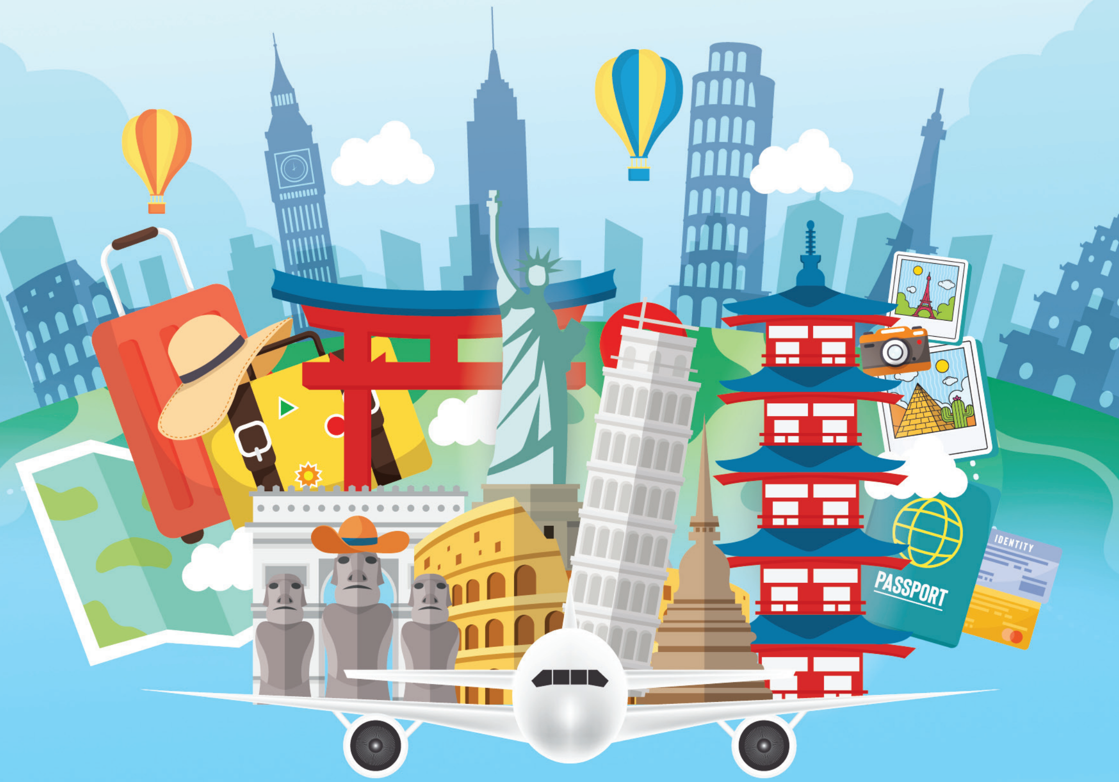
飛揚集團

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



2025
INTERIM REPORT

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CORPORATE INFORMATION

BOARD OF DIRECTORS	*Executive Directors* Mr. He Binfeng *(Chairman and Joint Chief Executive Officer)* Mr. Li Jieming *(Joint Chief Executive Officer)* (appointed with effect from 29 August 2025) Mr. Xiong Di Mr. Huang Yu Mr. Wu Bin Ms. Chen Huiling *Non-executive Director* Mr. Shen Yang (resigned with effect from 29 August 2025) *Independent Non-executive Directors* Mr. Li Huamin Ms. Zhao Caihong Ms. Yuan Shaoying
AUDIT COMMITTEE	Ms. Zhao Caihong *(Chairlady)* Mr. Li Huamin Ms. Yuan Shaoying
REMUNERATION COMMITTEE	Mr. Li Huamin *(Chairman)* Mr. He Binfeng Ms. Zhao Caihong
NOMINATION COMMITTEE	Mr. He Binfeng *(Chairman)* Mr. Li Huamin Ms. Yuan Shaoying
COMPANY SECRETARY	Mr. Tam Chun Wai Edwin
AUTHORISED REPRESENTATIVES	Mr. He Binfeng Mr. Tam Chun Wai Edwin
REGISTERED OFFICE IN THE CAYMAN ISLANDS	Suite #4-210, Governors Square 23 Lime Tree Bay Avenue PO Box 32311 Grand Cayman KY1-1209 Cayman Islands

CORPORATE INFORMATION

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN THE PRC	East Mansion, Wuyi Plaza No. 2437 Zhongshan East Road Ningbo City, Zhejiang Province The People's Republic of China
PRINCIPAL PLACE OF BUSINESS IN HONG KONG	4/F Wah Yuen Building 149 Queen's Road Central Hong Kong
INDEPENDENT AUDITOR	CCTH CPA Limited *Certified Public Accountants* *Registered Public Interest Entity Auditor*
PRINCIPAL BANKS	China Merchants Bank Co., Ltd, Ningbo Tianyi sub-branch China CITIC Bank Corporation Limited, Jiangbei sub-branch China Zheshang Bank Co., Ltd., Ningbo branch
CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE	Osiris International Cayman Limited Suite #4-210, Governors Square 23 Lime Tree Bay Avenue PO Box 32311 Grand Cayman KY1-1209 Cayman Islands
HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE	Tricor Investor Services Limited 17/F, Far East Finance Centre 16 Harcourt Road Hong Kong
WEBSITE	http://www.iflying.com
STOCK CODE	1901

FINANCIAL HIGHLIGHTS

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Revenue	**511,201**	420,970
Gross profit	**27,310**	25,016
Profit/(loss) for the Period	**6,161**	(16,323)

- Revenue for the Period increased by RMB90.2 million or 21.4% as compared to the Previous Period mainly due to increase in sales of travel related products and services.
- Gross profit for the Period increased by RMB2.3 million or 9.2% as compared to the Previous Period as a result of the increase in revenue.
- Net profit for the Period amounted to RMB6.2 million as compared to net loss of RMB16.3 million for the Previous Period.

UNAUDITED INTERIM RESULTS

The board (the "**Board**") of directors (the "**Directors**") of Feiyang International Holdings Group Limited (the "**Company**") announces the unaudited consolidated interim results of the Company and its subsidiaries (the "**Group**") for the six months ended 30 June 2025 (the "**Period**"), together with the comparative figures for the corresponding period of 2024, as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2025

	Notes	Six months ended 30 June 2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
REVENUE	5	**511,201**	420,970
Cost of sales		**(483,891)**	(395,954)
Gross profit		**27,310**	25,016
Other income and gains	5	**27,688**	19,029
Selling and distribution expenses		**(14,667)**	(12,042)
Administrative expenses		**(12,979)**	(24,142)
Impairment on financial assets recognised, net		**(7,780)**	(17,968)
Other expenses		**(8,718)**	(1,038)
Share of losses of associates		**(54)**	(200)
Finance costs	6	**(4,631)**	(4,995)
PROFIT/(LOSS) BEFORE INCOME TAX	7	**6,169**	(16,340)
Income tax (expense)/credit	8	**(8)**	17
PROFIT/(LOSS) FOR THE PERIOD		**6,161**	(16,323)
OTHER COMPREHENSIVE (LOSS)/INCOME			
Item that will not be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of financial statements		**(828)**	11,161
OTHER COMPREHENSIVE (LOSS)/INCOME FOR THE PERIOD		**(828)**	11,161
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD		**5,333**	(5,162)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)

For the six months ended 30 June 2025

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
PROFIT/(LOSS) FOR THE PERIOD ATTRIBUTABLE TO:		
Owners of the Company	**6,627**	(14,848)
Non-controlling interests	**(466)**	(1,475)
	6,161	(16,323)
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD ATTRIBUTABLE TO:		
Owners of the Company	**5,829**	(3,684)
Non-controlling interests	**(496)**	(1,478)
	5,333	(5,162)

		Six months ended 30 June	
		2025	2024
	Note	**RMB cent**	RMB cent
		(Unaudited)	(Unaudited)
EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY	*9*		
Basic		**0.80**	(1.78)
Diluted		**N/A**	N/A

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2025

	Notes	**As at 30 June 2025 RMB'000 (Unaudited)**	As at 31 December 2024 RMB'000 (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment	*11*	**6,397**	29,404
Investment properties		**6,591**	6,591
Right-of-use assets		**6,668**	7,814
Intangible assets		**1,049**	1,598
Finance lease receivables		**–**	166
Advance payments for acquisition of property, plant and equipment		**3,648**	3,704
Investments in associates	*12*	**690**	1,076
Investments in joint ventures		**464**	464
Prepayments, deposits and other receivables	*14*	**23,555**	18,024
		49,062	68,841
CURRENT ASSETS			
Inventories		**4,474**	4,543
Trade receivables	*13*	**133,619**	88,648
Prepayments, deposits and other receivables	*14*	**263,220**	195,648
Finance lease receivables		**–**	38
Amount due from related parties	*21(b)*	**8,442**	8,490
Financial assets at fair value through profit or loss		**340**	340
Pledged deposits		**42**	3,042
Cash and cash equivalents		**70,505**	36,688
		480,642	337,437
CURRENT LIABILITIES			
Trade payables	*15*	**119,686**	33,816
Advance from customers, other payables and accruals		**97,544**	107,704
Interest-bearing bank and other borrowings	*16*	**245,183**	197,460
Lease liabilities		**4,430**	4,543
Tax payables		**5,672**	7,002
		472,515	350,525
NET CURRENT ASSETS/(LIABILITIES)		**8,127**	(13,088)
TOTAL ASSETS LESS CURRENT LIABILITIES		**57,189**	55,753
NON-CURRENT LIABILITIES			
Lease liabilities		**3,608**	4,701
		3,608	4,701
Net assets		**53,581**	51,052
EQUITY			
Share capital	*17*	**7,145**	7,145
Reserves		**57,706**	51,491
Equity attributable to owners of the Company		**64,851**	58,636
Non-controlling interests		**(11,270)**	(7,584)
Total equity		**53,581**	51,052

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2025

	Attributable to owners of the Company											
	Share capital RMB'000	Share premium* RMB'000	Capital reserves* RMB'000	Statutory surplus reserves* RMB'000	Accumulated losses* RMB'000	Share award reserves* RMB'000	Share based payment reserve* RMB'000	Special reserves* RMB'000	Foreign currency translation reserves* RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
At 1 January 2024 (Audited)	7,145	265,334	47,355	8,517	(244,765)	8,001	–	(255)	(13,916)	77,416	2,760	80,176
Loss for the period	–	–	–	–	(14,848)	–	–	–	–	(14,848)	(1,475)	(16,323)
Other comprehensive income/(loss) for the period:												
Exchange differences on translation of financial statements	–	–	–	–	–	–	–	–	11,164	11,164	(3)	11,161
Total comprehensive loss for the period	–	–	–	–	(14,848)	–	–	–	11,164	(3,684)	(1,478)	(5,162)
At 30 June 2024 (Unaudited)	7,145	265,334	47,355	8,517	(259,613)	8,001	–	(255)	(2,752)	73,732	1,282	75,014

