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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)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2026

FINANCIAL HIGHLIGHTS

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Revenue	**410,461**	511,201
Gross profit	**26,169**	27,310
Profit for the Period	**6,614**	6,161

- Revenue for the Period decreased by RMB100.7 million or 19.7% as compared to the Previous Period mainly due to decrease in sales of travel related products and services.

- Gross profit for the Period decreased by RMB1.1 million or 4.18% as compared to the Previous Period as a result of the decrease in revenue.

- Net profit for the Period amounted to RMB6.6 million as compared to RMB6.2 million for the Previous Period.

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 2026 (the "**Period**"), together with the comparative figures for the corresponding period of 2025, as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2026

		Six months ended 30 June	
		2026	2025
	Notes	***RMB'000***	*RMB'000*
		(Unaudited)	(Unaudited)
REVENUE	*5*	**410,461**	511,201
Cost of sales		**(384,292)**	(483,891)
Gross profit		**26,169**	27,310
Other income and gains	*5*	**1,419**	27,688
Selling and distribution expenses		**(18,583)**	(14,667)
Administrative expenses		**(13,841)**	(12,979)
Impairment on financial assets reversed/ (recognised)		**16,850**	(7,780)
Other expenses		**(632)**	(8,718)
Share of losses of associates		**(1,300)**	(54)
Finance costs	*6*	**(3,434)**	(4,631)
PROFIT BEFORE INCOME TAX	*7*	**6,648**	6,169
Income tax expense	*8*	**(34)**	(8)
PROFIT FOR THE PERIOD		**6,614**	6,161
OTHER COMPREHENSIVE LOSS			
Item that will not be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of financial statements		**(7,390)**	(828)
OTHER COMPREHENSIVE LOSS FOR THE PERIOD		**(7,390)**	(828)
TOTAL COMPREHENSIVE (LOSS)/ INCOME FOR THE PERIOD		**(776)**	5,333

		Six months ended 30 June	
		2026	2025
		RMB'000	*RMB'000*
		(Unaudited)	(Unaudited)
PROFIT/(LOSS) FOR THE PERIOD ATTRIBUTABLE TO:			
Owners of the Company		**6,641**	6,627
Non-controlling interests		**(27)**	(466)
		6,614	6,161
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD ATTRIBUTABLE TO:			
Owners of the Company		**(749)**	5,829
Non-controlling interests		**(27)**	(496)
		(776)	5,333

		Six months ended 30 June	
		2026	2025
	Note	***RMB cent***	*RMB cent*
		(Unaudited)	(Unaudited)
EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY	*9*		
Basic		**0.67**	0.80
Diluted		**N/A**	N/A

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2026

	Notes	**As at 30 June 2026** ***RMB'000*** **(Unaudited)**	As at 31 December 2025 *RMB'000* (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment		**4,519**	5,473
Investment properties		**6,548**	6,548
Right-of-use assets		**2,935**	4,181
Intangible assets		**–**	520
Investments in associates		**1,415**	1,295
Investments in joint ventures		**433**	450
Prepayments, deposits and other receivables		**17,956**	30,719
		33,806	49,186
CURRENT ASSETS			
Inventories		**11,620**	6,626
Trade receivables	*11*	**66,492**	64,049
Prepayments, deposits and other receivables		**279,511**	260,539
Amount due from related parties		**6,129**	5,792
Financial assets at fair value through profit or loss		**5**	369
Pledged deposits		**33,367**	33,242
Cash and cash equivalents		**35,505**	37,389
		432,629	408,006
CURRENT LIABILITIES			
Trade payables	*12*	**31,329**	30,052
Contract liabilities, other payables and accruals		**183,247**	150,494
Interest-bearing bank and other borrowings		**195,530**	218,915
Lease liabilities		**2,667**	3,054
Tax payables		**5,961**	6,194
		418,734	408,709
NET CURRENT ASSETS/(LIABILITIES)		**13,895**	(703)
TOTAL ASSETS LESS CURRENT LIABILITIES		**47,701**	48,483

	As at 30 June 2026 *RMB'000* (Unaudited)	As at 31 December 2025 *RMB'000* (Audited)
NON-CURRENT LIABILITIES		
Lease liabilities	**952**	2,176
	952	2,176
Net assets	**46,749**	46,307
EQUITY		
Share capital	**8,660**	8,660
Reserves	**36,278**	35,809
Equity attributable to owners of the Company	**44,938**	44,469
Non-controlling interests	**1,811**	1,838
Total equity	**46,749**	46,307

NOTES

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 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 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 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 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 2025. The accounting policies adopted in the preparation of these condensed consolidated interim financial statements follow those applied in the preparation of the Group's annual financial statements for the year ended 31 December 2025, except for the accounting policy changes that are reflected in the Group's annual financial statements for the year ending 31 December 2026. Details of any changes in accounting policy changes and disclosures are set out in Note 3.

