



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



2026

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)

Mr. Xiong Di

Mr. Huang Yu

Mr. Yan Haiguo

Ms. Chen Huiling

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	
	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 net profit of RMB6.2 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 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

	Notes	Six months ended 30 June	
		2026 RMB'000 (Unaudited)	2025 RMB'000 (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

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

For the six months ended 30 June 2026

		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
		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	11	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	13	17,956	30,719
		33,806	49,186
CURRENT ASSETS			
Inventories		11,620	6,626
Trade receivables	12	66,492	64,049
Prepayments, deposits and other receivables	13	279,511	260,539
Amount due from related parties	20(a)	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	14	31,329	30,052
Contract liabilities, other payables and accruals	15	183,247	150,494
Interest-bearing bank and other borrowings	16	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
NON-CURRENT LIABILITIES			
Lease liabilities		952	2,176
		952	2,176
Net assets		46,749	46,307
EQUITY			
Share capital	17	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

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2026

	Attributable to owners of the Company											
	Share capital	Share premium*	Capital reserves*	Statutory surplus reserves*	Accumulated losses*	Share award reserves*	Share based payment reserve*	Special reserves*	Foreign currency translation reserves*	Total	Non-controlling interests	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	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

	Attributable to owners of the Company											
	Share capital	Share premium*	Capital reserves*	Statutory surplus reserves*	Accumulated losses*	Share award reserves*	Share based payment reserve*	Special reserves*	Foreign currency translation reserves*	Total	Non-controlling interests	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2026 (Audited)	8,660	293,692	47,355	8,517	(325,950)	8,001	3,207	(255)	1,242	44,469	1,838	46,307
Profit/(loss) for the period	-	-	-	-	6,641	-	-	-	-	6,641	(27)	6,614
Other comprehensive loss for the period:												
Exchange differences on translation of financial statements	-	-	-	-	-	-	-	-	(7,390)	(7,390)	-	(7,390)
Total comprehensive income/(loss) for the period	-	-	-	-	6,641	-	-	-	(7,390)	(749)	(27)	(776)
Recognition of equity settled share based payments	-	-	-	-	-	-	1,218	-	-	1,218	-	1,218
At 30 June 2026 (Unaudited)	8,660	293,692	47,355	8,517	(319,309)	8,001	4,425	(255)	(6,148)	44,938	1,811	46,749

* These reserve accounts comprise the consolidated reserves of RMB36,278,000 (31 December 2025: RMB35,809,000) in the condensed consolidated statements of financial position.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2026

	For the six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
NET CASH FLOWS GENERATED FROM/(USED IN)		
OPERATING ACTIVITIES	35,182	(42,654)
NET CASH FLOWS (USED IN)/GENERATED FROM		
INVESTING ACTIVITIES	(1,159)	43,152
NET CASH FLOWS (USED IN)/GENERATED FROM		
FINANCING ACTIVITIES	(28,031)	38,696
NET INCREASE IN CASH AND CASH EQUIVALENTS	5,992	39,194
CASH AND CASH EQUIVALENTS AT BEGINNING		
OF PERIOD	37,389	36,688
EFFECT OF FOREIGN EXCHANGE RATE CHANGES, NET	(7,876)	(5,377)
CASH AND CASH EQUIVALENTS AT END OF PERIOD	35,505	70,505
ANALYSIS OF BALANCES OF CASH AND		
CASH EQUIVALENTS		
Cash and bank balances	35,505	70,505

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 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 ended 31 December 2026. Details of any changes in accounting policy changes and disclosures are set out in Note 3.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

2. BASIS OF PREPARATION AND PRESENTATION (Continued)

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 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.

NOTES TO 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 RMB'000 (Unaudited)	Revenue from external customers Six months ended 30 June 2025 RMB'000 (Unaudited)	Non-current assets As at 30 June 2026 RMB'000 (Unaudited)	Non-current assets As at 31 December 2025 RMB'000 (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.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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 (Unaudited)	RMB'000 (Unaudited)
Revenue from contracts with customers <i>(Note (a))</i>	410,461	511,201

	Six months ended 30 June	
	2026	2025
	RMB'000 (Unaudited)	RMB'000 (Unaudited)

Other income

Bank interest income	230	35
Government grants <i>(Note (b))</i>	–	72
Compensation income <i>(Note (c))</i>	–	7,560
Rental income on properties	200	200
Sundry income <i>(Note (d))</i>	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 TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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	
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.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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.

NOTES TO THE CONDENSED CONSOLIDATED
INTERIM FINANCIAL STATEMENTS

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 income tax		
in prior years	(34)	(8)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2026, the Group acquired and disposed property, plant and equipment of approximately RMB161,000 and RMBNil, respectively (six months ended 30 June 2025: RMB47,000 and RMB21,253,000).

