飛揚集團

— FEIYANG TRAVEL GROUP —

Feiyang International Holdings Group Limited
飛揚國際控股(集團)有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1901)

SUPPLEMENTAL ANNOUNCEMENT UPDATE ON THE ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2019

Reference is made to the announcement (the "**Announcement**") of Feiyang International Holdings Group Limited (the "**Company**", together with its subsidiaries the "**Group**") dated 31 March 2020 in relation to the unaudited annual results of the Group for the year ended 31 December 2019 (the "**2019 Unaudited Annual Results**"). Unless otherwise defined, capitalised terms in this announcement shall have the same meanings as those defined in the Announcement.

AUDITED ANNUAL RESULTS

As stated in Announcement, the Company's auditing process for the year ended 31 December 2019 had not been completed as at 31 March 2020.

The Board is pleased to announce that on 24 April 2020, the Company's auditor, Ernst & Young, has completed its audit of the consolidated financial statements of the Group for the year ended 31 December 2019 in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants, and the financial information contained in the Announcement and this announcement have been audited by Ernst & Young (the "**2019 Audited Annual Results**"). The 2019 Audited Annual Results have been agreed and reviewed by the Audit Committee.

The 2019 Audited Annual Results remain substantially the same as the 2019 Unaudited Annual Results, except for the following reclassification of financial breakdowns:

— in the breakdown of the Group's revenue, margin income from sales of FIT Products amounting to RMB1.2 million has been reclassified to sales of air tickets and hotel accommodations and accordingly gross profit from sales of FIT Products amounting to RMB0.1 million has been reclassified to gross profit from sales of air tickets and hotel accommodations; and

— in the breakdown of the Group's interest-bearing bank loans, unsecured bank loans amounting to RMB0.2 million have been reclassified to secured bank loans.

For further details of the reclassifications, please refer to the tables below:

Revenue

Breakdown of revenue by business segment:

	31 December 2019	31 December 2019	Change
	RMB'000	*RMB'000*	*RMB'000*
	(Unaudited)	(Audited)	
Sales of package tours	568,719	568,719	—
Margin income from sales of FIT Products	60,467	59,303	(1,164)
Sales of air tickets and hotel accommodations	45,967	47,131	1,164
Sales of ancillary travel-related products and services	10,722	10,722	—
Total	685,875	685,875	—

Interest-bearing bank loans

Breakdown of interest-bearing bank loans:

	Maturity	Effective interest rate (%)	Effective interest rate (%)	31 December 2019	31 December 2019	Change
				RMB'000	*RMB'000*	*RMB'000*
		(Unaudited)	(Audited)	(Unaudited)	(Audited)	
Bank loans — secured	2020	4.40–5.76	0.00–5.76	151,500	151,725	225
Bank loans — unsecured	2020	0.00–5.655	5.22–5.655	38,225	38,000	(225)
Total				189,725	189,725	—

For the effects on the gross profit and gross profit margin resulted from the reclassifications, please refer to the table below:

Gross profit and gross profit margin

Breakdown of gross profit and gross profit margin by business segment:

	31 December 2019 Gross profit *RMB'000* (Before reclassification)	31 December 2019 Gross profit *RMB'000* (After reclassification)	Change *RMB'000*	31 December 2019 Gross profit margin % (Before reclassification)	31 December 2019 Gross profit margin % (After reclassification)	Change %
Package tours	56,967	56,967	—	10.0	10.0	—
FIT Products	46,585	46,471	(114)	77.0	78.4	1.4
Sales of air tickets and hotel accommodation	7,305	7,419	114	15.9	15.7	(0.2)
Ancillary travel-related products and services	7,401	7,401	—	69.0	69.0	—
Total	118,258	118,258	—	17.2	17.2	

PUBLICATION OF THE ANNUAL REPORT

As disclosed in the Announcement, the Company's annual report for the year ended 31 December 2019 (the "**Annual Report**") is expected to be published by the end of April 2020. As additional time is required for the Company to prepare the Annual Report, it is expected that the Annual Report will be despatched on or before 5 May 2020.

By Order of the Board
Feiyang International Holdings Group Limited
He Binfeng
Chairman, executive director and chief executive officer

Ningbo, the PRC, 24 April 2020

As at the date of this announcement, the Board comprises Mr. He Binfeng, Mr. Zhang Qinghai, Mr. Huang Yu, Mr. Wu Bin, Mr. Li Da and Mr. Chen Xiaodong as executive Directors; and Mr. Li Huamin, Mr. Yi Ling and Ms. Li Chengai as independent non-executive Directors.