Going concern basis

As at 30 June 2026, the Group had interest-bearing bank and other borrowing amounted to approximately RMB195,530,000 was included in current liabilities. Nevertheless, the Group had cash and cash equivalents amounted to approximately RMB35,505,000 as at 30 June 2026, 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 2026. 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 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 2025, except for the adoption of the following amendments to HKFRS Accounting Standards for the first time for the current period's financial information.

HKFRS 9 and HKFRS 7 (Amendments)	Classification and Measurement of Financial Instruments
HKFRS 9 and HKFRS 7 (Amendments)	Contracts Referencing Nature-dependent Electricity
Annual Improvements to HKFRS Accounting Standards — Volume 11	Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7

The Directors anticipate that the application of the above amendments to HKFRS Accounting Standards have no material impact on the 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 2026	Revenue from external customers Six months ended 30 June 2025	**Non-current assets As at 30 June 2026**	Non-current assets As at 31 December 2025
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Audited)
Mainland China	**410,461**	511,201	**13,780**	15,565
Hong Kong	**–**	–	**2,070**	2,902
	410,461	511,201	**15,850**	18,467

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 2026 and 30 June 2025.

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	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Revenue from contracts with customers *(Note (a))*	**410,461**	511,201

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Other income		
Bank interest income	**230**	35
Government grants *(Note (b))*	**–**	72
Compensation income *(Note (c))*	**–**	7,560
Rental income on properties	**200**	200
Sundry income *(Note (d))*	**989**	5,945
	1,419	13,812
Gains		
Gains on disposal of property, plants and equipment	**–**	13,876
Total other income and gains	**1,419**	27,688

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	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Timing of revenue recognition within the scope of HKFRS 15		
Over time:		
— Sales of package tours — Domestic	**218,615**	190,108
— Information system development services	**–**	868
	218,615	190,976
At a point in time:		
— Gross revenue from the sales of FIT products	**190,141**	316,394
— Margin income from sales of FIT Products	**(27)**	916
— Sales of ancillary travel related products and services	**1,732**	2,915
	191,846	320,225
Total	**410,461**	511,201

(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 years amounted to RMBNil (30 June 2025: RMB7,560,000).

(d) In previous years, the Group was involved in certain legal proceedings arising from contractual disputes with suppliers. The relevant PRC courts rendered judgments in favour of the Group. As a result, RMB5,259,000 was refunded to the Group during the prior period ended 30 June 2025. The refund received in the comparative period was recognised as sundry income.

6. FINANCE COSTS

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Interest on bank loans and other loan	**3,323**	4,514
Interest on lease liabilities	**111**	117
	3,434	4,631

7. PROFIT BEFORE INCOME TAX

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

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Cost of services provided	**383,928**	386,283
Depreciation of property, plant and equipment	**1,047**	701
Depreciation of right-of-use assets	**1,242**	1,146
Amortisation of intangible assets	**507**	530
Loss on disposal of subsidiaries*	**–**	4,785
Impairment of trade receivables recognised, net	**2,999**	489
Impairment of financial assets included in prepayments, deposits and other receivables (reversed)/recognised	**(19,849)**	7,580
Impairment of finance lease receivables reversed	**–**	(289)
Staff costs	**21,546**	17,049

* The amount included in other expenses.

8. INCOME TAX EXPENSE

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 2025: 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 of the Group is analysed as follows:

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Under-provision of PRC enterprise tax in prior years	**(34)**	(8)

9. EARNINGS PER SHARE

(a) Basic earnings per share

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

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
Profit for the purpose of basic earnings per share		
Profit for the period attributable to owners of the Company *(in RMB'000)*	**6,641**	6,627
Number of shares for the purpose of basic earnings per share		
Weighted average number of ordinary shares in issue during the period *('000)*	**998,400**	832,000
Basic earnings per share *(RMB cent)*	**0.67**	0.80

(b) Diluted earnings per share

No diluted earnings per share for the six months ended 30 June 2026 and 2025 is presented as the effects arising from exercise of the Company's share options granted are anti-dilutive.

