577</u>
Items included in the measure of segment profit or loss or segment assets:			
Other income	(197)	–	(197)
Depreciation of plant and equipment	11	–	11
Impairment loss (reversed)/recognised under expected credit loss model (“ECL”)	(526)	5,235	4,709
Addition of non-current assets	5	–	5
Salaries and wages	<u>1,594</u>	<u>–</u>	<u>1,594</u>
<b>As at 31 December 2024</b>			
Reportable segment assets	<u>4,104</u>	<u>160,674</u>	<u>164,778</u>
Reportable segment liabilities	<u>38,738</u>	<u>–</u>	<u>38,738</u>

	Operation of financial services platform <i>RMB'000</i>	Provision of entrusted loan, pawn loan, other loan services and financial consultation services <i>RMB'000</i>	Total <i>RMB'000</i>
<b>For the year ended 31 December 2023</b>			
Revenue from external customers	83,408	3,899	87,307
Reportable segment profit	36,443	1,704	38,147
Items included in the measure of segment profit or loss or segment assets:			
Other income	(19)	–	(19)
Depreciation of plant and equipment	15	–	15
Impairment loss recognised under ECL model	771	2,195	2,966
Addition of non-current assets	12	–	12
Salaries and wages	3,925	–	3,925
<b>As at 31 December 2023</b>			
Reportable segment assets	11,802	72,999	84,801
Reportable segment liabilities	40,333	–	40,333

**(b) Reconciliation of reportable segment revenues, profit before income tax expenses, assets and liabilities**

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
<b>Revenue</b>		
Revenue from external customers	131,245	87,307
<b>Profit before tax</b>		
Reportable segment profit	74,577	38,147
Gain on disposal of subsidiaries	11,167	–
Unallocated corporate expenses	(3,153)	(11,142)
Profit before tax	82,591	27,005
<b>Assets</b>		
Reportable segment assets	164,778	84,801
Cash and cash equivalents	54,604	1,053
Unallocated corporate assets	2,445	16,513
Consolidated total assets	221,827	102,367
<b>Liabilities</b>		
Reportable segment liabilities	38,738	40,333
Unallocated corporate liabilities	10,703	6,959
Consolidated total liabilities	49,441	47,292

(c) **Geographic information and disaggregation of revenue from contracts with customers**

In the following table, segment revenue of the Group's reportable segments are disaggregated by primary geographical market, major products and service lines and timing of revenue recognition.

For the year ended 31 December	Operation of financial services platform		Provision of entrusted loan, pawn loans, other loan services and financial consultation services		Total	
	2024	2023	2024	2023	2024	2023
<b>Primary geographical markets</b>						
Mainland China	120,887	83,408	10,358	3,899	131,245	87,307
Hong Kong	–	–	–	–	–	–
Total	<u>120,887</u>	<u>83,408</u>	<u>10,358</u>	<u>3,899</u>	<u>131,245</u>	<u>87,307</u>
<b>Revenue</b>						
Platform services income	120,887	83,408	–	–	120,887	83,408
Interest income	–	–	10,358	3,899	10,358	3,899
	<u>120,887</u>	<u>83,408</u>	<u>10,358</u>	<u>3,899</u>	<u>131,245</u>	<u>87,307</u>
<b>Timing of revenue recognition</b>						
At a point in time	<u>120,887</u>	<u>83,408</u>	<u>10,358</u>	<u>–</u>	<u>131,245</u>	<u>83,408</u>

The Group's non-current assets (excluding financial assets) are predominantly attributable to a single geographical region, which is the Mainland China. Therefore, no analysis of non-current assets by geographical region is presented.

(d) **Information about major customers**

Revenue from customers of the corresponding years contributing over 10% of the total revenue of the Group are as follows:

	2024 RMB'000	2023 RMB'000
Customer A	19,064	N/A*
Customer B	17,563	15,599
Customer C	<u>N/A#</u>	<u>12,887</u>

# The customer C did not contribute 10% or more of the Group's revenue for the year ended 31 December 2024.

\* The customer A did not contribute 10% or more of the Group's revenue for the year ended 31 December 2023.

## 6. OTHER INCOME

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Bank interest income	288	194
Waiver of other payables ( <i>Note</i> )	7,812	–
Sundry income	117	66
	<u>8,217</u>	<u>260</u>

*Note:* Certain creditors have agreed to waive the Group's payables to these creditors amounted to RMB7,812,000 at nil consideration, accordingly, these payables are de-recognised and the amounts waived are included in other income for the year (2023: Nil).

## 7. OTHER GAINS

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Exchange gains	99	–
Gain on early termination of lease contract	124	–
Gain on disposal of subsidiaries	11,167	–
	<u>11,390</u>	<u>–</u>

## 8. FINANCE COSTS

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Interest on lease liabilities	135	48
Interest on long service payment	1	–
	<u>136</u>	<u>48</u>

## 9. PROFIT BEFORE TAX

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Profit before tax has been arrived at after charging:		
Auditor's remuneration	580	580
Depreciation of plant and equipment	11	15
Depreciation of right-of-use assets	1,172	1,365
Employee benefit expenses including directors' remuneration	5,135	5,210
Directors' fees, salaries and wages	4,744	4,734
Pension scheme contributions for defined contribution plans	391	476
	<u>4,744</u>	<u>4,734</u>
	<u>391</u>	<u>476</u>

## 10. INCOME TAX EXPENSE

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Current tax		
PRC Enterprise Income Tax	<u>28,031</u>	<u>10,143</u>
	<u><b>28,031</b></u>	<u>10,143</u>

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operated.