	Attributable to owners of the Company											
	Share capital RMB'000	**Share premium* RMB'000**	**Capital reserves* RMB'000**	**Statutory surplus reserves* RMB'000**	**Accumulated losses* RMB'000**	**Share award reserves* RMB'000**	**Share based payment reserve* RMB'000**	**Special reserves* RMB'000**	**Foreign currency translation reserves* RMB'000**	**Total RMB'000**	**Non-controlling interests RMB'000**	**Total equity RMB'000**
At 1 January 2025 (Audited)	**7,145**	**265,334**	**47,355**	**8,517**	**(286,811)**	**8,001**	**771**	**(255)**	**8,579**	**58,636**	**(7,584)**	**51,052**
Profit/(loss) for the period	**-**	**-**	**-**	**-**	**6,627**	**-**	**-**	**-**	**-**	**6,627**	**(466)**	**6,161**
Other comprehensive loss for the period:												
Exchange differences on translation of financial statements	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(798)**	**(798)**	**(30)**	**(828)**
Total comprehensive income/(loss) for the period	**-**	**-**	**-**	**-**	**6,627**	**-**	**-**	**-**	**(798)**	**5,829**	**(496)**	**5,333**
Disposal of subsidiaries	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(3,190)**	**(3,190)**
Recognition of equity settled share based payments	**-**	**-**	**-**	**-**	**-**	**-**	**386**	**-**	**-**	**386**	**-**	**386**
At 30 June 2025 (Unaudited)	**7,145**	**265,334**	**47,355**	**8,517**	**(280,184)**	**8,001**	**1,157**	**(255)**	**7,781**	**64,851**	**(11,270)**	**53,581**

* These reserve accounts comprise the consolidated reserves of RMB57,706,000 (31 December 2024: RMB51,491,000) in the condensed consolidated statements of financial position.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2025

	For the six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
NET CASH FLOWS USED IN OPERATING ACTIVITIES	**(42,654)**	(11,842)
NET CASH FLOWS GENERATED FROM INVESTING ACTIVITIES	**43,152**	5,338
NET CASH FLOWS GENERATED FROM FINANCING ACTIVITIES	**38,696**	35,782
NET INCREASE IN CASH AND CASH EQUIVALENTS	**39,194**	29,278
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	**36,688**	56,500
EFFECT OF FOREIGN EXCHANGE RATE CHANGES, NET	**(5,377)**	875
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**70,505**	86,653
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	**70,505**	86,653

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

The Company is an exempted company which was incorporated in the Cayman Islands with limited liability on 18 October 2018. The registered office address of the Company is Suite #4-210, Governors Square, 23 Lime Tree Bay Avenue, PO Box 32311, Grand Cayman, KY1-1209, Cayman Islands. The principal place of business is located at East Mansion, Wuyi Plaza, No. 2437 Zhongshan East Road, Ningbo City, Zhejiang Province, the People's Republic of China (the "**PRC**").

The Company is an investment holding company. During the Period, the Company's subsidiaries were principally involved in (i) the design, development and sale of outbound travel package tours; (ii) the design, development and sale of free independent traveller ("**FIT**") products; (iii) the provision of other ancillary travel-related products and services; (iv) the provision of health products; and (v) the provision of information system development products and services. In the opinion of the Directors, the ultimate controlling shareholders of the Group are Mr. He Binfeng and Ms. Qian Jie, the spouse of Mr. He (collectively, the "**Controlling Shareholders**").

The shares of the Company (the "**Shares**") were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on 28 June 2019.

2. BASIS OF PREPARATION AND PRESENTATION

These unaudited condensed consolidated interim financial statements have been prepared in accordance with Hong Kong Accounting Standard ("**HKAS**") 34 *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of Appendix D2 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**"). These unaudited condensed consolidated interim financial statements have been prepared under the historical cost convention, except for financial assets at fair value through profit or loss and investment properties which have been measured at fair value. These unaudited condensed consolidated interim financial statements are presented in Renminbi ("**RMB**"), and all values are rounded to the nearest thousand ("**RMB'000**") except when otherwise indicated.

The Group's unaudited condensed consolidated interim financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2024. The accounting policies adopted in the preparation of these unaudited condensed consolidated interim financial statements follow those applied in the preparation of the Group's annual financial statements for the year ended 31 December 2024, except for the accounting policy changes that are reflected in the Group's annual financial statements for the year ended 31 December 2025. Details of any changes in accounting policy changes and disclosures are set out in Note 3.

2. BASIS OF PREPARATION AND PRESENTATION (Continued)

Going concern basis

As at 30 June 2025, the Group had interest-bearing bank and other borrowing amounted to approximately RMB245,183,000 was included in current liabilities. Nevertheless, the Group had cash and cash equivalents amounted to approximately RMB70,505,000 as at 30 June 2025, the directors of the Company considered it appropriate for the preparation of the condensed consolidated interim financial statements on a going concern basis for at least twelve months after the end of the reporting period after taking into account the following circumstances and measures:

(i) The Group has been actively negotiating with banks in renewing its short-term borrowings upon their maturities and the management of the Company is confident in the successful renewal of the bank loans upon maturity; and

(ii) The Group is implementing various measures, such as optimising its overall sales network and undergoing effective cost control to improve the profit margin and operating cash flows of its business.

The directors of the Company are of the opinion that, taking into account the above-mentioned plans and measures, the Group will have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due for at least twelve months after 30 June 2025. Accordingly, the condensed consolidated interim financial statements have been prepared on a going concern basis. Should the Group be unable to operate as a going concern, adjustments would have to be made to reduce the carrying amounts of the Group's assets to their net realisable amounts, to provide for further liabilities which might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effect of these adjustments has not been reflected in the condensed consolidated interim financial statements.

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the unaudited condensed consolidated interim financial statements are consistent with those applied in the preparation of the Group's annual financial statements for the year ended 31 December 2024, except for the adoption of the following revised HKFRS Accounting Standards for the first time for the current period's financial information.

Amendments to HKAS 21	Lack of exchangeability

Amendments to HKAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. As the currencies that the Group had transacted with and the functional currencies of group entities for translation into the Group's presentation currency were exchangeable, the amendments did not have any impact on the condensed consolidated financial statements.

The Directors anticipate that the application of the above amendments to HKFRS Accounting Standards have no material impact on the unaudited condensed consolidated interim financial statements.

4. OPERATING SEGMENT INFORMATION

The Group's chief operating decision makers are the executive Directors. The information reported to the executive Directors for the purpose of resource allocation and assessment of performance does not contain discrete operating segment financial information and the Executive Directors reviewed the financial results of the Group as a whole.

Geographical information

The Group's operations are located in the Mainland China and Hong Kong.

Revenue from external customers are allocated based on the geographical areas in which the customers are located.

An analysis of the Group's revenue from external customers and non-current assets (excluding financial assets) by geographical location are as follows:

	Revenue from external customers Six months ended 30 June 2025 RMB'000 (Unaudited)	Revenue from external customers Six months ended 30 June 2024 RMB'000 (Unaudited)	**Non-current assets As at 30 June 2025 RMB'000 (Unaudited)**	Non-current assets As at 31 December 2024 RMB'000 (Audited)
Mainland China	**511,201**	409,721	**16,614**	19,733
Hong Kong	**–**	11,249	**8,893**	30,918
	511,201	420,970	**25,507**	50,651

Information about a major customer

No revenue from the Group's sales to a single customer amounted to 10% or more of the Group's revenue for the six months ended 30 June 2025 and 30 June 2024.

5. REVENUE, OTHER INCOME AND GAINS

Revenue represents the aggregate income from products and services during the Period.

An analysis of revenue and other income and gains is as follows:

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Revenue from contracts with customers *(Note (a))*	**511,201**	420,872
Revenue from other sources		
Finance lease income	**–**	98
Total revenue	**511,201**	420,970

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Other income		
Bank interest income	**35**	469
Government grants *(Note (b))*	**72**	890
Compensation income *(Note (c))*	**7,560**	15,120
Rental income on properties	**200**	200
Sundry income *(Note (d))*	**5,945**	2,350
	13,812	19,029
Gains		
Gains on disposal of property, plants and equipments	**13,876**	–
Total other income and gains	**27,688**	19,029

5. REVENUE, OTHER INCOME AND GAINS (Continued)

Notes:

(a) The Group derives revenue from the transfer of products and services over time and at a point in time in the following major product lines:

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Timing of revenue recognition within the scope of HKFRS 15		
Over time:		
— Sales of package tours — Domestic	**190,108**	130,526
— Information system development services	**868**	797
	190,976	131,323
At a point in time:		
— Gross revenue from the sales of FIT products	**316,394**	273,648
— Margin income from sales of FIT Products	**916**	3,454
— Sales of ancillary travel related products and services	**2,915**	2,325
— Sales of health products	**–**	10,122
	320,225	289,549
Total	**511,201**	420,872

(b) The conditions for government grants have been fulfilled by the Group up to the end of the reporting period.

(c) During the current period, the Group recognised compensation income from profit guarantee arrangement in relation to the acquisition of subsidiaries in prior year amounted to RMB7,560,000 (30 June 2024: RMB15,120,000).

(d) In previous years, the Group had some unresolved legal case relating to contract dispute with suppliers. During the current period, the PRC courts ruled in favour of the Group and to the extent RMB5,259,000 (30 June 2024: RMB1,056,000) was refunded to the Group which was included in sundry income.

6. FINANCE COSTS

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Interest on bank loans and other loan	**4,514**	4,787
Interest on lease liabilities	**117**	208
	4,631	4,995

7. PROFIT/(LOSS) BEFORE INCOME TAX

The Group's profit/(loss) before tax is arrived at after charging/(crediting):

		Six months ended 30 June	
		2025	2024
		RMB'000	RMB'000
	Note	**(Unaudited)**	(Unaudited)
Cost of services provided		**386,283**	387,182
Cost of inventories sold		**–**	9,203
Depreciation of property, plant and equipment		**701**	6,034
Depreciation of right-of-use assets		**1,146**	3,079
Amortisation of intangible assets		**530**	508
Loss on disposal of subsidiaries*	*20*	**4,785**	–
Realised loss on listed equity securities		**–**	235
Impairment of trade receivables recognised, net		**489**	19
Impairment of financial assets included in prepayments, deposits and other receivables recognised		**7,580**	17,949
Impairment of finance lease receivables reversed		**(289)**	–
Staff costs		**17,049**	17,663

* The amount included in other expenses.

8. INCOME TAX (EXPENSE)/CREDIT

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 operate.

Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands, the Group is not subject to any income tax in the Cayman Islands or British Virgin Islands.

Pursuant to the relevant tax law of the Hong Kong Special Administrative Region, Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profits arising in Hong Kong during the Period. No provision for income tax has been made as the Group did not generate any assessable profits in Hong Kong during the Period (30 June 2024: Nil).