10. INTERIM DIVIDENDS

The Board did not recommend payment of an interim dividend in respect of the six months ended 30 June 2026 (30 June 2025: Nil).

11. TRADE RECEIVABLES

	As at 30 June 2026 *RMB'000* **(Unaudited)**	As at 31 December 2025 *RMB'000* (Audited)
Trade receivables, gross amount	**152,407**	147,283
Less: Impairment losses recognised	**(85,915)**	(83,234)
	66,492	64,049

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 2026 *RMB'000* **(Unaudited)**	As at 31 December 2025 *RMB'000* (Audited)
1 to 60 days	**31,596**	31,270
61 to 180 days	**7,882**	2,631
181 to 360 days	**2,698**	818
1 to 2 years	**35,253**	40,838
Over 2 years	**74,978**	71,726
	152,407	147,283

12. 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 2026 *RMB'000* **(Unaudited)**	As at 31 December 2025 *RMB'000* (Audited)
1 to 60 days	**16,981**	16,055
61 to 180 days	**4,910**	11,123
181 to 360 days	**2,359**	443
Over 1 year	**7,079**	2,431
	31,329	30,052

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

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 and services to cater for different travellers' needs. The Group is principally engaged in (i) the design, development and sales of outbound, domestic and surrounding travel package tours; (ii) the design, development and sales of free independent traveller ("**FIT**") products, principally comprising 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; and (iv) the provision of information system development products and services.

The domestic tourism market demonstrates a sustained recovery. According to the Ministry of Culture and Tourism of the PRC, domestic tourist trips in the first half of 2026 amounted to approximately 3.46 billion, representing a year-on-year increase of 5.4%, while domestic tourism expenditure reached approximately RMB3.21 trillion, representing a year-on-year increase of 2.0%. During the 2026 Spring Festival holiday, domestic tourist trips and tourism expenditure reached record highs of 596 million and RMB803.5 billion, respectively, reflecting the resilience of travel demand and the sustained recovery in the domestic tourism market.

In addition, domestic travel remained robust during major holiday periods in the first half of 2026. During the Labour Day holiday, domestic tourist trips and tourism spending continued to register steady growth year on year, underscoring the resilience of consumer travel demand and the continued rebound in domestic tourism consumption. Travellers increasingly favoured value-for-money offerings, flexibility and personalised travel experiences, which contributed to pressure on standardised products and softer per capita spending.

For the Period, the Group recorded revenue of RMB410.5 million, representing a 19.7% decrease from RMB511.2 million for the corresponding period in 2025 (the "**Previous Period**"). The decrease was mainly attributable to the decrease in gross revenue from sale of FIT Products from RMB316.4 million in the Previous Period to RMB190.1 million in the Period, which was partially offset by the increase in revenue from the sale of package tours from RMB190.1 million in the Previous Period to RMB218.6 million in the Period. The change in revenue mix reflected the shifting travel consumption pattern in the PRC market, with customers demonstrating a more selective and value-conscious approach to travel spending.

Notwithstanding the decrease in revenue, the Group recorded net profit of RMB6.6 million for the Period, as compared with RMB6.2 million for the Previous Period. The improvement in profitability was mainly attributable to (i) the recognition of reversal of impairment on financial assets of RMB16.9 million in the Period, as compared with impairment loss on financial assets of RMB7.8 million in the Previous Period, and (ii) the absence of loss on disposal of subsidiaries during the Period (Previous Period: RMB4.8 million). Such positive effects were partially offset by the decrease in gains on disposal of property, plant and equipment and compensation income by RMB13.9 million and RMB7.6 million, respectively.

PROSPECTS

During the Period, the Group continued to advance its strategy of applying technology to enhance its travel-related products and service offerings and to develop innovative travel experiences for domestic consumers, in line with the PRC's policy direction of promoting high-quality development of the cultural and tourism sectors.