Enterprise income tax (“EIT”) arising from the PRC for the year was calculated at 25% (2023: 25%) of the estimated assessable profits of subsidiaries operating in the PRC during the year. According to the EIT law, the taxable income of an enterprise shall be the total revenue of such enterprise, deducted by any non-assessable revenue, exempted revenue, other deductions and amount of offsetting any accumulated tax losses.

Under the two-tiered profits tax rates regime of Hong Kong Profits Tax, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%. During the years ended 31 December 2024 and 2023, no provision for Hong Kong Profits Tax has been made since no assessable profits has been generated by the Group.

The income tax expense for the year can be reconciled to the profit before tax per the consolidated statement of profit and loss and other comprehensive income as follows:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Profit before tax	<u>82,591</u>	<u>27,005</u>
Tax calculated at the domestic tax rate of 25% (2023: 25%)	20,648	6,751
Effect of different tax rates of subsidiaries operating in other jurisdictions	675	583
Tax effect of non-deductible expenses	8,536	181
Tax effect of non-taxable income	(2,889)	(77)
Tax effect of tax losses not recognised	<u>1,061</u>	<u>2,705</u>
Income tax expense	<u><b>28,031</b></u>	<u>10,143</u>

Withholding tax was calculated at 5% of the dividends declared in respect of profits earned by a PRC subsidiary to its intermediate holding company incorporated in Hong Kong from 1 January 2008 onwards. As at 31 December 2024, the aggregate amount of temporary differences associated with the PRC subsidiaries’ undistributed retained earnings for which deferred tax liabilities have not been recognised is approximately RMB88,867,000 (2023: RMB53,905,000). No deferred tax liabilities have been recognised in respect of these differences because the Group is in a position to control the dividend policies of these subsidiaries and it is probable that such differences will not be reversed in the foreseeable future.

## 11. EARNINGS PER SHARE

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
<b>Profit</b>		
Profit for the purposes of basic and diluted earnings per share (profit for the year attributable to owners of the Company)	<u>54,873</u>	<u>16,926</u>
	2024	2023 (Restated)
<b>Number of shares</b>		
Weighted average number of ordinary shares for the purpose of basic earnings per share	<u>189,654,483</u>	<u>58,377,375</u>

The calculation of basic and diluted earnings per share for the years ended 31 December 2024 and 2023 is based on the profit for the year attributable to owners of the Company and the weighted average number of ordinary shares.

The weighted average number of ordinary shares for the prior year ended 31 December 2023 has been adjusted for the rights issue of shares implemented during the year. The basic and diluted earnings per share for the year ended 31 December 2023 has been restated accordingly.

## 12. LOANS AND INTEREST RECEIVABLES

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Loans and interest receivables	170,728	77,817
Less: allowance for expected credit loss (“ECL”)	<u>(10,054)</u>	<u>(4,820)</u>
	<u>160,674</u>	<u>72,997</u>

As at 31 December 2024, the loans receivables of the Group are all denominated in RMB. The loans receivables are unsecured, bearing interest at fixed interest rate of 8% per annum and repayable within one year starting from the initial loan commencement date of the loans.

As at 31 December 2023, the loan receivables which are bearing interest at fixed interest rate of 8% per annum and repayable within one year starting from the commencement date of the loan are guaranteed by a company controlled by substantial shareholder.

The ageing analysis of the loans and interest receivables based on the initial loan commencement date as set out in the relevant contracts is as follows:

	<b>2024</b> <i>RMB'000</i>	2023 <i>RMB'000</i>
0 to 30 days	<b>27,692</b>	20,699
31 to 90 days	–	30,188
91 to 180 days	–	26,931
Over 180 days	<b>143,036</b>	–
	<b>170,728</b>	77,818

Movements of the allowance for ECL of loans and interest receivables during the year are as follows:

	<b>2024</b> <i>RMB'000</i>	2023 <i>RMB'000</i>
At 1 January	<b>4,820</b>	2,624
Impairment loss recognised	<b>5,234</b>	2,196
At 31 December	<b>10,054</b>	4,820

### 13. EVENTS AFTER THE REPORTING PERIOD

On 24 January 2025, the Company and a related company, OnlyOwner Global Limited (the “**Vendor**”), entered into the equity sale and purchase agreements (the “**Agreements**”), under which the Company agreed to acquire approximately 30% of the issued share capital of OnlyOwner Technology Limited (the “**Target Company**”) from the Vendor at a consideration of HK\$27,600,000. Ms. Niu Chengjun, a shareholder of the Company, is the ultimate beneficial owner of the Vendor. The Target Company is principally engaged in trading of IT products and provision of consultancy services. Pursuant to the Agreements, the consideration of HK\$27,600,000 shall be satisfied by the Company by way of: (i) a cash consideration of HK\$7,000,000 shall be payable within five business days from the date of the Agreements as a deposit and partial payment; and (ii) the issuance of promissory notes in the sum of HK\$20,600,000 to the Vendor on the completion date. Details regarding the acquisition are set out in the Company’s announcement dated 24 January 2025. At the date of approval of these consolidated financial statements, the acquisition of 30% in the Target Company by the Group was not completed.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **EVENT AFTER REPORTING PERIOD**

Reference is made to the announcement dated 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. 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. For the ultimate beneficial owner of the Vendor, Ms. Niu Chengjun who 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.