During the Period, except for certain subsidiaries of the Group which were entitled to a preferential income tax rate of 20% for small and micro enterprises with the first RMB1.0 million of annual taxable income eligible for 75% reduction and the income between RMB1.0 million and RMB3.0 million eligible for 50% reduction, the provision for the PRC current income tax is based on the statutory rate of 25% of the assessable profits of the PRC subsidiaries as determined in accordance with the Corporate Income Tax Law.

The income tax (expense)/credit of the Group is analysed as follows:

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
(Under)/over-provision of PRC enterprise income tax in prior years	**(8)**	17

9. EARNINGS/(LOSS) PER SHARE

(a) Basic earnings/(loss) per share

The calculation of the basic earnings/(loss) per share attributable to owners of the Company is based on following data:

	Six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
Profit/(loss) for the purpose of basic earnings/(loss) per share		
Profit/(loss) for the period attributable to owners of the Company (in RMB'000)	**6,627**	(14,848)
Number of shares for the purpose of basic earnings/(loss) per share		
Weighted average number of ordinary shares in issue during the period ('000)	**832,000**	832,000
Basic earnings/(loss) per share (RMB cent)	**0.80**	(1.78)

(b) Diluted earnings/(loss) per share

No diluted earnings per share for the six months ended 30 June 2025 is presented as the effects arising from exercise of the Company's share options granted are anti-dilutive.

No diluted loss per share for the six months ended 30 June 2024 is presented as there was no potential ordinary shares in issue for the period.

10. INTERIM DIVIDENDS

The Board did not recommend payment of an interim dividend in respect of the six months ended 30 June 2025 (30 June 2024: Nil).

11. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2025, the Group acquired and disposed property, plant and equipment of approximately RMB47,000 and RMB21,253,000, respectively (six months ended 30 June 2024: RMB731,000 and RMBNil).

12. INVESTMENTS IN ASSOCIATES

During the six months ended 30 June 2024, the Group received an amount of RMB56,000,000 from Ningbo Yinjiang Feiyang Cultural Tourism Development Co., Ltd* (寧波鄞江飛揚文旅開發有限公司) ("**Ningbo Yinjiang**"), an associate of the Group, resulting from its divestment through deregistration of Ningbo Yinjiang.

13. TRADE RECEIVABLES

	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Audited)
Trade receivables, gross amount	**200,156**	155,796
Less: Impairment losses recognised	**(66,537)**	(67,148)
	133,619	88,648

The credit terms granted by the Group generally range up to two months, extending up to one year for certain customers. The Group seeks to maintain strict control over its outstanding receivables and overdue balances, which are reviewed regularly by senior management. The Group does not hold any collateral or other credit enhancement over its trade receivable balances. Trade receivables are non-interest-bearing.

An ageing analysis of the gross trade receivables as at the end of each of the period, based on the invoice date, is as follows:

	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Audited)
1 to 60 days	**72,985**	67,448
61 to 180 days	**1,000**	543
181 to 360 days	**54,577**	17,070
1 to 2 years	**1,890**	5,590
Over 2 years	**69,704**	65,145
	200,156	155,796

13. TRADE RECEIVABLES (Continued)

The movements in provision for impairment of trade receivables are as follows:

	At 30 June 2025 RMB'000 (Unaudited)	At 31 December 2024 RMB'000 (Audited)
At beginning of period/year	**67,148**	80,134
Impairment losses recognised/(reversed)	**489**	(12,986)
Disposal of subsidiaries	**(1,027)**	–
Exchange realignment	**(73)**	–
At end of period/year	**66,537**	67,148

14. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Audited)
Prepayments	**159,297**	125,735
Deposits and other receivables	**244,890**	224,757
Less: impairment losses recognised	**(117,412)**	(136,820)
	127,478	87,937
Total	**286,775**	213,672
Analysed for reporting as:		
Non-current assets	**23,555**	18,024
Current assets	**263,220**	195,648
	286,775	213,672

14. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES (Continued)

The movements in provision for impairment of deposits and other receivables are as follows:

	At 30 June 2025 RMB'000 (Unaudited)	At 31 December 2024 RMB'000 (Audited)
At beginning of period/year	**136,820**	78,991
Impairment losses recognised	**7,580**	57,829
Disposal of subsidiaries	**(26,984)**	–
Exchange realignment	**(4)**	–
At end of period/year	**117,412**	136,820

15. TRADE PAYABLES

An ageing analysis of the trade payables as at the end of the period, based on the invoice date, is as follows:

	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Audited)
1 to 60 days	**114,489**	19,198
61 to 180 days	**78**	10,925
181 to 360 days	**931**	301
Over 1 year	**4,188**	3,392
	119,686	33,816

The trade payables are non-interest-bearing and are normally settled on 60-day terms.

16. INTEREST-BEARING BANK AND OTHER BORROWINGS

	Effective interest rate (%)	Maturity	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Audited)
Current				
Bank loans — secured	2.80–6.80	2026	**245,183**	–
Bank loans — secured	3.00–6.80	2025	**–**	197,460
			245,183	197,460

Notes:

(a) The Group's bank loans are secured by (i) mortgages over the Group's investment properties situated in Mainland China, which had an aggregate net carrying value of RMB6,591,000 and RMB6,591,000 as at 31 December 2024 and 30 June 2025, respectively and (ii) the pledged of the Group's trade receivables amounted to RMBNil (31 December 2024: RMB3,524,000).

(b) During the Period, the Controlling Shareholders have jointly guaranteed certain of the Group's banking facilities of up to RMB256,410,000 (31 December 2024: RMB207,460,000).

(c) Mr. Zhang Dayi, a director of several PRC subsidiaries of the Company, and Ms. Zhang Xiaoshan, the spouse of Mr. Zhang Dayi, had jointly guaranteed certain of the Group's banking facilities of up to RMB10,000,000 as at 30 June 2025 (31 December 2024: RMB49,000,000).

17. SHARE CAPITAL

Shares

	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Audited)
Issued and fully paid:		
832,000,000 (As at 31 December 2024: 832,000,000) ordinary shares of HK$0.01 each	**7,145**	7,145

18. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The Group invests in listed equity investments which are based on quoted market prices. The Group invests in unlisted investments, which represent financial products issued by commercial banks in Mainland China. The Group has estimated the fair value of these unlisted investments by using the valuation technique based on the direct capitalisation method, interest rates of instruments. The fair value of these unlisted investments are the sum of principal and interest receivable.

The following table illustrates the fair value measurement hierarchy of the Group's financial instruments:

As at 30 June 2025 (Unaudited)

	Fair value measurement using			
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	Total RMB'000
Financial assets at fair value through profit or loss				
— Listed equity securities	**3**	**–**	**–**	**3**
— Unlisted fund investments	**–**	**337**	**–**	**337**

18. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Continued)

As at 31 December 2024 (Audited)

	Fair value measurement using			
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	Total RMB'000
Financial assets at fair value through profit or loss				
— Listed equity securities	3	–	–	3
— Unlisted fund investments	–	337	–	337

The Group did not have any financial liabilities measured at fair value as at 30 June 2025 (31 December 2024: Nil).

During the six months ended 30 June 2025, there were no transfer into or out of Level 3.

During the six months ended 30 June 2024, the Group transferred a listed equity securities measured at fair value through profit or loss from level 3 into level 1 due to the listed equity securities trading for the shares was resumed in active markets. Other than disclosed, there were no changes in valuation techniques during the six months ended 30 June 2024.

19. COMMITMENTS

The Group had the following capital commitments at the end of the reporting period:

	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Audited)
Contracted, but not provided for:		
Acquisition for investment projects	**45,037**	45,732
Wine	**6,840**	6,945
Sales consulting services	**912**	926
Development cost	**945**	959
	53,734	54,562

20. DISPOSAL OF SUBSIDIARIES

On 19 November 2024, Zhejiang Feiyang International Travel Group Co., Ltd., ("**Feiyang International**"), an indirect subsidiary of the Company and certain third parties, entered into an agreement pursuant to which the Feiyang International to dispose the 60% equity interest in Zhejiang Feijiada Aviation Service Co., Ltd., ("**Zhejiang Feijiada**") at the cash consideration of RMB22,680,000. Upon Completion, Zhejiang Feijiada Aviation Service Co., Ltd. ceased to be a subsidiary of the Company. The completion of the disposal of subsidiaries took place on 2 April 2025.

Consideration for the disposal:

	RMB'000
Total consideration	22,680
Refund to the disposed subsidiaries	(22,680)
Net assets disposed of	7,975
Non-controlling interests	(3,190)
Loss on disposal of subsidiaries	4,785

20. DISPOSAL OF SUBSIDIARIES (Continued)

Net cash outflow on disposal of subsidiaries:

	RMB'000
Consideration received	22,680
Refund of the disposed subsidiaries	(22,680)
Cash and cash equivalents disposed of	(1,321)
Net cash outflow on disposal of the subsidiaries	(1,321)

Analysis of assets and liabilities at date of disposal over which control was lost:

	RMB'000
Long-term investment	561
Trade and bills receivables	8,806
Prepayment, other receivables and other assets	52,701
Cash and cash equivalents	1,321
Trade payables	(96)
Other payables and accruals	(53,796)
Income tax payables	(1,522)
Net assets disposed of	7,975

21. RELATED PARTY TRANSACTIONS

The Group's principal related parties are as follows:

Name	Relationship with the Company
Ningbo Haishu Feiyang Investment Management Partnership (Limited Partnership) ("**Haishu Feiyang**")	An entity controlled by the Controlling Shareholders
Ningbo Feiyang Commercial Operation Management Co., Ltd. ("**Feiyang Commercial**")	An entity controlled by the Controlling Shareholders

HHR Group Holdings Limited ("**HHR Group**"), Michael Group Holdings Limited ("**Michael Group**"), KVN Holdings Limited ("**KVN Holdings**"), DY Holdings Limited ("**DY Holdings**"), QJ Holdings Limited ("**QJ Holdings**"), LD Group Holdings Limited, WB Holdings Group Limited, QZ Holdings Limited ("**QZ Holdings**"), and CXD Holdings Limited ("**CXD Holdings**") are shareholders of the Company.

21. RELATED PARTY TRANSACTIONS (Continued)

(a) Outstanding balances with related parties:

	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Audited)
Due from a director	**3,310**	3,310
Due from related parties:		
Haishu Feiyang	**1,802**	1,802
Feiyang Commercial	**150**	150
HHR Group	**49**	50
Michael Group	**49**	50
KVN Holdings	**49**	50
DY Holdings	**49**	50
QJ Holdings	**49**	50
WB Holdings	**49**	50
QZ Holdings	**49**	50
CXD Holdings	**49**	48
HK Shang Yin Group	**2,736**	2,778
Feiyang Youpin	**52**	52
	8,442	8,490

The balances with related parties are non-trade, unsecured, interest-free and repayable on demand.

