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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 IN RELATION TO PLACING OF NEW SHARES UNDER GENERAL MANDATE

Placing Agent and Financial Adviser to the Company



Reference is made to the announcement of the Company dated 7 June 2023 in relation to the Placing (the “**Announcement**”). Unless otherwise defined, capitalised terms used in this supplemental announcement shall have the same meanings as those defined in the **Announcement**.

The Company would like to supplement further information in relation to the reasons for the Placing and the use of proceeds from the Placing as follows:

REASONS FOR THE PLACING AND USE OF PROCEEDS

The maximum net proceeds from the Placing (after deducting the commission payable to the Placing Agent, professional fee and other related costs and expenses incurred in the Placing) will be approximately HK\$197 million. The Company intends to apply the net proceeds of approximately HK\$197 million from the Placing as follows:

- (i) approximately 45% of the net proceeds of the Placing will be used for acquisition of and/or investment in business(es) which create synergies with the Company’s travel and tourism related businesses should suitable opportunities arise;

The Company has identified a target company which will create synergies with the Company’s travel and tourism related businesses. As disclosed in the announcement of the Company dated 15 May 2023, the Company entered into a non-legally binding memorandum of understanding (the “**MOU**”) with Radiant Goldstone Holdings Limited

(“**Radiant Goldstone**”) on 15 May 2023. Pursuant to the MOU, the Company (or through subsidiary of the Company) intends to acquire 60% equity interest in Radiant Assets Management International Limited (“**Radiant Assets**” or the “**Target Group**”) from Radiant Goldstone at a total consideration of not more than HK\$90 million (“**Potential Transaction**”). Radiant Assets indirectly holds certain equity interests in Beiwen Times (Beijing) Culture Co., Ltd.* (北文時代(北京)文化有限公司) (“**Beiwen Times**”) and Beijing Five Cats Culture Technology Co., Ltd.* (北京五只猫文化科技有限公司) (“**Five Cats**”). Beiwen Times is a leading pan-cultural IP operator and integrated digital cultural content service provider in China. Five Cats is the first social consumer metaverse in China to open up online and offline channels.

The Potential Transaction, if materialised, would rapidly expand the Company’s business scope and scale in the area of cultural IP and is expected to create synergies with its existing travel and tourism related businesses through integration with traditional and cultural IP experience. In addition, the Group will have the opportunity to develop integrated cultural tourism complex featuring pan-cultural IP and integrated cultural IP. Upon the completion of the Potential Transaction, the Potential Transaction may strengthen the Group’s business with a better branding and generate more revenue source by leveraging the current operation of the Company’s travel and tourism related businesses.

The Company targets to sign a legally binding formal agreement to complete the Potential Transaction within the exclusivity period of six months pursuant to the MOU. As at the date of this announcement, the Company has completed an internal feasibility analysis on the Potential Transaction and shall conduct further due diligence of the Target Group upon the completion of the Placing. The Company will further negotiate and finalise the terms of the legally binding formal agreement after obtaining a satisfactory due diligence result. It is expected that 45% of the net proceeds from the Placing will be utilised in 2023 if the Potential Transaction is completed. However, if 45% of the net proceeds of the Placing have not been utilised for the Potential Transaction, the Company would further explore other acquisition and/or investment target(s) which create synergies with the Company’s travel and tourism related businesses should suitable opportunities arise.

- (ii) approximately 30% of the net proceeds of the Placing will be used for the operation of the Group’s travel and tourism related businesses within 18 months in order to cope with the post-COVID-19 pandemic rebound of travel businesses;
- (iii) approximately 15% of the net proceeds of the Placing will be used for repayment of loans of the Group within six months; and
- (iv) approximately 10% of the net proceeds of the Placing will be used for replenishment of working capital and general business operation within 24 months.

Save as the supplemental information in relation to the reasons for the Placing and use of proceeds from the Placing as disclosed above, all other information contained in the Announcement remains unchanged.

Shareholders and potential investors of the Company should note that completion of the Placing is subject to the fulfilment of the conditions set out in the Placing Agreement. The Placing may or may not proceed. Shareholders and potential investors of the Company should exercise caution when dealing in the Shares and other securities of the Company.

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

Ningbo, the PRC, 14 June 2023

** For identification purpose only and should not be regarded as the official English translation of the Chinese names. In the event of any inconsistency, the Chinese name prevails.*

As at the date of this announcement, the Board comprises Mr. He Binfeng, Mr. Xiong Di, Mr. Huang Yu, Mr. Wu Bin, and Ms. Chen Huiling as executive Directors; Mr. Shen Yang as non-executive Director; and Mr. Li Huamin, Mr. Yi Ling and Ms. Zhao Caihong as independent non-executive Directors.

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