### **BUSINESS REVIEW**

As at 31 December 2024, the revenue of the Group, profit before income tax expense and profit for the year attributable to the owners of the Company amounted to approximately RMB131.2 million, RMB82.6 million and RMB54.6 million, respectively.

As at 31 December 2024, the cash and cash equivalents of the Group amounted to approximately RMB54.6 million, which represented an increase of 229.7% as compared to the previous year. The Group recorded a net assets of RMB172.4 million (2023: net assets of RMB55.1 million). The gearing ratio of the Group was approximately 0.6%, representing year-on-year decrease of approximately 0.9%.



## **Financial Service Platform**

The Company has commenced its operation of financial service platforms since 2015. The Group's financial service platforms initially offer professional financial services in the real estate market. Through the continuous development of such operation, the Group further launched its financial management service platform in 2018 to provide banking and deposit management services. It had operated in compliance with the requirements of the regulatory department at material time. Besides, such platform has risk control module to prevent corporate customers from duplicate borrowing and to identify fraud and tax payment pattern and development data. Building on its strong reputation for delivering professional and personalised financing services, the Group has developed a niche in the loan market in Mainland China, providing corporate and retail clients with tailored liquidity solutions to meet their corporate goals and personal needs.

It had operated in compliance with the requirements of the regulatory department at material time. Besides, such platform has risk control module to prevent corporate customers from duplicate borrowing and to identify fraud and tax payment pattern and development data.

In view of the tightening regulatory environment in the PRC in 2019, the Group has put great efforts in consolidating and expanding its internet financial business segments and cooperated with internet small loan companies to develop internet small loan business.

Such financial technology 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 through cooperating with Tencent Cloud and other licensed institutions. Business needs of the Group's partners can be fulfilled through quick access to the technologies.

Reference is made to the announcement dated 19 September 2023, the Group, through its wholly-owned Hong Kong subsidiary, invests approximately HKD1.5 million to HKD2.0 million for the research and development in the new data security related business. As stated in the Company's annual report for the year ended 31 December 2022, the Group actively seeks various business opportunities from time to time, in order to expand and diversify the Group's revenue sources. During the Group's ordinary and usual course of business in operating the financial service platform, various clients and counterparties have been indicating to Group's management that data security has been an increasingly critical topic in financial service industry and data security service could be compliment/ an ancillary service to the Group's already operating financial service platform which the Group find this comment not unreasonable. Accordingly, the Directors are of the view that the expansion of the business scope of the Group into data security related segment is in line with the Group's business development and expansion plan, which will bring better returns to the Shareholders and the Directors consider the above products is also enhance and assist the group original business in the future.

## **Cost Reduction and Internal Control**

To cope with the industry downturn of its principal business, the Group further reduced its costs and strengthened its internal control. In addition, the Group refined its business operation and improved its rules and regulations after assessment and supervision of the internal control of various business segments. Our internal control system was improved through supervising the implementation of remedial measures for the loopholes found during our inspection.

## **FINANCIAL REVIEW**

### **Revenue**

For the year ended 31 December 2024, the Group recorded a turnover of approximately RMB131.2 million, representing an increase of approximately 50.3% from approximately RMB87.3 million in the previous year, mainly due to the increase of platform service income during the year.

In terms of revenue breakdown, revenue from financial service platforms amounted to approximately RMB120.9 million, representing an increase of approximately 44.9%. Revenue from interest income for the year under review amounted to approximately RMB10.3 million, representing a year-on-year increase of approximately 165.7%.

### **Finance Costs**

In the year under review, interest expenses of the Group increased by approximately 183.3% to RMB136,000 from RMB48,000 in the previous year, which mainly resulted from the decrease in bank borrowings and lease liabilities of the Group during the year.

### **Other Income and Other Gain**

The Group's other income mainly comprised waiver of other payables and bank interest income.

In the year under review, the other income of the Group was approximately RMB8.2 million resulted mainly from the waiver of other payables. The other gain of the Group was approximately RMB11.4 million resulted mainly from the gain on disposal of subsidiaries (2023: bank interest income approximately RMB0.26 million).

## **Administrative Expenses**

Administrative expenses of the Group mainly comprised salaries and employee benefits, rental expenses, research and development expense, and marketing and advertising fees. In the year under review, administrative expenses of the Group was approximately RMB29.3 million, representing year-on-year increase of 112%.

## **Impairment loss recognised under expected credit loss model, net of reversal**

In the year under review, impairment loss on loans and interest receivables and other receivables aggregated approximately RMB5.7 million (2023: approximately RMB3 million) due to the increase in credit risk of the existing customers.

## **Profit for the Year Attributable to the Owners of the Company**

In the year under review, profit attributable to the owners of the Company was approximately RMB54.9 million (2023: approximately RMB16.9 million), which was mainly due to the revenue increase from Financial Service Platform Business.

## **CAPITAL STRUCTURE**

As at 31 December 2024, the Group had equity attributable to owners of the Company of approximately RMB172.4 million (31 December 2023: approximately RMB54.9 million).

As of 31 December 2024, the Group's consolidated net assets was RMB172.4 million, representing an increase of approximately RMB117.3 million as compared with that of RMB55.1 million as at 31 December 2023.