The PRC tourism market continued to demonstrate resilience and growth potential in 2026. The national authorities have continued to promote the integration of culture, tourism and digital technologies, including the application of artificial intelligence ("**AI**") in tourism scenarios, with a view to enriching tourism products, improving service quality and stimulating tourism consumption. The continued recovery in domestic travel demand, together with supportive consumption policies, expanding transport connectivity and growing demand for personalised and experience-oriented travel products, is expected to provide a favourable backdrop for the development of the Group's travel-related business.

In support of the national "AI+" development initiatives and the digital transformation of the tourism industry, the Group has progressively integrated AI technologies into its daily operational workflows to enhance operational efficiency and reduce service costs. The Group intends to develop an AI-powered customer-service ecosystem capable of providing timely support throughout the customer journey, from product enquiry and selection to booking and post-sales service. This is expected to enable the Group to allocate its human resources more effectively towards providing enhanced and more specialised services to high-value customers.

AI-assisted tools have also been applied to support the Group's product development functions, including itinerary planning, product design and risk identification. These tools are expected to shorten product development cycles and facilitate the delivery of more customised travel products in response to evolving customer preferences. In addition, the Group's AI-enabled content-generation tools are expected to improve the efficiency of its marketing activities, reduce customer-acquisition costs and enhance customer engagement and brand visibility across social-media channels.

Furthermore, the Group has launched its newly developed AI-enabled Online Private Consultant ("**OPC**") community platform. In addition to facilitating targeted product promotion and customer-service functions, the OPC platform places emphasis on authentic, experience-based content with a view to building sustainable customer trust and engagement. Through community-based mechanisms, including guild programmes, professional development pathways and training systems, the platform seeks to cultivate a collaborative ecosystem for travel consultants, support their continuing professional development and enhance their engagement with the platform.

During the initial stage of its launch, the OPC platform focuses on the growing silver-haired outbound tourism market. Leveraging the Group's more than 20 years of industry experience and established resources in this segment, the Group aims to develop differentiated products and services tailored to the travel preferences and service requirements of mature customers, thereby reinforcing its competitive positioning in this niche market.

The Group believes that AI technologies are reshaping the tourism value chain by addressing certain scalability constraints inherent in the traditional travel-agency model. By applying AI-enabled tools to assist travel consultants and standardise selected service processes, the Group seeks to improve service consistency, reduce operating costs and deliver personalised travel experiences to a broader customer base. The Group is developing an integrated "content + service + community" tourism ecosystem, which combines content-led customer acquisition, professional travel services and user-community engagement with the objective of establishing a sustainable business model.

The Group is also exploring potential synergies between AI technologies and its cultural and tourism digital assets. Such initiatives are intended to improve operational efficiency, enhance the utilisation and value of the Group's digital assets, and broaden the range of technology applications and business opportunities available to the Group.

Looking ahead, the Group will continue to invest prudently in AI technologies and advance the intelligent transformation of its internal operations. It will also continue to develop and expand the OPC platform and explore innovative AI applications across the travel-service value chain. The Group believes that the systematic implementation of its AI strategy may enhance operational efficiency, broaden business opportunities and strengthen its core competitiveness, thereby supporting the creation of long-term and sustainable value for Shareholders.

In view of the evolving market environment, the Group will continue to optimise its product portfolio, enhance service quality, improve operational efficiency and maintain prudent cost controls. The Group will seek to capture opportunities arising from the continuing development of the PRC tourism market while maintaining a disciplined approach to execution and resource allocation.

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			
	2026		2025	
	Revenue	**Percentage of revenue**	Revenue	Percentage of revenue
	RMB'000	**%**	*RMB'000*	%
	(Unaudited)		(Unaudited)	
Travel-related products and services				
(i) Sales of package tours	**218,615**	**53.3**	190,108	37.2
(ii) Gross revenue from sales of FIT Products	**190,141**	**46.3**	316,394	61.9
(iii) Margin income from sales of FIT Products	**(27)**	**–**	916	0.2
(iv) Sales of ancillary travel-related products and services	**1,732**	**0.4**	2,915	0.5
	410,461	**100.0**	510,333	99.8
Information system development services	**–**	**–**	868	0.2
Total	**410,461**	**100.0**	511,201	100.0

The Group generated revenue mainly 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; and (ii) provision of information system development services. The Group's customers primarily comprised retail customers, and corporate and institutional customers.

The revenue of the Group decreased by RMB100.7 million from RMB511.2 million for the Previous Period to RMB410.5 million for the Period, which was mainly due to decrease in sales of FIT Products, partially offset by the increase in sales of package tours by RMB28.5 million during the Period.

