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亞 東

Yadong Group Holdings Limited

亞 東 集 團 控 股 有 限 公 司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1795)

**INTERIM RESULTS ANNOUNCEMENT
FOR THE SIX MONTHS ENDED 30 JUNE 2025**

FINANCIAL HIGHLIGHTS

- Revenue increased by approximately RMB8.0 million or approximately 1.7% from approximately RMB481.1 million for the six months ended 30 June 2024 to approximately RMB489.0 million for the six months ended 30 June 2025.
- Gross profit increased by approximately RMB6.2 million or approximately 11.1% from approximately RMB56.5 million for the six months ended 30 June 2024 to approximately RMB62.7 million for the six months ended 30 June 2025.
- Gross profit margin increased from approximately 11.7% for the six months ended 30 June 2024 to approximately 12.8% for the six months ended 30 June 2025.
- Profit increased by approximately RMB2.0 million or approximately 11.0% from approximately RMB17.8 million for the six months ended 30 June 2024 to approximately RMB19.8 million for the six months ended 30 June 2025.
- Basic earnings per share was approximately RMB3.30 cents for the six months ended 30 June 2025.
- The Board has resolved not to recommend the payment of an interim dividend for the six months ended 30 June 2025.

The board (the “**Board**”) of directors (the “**Directors**”) of Yadong Group Holdings Limited (the “**Company**”) is pleased to announce the unaudited consolidated interim results of the Company and its subsidiaries (collectively the “**Group**”) for the six months ended 30 June 2025, together with the comparative unaudited figures for the corresponding period in 2024.

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME**

FOR THE SIX MONTHS ENDED 30 JUNE 2025

		Six months ended 30 June	
		2025	2024
	<i>Notes</i>	RMB’000	RMB’000
		(Unaudited)	(Unaudited)
Revenue	4	489,040	481,054
Cost of sales		<u>(426,294)</u>	<u>(424,554)</u>
Gross profit		62,746	56,500
Other income	6	2,816	4,776
Selling and distribution expenses		(10,071)	(9,966)
Administrative expenses		(24,981)	(24,560)
Finance costs		<u>(6,790)</u>	<u>(5,635)</u>
Profit before tax		23,720	21,115
Income tax expenses	7	<u>(3,922)</u>	<u>(3,286)</u>
Profit for the period	8	<u>19,798</u>	<u>17,829</u>
Other comprehensive income (expense) for the period:			
<i>Item that may be reclassified subsequently to profit or loss</i>			
Exchange difference arising on translating a foreign operation		<u>3,928</u>	<u>(1,741)</u>
Total comprehensive income for the period attributable to owners of the Company		<u>23,726</u>	<u>16,088</u>
Earnings per share			
Basic and diluted (RMB cents)	10	<u>3.30</u>	<u>2.97</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2025

		As at 30 June 2025	As at 31 December 2024
	Notes	RMB'000 (Unaudited)	RMB'000 (Audited)
Non-current Assets			
Property, plant and equipment		162,379	155,866
Right-of-use assets		38,084	40,429
Intangible assets		81	111
Investment properties		44,530	45,297
Deferred tax assets		379	379
		<u>245,453</u>	<u>242,082</u>
Current Assets			
Inventories		133,384	119,970
Trade and bills receivables	11	296,778	292,120
Prepayments and other receivables	12	93,969	110,012
Amount due from a related company		2,572	16,319
Time deposits		18,814	19,465
Bank balances and cash		35,356	65,021
		<u>580,873</u>	<u>622,907</u>
Current Liabilities			
Trade and bills payables	13	130,019	189,756
Accruals and other payables		47,474	49,032
Contract liabilities		1,460	2,124
Income tax payable		6,580	2,932
Lease liabilities		132	3,307
Borrowings		190,041	237,046
		<u>375,706</u>	<u>484,197</u>
Net current assets		<u>205,167</u>	<u>138,710</u>
Total assets less current liabilities		<u>450,620</u>	<u>380,792</u>

	As at 30 June 2025 <i>RMB'000</i> (Unaudited)	As at 31 December 2024 <i>RMB'000</i> (Audited)
Non-current Liabilities		
Borrowings	116,608	70,432
Lease liabilities	10	85
Deferred tax liabilities	<u>17,012</u>	<u>17,012</u>
	<u>133,630</u>	<u>87,529</u>
Net assets	<u>316,990</u>	<u>293,263</u>
Capital and Reserves		
Share capital	5,035	5,035
Reserves	<u>311,955</u>	<u>288,228</u>
Total Equity	<u>316,990</u>	<u>293,263</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2025

1. CORPORATE INFORMATION

The Company was incorporated in the Cayman Islands under the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands as an exempted company with limited liability on 22 September 2016 and its shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) since 18 November 2020 (the “**Listing**”). Its immediate and ultimate holding company is Oriental Ever Holdings Limited (“**Oriental Ever Holdings**”), a company with limited liability incorporated in the British Virgin Islands (the “**BVI**”). Oriental Ever Holdings is wholly and directly owned by Mr. Xue Liang, who is the son of a director of the Company, Mr. Xue Shidong (the “**Controlling Shareholder**”).