As at 31 December 2024, the Company has 339,219,440 shares of HK\$0.01 each in issue. The value of share capital was approximately RMB3,073,000 as at 31 December 2024 (31 December 2023: approximately RMB611,000).

## LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2024, the Group's cash and cash equivalents amounted to approximately RMB54.6 million (2023: approximately RMB16.6 million), and the Group's borrowings was approximately RMB1 million (2023: approximately RMB1.5 million). The gearing ratio representing the total borrowings of the Group divided by the total assets of the Group was approximately 0.5% (2023: approximately 1.5%). As at 31 December 2024, 100% (2023: approximately 100%) of the Group's borrowings would be due within one year. As at 31 December 2024, 100% of the Group's borrowings was denominated in HKD (2023: 100% was denominated in HKD). As at 31 December 2024, 0% and 100% of the Group's borrowings were carrying interests at fixed rate and interest free, respectively (2023: approximately 0% and 100% of the Group's borrowings were carrying interests at fixed rate and interest free, respectively).

The Directors considered that, in the foreseeable future, the Group will have sufficient working capital to meet its financial obligations in full when they fall due. In the year under review, the Group did not use any financial instruments for hedging purposes.

## FUND RAISING ACTIVITIES

### The Subscription New Shares in 2023

Reference are made to (i) the announcements of the Company dated 23 May 2022, 2 August 2022 and 7 June 2023 and the circular of the Company despatch on 8 July 2022 (the "**Circular**") in relation to, among others, the proposed Capital Reorganisation, the Subscription and the Whitewash Waiver (collectively, the "Reorganisation Publications"). Pursuant to the terms and conditions of the Subscription Agreement, an aggregate of 36,042,067 New Shares, representing (i) approximately 104% of the existing issued share capital adjusted for the effect of the Capital Reorganisation; and (ii) approximately 51% of the then enlarged issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares and adjusted for the effect of the Capital Reorganisation, were allotted and issued at the Subscription Price of HK\$0.72 per Subscription Share to the Subscriber or its nominee under the Specific Mandate. The gross and net proceeds from the Subscription are approximately HK\$25.95 million and approximately HK\$23.95 million, respectively, of which (i) as to approximately HK\$10.00 million will be utilised for development and operation of the financial service platform (as part of the fin-tech platform) and the provision of consultation services of the Group; (ii) as to approximately HK\$5.00 million, will be utilised for repayment of indebtedness of the Company; and (iii) as to approximately HK\$8.95 million, will be utilised for the Company's general working capital purposes, as disclosed in the Circular. The Board would like to provide further information pursuant to Rule 18.32A and Rule 18.32(8) of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the "**GEM Listing Rules**") in relation to the use of the 2023 Net Proceeds as follows:

		<b>Planned use of 2024 Net Proceeds</b>	<b>Actual utilised amount up to 31 December 2024</b>	<b>Unutilised balance as at 31 December 2024</b>
	<i>%</i>	<i>RMB million</i> (approximately)	<i>RMB million</i> (approximately)	<i>RMB million</i> (approximately)
<b>For general working capital:</b>				
Development and operation of the financial service platform	41.8	10	(10)	–
Repayment of indebtedness	20.9	5	(5)	–
General working capital	37.3	8.95	(8.95)	–
	<u>100</u>	<u>23.95</u>	<u>(23.95)</u>	<u>–</u>

### **The Subscription of New Shares Under General Mandate in 2024**

Reference are made to the announcement of Fengyinhe Holdings Limited (the “**Company**”) dated 21 and 22 December 2023 and 9 January 2024 in relation to the subscription of new shares under general mandate. Under the Subscription Agreement have been fulfilled and completion of the Subscription took place on 9 January 2024 in accordance with the terms and conditions of the Subscription Agreement. 14,134,143 Subscription Shares, representing approximately 16.67% of the issued share capital of the Company immediately after the completion of the Subscription, have been issued to 4 Subscribers at the Subscription Price of HK\$0.315 per Subscription Share. To the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, the Subscribers and whose ultimate beneficial owners are independent of, and not connected with the Company and its connected persons (as defined in the GEM Listing Rules). The gross proceeds of the Subscription will be approximately HK\$4.45 million and the net proceeds (after deduction of other fees, costs, charges and expenses of the Subscription) will be approximately HK\$4.4 million. The Company intends to apply all the net proceeds from the Subscription to be allocated to the developing the Group’s new data security related business.

The Board would like to provide further information pursuant to Rule 18.32A and Rule 18.32(8) of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”) in relation to the use of the 2024 Net Proceeds as follows:

	<b>Planned use of 2024 Net Proceeds</b>	<b>Actual utilised amount up to 31 December 2024</b>	<b>Unutilised balance as at 31 December 2024</b>
%	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>
	(approximately)	(approximately)	(approximately)
<b>For general working capital:</b>			
Developing the Group’s new data security related business	100	4.4	(4.4)
	<u>100.0</u>	<u>4.4</u>	<u>(4.4)</u>
	<u>100.0</u>	<u>4.4</u>	<u>(4.4)</u>

## **RIGHTS ISSUE**

Reference is made to the announcement dated 26 April, 23 May, 17 June, 28 June, 23 July and 5 August 2024, the notice (the “**EGM Notice**”) and the circular (the “**EGM Circular**”) of the Company dated 23 May 2024 and the prospectus (the “**Prospectus**”) of the Company dated 28 June 2024 in relation to the Rights Issue on the basis of three (3) Rights Shares for every one (1) Share held on the Record Date. Unless otherwise specified, capitalized terms used herein shall have the same meanings as those defined in the announcements, EGM Notice, EGM Circular and the Prospectus.

