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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)

**NON-FULFILLMENT OF PROFIT GUARANTEE
IN RELATION TO THE ACQUISITION OF
60% EQUITY INTEREST IN
ZHEJIANG FEIJIADA AVIATION SERVICE CO., LTD.**

References are made to the announcements (the “**Announcements**”) of Feiyang International Holdings Group Limited dated 10 October 2022 and 6 January 2023, in relation to, among other things, the acquisition of 60% equity interest in Zhejiang Feijiada Aviation Service Co., Ltd. Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Announcements.

As disclosed in the Announcements, the Vendor and the Target Group guarantee to the Purchaser that during the Guarantee Period, the net profit of the Target Group shall not be less than RMB50,400,000 for each year (i.e. the Annual Guarantee Profit) and RMB4,200,000 for each month (i.e. the Monthly Guarantee Profit). If the actual net profit of the Target Group for the Annual Guarantee Profit or the Monthly Guarantee Profit falls short of the Guarantee Profit and the Vendor makes up for the shortfall, the Purchaser shall pay the Consideration for the relevant period according to the Agreement. If the Vendor does not make up for the shortfall fully, the Consideration payable for the relevant period shall be adjusted downward proportionately.

The Board hereby announces that based on the management accounts of the Target Group, the actual net profit of the Target Group and the amount of shortfall required to be paid by the Vendor to the Target Group pursuant to the Monthly Guarantee Profit for the months indicated below are as follows:

Month	Actual net profit <i>(RMB'000)</i> (unaudited)	Amount of shortfall <i>(RMB'000)</i>
January 2023	3,787	413
February 2023	746	3,454
March 2023	266	3,934
April 2023	3,150	1,050
May 2023	(60)	4,260
June 2023	3,287	913

As the Vendor has settled all the required amount of shortfall for the periods mentioned above, the Board is of the view that the failure of the Target Group to meet the Monthly Guarantee Profit for the six months ended 30 June 2023 will not impose any material adverse impact on the financial position and business operations of the Group as a whole.

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

Ningbo, the PRC, 22 August 2023

As at the date of this announcement, the Board comprises Mr. He Binfeng, Mr. Xiong Di, Mr. Huang Yu, Mr. Wu Bin and Ms. Chen Huiling as executive Directors; Mr. Shen Yang as non-executive Director; and Mr. Li Huamin, Mr. Yi Ling and Ms. Zhao Caihong as independent non-executive Directors.

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