(b) Compensation of key management personnel of the Group:

	Six months ended 30 June 2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Salaries, allowances and benefits in kind	**518**	467
Pension scheme contributions	**9**	15
Equity settled share-based payments	**70**	–
Total compensation paid to key management personnel	**597**	482

22. EVENTS AFTER THE REPORTING PERIOD

(i) The Company had a share option scheme (the "**Share Option Scheme**"), which was approved and adopted by the shareholders of the Company by way of written resolutions passed on 11 June 2019, the details of which are set out in the prospectus of the Company dated 18 June 2019. On 14 July 2025, upon the adoption of a new share option scheme (the "**New Share Option Scheme**") approved by the shareholders of the Company at the extraordinary general meeting of the Company held on 30 June 2025, the details of which are set out in the announcement of the Company dated 13 June 2025 and circular of the Company dated 13 June 2025.

(ii) On 25 July 2025, the Company granted 83,200,000 share options to 10 eligible persons of the Group (the "**Grantees**"), to subscribe for a total of 83,200,000 new ordinary shares of HK$0.01 each in the share capital of the Company under the share option scheme adopted by the Company.

(iii) On 29 July 2025, pursuant to the general mandate granted to the directors by the shareholders at the annual general meeting of the Company held on 25 June 2024, an aggregate of 166,400,000 shares were placed to the placees at the price of HK$0.201 per share. The completion of the issue of share has been taken place at 25 August 2015. For details, please refer to Company announcement dated 29 July 2025, 12 August 2025 and 25 August 2025.

23. APPROVAL OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

The unaudited condensed consolidated interim financial statements were approved and authorised for issue by the Board on 26 August 2025.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group is a well-established travel service provider based in Ningbo, Zhejiang Province of the PRC and offers diversified products that cater for different travellers' needs. The Group is principally engaged in (i) the design, development and sales of package tours which consist of traditional package tours and tailor-made tours; (ii) the sales of free independent traveller products (the "**FIT Products**") which mainly include provision of air tickets and/or hotel accommodation; (iii) the provision of ancillary travel-related products and services, including but not limited to visa application processing, admission tickets to tourist attractions, conferencing services and arranging purchase of travel insurance for the customers; (iv) the provision of information system development services; (v) sales of health products; and (vi) the provision of finance lease services.

The domestic tourism market continued its robust recovery. According to the Ministry of Culture and Tourism, China recorded 5.615 billion domestic trips and travellers spent RMB5.75 trillion in aggregate in 2024. The eight-day Spring Festival holiday in 2025 alone generated 501 million domestic trips and RMB677 billion in revenue, representing year-on-year growth of 5.9% and 7.0% respectively.

According to the World Tourism Barometer from UN Tourism, an estimated 1.4 billion tourists travelled internationally in 2024, indicating a virtual recovery (99%) of pre-pandemic levels. China's outbound travellers totaled 145.9 million trips in 2024, while inbound visitors reached 131.9 million, an increase of 60.8%, according to the National Bureau of Statistics Communiqué. Meanwhile, 2.01 million foreigners entered China under visa-waiver programmes in 2024, up 112% year-on-year, and that inbound tourism receipts reached USD94.2 billion, an increase of 77.8%.

Reflecting these positive developments, the gross revenue from sales of FIT Products of the Group has significantly increased from RMB273.6 million for the Previous Period to RMB316.4 million for the Period. This growth has also boosted the Group's the sales of package tours to RMB190.1 million for the Period (Previous Period: RMB130.5 million).

The Group recorded a net profit of RMB6.2 million for the Period (Previous Period: net loss of RMB16.3 million), which was mainly attributable to (i) the increase in gross profit from sales of the Group's travel related products and services; (ii) decrease in administrative expenses of approximately RMB11.2 million in relation to Metaverse platform as the Group optimise its business segments; and (iii) decrease in impairment loss on financial assets by RMB10.2 million after the assessment of the credit risk on financial assets faced by the Group at the end of the Period.

PROSPECTS

China's senior population, which exceeded 310 million by the end of 2024, has become an influential force in the tourism industry. According to the China National Committee on Ageing, elderly adults in China had amassed wealth totaling RMB78.4 trillion by 2023. And the overall silver economy is projected to reach RMB30 trillion yuan by 2035, which would represent 10% of China's GDP.

The silver economy is providing huge consumption energy in the cultural tourism market. Statistics from the China Tourism Academy showed that the number of tourist trips made by those aged 60 and above had reached 1.16 billion in 2023, accounting for 20.6% of China's total domestic tourists. Market research consultancy Frost & Sullivan estimates the value of the silver tourism market will grow from RMB1.4 trillion in 2023 to RMB2.7 trillion by 2028, revealing strong growth momentum. The economic potential of this market is substantial.

Recognising the increasing purchasing power and travel aspirations of China's elderly population, several Chinese government agencies unveiled the action plan in February 2025 which outlines a series of measures to develop the sector further, including measures to expand services offerings, develop themed routes, and enhance medical and senior care services on trains. The plan aims to create a nationwide network of specialised trains that cater to older travelers by 2027, with over 100 designed routes and 2,500 scheduled trips annually.

Positioning ourselves as "China's No. 1 Brand of Tourism Services for Middle-Aged and Elderly People" which supported by artificial intelligence technology, multiculturalism and an elder-friendly society, the Group will develop senior tourism to unleash the potential of the silver-haired consumer market.

Meanwhile, Chinese government has been steadily expanding visa-free entry in a bid to boost tourism. According to the National Immigration Administration, more than 20 million inbound foreign trips were made visa-free in 2024, a year-on-year increase of 112.3%. A growing number of international tourists are being drawn to the country's cultural landmarks, natural scenery and city tours. The Group will utilize the overseas livestreaming promotional channels and vigorously expand "Overseas Chinese Travel" and "Global Muslim Inbound Travel to China".

The Group is confident for its sustainable growth and believes that its management team with extensive industry experience and its agile operations team are able to adapt to the rapid changes of the demand from the market and adjust the business strategy in accordance with market trends.

FINANCIAL REVIEW

Revenue

The following table sets forth the breakdown of the Group's revenue by business segment for the periods indicated:

	Six months ended 30 June			
	2025		2024	
	Revenue RMB'000 (Unaudited)	**Percentage of revenue %**	Revenue RMB'000 (Unaudited)	Percentage of revenue %
Travel-related products and services				
(i) Sales of package tours	**190,108**	**37.2**	130,526	31.0
(ii) Gross revenue from sales of FIT Products	**316,394**	**61.9**	273,648	65.0
(iii) Margin income from sales of FIT Products	**916**	**0.2**	3,454	0.8
(iv) Sales of ancillary travel-related products and services	**2,915**	**0.5**	2,325	0.6
	510,333	**99.8**	409,953	97.4
Information system development services	**868**	**0.2**	797	0.2
Sales of health products	**–**	**–**	10,122	2.4
Finance lease income	**–**	**–**	98	–
Total	**511,201**	**100.0**	420,970	100.0

The Group generated revenue from: (i) provision of travel-related products and services, including sales of package tours, gross revenue from sales of FIT Products, margin income from sales of FIT Products and sales of ancillary travel-related products and services; (ii) provision of information system development services; (iii) sales of health products; and (iv) provision of finance lease services. The Group's customers primarily comprised retail customers, and corporate and institutional customers.

The revenue of the Group increased by RMB90.2 million from RMB421.0 million for the Previous Period to RMB511.2 million for the Period, which was mainly due to increase in sales of travel-related products and services resulting from increase in demand for package tour and FIT Products provided by the Group.

Travel-related products and services

(i) Sales of package tours

The sales of package tours mainly represented the fees received from customers for the package tours. The Group's package tours can be classified into (i) traditional package tours, which are group tours with standardised itineraries; and (ii) tailor-made tours, which are group tours with non-standardised itineraries and provide freedom for customers to select their preferred mode of transportations, hotels and tourist attractions.

Package tours by type

The following table sets forth the breakdown of the revenue from sales of package tours by type for the periods indicated:

	Six months ended 30 June			
	2025		2024	
	Revenue RMB'000 (Unaudited)	Percentage of revenue %	Revenue RMB'000 (Unaudited)	Percentage of revenue %
Traditional package tours	**182,023**	**95.7**	120,395	92.2
Tailor-made tours	**8,085**	**4.3**	10,131	7.8
Total	**190,108**	**100.0**	130,526	100.0

The sales of traditional package tours and tailor-made tours contributed 95.7% and 4.3% (Previous Period: 92.2% and 7.8%) of the Group's total sales of package tours for the Period. The Group's sales of package tours increased by RMB59.6 million or 45.6% from RMB130.5 million for the Previous Period to RMB190.1 million for the Period, which was mainly due to increase in demand for package tours during the Period.

(ii) Gross revenue from sales of FIT Products

Gross revenue from sales of FIT Products of air tickets and hotel accommodations to customers which were recorded on a gross basis. The Group's gross income from sales of FIT Products increased by RMB42.7 million or 15.6% from RMB273.6 million for the Previous Period to RMB316.4 million for the Period, which was mainly due to increase in demand for the FIT Products provided by the Group as a principal role during the Period.

(iii) Margin income from sales of FIT Products

FIT Products mainly include air tickets, hotel accommodation and a combination of both. The Group's margin income from sales of FIT Products is recognised on a net basis, being the sales invoice amount of the FIT Products netted off against the associated direct costs, as the Group render services as an agent, whereby the Group is only responsible for arranging the booking of FIT Products with no control obtained over the services performed by airline operators, hotel operators and other travel agencies.

During the Period, the Group recognised margin income from sales of air tickets of RMB0.9 million (Previous Period: RMB3.5 million). Margin income from sales of air tickets decreased as more sales of FIT products were recorded on a gross basis during the Period.

(iv) Sales of ancillary travel-related products and services

The Group also offered other ancillary travel-related products and services to the customers. The sales of ancillary travel-related products and services increased by RMB0.6 million from RMB2.3 million for the Previous Period to RMB2.9 million for the Period.

Information system development services

Information system development services mainly represented the provision of cloud storage services, web hosting services, enterprise mailbox and website development and leasing of equipment including rental of data centres, servers, hard drives, computing machines, mining machines and other storage devices. Revenue from information system development services amounted to RMB0.9 million for the Period (Previous Period: RMB0.8 million).

Sales of health products

In 2022, the Group ventured into new business opportunities into nutraceutical market through sales of health products including Nicotinamide MonoNucleotide longevity supplements, liver detoxification supplements and related products so as to address the increasing attention to health and prevention by the consumers. No revenue was generated from sales of health products for the Period (Previous Period: RMB10.1 million) as the Group devoted its resources on travel-related products and services.

Finance lease income

In 2023, the Group launched its new business segment for rental of computing power machines and hardware equipment. No revenue was generated from finance lease income for the Period (Previous Period: RMB98,000) as the Group devoted its resources on travel-related products and services.