The Company proposes to raise up to approximately HK\$63.6 million before expenses by way of a rights issue of 254,414,580 Rights Shares at the Subscription Price of HK\$0.25 each and on the basis of three (3) Rights Shares for every one (1) Share held by the Qualifying Shareholders on the Record Date (assuming no change in the issued share capital of the Company on or before the Record Date). The Rights Issue is not underwritten and will not be extended to the Non-Qualifying Shareholder(s) (“**NQS**”) (if any).

The net proceeds from the Rights Issue after deducting the estimated expenses in relation to the Rights Issue are estimated to be approximately HK\$60.3 million. The reasons for the Rights issue as discussed in the section headed “reasons for the rights issue and use of proceeds” in this announcement. The Rights Issue is only available to Qualifying Shareholders. To qualify for the Rights Issue, a Shareholder must be registered as a member of the Company on the Record Date and must not be a Non-Qualifying Shareholder. In order to be registered as members of the Company on the Record Date, Shareholders must lodge any transfers of Shares (together with the relevant share certificates) with the Registrar for registration no later than 4:30 p.m. (Hong Kong time) on Thursday, 20 June 2024.

On 26 April 2024 (after trading hours), the Company and the Placing Agent entered into the Placing Agreement, pursuant to which the Placing Agent has conditionally agreed as agent of the Company (either by itself or through its sub-placing agents) to procure independent Placees, on a best effort basis, to subscribe for the Unsubscribed Rights Shares and the NQS Unsold Rights Shares.

As at the date of the EGM was held on 17 June 2024, there were 84,804,860 issued Shares. As stated in the Circular, Ms. Niu Chengjun (“**Ms. Niu**”) is a controlling shareholder which owns 36,652,067 Existing Shares, representing approximately 43.22% of the issued share capital of the Company. In accordance with Rule 10.29(1) of the GEM Listing Rules, as the Rights Issue will increase the total number of issued Shares by more than 50% within a 12 months period immediately preceding the date of this announcement, the Rights Issue is conditional upon the Independent Shareholders’ approval at the EGM, and any controlling shareholders of the Company and their respective associate, or where there are no controlling shareholders, the Directors (excluding the independent non-executive Directors) and the chief executive of the Company and their respective associates shall abstain from voting in favour of the resolution(s) in relation to the Rights Issue at the EGM. Therefore, the total number of Shares entitling the Shareholders to attend and vote at the EGM in respect of the Proposed Ordinary Resolutions was 48,152,793 Shares. Except for the above, no shareholder was required to abstain from voting at the EGM under the GEM Listing Rules. There were no restrictions on any shareholder to cast votes on any of the proposed resolutions at the EGM. As more than 50% of the votes cast by the Independent Shareholders present and voting in person or by proxy at the EGM were in favour of the Resolution, the Resolution was duly passed as ordinary resolution of the Company by way of poll.

On Friday, 26 July 2024, being the latest time of placing of the Unsubscribed Rights Shares by the Placing Agent, 101,053,494 out of the 101,053,494 Unsubscribed Rights Shares were placed by the Placing Agent to 8 independent placees at the price of HK\$0.25 per Share. To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, all the placees (or their ultimate beneficial owners) are Independent Third Parties and no placee has become a Substantial Shareholder immediately following the Compensatory Arrangements. Since the placing price is equal to the Subscription Price, no Net Gain will be distributed to the No Action Shareholders or the Non-Qualifying Shareholders.

There is no Unsubscribed Rights Shares not placed after completion of the Compensatory Arrangements. As all the conditions with respect to the Rights Issue have been fulfilled, the Rights Issue has become unconditional. 254,414,580 Rights Shares, representing 100% of the total number of Rights Shares under the Rights Issue, will be allotted and issued. The gross and net proceeds raised from the Rights Issue (including the Compensatory Arrangements) are approximately HK\$63.6 million and HK\$60.3 million, respectively. Dealings in the Rights Shares, in their fully-paid form, are commenced on the Stock Exchange at 9:00 a.m. on Wednesday, 7 August 2024.

The Board would like to provide further information pursuant to Rule 18.32A and Rule 18.32(8) of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”) in relation to the Rights Issues for the use of the Net Proceeds as follows:

		Planned use of Net Proceeds HKD million (approximately)	Actual utilised amount up to 31 December 2024 HKD million (approximately)	Unutilised balance as at 31 December 2024 HKD million (approximately)	<sup>(*)</sup> Revised allocation of unutilised Net Proceeds HKD million (approximately)	Expected timeline for unutilised Net Proceeds
	%					
<b>For general working capital</b>	20	12.1	(2.75)	9.35	15.65	On or before 31 December 2025
For development and operation of new service platform in relation to financial technology and travelling in Philippines	15	9	(2.7)	6.3	-	-
For development and operation of new service platform in relation to financial technology and travelling in Hong Kong and Macau	32.5	19.6	(14.7)	4.9	4.9	On or before 31 December 2025
For development and operation of the data centre of the Group	32.5	19.6	-	19.6	19.6	On or before 31 December 2025
	<u>100.0</u>	<u>60.3</u>	<u>(20.15)</u>	<u>40.15</u>	<u>40.15</u>	

Note:

\* Reference is made to the announcement dated 29 November 2024. Unless otherwise specified, capitalised terms used herein shall have the same meanings as those defined in the announcement. As at the date of this announcement, the Group will reallocate approximately HK\$6.3 million (and approximately 10.45% of the Net Proceeds) to the general working capital of the Company in Hong Kong.