The address of the registered office is located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, the Cayman Islands and the principal place of business of the Company is located at No. 381 Laodong East Road, Tianning District, Changzhou, Jiangsu Province, China.

The Company is an investment holding company and its subsidiaries (together referred to as the “**Group**”) are principally engaged in sales of fabrics products and provision of dyeing and processing services.

The condensed consolidated financial statements are presented in Renminbi (“**RMB**”) which is also the functional currency of the Company, and all values are rounded to the nearest thousands, except when otherwise indicated.

2. BASIS OF PREPARATION

The condensed consolidated financial statements of the Group for the six months ended 30 June 2025 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 (“**HKICPA**”) and the applicable disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

3. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis.

These condensed consolidated financial statements should be read in conjunction with the 2024 annual financial statements. The accounting policies and methods of computation used in the preparation of these condensed consolidated financial statements are consistent with those used in the annual financial statements for the year ended 31 December 2024.

In the current period, the Group has applied, for the first time, the Amendments to References to the Conceptual Framework in HKFRS Accounting Standards and the following amendments to HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) which are effective for the Group’s financial year beginning 1 January 2025:

Amendments to HKAS 21	Lack of Exchangeability
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The application of the amendments to HKFRS Accounting Standards in the current period has had no material effect on the Group’s financial performance and positions for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

4. REVENUE

Revenue represents the amounts received and receivable arising from sales of fabric products and provision of dyeing and processing services, net of sales related taxes for the period. The Group's revenue is recognised at a point in time. An analysis of the Group's revenue disaggregated by major products or service lines is as follows:

	Six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Sales of plain weave fabrics	338,598	361,600
Sales of corduroy fabrics	130,378	99,231
Provision of dyeing and processing services	20,064	20,223
	<u>489,040</u>	<u>481,054</u>

5. SEGMENT INFORMATION

The directors of the Company, being the chief operating decision makers, review the Group's internal reporting in order to assess performance and allocate resource. The Group is principally engaged in sales of fabrics products and provision of dyeing and processing services. Information reported to the chief operating decision makers, for the purpose of resources allocation and performance assessment, focuses on the operating results of the Company as a whole as the Group's resources are integrated and no discrete operating segment financial information is available. Accordingly, no operating segment information is presented.

Geographical information

The Group's manufacturing and operations are all located in the PRC. Non-current assets of the Group are all located in the PRC.

An analysis of the Group's revenue from external customers is presented based on the locations of customers.

	Revenue from external customers	
	Six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
The PRC	330,507	340,688
Bangladesh	68,539	60,122
Vietnam	41,063	24,583
Japan	13,385	17,643
Others	35,546	38,018
	<u>489,040</u>	<u>481,054</u>

Information about major customers

No revenue from customers contributing over 10% of the total revenue of the Group for the six months ended 30 June 2025 and 2024.

6. OTHER INCOME

	Six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Bank interest income	54	1,045
Exchange gain, net	455	2,396
Government subsidies (<i>note i</i>)	56	77
Rental income	1,529	1,192
Sundry income	722	66
	<u>2,816</u>	<u>4,776</u>

Note:

- (i) The government subsidies represent the one-off government subsidies that were received from local government authorities of which the entitlements were unconditional and under the discretion of the relevant authorities. The amounts were therefore immediately recognised as other income during the six months ended 30 June 2025 and 2024.

7. INCOME TAX EXPENSES

	Six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Current tax:		
Hong Kong Profits Tax	3,922	3,286
PRC Enterprise Income Tax	<u>—</u>	<u>—</u>
	<u>3,922</u>	<u>3,286</u>
Deferred tax		
Current year	<u>—</u>	<u>—</u>
	<u>3,922</u>	<u>3,286</u>

8. PROFIT FOR THE PERIOD

Six months ended 30 June
2025 2024
RMB'000 *RMB'000*
(Unaudited) (Unaudited)

Profit for the period has been arrived at after charging:

Directors' emoluments	1,175	1,269
Salaries, allowances and other benefits (excluding directors' emoluments)	35,425	29,306
Contributions to retirement benefits scheme (excluding directors' emoluments)	<u>5,083</u>	<u>4,431</u>
Total staff costs	<u>41,683</u>	<u>35,006</u>
 Auditor's remuneration	 153	 149
Amortisation of intangible assets	29	58
Amount of inventories recognised as an expense	401,458	394,911
Depreciation of property, plant and equipment	11,699	9,765
Depreciation of investment properties	767	767
Depreciation of right-of-use assets	<u>1,554</u>	<u>5,126</u>

9. DIVIDENDS

No interim dividend has been declared in respect of the six months ended 30 June 2025 and 2024.