Cost of sales

The Group's cost of sales mainly represented the (i) costs incurred for sales of FIT Products; and (ii) direct costs incurred for the sales of package tours including land and cruise operation, air ticket and local transportation, hotel accommodation and others. Cost of sales increased by RMB87.9 million or 22.2% from RMB396.0 million for the Previous Period to RMB483.9 million for the Period, which was mainly due to increase in cost incurred for sales of FIT Products resulting from increase in demand for the FIT Products provided by the Group as a principal role during the Period.

Gross profit and gross profit margin

The following table sets forth the breakdown of the Group's gross profit and gross profit margin by business segment for the periods indicated:

	Six months ended 30 June			
	2025		2024	
	Gross profit RMB'000 (Unaudited)	**Gross profit margin %**	Gross profit/(loss) RMB'000 (Unaudited)	Gross profit/(loss) margin %
Travel-related products and services				
(i) Package tours				
— Traditional	**21,530**	**11.8**	17,321	14.4
— Tailor-made	**708**	**8.8**	944	9.3
	22,238	**11.7**	18,265	14.0
(ii) Gross revenue from sales of FIT Products	**2,771**	**0.9**	(329)	(0.1)
(iii) Margin income from sales of FIT Products	**916**	**100.0**	3,395	98.3
(iv) Ancillary travel-related products and services	**1,343**	**46.1**	1,462	62.9
	27,268	**5.3**	22,793	5.6
Information system development services	**42**	**4.8**	775	97.2
Sales of health products	**–**	**–**	1,350	13.3
Finance lease income	**–**	**–**	98	100.0
Total	**27,310**	**5.3**	25,016	5.9

The Group recorded gross profit of RMB27.3 million and RMB25.0 million, representing gross profit margin of 5.3% and 5.9%, for the Period and the Previous Period, respectively. The increase in the overall gross profit was mainly due to increase in gross profit from provision of travel-related products and services, which partially offset by decrease in gross profit from sales of health products.

The overall gross profit margin decreased from 5.9% for the Previous Period to 5.3% for the Period, which was mainly attributable to the changes in the Group's product and service mix. The gross profits from margin income from sales of FIT Products decreased during the Period, which had relatively higher profit margin compared to other business segments.

The overall gross profit margin of package tours decreased by 2.3 percentage points from 14.0% for the Previous Period to 11.7% for the Period was mainly due to the fact that more discounts was offered to tour packages to attract customers.

Other income and gains

Other income and gains mainly represented gain on disposal of property, plant and equipment, compensation income, government grants and bank interest income.

Other income and gains increased by RMB8.7 million from RMB19.0 million for the Previous Period to RMB27.7 million for the Period mainly due to (i) increase in gain on disposal of property, plant and equipment of RMB13.9 million during the Period (Previous Period: Nil); and (ii) increase in recognition of refund from supplier in relation to contract dispute ruled by the PRC court by RMB4.2 million from RMB1.1 million for Previous Period to RMB5.3 million for the Period. Such increase was partially offset by the decrease in recognition of compensation income on profit guarantee arrangement by RMB7.6 million from RMB15.1 million in the Previous Period to RMB7.6 million during the Period from Ningbo Zhenhang Business Service Co., Ltd.* (寧波真航商務服務有限公司) ("**Ningbo Zhenhang**"), Zhejiang Feijiada Aviation Service Co., Ltd.* (浙江飛加達航空服務有限公司) ("**Zhejiang Feijiada**") and Hainan Zhenlv International Travel Agency Co., Ltd.* (海南真旅國際旅行社有限公司) ("**Hainan Zhenlv**", together with Zhejiang Feijiada, the "**Target Group**") as a result of failure to fulfill the net profit requirement. For further details, please refer to the section headed "Disposal of Subsidiaries" in this report.

Selling and distribution expenses

Selling and distribution expenses mainly consisted of (i) staff costs from sales department; (ii) advertising and marketing expenses to promote the Group's products and services through various channels such as social networks, magazines and marketing events; (iii) depreciation; and (iv) office and utility expenses for our tourism square, retail branches and sales office.

The Group's selling and distribution expenses increased by RMB2.6 million or 21.8% from RMB12.0 million for the Previous Period to RMB14.7 million for the Period mainly attributable to the increase in staff costs by RMB1.9 million as a result of the increase in headcount due to the expansion of our core services network.

Administrative expenses

The Group's administrative expenses mainly consisted of (i) staff costs of administrative departments; (ii) office and utility expenses for the Group's offices; (iii) depreciation; (iv) transaction fee representing processing fee paid to payment platforms for transactions; (v) legal and professional fee; and (vi) other administrative expenses.

Administrative expenses decreased by RMB11.2 million or 46.2% during the Period was mainly due to (i) decrease in depreciation by RMB5.5 million due to disposal of property, plant and equipment in relation to Metaverse platform and cloud storage services; (ii) the decrease in staff costs by RMB2.5 million as a result of decrease in headcount in relation to Metaverse platform as the Group optimise its business segments; and (iii) decrease in rental expenses by RMB1.2 million.

Finance costs

The Group's finance costs remain slightly decrease from RMB5.0 million for the Previous Period to RMB4.6 million for the Period.

Other expenses

The Group's other expenses significantly increased from RMB1.0 million in Previous Period to RMB8.7 million in the Period which mainly due to recognition of loss of disposal of subsidiaries of RMB4.8 million during the Period (Previous Period: Nil). Please refer to the section headed "Disposal of subsidiaries" in this report for further details.

Impairment losses on financial assets, net

The following table sets forth the breakdown of the Group's provision for/(reversal of) impairment loss on financial assets for the periods indicated:

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Trade receivables	**489**	19
Prepayments, deposits and other receivables	**7,580**	17,949
Finance lease receivables	**(289)**	–
Total	**7,780**	17,968

The Group uses a provision matrix to calculate expected credit losses ("**ECL**") for trade receivables. To measure the provision rates, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The Group calibrates the matrix to adjust the current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

The ECL of finance lease receivables, refund from suppliers, deposits and other receivables are estimated by applying a loss rate approach with reference to the historical loss record of the Group. The loss rate is adjusted to reflect the current conditions and forecasts of future economic conditions, as appropriate.

The Directors are of the view that (i) the above method used in determining the amount of the impairments comply with the requirements of Hong Kong Financial Reporting Standards ("**HKFRSs**"); and (ii) the basis used reasonably reflected past events, current conditions and forecasts of future economic development.

In order to recover the impaired balances, the Group has taken relevant measures including commencing litigation against certain debtors and has applied to court for seizure of assets from the debtors for cases where judgment was obtained in favour of the Group.

Income tax expense/(credit)

Income tax expense amounted to RMB8,000 for the Period (Previous Period: income tax credit of RMB17,000).

Profit/(loss) for the period attributable to the owners of the Company

As a result of the foregoing, the Group recorded profit for the period attributable to the owners of the Company of RMB6.6 million for the Period (Previous Period: RMB14.8 million).

INTERIM DIVIDEND

The Board did not declare the payment of an interim dividend for the Period (Previous Period: Nil).

EMPLOYMENT AND REMUNERATION POLICY

As at 30 June 2025, the total number of employees of the Group was 225 (31 December 2024: 274). Staff costs (including Directors' emoluments) amounted to RMB17.0 million for the Period (Previous Period: RMB17.7 million). Remuneration of the employees includes salary, discretionary bonuses and share options based on the Group's results and individual performance and the Group conducts regular performance reviews to assess the performance of the employees.

Retirement benefits schemes and in-house training programmes are made available to all levels of personnel. The employees of the Group's subsidiaries which operate in Mainland China are required to participate in a central pension scheme operated by the local municipal government. These subsidiaries are required to contribute a certain percentage of payroll costs to the central pension scheme.

Prepayments, deposits and other receivables

The following table sets forth the breakdown of the prepayments, deposits and other receivables at the dates indicated:

	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Audited)
Non-current		
Prepayments	**16,628**	16,871
Other receivables	**6,927**	1,153
	23,555	18,024
Current		
Prepayments	**142,669**	108,864
Deposit and other receivables, net	**94,780**	63,339
Refund from suppliers	**25,771**	23,445
	263,220	195,648
Total	**286,775**	213,672

The prepayments, deposits and other receivables increased by RMB73.1 million from RMB213.7 million as at 31 December 2024 to RMB286.8 million as at 30 June 2025 primarily due to the increase in (i) prepayment for procurement of travel-related products and services including air tickets, hotel accommodation, meal and tour guide by RMB34.2 million; and (ii) consideration receivables from disposal of property, plant and equipment by RMB28.8 million in relation to cloud and crypto machines.

Deposits and other receivables, net

The following table sets forth the breakdown of deposits and other receivables, net at the dates indicated:

	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Audited)
Non-current		
Deposit for property, plant and equipment	**6,927**	1,153
Current		
Deposits — procurement of air tickets	**31,471**	34,621
Deposits — others	**11,413**	8,812
Receivables from disposal of property, plant and equipment	**37,819**	9,011
Refund from suppliers in relation to contract dispute	**4,539**	731
Other receivables	**9,538**	7,204
Commission receivables	**–**	2,960
	94,780	63,339
	101,707	64,492

The Group's deposits and other receivables, net mainly represented (i) deposits for procurement of air tickets which were paid to airline operators, global distribution system service providers and ticketing agents; and (ii) consideration receivables from disposal of property, plant and equipment. The Group's other receivables mainly represented rental deposit and petty cash for the tour escorts and staff.

The increase in deposits and other receivables, net by RMB37.2 million from RMB64.5 million as at 31 December 2024 to RMB101.7 million as at 30 June 2025, primarily due to the increase in consideration receivables from disposal of property, plant and equipment by RMB28.8 million in relation to Metaverse platform and cloud storage services.

Prepayments

The following table sets forth the breakdown of the prepayments at the dates indicated:

	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Audited)
Non-current		
Investment projects	**9,410**	9,556
Wine	**7,218**	7,315
	16,628	16,871
Current		
Travel-related products and services		
— Air tickets	**49,227**	50,202
— Hotel accommodation, meal and tour guide	**70,960**	36,769
— Land and cruise operators	**5,906**	4,935
— Train ticket	**1,534**	1,559
	127,627	93,465
Investment projects	**8,208**	8,334
Research and development expenses	**2,891**	2,952
Health products and wine	**2,192**	2,226
Others	**1,751**	1,887
	142,669	108,864
	159,297	125,735

The Group's prepayments mainly represented prepayments for (i) procurement of air tickets for both of package tours and FIT Products which were required by the Group's air ticket suppliers; (ii) package tours to land operators, cruise holiday packages to cruise operators, hotel reservation, meal and other related expense for package tours and FIT Products that which had not departed as at the end of reporting period; and (iii) potential investment projects in relation to medical service and investment immigration.

The increase in prepayments by RMB33.6 million from RMB125.7 million as at 31 December 2024 to RMB159.3 million as at 30 June 2025 was mainly due to increase in procurement of travel-related products and services including air tickets and hotel accommodation, meal and tour guide by RMB33.2 million as a result of increase in demand for package tours and FIT Products.