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			
	2026		2025	
	Revenue *RMB'000* **(Unaudited)**	**Percentage of revenue** *%*	Revenue *RMB'000* (Unaudited)	Percentage of revenue *%*
Traditional package tours	**210,491**	**96.3**	182,023	95.7
Tailor-made tours	**8,124**	**3.7**	8,085	4.3
Total	**218,615**	**100.0**	190,108	100.0

The Group's sales of package tours increased by RMB28.5 million or 15.0% from RMB190.1 million for the Previous Period to RMB218.6 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 decreased by RMB126.3 million or 39.9% from RMB316.4 million for the Previous Period to RMB190.1 million for the Period, which was mainly due to the Group's strategic shift towards non-FIT travel products, such as package tours, as FIT product sales require substantial working capital and generate extremely low gross profit margins.

(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 a loss of RMB27,000 on the margin income from sales of air tickets (Previous Period: RMB0.9 million), as discounts were offered to customers upon the final settlement of the relevant transactions 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 decreased by RMB1.2 million from RMB2.9 million for the Previous Period to RMB1.7 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. No revenue from information system development services was generated for the Period, which was mainly driven by the current strategic emphasis on the provision of travel-related products and services during the Period (Previous Period: RMB0.9 million).

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 decreased by RMB99.6 million or 20.6% from RMB483.9 million for the Previous Period to RMB384.3 million for the Period, mainly due to decrease in cost incurred for sales of FIT Products, which is in line with the decrease in gross revenue from sales of FIT Products 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			
	2026		2025	
	Gross profit/(loss)	**Gross profit margin**	Gross profit	Gross profit margin
	RMB'000	**%**	*RMB'000*	%
	(Unaudited)		(Unaudited)	
Travel-related products and services				
(i) Package tours				
— Traditional	**24,372**	**11.6**	21,530	11.8
— Tailor-made	**505**	**6.2**	708	8.8
	24,877	**11.4**	22,238	11.7
(ii) Gross revenue from sales of FIT Products	**(48)**	**–**	2,771	0.9
(iii) Margin income from sales of FIT Products	**(27)**	**–**	916	100.0
(iv) Ancillary travel-related products and services	**1,417**	**81.8**	1,343	46.1
	26,219	**6.4**	27,268	5.3
Information system development services	**(50)**	**–**	42	4.8
Total	**26,169**	**6.4**	27,310	5.3

The Group recorded gross profit of RMB26.2 million and RMB27.3 million, representing gross profit margin of 6.4% and 5.3%, for the Period and the Previous Period, respectively. The decrease in the overall gross profit was mainly due to decrease in gross profit from gross revenue from sales of FIT Products by RMB2.8 million, which partially offset by increase in gross profit from sales of package tours by RMB2.6 million.

The overall gross profit margin increased from 5.3% for the Previous Period to 6.4% for the Period, which was mainly attributable to the changes in the Group's product and service mix. The amount of gross profits from sales of package tours increased during the Period, which had relatively higher profit margin compared to other business segments.

The overall gross profit margin of package tours slightly decreased by 0.3 percentage points from 11.7% for the Previous Period to 11.4% 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, plants and equipment, and bank interest income.

Other income and gains decreased by RMB26.3 million from RMB27.7 million for the Previous Period to RMB1.4 million for the Period mainly due to absence of recognition of multiple non-recurring income during the Period, including (i) gain on disposal of property, plant and equipment (Previous Period: RMB13.9 million); (ii) refund from supplier in relation to contract dispute which the PRC court rendered judgements in favour of the Group (Previous Period: RMB5.3 million); and (iii) compensation income on profit guarantee arrangement (Previous Period: RMB7.6 million) 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.

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 RMB3.9 million or 26.7% from RMB14.7 million for the Previous Period to RMB18.6 million for the Period mainly attributable to the increase in staff costs by RMB3.6 million as a result of additional human resources required during initial stage of developing and implementing AI-enabled sales tools.

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 increased by RMB0.9 million or 6.6% during the Period, including increase in information technology related expense by RMB0.4 million incurred for development of the Group's AI initiatives.