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

12. 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

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

12. TRADE RECEIVABLES (Continued)

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

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
At beginning of period/year	83,234	67,148
Impairment losses recognised	2,999	17,284
Exchange realignment	(318)	(1,198)
At end of period/year	85,915	83,234

13. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Prepayments	170,713	148,590
Deposits and other receivables	231,514	267,651
Less: impairment losses recognised	(104,760)	(124,983)
	126,754	142,668
Total	297,467	291,258
Analysed for reporting as:		
Non-current assets	17,956	30,719
Current assets	279,511	260,539
	297,467	291,258

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

13. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES (Continued)

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

	At 30 June 2026 RMB'000 (Unaudited)	At 31 December 2025 RMB'000 (Audited)
At beginning of period/year	124,983	136,820
Impairment losses (reversed)/recognised	(19,849)	15,289
Disposal of subsidiaries	–	(26,984)
Exchange realignment	(374)	(142)
At end of period/year	104,760	124,983

14. 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.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

15. CONTRACT LIABILITIES, OTHER PAYABLES AND ACCRUALS

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Contract liabilities	149,397	127,542
Payroll payables	9,121	8,985
Accruals	724	2,033
Other payables	24,005	11,934
	183,247	150,494

Other payables are non-interest-bearing and repayable on demand.

Contract liabilities of the Group, which are expected to be settled within the Group's normal operating cycle, are classified as current.

16. INTEREST-BEARING BANK AND OTHER BORROWINGS

	Effective interest rate	Maturity	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Current				
Bank loans — secured	2.40–6.80	2026–2027	195,530	–
Bank loans — secured	2.80–6.80	2026	–	218,915
			195,530	218,915

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

16. INTEREST-BEARING BANK AND OTHER BORROWINGS (Continued)

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 RMB6,548,000 and RMB6,548,000 as at 31 December 2025 and 30 June 2026, respectively and (ii) the pledged bank deposits amounted to RMB30,650,000 (31 December 2025: RMB33,000,000).
- (b) During the Period, the Controlling Shareholders have jointly guaranteed certain of the Group's banking facilities of up to RMB171,440,000 (31 December 2025: RMB202,410,000).
- (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 RMBNil as at 30 June 2026 (31 December 2025: RMB3,000,000).

17. SHARE CAPITAL

Shares

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
--	--	--

Issued and fully paid:

998,400,000 (As at 31 December 2025:

998,400,000) ordinary shares of

HK\$0.01 each

8,660

8,660

During the reporting period, the Company did not undertake any issuance, repurchase, redemption, repayment, settlement, conversion, or other transaction involving its equity securities.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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 fair values of these unlisted investments have been estimated using a valuation technique based on the direct capitalisation method, taking into account the interest rates of the underlying 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 2026 (Unaudited)

	Fair value measurement categorised into			Total RMB'000
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
	RMB'000	RMB'000	RMB'000	
Financial assets at fair value through profit or loss				
— Listed equity securities	5	—	—	5

As at 31 December 2025 (Audited)

	Fair value measurement categorised into			Total RMB'000
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
	RMB'000	RMB'000	RMB'000	
Financial assets at fair value through profit or loss				
— Listed equity securities	11	—	—	11
— Unlisted fund investments	—	358	—	358

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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

The Group did not have any financial liabilities measured at fair value as at 30 June 2026 (31 December 2025: Nil).

During the six months ended 30 June 2026 and 2025, there were no transfer into or out of Level 3.

The carrying amounts of the Group's financial assets and financial liabilities carried at amortised cost as reflected in the condensed consolidated statement of financial position approximate their respective fair values due to relative short term maturity of these financial instruments.

19. COMMITMENTS

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

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Contracted, but not provided for:		
Acquisition for investment projects	42,893	44,606

20. 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

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

20. RELATED PARTY TRANSACTIONS (Continued)

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.

(a) Outstanding balances with related parties:

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Due from a director	3,750	3,400
Due from related parties:		
Haishu Feiyang	1,803	1,803
Feiyang Commercial	150	150
HHR Group	47	49
Michael Group	47	49
KVN Holdings	47	49
DY Holdings	47	49
QJ Holdings	47	49
WB Holdings	47	49
QZ Holdings	47	48
CXD Holdings	45	45
Feiyang Youpin	52	52
	6,129	5,792

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

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

20. RELATED PARTY TRANSACTIONS (Continued)

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

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Salaries, allowances and benefits in kind	988	518
Pension scheme contributions	31	9
Equity settled share-based payments	–	70
Total compensation paid to key management personnel	1,019	597

21. APPROVAL OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

The condensed consolidated interim financial statements were approved and authorised for issue by the Board on 28 August 2026.

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.

MANAGEMENT DISCUSSION AND ANALYSIS

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.