## **ENVIRONMENTAL, SOCIAL AND CORPORATE RESPONSIBILITIES**

As a responsible corporation, the Group is committed to maintaining the highest environmental and social standards to ensure sustainable development of its business. The Group has complied with all relevant laws and regulations in relation to its business including health and safety, workplace conditions, employment and the environment. The Group understands a better future depends on everyone's participation and contribution. It has encouraged employees, customers, suppliers and other stakeholders to participate in environmental and social activities which benefit the community as a whole.

The Group maintains strong relationships with its employees, has enhanced cooperation with its suppliers and has provided high quality products and services to its customers so as to ensure sustainable development.

Please also refer to the Environmental, Social and Governance Report contained in this annual report for further details of the Group's environmental performance and relationship with its employees, suppliers and customers.

## **FUTURE OUTLOOK**

The Group has been actively seeking new business opportunities from time to time in order to broaden the source of income, to diversify its business, and to enhance the long-term growth potential of the Group and its shareholder's value. Looking forward, the Group will strive to enhance its profitability and focus on lucrative business opportunities in pursuing a sustainable and stable growth.

## **PRINCIPAL RISKS AND UNCERTAINTIES**

### **Transformation of the Financial Services Platform**

The financial services platform of the Group has undergone strategic transformation according to the requirements of relevant policies and withdrew from the existing development businesses in an orderly and compliant manner. The financial services platform of the Group has also proactively cooperated with internet small loan platforms to develop internet small loan business as part of the transformation, which might last for a relatively longer period of time and be exposed to uncertainties such as loss of customers, increased costs and change of policies. The Group shall oversee the transformation dynamically and make timely adjustments during the process in order to ensure the success of such transformation.

## **Risks related to Cyber Security**

The Group handles significant amount of personal data and credit information of its customers, which is susceptible to cyber threats. The Group's operations, reputation and financial performance could be adversely impacted if the Group suffers from cyber-attacks that disrupt its operations.

The Group makes extensive use of multiple channels to keep informed of emerging cyber security threats to identify and implement measures intended to mitigate the occurrence and/or consequences of such risks.

## **CHARGES ON GROUP ASSETS**

As at 31 December 2024, no Group's asset was pledged as security (2023: Nil).

## **CAPITAL COMMITMENTS**

As at 31 December 2024, the Group did not have any significant capital commitment and capital expenditure (2023: Nil).

## **FOREIGN EXCHANGE EXPOSURE**

The Group is mainly exposed to the fluctuation of HK\$ against RMB as its certain bank balances are denominated in HK\$ which is not the functional currency of the relevant group entities. The Group has not made other arrangement to hedge against the exchange rate risk. However, the Directors and the management will continue to monitor the foreign exchange exposure and will consider utilising applicable derivatives to hedge out the exchange risk when necessary.

## **TREASURY POLICIES**

The Group adopts a conservative approach towards its treasury policies. The Group strives to reduce exposure to credit risk by performing ongoing credit evaluation of the financial conditions of its customers. To manage liquidity risk, the Directors closely monitor the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and commitments can meet its funding requirements.

## **EMPLOYEES AND REMUNERATION POLICIES**

As at 31 December 2024, the Group had a total of 23 staff (2023: 22). Total staff costs (including Directors' emoluments) were approximately RMB5.2 million for the year ended 31 December 2024 (2023: RMB5.2 million). Remuneration is determined with reference to market conditions and the performance, qualifications and experience of individual employee. Year-end bonus based on individual performance will be paid to employees as recognition of and reward for their contributions. Other benefits include share option scheme, and contributions to statutory mandatory provident fund schemes and social insurance together with housing provident funds to its employees in Hong Kong and the PRC respectively. The emoluments of the Directors are reviewed by the remuneration committee of the Board, having regard to the relevant Director's experience, responsibility, workload and the time devoted to the Group, the Group's operating results and comparable market statistics.

## **MAJOR INVESTMENTS**

Accordingly, as at 31 December 2024, the fair values for the investments in property development projects were Nil.

There was no specific plan for material investments or capital assets as at 31 December 2024.

## **PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES**

During the Reporting Year, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the listed securities of the Company.

## **CODE OF CONDUCT OF DIRECTORS' SECURITIES TRANSACTIONS**

The Company has adopted the required standard of dealings (the “**Required Standard of Dealings**”) as set out in Rules 5.48 to 5.67 of the GEM Listing Rules as the code of conduct for dealing in securities of the Company by the Directors. In response to the specific enquiry made by the Company, all Directors confirmed that they fully complied with the Required Standard of Dealings throughout the Reporting Year.

