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## **Feiyang International Holdings Group Limited**

**飛揚國際控股(集團)有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1901)**

### **DISCLOSEABLE TRANSACTION IN RELATION TO CAPITAL INJECTION INTO A SUBSIDIARY**

The Board is pleased to announce that on 22 December 2021 (after trading hours), DS Wellness (an indirect wholly-owned subsidiary of the Company) and 3all FinTech entered into the Cooperation Agreement, pursuant to which DS Wellness and 3all FinTech have agreed to inject HK\$30 million by way of cash contribution into the JV Company.

As the applicable percentage ratios under Chapter 14 of the Listing Rules in respect of the capital commitment of the Group pursuant to the Cooperation Agreement are more than 5% but all applicable percentage ratios are less than 25%, the transaction constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

### **INTRODUCTION**

On 22 December 2021 (after trading hours), DS Wellness (an indirect wholly-owned subsidiary of the Company) and the 3all FinTech entered into the Cooperation Agreement, pursuant to which DS Wellness and 3all FinTech have agreed to inject HK\$30 million by way of cash contribution into the JV Company.

The principal terms of the Cooperation Agreement and details of the JV Company are as follows:

## **THE COOPERATION AGREEMENT**

Date: 22 December 2021

Parties: (1) DS Wellness; and  
(2) 3all FinTech.

As at the date of this announcement, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, 3all FinTech and its ultimate beneficial owner(s) are Independent Third Parties.

### **Business**

The JV Company was incorporated on 21 December 2021 and will be principally engaged in the development of an ETD Metaverse foundation platform, provision of data-storage services under the platform, and development of Metaverse games, hardware equipment for virtual reality technology. It is expected that the JV Company will integrate the Metaverse technology with the Group's tourism business and develop tourism service business in Metaverse, which will be launched in 2022.

### **Capital Injection**

The capital injection should be made within three months after the signing of the Cooperation Agreement. DS Wellness and 3all FinTech shall inject HK\$24 million and HK\$6 million by way of cash contribution into the JV Company, respectively.

The capital injection of HK\$24 million to be made by DS Wellness was determined after arm's length negotiations between DS Wellness and 3all FinTech having taken into account the expected capital requirements of the JV Company and will be funded by the internal resources and/or external financing of the Group.

### **Management of the JV Company**

Upon completion of the capital injection, DS Wellness and 3all FinTech shall have the right to appoint two directors and one director of the JV Company, respectively.

## **Dividend Distribution**

Each of DS Wellness and 3all FinTech is entitled to the dividends declared by the JV Company for the relevant financial year in proportion to its respective shareholding in the JV Company.

## **INFORMATION OF 3ALL FINTECH**

3all FinTech is a company incorporated in Hong Kong with limited liability on 16 May 2018. It is principally engaged in development of public blockchain technology, project planning and operation of blockchain business, and provision of information and consulting services in the field of financial technology. 3all FinTech is wholly-owned by Mr. Li Yongfeng (李永峰). Mr. Li possesses network and investment knowledge in relation to blockchain and Metaverse technology and he is an Independent Third Party.

## **INFORMATION OF THE GROUP AND DS WELLNESS**

The Group is principally engaged in (i) the design, development and sales of package tours which consist of traditional package tours and tailor-made tours; (ii) the sales of free independent traveller products which mainly include provision of air tickets and/or hotel accommodation; and (iii) the provision of ancillary travel-related products and services.

DS Wellness is an indirect wholly-owned subsidiary of the Company incorporated in Hong Kong with limited liability on 22 September 2017. DS Wellness is principally engaged in health care management, products development and sales.

## **REASONS FOR AND BENEFITS OF THE TRANSACTION**

As set out in the Company's interim report for the six months ended 30 June 2021, the outbreak of the novel coronavirus has brought unprecedented impact to the world economy, and the Group's business operations have been affected by the travel restrictions imposed by nations of its own and across the world since the year of 2020, with its domestic business partially restricted, and its international travel business severely disrupted. The Company has been taking initiatives to diversify the business of the Group with an objective to broaden its income stream and eventually to maximise the return to the Shareholders. The Board considers that the JV Company can leverage on the experience of the Group and 3all FinTech to develop businesses related to Metaverse technology, and the integration of the Group's existing tourism business with the emerging technology is an important attempt to explore more business opportunities and earning potentials of the Group. In light of the reasons set out above, the Directors (including all the independent non-executive Directors) are of the view that terms of the Cooperation Agreement and the capital injection into the JV Company are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

None of the Directors had any material interest in the transactions nor was any of them required to abstain from voting on the resolutions which have been passed by the Board approving the entering into of the Cooperation Agreement and the capital injection into the JV Company.

## LISTING RULES IMPLICATIONS

As the applicable percentage ratios under Chapter 14 of the Listing Rules in respect of the maximum capital commitment of the Group pursuant to the Cooperation Agreement are more than 5% but all applicable percentage ratios are less than 25%, the transaction constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

## DEFINITIONS AND GLOSSARY

In this announcement, the following expressions shall, unless the context requires otherwise, have the following meanings:

“Board”	the board of Directors;
“Company”	Feiyang International Holdings Group Limited, a company incorporated in the Cayman Islands with limited liability on 18 October 2018, the shares of which are listed on Main Board of the Stock Exchange (Stock Code: 1901);
“Cooperation Agreement”	the equity cooperation agreement dated 22 December 2021 entered into by DS Wellness and 3all FinTech in relation to the capital injection into the JV Company;
“Director(s)”	the director(s) of the Company;
“DS Wellness”	DS Wellness & Health Management Limited (德斯尚康薈健康管理有限公司), a limited liability company incorporated in Hong Kong, which is an indirect wholly-owned subsidiary of the Company;
“ETD”	Ether Data;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	Hong Kong Special Administrative Region of the PRC;
“Independent Third Party(ies)”	party(ies) who is/are independent from the Company and its connected persons (as defined in the Listing Rules);
“JV Company”	Feiyang Metaverse Technology Limited (飛揚元宇宙科技有限公司), a limited liability company incorporated in Hong Kong on 21 December 2021, which is an indirect non-wholly owned subsidiary of the Company and owned as to 80% by DS Wellness and 20% by 3all FinTech;
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;

“PRC”	the People’s Republic of China which, for the purposes of this announcement, excludes Hong Kong, Macau and Taiwan;
“Shareholder(s)”	the holder(s) of the share(s) of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“3all FinTech”	3all FinTech Limited (三生萬物金融科技信息服務有限公司), a public company limited by shares incorporated in Hong Kong, which is ultimately wholly-owned by Mr. Li Yongfeng (李永峰), which is an Independent Third Party; and
“%”	per cent.

By Order of the Board  
**Feiyang International Holdings Group Limited**  
**He Binfeng**  
*Chairman, Executive Director and Chief Executive Officer*

Ningbo, the PRC, 22 December 2021

*As at the date of this announcement, the Board comprises Mr. He Binfeng, Mr. Huang Yu, Mr. Wu Bin, Mr. Chen Xiaodong, Ms. Qiu Zheng and Mr. Xiong Di as executive Directors; and Mr. Li Huamin, Mr. Yi Ling and Ms. Li Chengai as independent non-executive Directors.*