Impairment losses on financial assets (reversed)/recognised

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

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Trade receivables	**2,999**	489
Prepayments, deposits and other receivables	**(19,849)**	7,580
Finance lease receivables	**–**	(289)
Total	**(16,850)**	7,780

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 HKFRS Accounting Standards; 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.

Other expenses

The Group's other expenses mainly consisted of written off of prepayments. Other expenses decreased by RMB8.1 million from RMB8.7 million for Previous Period to RMB0.6 million for the Period mainly due to absence of recognition of loss on disposal of subsidiaries during the Period (Previous Period: RMB4.8 million).

Finance costs

The Group's finance costs mainly represented interest expenses on bank and other borrowings and lease liabilities. It decreased from RMB4.6 million for the Previous Period to RMB3.4 million for the Period due to the decrease in effective interest rate during the Period.

Income tax expense

Income tax expense amounted to RMB34,000 for the Period (Previous Period: RMB8,000).

Profit 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: RMB6.6 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 2026, the total number of employees of the Group was 247 (31 December 2025: 283). Staff costs (including Directors' emoluments) amounted to RMB21.5 million for the Period (Previous Period: RMB17.0 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, net

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

	As at 30 June 2026 *RMB'000* **(Unaudited)**	As at 31 December 2025 *RMB'000* (Audited)
Non-current:		
Prepayments	**10,124**	13,979
Other receivables	**7,832**	16,740
	17,956	30,719
Current:		
Prepayments	**160,589**	134,611
Deposit and other receivables, net	**118,922**	125,928
	279,511	260,539
Total	**297,467**	291,258

The prepayments, deposits and other receivables increased by RMB6.2 million from RMB291.3 million as at 31 December 2025 to RMB297.5 million as at 30 June 2026 primarily due to the recognition of prepayment for health products and wine of RMB17.8 million relating to planned collaboration with health product original equipment manufacturers ("**OEM**") currently in the pipeline.

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 2026 *RMB'000* **(Unaudited)**	As at 31 December 2025 *RMB'000* (Audited)
Non-current		
Other receivables for property, plant and equipment	**1,247**	6,910
Other receivables for investment project	**4,990**	5,190
Other receivables for beauty apparatus	**–**	2,981
Deposit for health products	**1,595**	1,659
	7,832	16,740
Current		
Deposits — procurement of air tickets	**48,387**	48,736
Deposits — others	**14,385**	14,044
Other receivables for property, plant and equipment	**15,200**	27,643
Refund from suppliers in relation to contract dispute	**5,990**	5,990
Other receivables	**12,945**	12,371
Other receivables for petty cash for tour escorts and staff	**19,148**	17,144
Other receivables for beauty apparatus	**2,867**	–
	118,922	125,928
	126,754	142,668

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; (ii) consideration receivable from disposal of property, plant and equipment; and (iii) petty cash for tour escorts and staff. The Group's other receivables mainly represented rental deposit and amount due from third parties arising from non-trade transactions.

The decrease in deposits and other receivables, net by RMB15.9 million from RMB142.7 million as at 31 December 2025 to RMB126.8 million as at 30 June 2026, primarily due to the decrease in consideration receivables from disposal of property, plant and equipment by RMB18.1 million in relation to computer equipments, partially offset by increase in receivables for petty cash for tour escorts and staff by RMB2.0 million.

Prepayments

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

	As at 30 June 2026 *RMB'000* **(Unaudited)**	As at 31 December 2025 *RMB'000* (Audited)
Non-current		
Investment projects	**8,963**	9,321
Wine	**1,161**	4,658
	10,124	13,979
Current		
Travel-related products and services		
— Air tickets	**52,779**	50,564
— Hotel accommodation, meal and tour guide	**34,428**	40,407
— Land and cruise operators	**44,881**	32,291
— Train ticket	**1,662**	1,654
— Others	**178**	110
	133,928	125,026
Research and development expenses	**2,763**	2,826
Health products and wine	**21,758**	3,981
Others	**2,140**	2,778
	160,589	134,611
	170,713	148,590

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) health products and wine in relation to planned collaboration with health product OEM currently in the pipeline.

The increase in prepayments by RMB22.1 million from RMB148.6 million as at 31 December 2025 to RMB170.7 million as at 30 June 2026 was mainly due to increase in prepayment for health products and wine of RMB17.8 million relating to planned collaboration with health product OEM currently in the pipeline.