## **COMPETING BUSINESS OF DIRECTORS AND CONTROLLING SHAREHOLDERS**

For the Reporting Year, none of the Directors, controlling shareholders or substantial shareholders of the Company or any of their respective close associates (as defined under the GEM Listing Rules) are engaged in any business that competes or may complete, directly or indirectly, with the business of the Group or have any other conflicts of interest with the Group nor are they aware of any other conflicts of interest which any such persons has or may have with the Group.

## NEW SHARE OPTION SCHEME

The Company has adopted the Share Option Scheme pursuant to the written resolution of the shareholders of the Company on 20 December 2011 for the purpose of providing incentives or rewards to the eligible participants for their contribution to the Group and/or enabling the Group to recruit and retain high-caliber employees and attract human resources that are valuable to the Group. The Share Option Scheme has a term of 10 years from its adoption date and was expired on 19 December 2021 and the market sentiment has remained low for 2.5 years after that, which would have adversely affected the general liquidity and valuation of the market and the Company's adoption of the New Share Option Scheme (the "**New Share Option Scheme**"). The New Share Option Scheme pursuant to an ordinary resolution passed by the shareholders in the Annual general meeting of the Company on 17 June 2024.

The Company is considering to grant options to the Employee Participants in the future, the purpose of the New Share Option Scheme is to attract and retain the best available personnel of the Group, to provide additional incentive or rewards to the Eligible Participants for the contribution or potential contribution to the Group, and to promote the success of the business of the Group in the future. The New Share Option Scheme will give the Eligible Participants an opportunity to have a personal stake in the Company and will help motivate the Eligible Participants in optimising their performance and efficiency and attract and retain the Eligible Participants whose contributions are important to the long-term growth and profitability of the Group.

The Directors consider that the New Share Option Scheme, which will be valid for 10 years from the date of its adoption, will provide the Company with more flexibility in long-term planning of granting of the share options to the eligible participants (including any employee, officer or director of any member of the Group) in a longer period in the future. Under the New Share Option Scheme, the vesting period of options shall not be less than 12 months in general. However, the Board (or the remuneration committee of the Company where it relates to grants of options to an Employee Participant who is a Director and/or senior manager of the Company) has discretion subject to the requirements under GEM Rule 5.56 of the Listing Rules, in allowing a shorter vesting period to an Employee Participant in the following circumstances:

(a) grants of “make-whole” Option(s) to new joiners to replace the share options they forfeited when leaving the previous employers, which would provide talents with higher incentives in joining the Group for the Group’s further development; (b) grants to an Employee Participant whose employment is terminated due to death or occurrence of any out of control event, which allows flexibility for the Company to reward employees in exceptional circumstances to ensure fair treatment; (c) grants that are made in batches during a year for administrative and compliance reasons, which include Options that should have been granted earlier if not for such administrative or compliance reasons (review of employees’ performance, arrangement of meetings to approve the grants of Options and compliance of GEM Rule 5.56 of the Listing Rules), but had to wait for subsequent batch. In such case, the Vesting Period may be shorter to reflect the time from which the Option would have been granted, which allows flexibility for the Company to reward employees in case of delays due to administrative or compliance reasons; (d) grants of Options with a mixed or accelerated vesting schedule such as where the Options may vest evenly over a period of twelve (12) months, which provides flexibility for the Company in granting Options in specific circumstances as stated in (b), (c) and (e); or (e) grants with performance-based vesting conditions in lieu of time-based vesting criteria, which allows flexibility for the Company to reward exceptional performers who fulfilled the performance targets in less than 12 months so as to (i) adapt to exceptional and justified circumstances to retain the best available personnel of the Group, to recognize their past contribution so as to provide additional incentive or rewards to the Eligible Participants and reinforce their commitment for the continue contribution or potential contribution to the Group ; and (ii) attract talents or reward exceptional performers with accelerated vesting and the discretion is appropriate and in line with the purpose of the New Share Option Scheme.

Eligible Participants under the New Share Option Scheme include the Employee Participant, provided that the Board may have absolute discretion to determine whether or not one falls within the above category, subject to compliance with Chapter 23 of the GEM Listing Rules. With respect to Employee Participants, the Board will consider, amongst others, their general working experience, time commitment (full-time or part-time), length of their service within the Group, working experience, responsibilities and employment conditions according to the prevailing market practice and industry standard, or where appropriate, contribution or potential contribution to the Group. In determining whether a person has contributed or will contribute to the Group, the Group will take into account, among other things, whether contribution has been made to or will be made to the Group in terms of operation, financial performance, prospects, growth, reputation and image of the Group.

Subject to any early termination as may be determined by the Board pursuant to the rules of the New Share Option Scheme, the New Share Option Scheme shall be valid and effective for a term of 10 years commencing on the Adoption Date.

The maximum number of Shares which may be allotted and issued in respect of all Options to be granted under the New Share Option Scheme, and the options and awards to be granted under any other share scheme(s) shall not in aggregate exceed 10% of the entire issued share capital of the Company as at the Adoption Date without the Shareholders' approval.

The maximum number of shares issuable upon the exercise of options granted under the Share Option Scheme and any other share option scheme adopted by the Group (including both exercised or outstanding options) to each grantee within any 12-month period, is limited to 1% of the shares of the Company in issue at any time.