Refund from suppliers

Refund from suppliers mainly represented prepayments and deposits made which were reclassified to refund from suppliers as such amount would not be used for future procurement from respective air ticket suppliers, land and cruise operators and other suppliers and refundable to the Group.

The Group recorded refund from air ticket suppliers, land and cruise operators and other suppliers of RMB23.4 million and RMB25.8 million as at 31 December 2024 and 30 June 2025, respectively, which remained relatively stable.

Impairment assessment

The Group performed recoverability assessment on prepayment, deposits and other receivables, including but not limited to information about the strength of the suppliers to make the refund or honour the settlement obligations, under the expected credit loss model upon application of HKFRS 9, provision for impairment loss of RMB7.6 million (Previous Period: RMB17.9 million) was recognised for the Period. The decrease of provision for impairment loss during the Period mainly attributed to the decrease in other receivables in relation to the compensation income from Ningbo Zhenhang, Zhejiang Feijiada and Hainan Zhenlv as a result of failure to fulfill the net profit requirement.

For details of the non-fulfilment and the termination agreement entered into with respect to its interest in the Target Group, please refer to the announcement of the Company dated 11 November 2024 and 20 February 2025, the circular of the Company dated 24 February 2025 and the section headed “Disposal of Subsidiaries” in this report.

LIQUIDITY AND FINANCIAL REVIEW

As at 30 June 2025, the Group’s current assets and current liabilities were RMB480.7 million and RMB472.5 million (31 December 2024: RMB337.4 million and RMB350.5 million), respectively, of which the Group maintained cash and bank balances of RMB70.5 million (31 December 2024: RMB36.7 million) and pledged short-term deposits of RMB42,000 (31 December 2024: RMB3.0 million). As at 30 June 2025, the Group’s current ratio was 1.0 times (31 December 2024: 1.0 times).

The Group’s outstanding borrowings as at 30 June 2025 represented bank and other borrowings of RMB245.2 million (31 December 2024: RMB197.5 million) which bore fixed interest rates and denominated in RMB. As at 30 June 2025, all bank and other borrowings are repayable on demand or within one year.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. Net debt includes interest-bearing bank and other borrowings, lease liabilities, trade payables and contract liabilities, other payables and accruals, less cash and cash equivalents and pledged deposits. Total capital represents equity attributable to the owners of the Company. The gearing ratios as at 30 June 2025 and 31 December 2024 were as follows:

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Interest-bearing bank and other borrowings	**245,183**	197,460
Lease liabilities	**8,038**	9,244
Trade payables	**119,686**	33,816
Contract liabilities, other payables and accruals	**97,544**	107,704
Less: Cash and cash equivalents	**(70,505)**	(36,688)
Pledged deposits	**(42)**	(3,042)
Net debt	**399,904**	308,494
Equity attributable to owners of the Company	**64,851**	58,636
Total capital and net debt	**464,755**	367,130
Gearing ratio	**86%**	84%

The average turnover days of trade receivables were 39.3 days and 80.7 days for the Period and the Previous Period, respectively. The decrease in average turnover days of trade receivables during the Period was mainly due to quicker settlement by debtors. The average turnover days of trade payables for the Period increased to 28.7 days (Previous Period: 3.1 days) as the Group settled the trade payables balance more slowly.

The Group adopts conservative treasury policies in cash and financial management. Cash is generally placed in current deposits mostly denominated in RMB and Hong Kong dollars. The Group's liquidity and financing requirements are reviewed regularly.

During the Period, the Group's primary source of funding included, cash generated from operation and the credit facilities granted by banks in the PRC. The Directors believe that the Group's current cash and bank balances, together with the unutilised banking facilities available, fund raising activities and the expected cash flow from operations, will be sufficient to satisfy its current operational and working capital requirements.

CAPITAL STRUCTURE

Save for the share subscription as disclosed in the section headed "Fund Raising Activities" in this report, there is no material change in the capital structure of the Company during the Period and up to the date of this report. The capital of the Company comprises only ordinary shares.

FOREIGN EXCHANGE RISK MANAGEMENT

Most of the Group's sales, procurements and operating costs are denominated in RMB, except for certain air tickets from international airline operators which were mainly denominated and settled in HK$ and such foreign currency transactions and exposure were not material to our total cost of air tickets as a whole. During the Period, the Group had not entered into any hedging transactions to reduce the exposure to foreign exchange risk, which the Directors consider not material to our Group's financial performance. However, the Group will continue to closely monitor all possible exchange risk arising from the Group's existing operations and new investments in the future and will implement the necessary hedging arrangement(s) to mitigate any significant foreign exchange exposure.

CHARGE ON ASSETS

As at 30 June 2025 and 31 December 2024, the Group's bank loans were secured by:

(i) mortgages over the Group's investment properties situated in the PRC, which had an aggregate net carrying value of RMB6.6 million as at 30 June 2025 (31 December 2024: RMB6.6 million); and

(ii) no pledge of the Group's trade receivables as at 30 June 2025 (31 December 2024: RMB3.5 million).

As at 30 June 2025, the Controlling Shareholders jointly guaranteed certain of the Group's banking facilities of up to RMB256.4 million (31 December 2024: RMB207.5 million).

Mr. Zhang Dayi, the director of certain subsidiaries of the Company, and Ms. Zhang Xiaoshan, the spouse of Mr. Zhang Dayi, had jointly guaranteed certain of the Group's banking facilities of up to RMB10.0 million as at 30 June 2025 (31 December 2024: RMB49.0 million).

CAPITAL COMMITMENTS

As at 30 June 2025, the Group had capital commitments for acquisition for investment projects and wines amounting to RMB45.0 million (31 December 2024: RMB45.7 million), and RMB6.8 million (31 December 2024: RMB6.9 million) respectively.

INVESTMENT PROPERTIES

The Group's investment properties contain offices in Mainland China and are leased to third parties under operating leases for rental income. As at 30 June 2025, the Group's investment properties amounted to RMB6.6 million (31 December 2024: RMB6.6 million) and were revalued based on valuations performed by an independent professionally qualified valuer.

INVESTMENT IN ASSOCIATES

As at 31 December 2024, the Group's investments in associates primarily represented by its interests in (i) Xinjiang Culture and Tourism Tianhe Aviation Services Co., Ltd* ("**XJ Culture & Tourism**") (新疆文旅天和航空服務有限公司), which is principally engaged in the provision of travel related services in Xinjiang, the PRC, and (ii) Anhui Feiyang Aviation Operations Development Co., Ltd* (安徽飛揚航空運營發展有限公司), which is principally engaged in the provision of airport operation related services. During the Period, the Group disposed the entire equity interest in XJ Culture & Tourism, which ceased to be an associate of the Company since then. During the Period, the Group recorded share of losses of associates of RMB54,000 (Previous Period: RMB0.2 million).

DISPOSAL OF SUBSIDIARIES

On 10 October 2022 (after trading hours), Feiyang International, Ningbo Zhenhang, the Target Group, Liu Rong (劉榮) and Xia Guofeng (夏國峰) entered into an equity transfer agreement (the "**Original Agreement**"), pursuant to which Feiyang International acquired 60% equity interest in Zhejiang Feijiada (the "**Sale Shares**") from Ningbo Zhenhang at the consideration of RMB90,720,000. The transactions contemplated under the Original Agreement was completed on 15 October 2022. For further details of the acquisition of the Sale Shares under the Original Agreement, please refer to the Company's announcements dated 10 October 2022 and 6 January 2023.

Pursuant to the Original Agreement, Ningbo Zhenhang and the Target Group guaranteed to Feiyang International that during the three years from 15 October 2022, the net profit of the Target Group shall not be less than RMB50,400,000 for each year (the "**Annual Guarantee Profit**") and RMB4,200,000 for each month (the "**Monthly Guarantee Profit**", together with the Annual Guarantee Profit, the "**Guarantee Profit**"). If the actual net profit of the Target Group for the Annual Guarantee Profit or the Monthly Guarantee Profit falls short of the Guarantee Profit and Ningbo Zhenhang makes up for the shortfall, Feiyang International shall pay the consideration for the relevant period according to the Agreement. If Ningbo Zhenhang does not make up for the shortfall fully, the consideration payable for the relevant period(s) shall be adjusted downward proportionately. Moreover, the Group has the unilateral right to terminate the Original Agreement if the Target Group (i) fails to meet sustainable expectations; (ii) records net losses for two consecutive months; or (iii) fails to meet the Monthly Guarantee Profit for three times or more in a year. As the business performance of the Target Group did not meet the expectation of the Group in 2024 and the Target Group had recorded net losses for a prolonged period since May 2024, Feiyang International and Ningbo Zhenhang, among others, entered into a conditional equity transfer agreement on 19 November 2024 (the "**Termination Agreement**"). Pursuant to the Termination Agreement, Feiyang International has conditionally agreed to sell, and Ningbo Zhenhang has conditionally agreed to purchase the Sale Shares as the consideration of RMB22,680,000, and Feiyang International shall return RMB22,680,000 to Zhejiang Feijiada, being the total amount of dividend distributed by Zhejiang Feijiada to Feiyang International.

For further details, please refer to the announcements of the Company dated 19 November 2024 and 20 February 2025 and the circular of the Company dated 24 February 2025.

On 20 March 2025, the Company obtained the approval of the shareholders at the extraordinary general meeting for the disposal of the Sale Shares (the "**Disposal**"), and all conditions precedent as set out under the Termination Agreement have been met. The Disposal was completed on 2 April 2025. As a result of the completion of the Disposal, the Group has ceased to have any equity interest in Zhejiang Feijiada, and Zhejiang Feijiada has ceased to be a subsidiary of the Company and its financial results including its profit or loss has not been consolidated into the financial statements of the Group. As the amount of the consideration equals to the amount of dividend required to be returned to the Target Company pursuant to the Termination Agreement, no net proceeds were generated from the Disposal. Loss of disposal subsidiaries of RMB4.8 million was recognised during the Period.

SIGNIFICANT INVESTMENTS, ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES, AND FUTURE PLANS FOR MATERIAL INVESTMENTS OR ADDITIONS OF CAPITAL ASSETS

As at 30 June 2025 and 31 December 2024, the Group did not hold any significant investment, with a value of over 5% of the total assets of the Group.

Save as disclosed in this report, as at 30 June 2024, there were no other significant investments, material acquisitions and disposals by the Company during the Period, nor there was any other future plans for material investments or additions of capital assets at the date of this report.