10. EARNINGS PER SHARE

The calculation of the basic earnings per share during the six months ended 30 June 2025 and 2024 is based on the profit for the period attributable to the owners of the Company and the weighted average number of ordinary shares in issue.

	Six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Earnings for the purpose of basic earnings per share (profit for the period attributable to the owners of the Company)	<u>19,798</u>	<u>17,829</u>
	'000	'000
Weighted average number of ordinary shares for the purpose of basic earnings per share	<u>600,000</u>	<u>600,000</u>

Diluted earnings per share

Diluted earnings per share is as same as basic earnings per share as there were no dilutive potential ordinary shares outstanding for the six months ended 30 June 2025 and 2024.

11. TRADE AND BILLS RECEIVABLES

	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Audited)
Trade receivables	277,828	267,082
Bills receivables	19,947	26,035
Less: Impairment	<u>(997)</u>	<u>(997)</u>
	<u>296,778</u>	<u>292,120</u>

As at 30 June 2025, the gross amount of trade and bills receivables arising from contracts with customers amounted to approximately RMB297,775,000 (2024: RMB293,117,000).

The Group allows credit period of up to 90 days to its trade customers. The Group does not hold any collateral over its trade and bills receivables. The following is an aged analysis of trade and bills receivables, net of impairment, presented based on the invoice date, which approximates the respective revenue recognition dates, at the end of the reporting period.

	As at 30 June 2025 <i>RMB'000</i> (Unaudited)	As at 31 December 2024 <i>RMB'000</i> (Audited)
Within 30 days	196,880	216,631
31 to 60 days	55,008	44,349
61 to 90 days	23,030	24,295
91 to 180 days	<u>21,860</u>	<u>6,845</u>
Total	<u><u>296,778</u></u>	<u><u>292,120</u></u>

The Group applies simplified approach to provide for expected credit loss (“ECL”) prescribed by HKFRS 9. The Group assessed the ECL for trade and bills receivables in grouped based on shared credit risk characteristics as at 30 June 2025 and 31 December 2024.

12. PREPAYMENTS AND OTHER RECEIVABLES

	As at 30 June 2025 <i>RMB'000</i> (Unaudited)	As at 31 December 2024 <i>RMB'000</i> (Audited)
Refundable deposit for potential investments (<i>note a</i>)	54,416	55,690
Prepayments	31,532	41,270
Other tax recoverables	302	3,591
Others	<u>7,719</u>	<u>9,461</u>
	<u><u>93,969</u></u>	<u><u>110,012</u></u>

Note a: As at 30 June 2025, a refundable deposit of USD7.6 million (equivalent to approximately RMB54,416,000) (31 December 2024: RMB55,690,000) was paid to an independent third party for potential investments with prospective business expansion in Southeast Asia.

Note b: ECL on prepayments and other receivables are insignificant as they are low risk of default and no significant increase in credit risk as at 30 June 2025 and 31 December 2024.

13. TRADE AND BILLS PAYABLES

	As at 30 June 2025 <i>RMB'000</i> (Unaudited)	As at 31 December 2024 <i>RMB'000</i> (Audited)
Trade payables	123,954	189,756
Bills payables	<u>6,065</u>	<u>—</u>
	<u><u>130,019</u></u>	<u><u>189,756</u></u>

The following is an aged analysis of trade and bills payables presented based on invoice date at the end of the reporting period.

	As at 30 June 2025 <i>RMB'000</i> (Unaudited)	As at 31 December 2024 <i>RMB'000</i> (Audited)
Within 30 days	56,417	140,322
31 to 60 days	25,878	28,385
61 to 90 days	8,917	10,990
91 to 180 days	25,965	9,594
181 to 365 days	12,338	301
Over 365 days	504	164
	<hr/>	<hr/>
Total	130,019	189,756
	<hr/>	<hr/>

The average credit period on purchases of goods is ranging from 30 to 90 days. The Group has financial risk management policies in place to ensure that all payables are settled within the credit timeframe.

14. EVENT AFTER THE REPORTING PERIOD

On 25 July 2025, the Group entered into a sale and purchase agreement to acquire 100% issued share capital of Brilliant Textile Pte. Ltd (“**Brilliant Textile**”) at a consideration of USD8.9 million (equivalent to approximately RMB55,700,000).