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, and reversal of impairment allowance of RMB19.8 million was recognised for the Period (Previous Period: impairment allowance of RMB7.6 million). The reversal of provision for impairment loss during the Period was mainly attributable to the reduction in other receivables relating to deposits due from two non-related travel services operators for the procurement of air tickets, following partial settlement of the outstanding balances during the Period.

LIQUIDITY AND FINANCIAL REVIEW

As at 30 June 2026, the Group's current assets and current liabilities were RMB432.6 million and RMB418.7 million (31 December 2025: RMB408.0 million and RMB408.7 million), respectively, of which the Group maintained cash and bank balances of RMB35.5 million (31 December 2025: RMB37.4 million) and pledged short-term deposits of RMB33.4 million (31 December 2025: RMB33.2 million). As at 30 June 2026, the Group's current ratio was 1.0 times (31 December 2025: 1.0 times).

The Group's outstanding borrowings as at 30 June 2026 represented bank and other borrowings of RMB195.5 million (31 December 2025: RMB218.9 million) which bore fixed interest rates and denominated in RMB. As at 30 June 2026, 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 owners of the Company. The gearing ratios as at 30 June 2026 and 31 December 2025 were as follows:

	30 June 2026	31 December 2025
	RMB'000	*RMB'000*
	(Unaudited)	*(Audited)*
Interest-bearing bank and other borrowings	**195,530**	218,915
Lease liabilities	**3,619**	5,230
Trade payables	**31,329**	30,052
Contract liabilities, other payables and accruals	**183,247**	150,494
Less: Cash and cash equivalents	**(35,505)**	(37,389)
Pledged deposits	**(33,367)**	(33,242)
Net debt	**344,853**	334,060
Equity attributable to owners of the Company	**44,938**	44,469
Total capital and net debt	**389,791**	378,529
Gearing ratio	**88%**	88%

The average turnover days of trade receivables were 58.0 days and 39.3 days for the Period and the Previous Period, respectively. The increase in average turnover days of trade receivables during the Period was mainly due to slower settlement by debtors. The average turnover days of trade payables for the Period remained relatively stable at 29.1 days (Previous Period: 28.7 days).

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 ("**HK$**"). The Group's liquidity and financing requirements are reviewed regularly.

After taking into account the Group's indebtedness as at 30 June 2026, the Directors have given careful consideration in working capital sufficiency. To mitigate the liquidity position of the Group and to improve the financial position of the Group, the Directors have undertaken certain plans and measures, including:

(i) The Group has been actively negotiating with banks in renewing its short-term borrowings upon their maturities and there is no indication that the banks will not renew the existing borrowings if the Group applies for the renewal; 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 are of the opinion that, after taking into account the above plans and measures, the liquidity needs of the Group will be managed, the financial position of the Group will be improved, and in the absence of unforeseen circumstances, the Group will have sufficient working capital for the Group's requirements.

CAPITAL STRUCTURE

There is no material change in the capital structure of the Company during the Period and up to the date of this announcement. 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 2026 and 31 December 2025, the Group's bank loans are secured by:

(i) mortgages over the Group's investment properties situated in the PRC, which had an aggregate net carrying value of RMB6.5 million as at 30 June 2026 (31 December 2025: RMB6.5 million);

(ii) pledged bank deposits amounted to RMB30.7 million (31 December 2025: RMB33.0 million).

As at 30 June 2026, the Controlling Shareholders jointly guaranteed certain of the Group's banking facilities of up to RMB171.4 million (31 December 2025: RMB202.4 million).

Mr. Zhang Dayi, the director of certain subsidiaries of the Company, and Ms. Zhang Xiaoshan, the spouse of Mr. Zhang Dayi, had not jointly guaranteed any of the Group's banking facilities as at 30 June 2026 (31 December 2025: RMB3.0 million).

CAPITAL COMMITMENTS

As at 30 June 2026, the Group had capital commitments for acquisition for investment projects amounting to RMB42.9 million (31 December 2025: RMB44.6 million).

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 2026, the Group's investment properties amounted to RMB6.5 million (31 December 2025: RMB6.5 million).