FUND RAISING ACTIVITIES

On 29 July 2025, the Company entered into separate subscription agreements (the "**Subscription Agreements**") with six subscribers (the "**Subscribers**"), namely Luo Honglin, Yang Dongsheng, Gu Shiyi, Gao Li, Li Jieming and Ruan Yuehua, pursuant to which the Subscribers have conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue, an aggregate of 166,400,000 new shares ("**Subscription Share(s)**"), at the subscription price of approximately HK$0.201 per Subscription Share (the "**Subscriptions**"), which represents: (i) a discount of approximately 19.6% over the closing price of HK$0.250 per Share as quoted on the Stock Exchange on the date of the Subscription Agreements; (ii) a discount of approximately 17.3% over the average closing price of approximately HK$0.243 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the date of the Subscription Agreements; and (iii) a discount of approximately 16.3% over the average closing price of approximately HK$0.240 per Share as quoted on the Stock Exchange for the last ten consecutive trading days up to and including the date of the Subscription Agreements. On 25 August 2025, the Subscription Shares were allotted and issued pursuant to the general mandate granted to the Directors by the Shareholders pursuant to the resolutions in writing passed on 30 June 2025 to allot, issue or deal with up to 20% of the total number of Shares as at the date of the annual general meeting of the Company dated 30 June 2025. The Directors consider that the Subscriptions can strengthen the financial position and broaden the capital base of the Company, which provide extra funding to the Group to pursue future business development opportunities.

The gross proceeds and net proceeds from the issue of the Subscription Shares are approximately HK$33.4 million and HK$32.8 million, respectively. The net issue price is approximately HK$0.197 per Subscription Share. The Company intends to use such net proceeds from the Placing in the following manner:

(i) approximately 50% or approximately HK$16.4 million of the net proceeds from the Subscription will be used for the development and operation of the digital asset business, of which (a) approximately HK$12 million is expected to used for the marketing and promotion of the digital asset business and the business development on third party trading platforms and (b) approximately HK$4.4 million is expected to be used for the recruitment of experienced professionals and their training; and

(ii) the remaining 50% of net proceeds from the Subscriptions of approximately HK$16.4 million is expected to be applied for the Group's general working capital, of which (a) 50% will be allocated to the payment of daily operating expenses and (b) the remaining 50% to the payment of staff cost.

Since the Subscription completed after 30 June 2025, the Company had not applied any proceeds for any purpose as at 30 June 2025.

For further details, please refer to the announcements of the Company dated 29 July 2025, 12 August 2025 and 25 August 2025.

CONTINGENT LIABILITIES

As at 30 June 2025 and 31 December 2024, the Group did not have any significant contingent liabilities.

SUBSEQUENT EVENTS

On 9 September 2025, Feiyang Traveler Travel Industry Co., Ltd.* (飛揚旅行家旅業有限公司) ("**Feiyang Traveler**"), a wholly-owned subsidiary of the Company, entered into a memorandum of cooperation with Conflux Hong Kong Management Limited ("**Conflux**") regarding the potential cooperation in the field of digitalisation of global cultural tourism assets, including but not limited to (i) jointly establish Conflux blockchain based digital platform for cultural tourism assets, facilitating the on-chain registration and rights confirmation of assets such as scenic area operating rights and hotel property interests; (ii) introduce compliant stablecoins as payment and settlement tools within cultural tourism transaction scenarios, and jointly build a regulatory compliance framework; and (iii) leverage the resources of Feiyang Traveler and Conflux to promote cultural tourism digital assets and blockchain application achievements in the international market. Up to the date of this report, no formal agreement has been entered into as the parties are still under negotiations. For further details, please refer to the announcement of the Company dated 9 September 2025.

On 10 September 2025, Zhejiang Feiyang International Travel Group Co., Ltd.* (浙江飛揚國際旅遊集團股份有限公司), a wholly-owned subsidiary of the Company, and Qingdao Cultural Assets and Equity Exchange entered into a strategic cooperation framework agreement regarding the potential cooperation in the field of cultural tourism asset digitalisation, including but not limited to (i) co-establishing a digital trading platform for tourism assets and exploring compliant and efficient mechanisms for the circulation of cultural tourism digital assets; (ii) jointly engaging in the digital development of cultural tourism resources and IP incubation to foster new cultural tourism consumption scenarios; (iii) collaborating on research on the application of digital technologies in the notarisation and transaction of cultural tourism assets; and (iv) exploring innovative business models such as digital asset trading in Hong Kong and overseas markets. Up to the date of this report, no legally binding agreement has been entered into as the parties are still under negotiations. For further details, please refer to the announcement of the Company dated 10 September 2025.

Save as disclosed in this report, there was no other significant event occurred after the end of the Period.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2025, the interests and short positions of the Directors and chief executive of the Company in the Shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "**SFO**")), as recorded in the register required to be kept by the Company under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for the Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Listing Rules, were as follows:

(a) Long Positions in ordinary shares of the Company

Interests in Shares of the Company

Name of Director	Nature of interest and capacity	Number of Shares held/ interested	Approximate percentage of shareholding
Mr. He Binfeng ("**Mr. He**") *(Note 1)*	Beneficial owner, interest in controlled corporation and interest of spouse	328,954,700	39.5378%
Mr. Shen Yang *(Note 2)*	Beneficial owner	2,370,000	0.2849%
Mr. Wu Bin ("**Mr. Wu**") *(Note 3)*	Interest in controlled corporation	3,468,000	0.4168%

Notes:

(1) Mr. He (i) directly owned 10,436,000 Shares or approximately 1.2543% of the issued share capital of the Company; (ii) directly owned 100% of each of HHR Group, Michael Group, KVN Holdings and DY Holdings, which in aggregate held 288,654,700 Shares or approximately 34.6941% of the issued share capital of the Company; and (iii) was deemed to own 29,864,000 Shares or approximately 3.5894% of the issued share capital of the Company owned by Ms. Qian Jie ("**Ms. Qian**"), spouse of Mr. He.

(2) Mr. Shen Yang resigned as a non-executive Director with effect from 29 August 2025.

(3) Mr. Wu directly owned 100% of WB Holdings which held 3,468,000 Shares or approximately 0.4168% of the issued share capital of the Company.

(b) Long Positions in the associated corporations of the Company

Name of Director	Name of associated corporation	Nature of interest and capacity	Number of shares held/ interested	Approximate percentage of shareholding/ equity interest
Mr. He *(Notes 1 and 2)*	Zhejiang Feiyang International Travel Group Co., Ltd.* (浙江飛揚國際旅遊集團股份有限公司) ("**Feiyang International**")	Beneficial owner; interest in controlled corporation; interest of spouse	44,440,000	95.2830%
	Zhejiang Feiyang Lianchuang Travel Co., Ltd.* (浙江飛揚聯創旅遊有限公司) ("**Feiyang Lianchuang**")	Interest in controlled corporation; interest of spouse	– *(Note 2)*	95.2830%
	Ningbo Qihang Airplane Ticketing Co., Ltd.* (寧波啟航航空票務有限公司) ("**Ningbo Qihang**")	Interest in controlled corporation; interest of spouse	– *(Note 2)*	95.2830%
	Zhejiang Feiyang Commercial Management Co., Ltd.* (浙江飛揚商務管理有限公司) ("**Zhejiang Feiyang Commercial**")	Interest in controlled corporation; interest of spouse	– *(Note 2)*	95.2830%
Mr. Wu *(Notes 2 and 3)*	Feiyang International	Beneficial owner	440,000	0.9434%
	Feiyang Lianchuang	Interest in controlled corporation	– *(Note 2)*	0.9434%
	Ningbo Qihang	Interest in controlled corporation	– *(Note 2)*	0.9434%
	Zhejiang Feiyang Commercial	Interest in controlled corporation	– *(Note 2)*	0.9434%

Notes:

(1) Feiyang International is directly owned as to 17.9245% by Mr. He, 1.8868% by Ms. Qian and 75.4717% by Feiyang Management, which is in turn held as to 91.7328% by Mr. He and 8.2672% by Ms. Qian. Mr. He and Ms. Qian are parties acting in concert.

(2) Each of Feiyang Lianchuang, Zhejiang Feiyang Commercial and Ningbo Qihang is a limited liability company established in the PRC and a wholly-owned subsidiary of Feiyang International.

(3) Feiyang International is directly owned as to 0.9434% by Mr. Wu.

Save as disclosed above, as at 30 June 2025, none of the Directors nor chief executive of the Company had registered an interest or short position in the Shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which had been recorded in the register kept by the Company pursuant to Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in the paragraph headed "Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures" above and in the paragraph headed "Share Option Scheme" below, at no time during the Period were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any Director or their respective spouses or minor children, or were any such rights exercised by them; or was the Company, its holding company, or any of its subsidiaries or fellow subsidiaries a party to any arrangement to enable the Directors to acquire such rights in any other body corporate.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

So far as is known to the Directors and the chief executive of the Company, as at 30 June 2025, the following persons (other than a Director or chief executive of the Company) had, or were deemed to have, interests or short positions in the Shares or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or as otherwise recorded in the register required to be kept under section 336 of the SFO:

Long Positions in ordinary shares of the Company:

Long Position in the Shares

Name of Substantial Shareholder	Nature of interest and capacity	Number of Shares held/interested	Approximate percentage of shareholding
Mr. He *(Notes 1)*	Beneficial owner, interest in controlled corporation and interest of spouse	328,954,700	39.5378%
Ms. Qian *(Note 2)*	Interest in controlled corporation; interest of spouse	328,954,700	39.5378%
HHR Group *(Note 1)*	Beneficial owner, interest held jointly with another person	328,574,700	39.4922%
Michael Group *(Note 1)*	Beneficial owner, interest held jointly with another person	328,574,700	39.4922%
KVN Holdings *(Note 1)*	Beneficial owner, interest held jointly with another person	328,574,700	39.4922%
DY Holdings *(Note 1)*	Beneficial owner, interest held jointly with another person	328,574,700	39.4922%
QJ Holdings *(Note 2)*	Beneficial owner, interest held jointly with another person	328,574,700	39.4922%

Notes:

(1) Mr. He (i) directly owned 10,436,000 Shares or approximately 1.2543% of the issued share capital of the Company; (ii) directly owned 100% of each of HHR Group, Michael Group, KVN Holdings and DY Holdings, which in aggregate held 288,654,700 Shares or approximately 34.6941% of the issued share capital of the Company; and (iii) was deemed to own 29,864,000 Shares or approximately 3.5894% of the issued share capital of the Company owned by Ms. Qian, spouse of Mr. He.

(2) Ms. Qian (i) directly owned 100% of QJ Holdings, which held 29,864,000 Shares or approximately 3.5894% of the issued share capital of the Company; and (ii) was deemed to own 299,090,700 Shares or approximately 35.9484% of the issued share capital of the Company owned by Mr. He, spouse of Ms. Qian.

As at 30 June 2025, so far as is known to the Directors, other than the Company, no other persons were interested in 10% or more of any class of share capital carrying rights to vote in all circumstances at general meetings of any of the subsidiaries.