Share options granted to a Director, chief executive or substantial shareholder of the Company, or to any of their associates, are subject to approval in advance by the independent non-executive Directors of the Company. In addition, any share options granted to a substantial shareholder or an independent non-executive Director of the Company, or to any of their associates, in excess of 0.1% of the shares of the Company in issue at any time and with an aggregate value (based on the closing price of the Company's shares at the date of the grant) in excess of HK\$5 million, within any 12-month period, are subject to shareholders' approval in advance in a general meeting.

The total number of shares which may be issued upon the exercise of all options (excluding for this purpose options which have lapsed) which have been or may be granted under the New Share Option Scheme and any share option scheme of the Group must not in aggregate exceed 8,480,486 shares, representing 10% of the shares of the Company in issue as at the date of approval of the New Share Option Scheme and 10% of the shares of the Company in issue as at the end of Reporting Period and the date of approval of this announcement. The maximum number of shares to be issued upon the exercise of all outstanding options granted and yet to be exercised under the New Share Option Scheme and any other share option scheme of the Group must not in aggregate exceed 30% of the shares of the Company in issue from time to time.

The Directors consider that it is not appropriate to state the value of all the Options that can be granted under the New Share Option Scheme as if they had been granted at the Latest Practicable Date prior to the approval of the New Share Option Scheme given that the variables which are crucial for the calculation of the value of such Option cannot be determined. The variables which are critical for the determination of the value of such Options include the subscription price payable for the Shares upon the exercise of the Options, whether or not Options will be granted under the New Share Option Scheme, and if so, the number of Options to be granted and the timing of the granting of such Options, the period during which the subscription rights may be exercised and any other conditions that the Board may impose with respect to the Options and whether or not such Options if granted will be exercised by the holders of the Option. In any event, the exercise price must be at least the higher of: (a) the closing price of the Shares as shown in the daily quotations sheet of the Stock Exchange on the Offer Date, which must be a Business Day; (b) the average of the closing prices of the Shares as shown in the daily quotations sheets of the Stock Exchange for the five (5) consecutive Business Days immediately preceding the Offer Date; and (c) the nominal value of the Share on the Offer Date. Accordingly, the Directors are of the view that the value of the Options depends on a number of variables which are either difficult to ascertain or can only be ascertained subject to a number of theoretical and speculative assumptions. As such, the Directors believe that any calculation of the value of the Options will not be meaningful and may be misleading to Shareholders in the circumstances.

The Company will, where applicable, comply with the applicable requirements under Chapter 23 of the GEM Listing Rules in respect of the operation of the New Share Option Scheme.

As at the date of this announcement, no share option had been granted under the Share Option Scheme.

## **FINAL DIVIDEND**

The Board does not recommend the payment of final dividend to shareholders of the Company for the financial year ended 31 December 2024.

## **SCOPE OF WORK OF AUDITOR**

The figures in respect of the Group's consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position and the related notes thereto for the year ended 31 December 2024 as set out in this announcement have been agreed by the Group's auditor, CCTH CPA Limited, to the amounts set out in the Group's draft consolidated financial statements for the year. The work performed by CCTH CPA Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by CCTH CPA Limited on this announcement.

## **AUDIT COMMITTEE AND REVIEW OF ANNUAL RESULTS**

Pursuant to Rule 5.28 of the GEM Listing Rules, the Company established an audit committee (the “**Audit Committee**”) with written terms of reference aligned with the CG Code. The Audit Committee comprises three independent non-executive Directors, namely Mr. Kam Hou Yin, John, Ms Chong Kan Yu and Mr. Qi Zhenping. Mr. Kam Hou Yin, John is the chairman of the Audit Committee. The main role and functions of the Audit Committee is to assist the Board in fulfilling its audit duties through the review and supervision of the Company’s financial reporting, risk management and internal control systems.

The Audit Committee has reviewed the annual results and the audited consolidated financial statements of the Group for the year ended 31 December 2024 with the management and the independent auditor of the Company the annual results and the audited consolidated financial statements of the Group for the Reporting Year, which are of the opinion that such statements have complied with the applicable accounting standards and that adequate disclosures have been made.

## **CORPORATE GOVERNANCE PRACTICES**

The Company believes that good corporate governance provides a framework that is crucial for effective management, healthy corporate culture, sustainable business growth and promoting shareholders’ value. The corporate governance principles of the Company emphasise a quality Board, proper internal controls, and improves transparency and accountability for the benefit of the Shareholders.

During the Reporting Year, the Company has adopted and complied with, where applicable, the code provisions of the Corporate Governance Code (the “**CG Code**”) as set out in Appendix C1 to the GEM Listing Rules.

## **PUBLICATION OF FINAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT**

This final results announcement is published on the Stock Exchange’s website at [www.hkexnews.hk](http://www.hkexnews.hk) and the website of the Company at [www.flyingfinancial.hk](http://www.flyingfinancial.hk). The Company’s annual report for the year ended 31 December 2024 will in due course be published on the same websites and despatched to the Company’s shareholders.

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

Hong Kong, 31 March 2025



*As at the date of this announcement, the executive Directors is Ms. Liu Yi; and the independent non-executive Directors are Mr. Kam Hou Yin, John, Ms. Chong Kan Yu and Mr. Qi Zhenping.*

*This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited 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 remain on the “Latest Company Announcements” page of the website of The Stock Exchange of Hong Kong at [www.hkexnews.hk](http://www.hkexnews.hk) for a minimum period of seven days from the date of its publication and on the Company’s website at [www.fengyinhe.com](http://www.fengyinhe.com).*