MANAGEMENT DISCUSSION AND ANALYSIS

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.

MANAGEMENT DISCUSSION AND ANALYSIS

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	Revenue	Percentage
	RMB'000 (Unaudited)	of revenue %	RMB'000 (Unaudited)	of revenue %
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

MANAGEMENT DISCUSSION AND ANALYSIS

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	
	Percentage		Percentage	
	Revenue RMB'000 (Unaudited)	of revenue %	Revenue RMB'000 (Unaudited)	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.

MANAGEMENT DISCUSSION AND ANALYSIS

(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.

MANAGEMENT DISCUSSION AND ANALYSIS

(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.

MANAGEMENT DISCUSSION AND ANALYSIS

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 (Unaudited)	%	RMB'000 (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.

MANAGEMENT DISCUSSION AND ANALYSIS

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.

MANAGEMENT DISCUSSION AND ANALYSIS

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.

MANAGEMENT DISCUSSION AND ANALYSIS

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).

MANAGEMENT DISCUSSION AND ANALYSIS

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

MANAGEMENT DISCUSSION AND ANALYSIS

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

MANAGEMENT DISCUSSION AND ANALYSIS

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

MANAGEMENT DISCUSSION AND ANALYSIS

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.

MANAGEMENT DISCUSSION AND ANALYSIS

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 RMB'000 (Unaudited)	31 December 2025 RMB'000 (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.

MANAGEMENT DISCUSSION AND ANALYSIS

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 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.

MANAGEMENT DISCUSSION AND ANALYSIS

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).

MANAGEMENT DISCUSSION AND ANALYSIS

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.

MANAGEMENT DISCUSSION AND ANALYSIS

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 report, 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 report, 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.

OTHER INFORMATION

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

As at 30 June 2026, 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	32.9482%
Mr. Li Jieming (Note 2)	Beneficial owner	14,375,248	1.4398%
Mr. Yan Haiguo (Note 3)	Beneficial owner and interest of spouse	15,870,000	1.5895%

Notes:

- (1) Mr. He (i) directly owned 10,436,000 Shares or approximately 1.0453% 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 28.9117% of the issued share capital of the Company; and (iii) was deemed to own 29,864,000 Shares or approximately 2.9912% of the issued share capital of the Company owned by Ms. Qian Jie ("**Ms. Qian**"), spouse of Mr. He.
- (2) Mr. Li Jieming directly owns 14,375,248 Shares or approximately 1.4398% of the issued capital of the Company.
- (3) Mr. Yan Haiguo (i) directly owns 13,588,000 Shares or approximately 1.3610% of the issued capital of the Company; and (ii) is deemed to own 2,282,000 Shares or approximately 0.2285% of the issued capital of the Company owned by Ms. Bao Wenli, spouse of Mr. Yan Haiguo.

OTHER INFORMATION

(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%

OTHER INFORMATION

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.

Save as disclosed above, as at 30 June 2026, 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.

OTHER INFORMATION

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 2026, 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	32.9482%
Ms. Qian (Note 2)	Interest in controlled corporation; interest of spouse	328,954,700	32.9482%
HHR Group (Note 1)	Beneficial owner, interest held jointly with another person	328,954,700	32.9482%
Michael Group (Note 1)	Beneficial owner, interest held jointly with another person	328,954,700	32.9482%
KVN Holdings (Note 1)	Beneficial owner, interest held jointly with another person	328,954,700	32.9482%
DY Holdings (Note 1)	Beneficial owner, interest held jointly with another person	328,954,700	32.9482%
QJ Holdings (Note 2)	Beneficial owner, interest held jointly with another person	328,954,700	32.9482%

OTHER INFORMATION

Notes:

- (1) Mr. He (i) directly owned 10,436,000 Shares or approximately 1.0453% 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 28.9117% of the issued share capital of the Company; and (iii) was deemed to own 29,864,000 Shares or approximately 2.9912% 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 2.9912% of the issued share capital of the Company; and (ii) was deemed to own 299,090,700 Shares or approximately 29.9570% of the issued share capital of the Company owned by Mr. He, spouse of Ms. Qian.

As at 30 June 2026, 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 2026, 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. 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.

OTHER INFORMATION

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:

- 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.
- 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.

OTHER INFORMATION

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 (six months ended 30 June 2025: 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 report, the grant of the share options did 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 were exercised, lapsed or cancelled. 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. As no options were granted under the New Share Option Scheme during the Period, the number of Shares that may be issued in respect of options granted under the New Share Option Scheme during the Period divided by the weighted average number of the Shares in issue for the Period is nil. 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.

OTHER INFORMATION

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 2026.

OTHER INFORMATION

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**").

OTHER INFORMATION

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.

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 2026, 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, 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.*

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