INVESTMENT IN ASSOCIATES

As at 31 December 2025, the Group's investments in associates primarily represented by its interests in (i) Feiyou Travel Card (Zhejiang) Cultural Technology Co., Ltd.* (飛遊旅卡(浙江)文化科技有限公司), and (ii) Anhui Feiyang Aviation Operations Development Co., Ltd* (安徽飛揚航空運營發展有限公司). The Group disposed the entire equity interest in Xinjiang Culture and Tourism Tianhe Aviation Services Co., Ltd* (新疆文旅天和航空服務有限公司) in 2025, which ceased to be an associate of the Company since then.

During the Period, the Group recorded share of losses of associates of RMB1.3 million (Previous Period: RMB54,000).

SIGNIFICANT INVESTMENTS

As at 30 June 2026 and 31 December 2025, the Group did not hold any significant investment, with a value of over 5% of the total assets of the Group.

FUND RAISING ACTIVITIES AND USE OF PROCEEDS

On 29 July 2025, the Company entered into separate 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. On 25 August 2025, the Subscription Shares were allotted and issued pursuant to the general mandate granted to the Directors by the Shareholders.

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 planned use of proceeds as stated in the announcement of the Company dated 29 July 2025, the actual use of proceeds during the Period and the unutilised amount as at 30 June 2026 are set out as below:

Intended use of proceeds stated in the announcement	Planned use of proceeds as stated in the announcement *HK$'000*	Percentage of net proceeds	Actual use of proceeds up to 31 December 2025 *HK$'000*	Unutilised amount as at 31 December 2025 *HK$'000*	Actual use of proceeds during the Period *HK$'000*	Unutilised amount as at 30 June 2026 *HK$'000*	Expected timeline for utilising the unutilised proceeds
Development and operation of the digital asset business	16,400	50%	12,909	3,491	3,491	–	Fully utilised
General working capital	16,400	50%	16,400	–	–	–	Fully utilised
	32,800	100%	29,309	3,491	3,491	–	

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

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

Save as disclosed in this announcement, the Group did not undertake any material acquisitions or disposals of subsidiaries, associates or joint ventures during the Period. As at 30 June 2026 and up to the date of this announcement, the Group did not have any concrete plans for material investments or additions of capital assets.

CONTINGENT LIABILITIES

As at 30 June 2026 and 31 December 2025, the Group did not have any significant contingent liabilities.

SUBSEQUENT EVENTS

There was no significant event occurred after the end of the Period.

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. 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 details of which are set out in the announcement of the Company dated 13 June 2025 and 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 2026	Granted	Exercised	Forfeited	Expired	At 30 June 2026	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$
Under the Share Option Scheme										
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
Under the New Share Option Scheme										
Employee										
In aggregate	83,200,000	–	–	–	–	83,200,000	25 July 2025 to 24 July 2030	0.236	25 July 2025	0.233
Total	133,200,000	–	–	–	–	133,200,000				

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, 21 November 2024 and 25 July 2025.

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

	Share options granted on 25 July 2025	**Share options granted on 8 October 2024**
Weighted average share price	HK$0.233	HK$0.098
Exercise price	HK$0.236	HK$0.1
Expected volatility	67.04%	63.46%
Expected life	5.00	4.67
Risk-free rate	2.41%	2.884%
Expected dividend yield	0.00%	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 RMB1,218,000 (Previous Period: RMB386,000) 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 announcement, 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.

There were no options available for grant according to the existing scheme mandate limit under the New Share Option Scheme as at 1 January 2026 and 30 June 2026. 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. At the date of this announcement, 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 announcement. The number of Shares that may be issued in respect of options granted under the Share Option Scheme and the New Share Option Scheme during the Period divided by the weighted average number of the Shares in issue for the Period is 13.34%. Further details of the Share Option Scheme are set out in Appendix V to the Prospectus and the announcements of the Company dated 8 October 2024 and 21 November 2024. Further details of the New Share Option Scheme are set out in the circular of the Company dated 16 June 2025 and the announcements of the Company dated 13 June 2025 and 25 July 2025.

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 announcement, 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 Period.

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 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.

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.

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 during the Period.

FORWARD LOOKING STATEMENTS

This announcement 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, 28 August 2026

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

As at the date of this announcement, the Board comprises Mr. He Binfeng, Mr. Li Jieming, Mr. Xiong Di, Mr. Huang Yu, Mr. Yan Haiguo, and Ms. Chen Huiling as executive Directors; and Mr. Li Huamin, Ms. Zhao Caihong and Ms. Yuan Shaoying as independent non-executive Directors.

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