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Feiyu Technology International Company Ltd.
飛魚科技國際有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1022)

PROFIT WARNING

This announcement is made by Feiyu Technology International Company Ltd. (the "**Company**", together with its subsidiaries, the "**Group**") pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board (the "**Board**") of directors (the "**Directors**") of the Company wishes to inform the shareholders of the Company (the "**Shareholders**") and its potential investors that based on the preliminary assessment of the unaudited consolidated management accounts of the Group for the six months ended 30 June 2024 and the information currently available, it is anticipated that the Group may record a net loss ranging from approximately RMB1.0 million to RMB8.0 million for the six months ended 30 June 2024 as compared to a net profit after tax of approximately RMB40.9 million for the six months ended 30 June 2023.

The expected net loss is primarily due to the following factors:

1) the recognition of an investment loss ranging from approximately RMB10.0 million to RMB15.0 million for the six months ended 30 June 2024 from the Group's investment in an unlisted limited partnership, as compared to an investment income of approximately RMB9.7 million from this unlisted limited partnership for the six months ended 30 June 2023. The change was primarily due to a decrease in fair value of several investments of this unlisted limited partnership which primarily invested in the sectors of intelligent system, auto system and information technology. The unlisted limited partnership expects to realise its investments at a later stage in order to capitalise on an improved market environment. For illustration purposes only, without taking into account the effect of the said investment loss, it is expected that the Group will record an adjusted net profit after tax for the six months ended 30 June 2024;

2) the decrease in revenue of the Group's existing games as they have reached mature stages of their product life cycles; and

3) delay in launching new HTML5 games due to the Group's strategic decision to invest additional development time and resources to enhance the quality of such new key games.

Nevertheless, it is expected that the additional time and resources invested or to be invested in our new HTML5 games will enable the Company to achieve increasingly solid performance going forward. 8 HTML5 games are currently under development or under testings and are expected to launch in the second half of 2024. As such, the Board is hopeful that the Group's operating results will be improved in the second half of 2024.

As at the date of this announcement, the Company is still gathering information to finalise the interim results of the Group for the six months ended 30 June 2024. Information contained in this announcement is only a preliminary assessment made by the Board with reference to the unaudited consolidated management accounts of the Group for the six months ended 30 June 2024 and the information currently available, which have not been reviewed or audited by the auditor of the Company or confirmed by the audit committee of the Board and may be subject to changes. Further information of the Group's financial information will be disclosed in the announcement on the unaudited interim results of the Group for the six months ended 30 June 2024, which is expected to be published by the end of August 2024. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

By Order of the Board
Feiyu Technology International Company Ltd.
YAO Jianjun
Chairman, Chief Executive Officer and Executive Director

Hong Kong, 30 July 2024

As at the date of this announcement, the Board comprises Messrs. YAO Jianjun, CHEN Jianyu, BI Lin and LIN Zhibin, as executive Directors; and Ms. LIU Qianli, and Messrs. LAI Xiaoling and CAO Xi, as independent non-executive Directors.