Save as disclosed above, as at 30 June 2025, the Company had not been notified by any persons (other than Directors or chief executives of the Company) who had interests or short positions in the Shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

SHARE OPTION SCHEME

The Company had a share option scheme (the "**Share Option Scheme**"), which was approved and adopted by the shareholders of the Company by way of written resolutions passed on 11 June 2019, the details of which are set out in the prospectus of the Company dated 18 June 2019. Subsequent to the end of the reporting period, the Share Option Scheme was terminated on 14 July 2025 upon the adoption of a new share option scheme (the "**New Share Option Scheme**") approved by the shareholders of the Company at the extraordinary general meeting of the Company held on 30 June 2025. The purposes of the New Share Option Scheme are to enable the Company to grant options to the eligible participants as incentives or rewards for their contribution or potential contribution to the growth and development of the Group and/or to enable the Group to attract and retain the best quality personnel for the development of the Group's businesses, the details of which are set out in the announcement of the Company dated 13 June 2025 and the circular of the Company dated 16 June 2025.

The details of movement in the options granted during the Period are as follows:

Name or category of participant	At 1 January 2025	Granted	Exercised	Forfeited	Expired	At 30 June 2025	Exercise period of share options	Exercise price of share options HK$	Date of grant of share options	Closing price of the Shares immediately before the date of grant of share options HK$
Directors, chief executive, substantial shareholders and/or their respective associates										
Huang Yu	6,400,000	–	–	–	–	6,400,000	8 October 2024 to 10 June 2029	0.1	8 October 2024	0.11
Employees (other than Directors)										
In aggregate	43,600,000	–	–	–	–	43,600,000	8 October 2024 to 10 June 2029	0.1	8 October 2024	0.11
Total	50,000,000	–	–	–	–	50,000,000				

Notes:

1. The grantees shall have to meet the performance target set by the Company with reference to the current circumstances of the Group (the "**Performance Target**"). The Board will determine whether the grantees meet the individual Performance Target.

2. The share options shall be vested on the day of fulfillment of the Performance Target by the grantees to be appraised and confirmed by the Board. For further details on the Performance Target, please refer to the announcements of the Company dated 8 October 2024 and 21 November 2024.

3. These fair values were calculated using the Binomial model. The inputs into the model were as follows:

	Share options granted on 8 October 2024
Weighted average share price	HK$0.098
Exercise price	HK$0.1
Expected volatility	63.46%
Expected life	4.67
Risk-free rate	2.884%
Expected dividend yield	0.00%

4. The fair value of the share options granted was estimated using the Binomial Option Pricing Model, of which the Group recognised share option expenses of RMB386,000 (six months ended 30 June 2024: Nil) during the Period. The fair value of an option varies with different variables of certain subjective assumptions. Any change to the variables used may materially affect the estimation of the fair value of an option.

5. Share options which are cancelled/lapsed/forfeited prior to their exercise date will be removed from the Company's register of outstanding share options. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in the share option reserve will be transferred to retained profits/accumulated losses as a movement in reserves.

6. Save as disclosed above, to the best knowledge, information and belief of the Directors, having made all reasonable enquiries, (i) none of the other grantees is a Director, chief executive or substantial shareholder of the Company, or any of their respective associates (as defined in the Listing Rules) of any of them; (ii) none of the grantees is a participant with share options granted and to be granted exceeding the 1% individual limit under the Listing Rules; or (iii) none of the grantees is a related entity participant or a service provider (as defined under the Listing Rules) of the Company. As at the date of this report, the grant of the share options will not result in the share options granted and to be granted to each of the grantees in the 12-month period up to and including the date of grant exceeding 1% of the Shares in issue.

As at 30 June 2025, there were 50,000,000 share options outstanding under the Share Option Scheme. There were no options available for grant according to the existing scheme mandate limit under the Share Option Scheme as at 1 January 2025 and 30 June 2025. The outstanding share options granted under the Share Option Scheme remain valid and exercisable in accordance with their terms after adoption of the New Share Option Scheme. During the Period, no option has been exercised, lapsed or cancelled. Subsequent to the end of the reporting period, on 25 July 2025, the Company granted 83,200,000 share options in aggregate to 10 employees, who are eligible participants as defined in the rules of the New Share Option Scheme. At the date of this report, the Company had utilised all of the existing scheme mandate limit under the New Share Option Scheme and had 50,000,000 share options outstanding under the Share Option Scheme and 83,200,000 share options outstanding under the New Share Option Scheme, which in aggregate represented approximately 13.34% of the issued Shares in issue as at the date of this report.

The Company shall be entitled to issue options, provided that the total number of shares which may be issued upon exercise of all options to be granted under the New Share Option Scheme does not exceed 10% of the shares in issue from the date of the adoption of the New Share Option Scheme. The Company may at any time refresh such limit, subject to the shareholders' approval and issue of a circular in compliance with the Listing Rules. An option may be exercised in accordance with the terms of the New Share Option Scheme at any time during a period as the Board may determine which shall not exceed ten years from the date of grant subject to the provisions of early termination thereof.

AUDIT COMMITTEE

As at the date of this report, the Audit Committee has three members comprising three independent non-executive Directors, namely Ms. Zhao Caihong (Chairlady), Mr. Li Huamin and Ms. Yuan Shaoying. None of them are members of the former or existing auditors of the Company. The Board considers that the Audit Committee has extensive commercial experience in business, financial and legal matters. The primary duties of the Audit Committee include, among other matters, to review and monitor financial reporting and the judgment contained therein; to review financial and internal controls, accounting policies and practices with management and external auditors; and to review the Company's compliance with the Corporate Governance Code (the "**CG Code**") contained in Appendix C1 to the Listing Rules.

The Audit Committee has reviewed and discussed with the management the accounting principles and practices adopted by the Group and auditing, internal controls and financial reporting matters, and the Company's policies and practices on corporate governance. The Audit Committee has also reviewed and discussed with the management the unaudited condensed consolidated interim financial statements of the Group for the six months ended 30 June 2025.

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

The Board and the management of the Group are committed to maintaining a high standard of corporate governance which is reviewed and strengthened from time to time. The Company's corporate governance practices are based on principles and code provisions as set out in the CG Code and Corporate Governance Report contained in Appendix C1 to the Listing Rules. Except for the deviation from provision C.2.1 of the CG Code, the Company's corporate governance practices have complied with the CG Code during the Period.

Provision C.2.1 of the CG Code stipulates that the role of chairman and chief executive officer should be separated and should not be performed by the same individual. Mr. He is the chairman and the joint chief executive officer of the Company. Since Mr. He has been operating and managing Feiyang International, the main operating subsidiary of the Company since its establishment and due to his familiarity with the operations of the Group, the Board is of the view that it is in the best interest of the Group to have Mr. He taking up both roles for effective management and business development of the Group following the Listing and Mr. He will provide a strong and consistent leadership to the Group. This arrangement ensures a more effective and efficient overall strategic planning of the Group as this structure enables the Company to make and implement decisions promptly and effectively. Further, the Company has put in place an appropriate check-and-balance mechanism through the Board and three independent non-executive Directors. The independent non-executive Directors are able to retain independence of character and judgment and are able to express their views without any constraint. In addition, the Board also consists of five other executive Directors who are familiar with the day-to-day business of the Company. The Company will consult the Board for any major decisions. Therefore, the Board considers that the balance of power and authority of the present arrangement with the Board and the independent non-executive Directors will not be impaired because such arrangement would not result in excessive concentration of power in one individual which could adversely affect the interest of minority Shareholders. As such, the deviation from provision C.2.1 of the CG Code is appropriate in such circumstance. The Board will continue to review and consider splitting the roles of the chairman of the Board and the joint chief executive officer of the Company at a time when it is appropriate and suitable by taking into account the circumstances of the Group as a whole.

OTHER INFORMATION

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code as its own code of conduct regarding securities transactions by the Directors. All Directors have confirmed, following specific enquiry by the Company, that they have complied with the required standard set out in the Model Code during the Period.

COMPLIANCE WITH THE CONTRACTUAL ARRANGEMENTS

During the Period, the Group has complied with the contractual arrangements as disclosed in the section headed "Contractual Arrangements" in the Prospectus (the "**Contractual Arrangements**") and the Foreign Investment Law of the PRC (《中華人民共和國外商投資法》) ("**FIL**") and its accompanying explanatory notes. The Group will continue to monitor the latest development of the FIL and its accompanying explanatory notes and provide timely updates of the latest regulatory development.

During the Period, there is no material change regarding the Structured Contracts and the Contractual Arrangements.

According to the Provisions on the Administration of Foreign-funded Telecommunications Enterprises (2016 Revision) (《外商投資電信企業管理規定(2016修訂)》), foreign investors are not allowed to hold more than 50% of the equity interests in a company providing value-added telecommunications services. In addition, a foreign investor who invests in a value-added telecommunications business in the PRC must possess prior experience in operating value-added telecommunications businesses and a proven track record of business operations overseas (the "**Qualification Requirements**").

Efforts and Actions Undertaken to Comply with the Qualification Requirements

The Group has committed and will continue to commit financial and other resources and implement all necessary steps to meet the Qualification Requirements, for instance:

(i) Feiyang HK Group Limited ("**Feiyang HK**") was incorporated in Hong Kong in November 2018 for the purposes of establishing and expanding the Group's operations in Hong Kong;

(ii) the Group has applied for the registration of a number of trademarks in Hong Kong and have successfully registered a number of them;

(iii) Feiyang HK has applied for a number of domain names and intends to set up a website primarily for introducing and promoting our business in Hong Kong;

(iv) the Group has been conducting market research on the tourism industry in Hong Kong and liaising with various advisers for establishment of travel agency operations in Hong Kong; and

(v) Feiyang HK obtained the Travel Agents Licence in Hong Kong in August 2023 for the purposes of establishing the Group's travel agency operations in Hong Kong.

CONTINUING DISCLOSURE OBLIGATIONS PURSUANT TO THE LISTING RULES

Save as disclosed in this interim report, the Company does not have any other disclosure obligations under Rules 13.20, 13.21 and 13.22 of the Listing Rules.

CHANGES IN DIRECTORS' INFORMATION

Mr. Shen Yang had resigned as a non-executive Director with effect from 29 August 2025, and Mr. Li Jieming had been appointed as an executive Director and a joint chief executive officer of the Company with effect from 29 August 2025. For further details, please refer to the announcements of the Company dated 29 August 2025 and 4 September 2025.

Save for the information disclosed in this interim report, there is no other information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

OTHER INFORMATION

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities (including sale of treasury shares) during the Period. As of 30 June 2025, the Company did not own any treasury shares.

FORWARD LOOKING STATEMENTS

This report contains forward looking statements with respect to the financial conditions, results of operations and business of the Group. These forward looking statements represent the Company's expectations or beliefs concerning future events and involve known and unknown risks and uncertainty that could cause actual results, performance or events to differ materially from those expressed or implied in such statements.

APPRECIATION

The Group's continued success depends on all its staff's commitment, dedication and professionalism. The Board would like to thank every member of staff for their diligence and dedication and to express its sincere appreciation to our shareholders, clients and suppliers for their continuous and valuable support.

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

Ningbo, the PRC, 26 August 2025

* *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.*

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