Upon the completion of the transaction, Brilliant Textile will become a subsidiary of the Group. Details of the aforesaid transaction are disclosed in the Company’s announcement dated 25 July 2025.

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY OVERVIEW

Despite persistent headwinds in the PRC consumer market, including elevated youth unemployment, cautious household spending, and ongoing stress in the property sector, the overall economy demonstrated resilience and steady improvement during the first half of 2025. According to the National Bureau of Statistics of China, GDP grew by approximately 5.3% year-on-year in the first half of 2025, surpassing the 5.0% growth recorded during the same period in 2024.

Stimulated by the central government's proactive fiscal and monetary policies aimed at boosting domestic demand and consumer sentiment, signs of recovery emerged across several consumption categories. Total retail sales of consumer goods increased by approximately 5.0% year-on-year, with notable strength in food and beverage, automotive, and health-related products. However, traditional categories such as apparel, footwear, headwear, and knitwear continued to face challenges, with retail sales in these segments growing only 3.1% compared to the same period last year. While consumer confidence remains subdued and households continue to maintain high savings rates, the momentum in emerging sectors and the success of national shopping festivals suggest a cautiously optimistic outlook for the remainder of the year.

BUSINESS OVERVIEW

During the first half of 2025, due to the strong encouragement of consumption by the central government, the increase in demand for the apparel and textiles industries in the PRC led to more orders from customers of the Group.

The Group recorded revenue of approximately RMB489.0 million for the six months ended 30 June 2025, representing an increase of approximately 1.7% as compared to approximately RMB481.1 million for the six months ended 30 June 2024, which was mainly attributable to the increase in purchase orders placed by customers of the Group. The Group's gross profit increased by approximately 11.1% from approximately RMB56.5 million for the six months ended 30 June 2024 to approximately RMB62.7 million for the six months ended 30 June 2025. The gross profit margin of the Group increased from approximately 11.7% for the six months ended 30 June 2024 to approximately 12.8% for the six months ended 30 June 2025. The Group's profit increased by approximately 11.0% from approximately RMB17.8 million for the six months ended 30 June 2024 to approximately RMB19.8 million for the six months ended 30 June 2025.

PROSPECT

Stepping into the second half of 2025, the Group remains optimistic about the outlook for the market. With the central government's continued efforts to stimulate consumer spending, domestic demand is expected to strengthen further, driving increased activity across the apparel and textile sectors. Rising consumer engagement is anticipated to support a more vibrant retail environment, creating favourable conditions for industry growth. Looking ahead, the Group maintains a positive view of its prospects for the remainder of the year. As part of its strategic focus, the Group will continue to enhance its

capabilities in product design and development, with particular emphasis on environmentally friendly textile fabrics. This aligns with the growing environmental consciousness among consumers and the broader industry shift toward sustainability. In particular, cotton fabric products made from more sustainable raw materials are expected to emerge as a key growth driver for the textile industry in 2025. As a leading manufacturer of cotton fabrics in the PRC, the Group is well-positioned to capitalise on these opportunities and advance in step with market momentum.

In addition, the Group has recently entered into an acquisition agreement to acquire a company incorporated in Singapore, which holds a controlling interest in a Vietnamese entity possessing the land use rights for a parcel of land in Vietnam. Through this transaction, the Group is positioned to obtain indirect control over the land, which it intends to use for the development of new manufacturing facilities. Please refer to the announcement of the Company dated 25 July 2025. This expansion reflects the Group's commitment to diversifying its production base, enhancing operational efficiency, and capturing growth opportunities in Southeast Asia's fast-developing industrial landscape.

The Group will remain committed to delivering high-quality products, which are essential to its long-term development. Backed by its strong brand reputation, diversified product portfolio, robust R&D capabilities, and experienced management team, the Group is confident in its ability to enhance competitiveness, elevate its market position, and achieve sustainable growth, ultimately maximising long-term value for its shareholders.

FINANCIAL REVIEW

Revenue

The revenue of the Group increased by approximately RMB8.0 million or approximately 1.7% from approximately RMB481.1 million for the six months ended 30 June 2024 to approximately RMB489.0 million for the six months ended 30 June 2025. Such increase was primarily attributable to the increase in purchase orders placed by customers of the Group.

Cost of Sales

The cost of sales of the Group increased by approximately RMB1.7 million or approximately 0.4% from approximately RMB424.6 million for the six months ended 30 June 2024 to approximately RMB426.3 million for the six months ended 30 June 2025. Such increase was in line with the increase in the revenue during the same period.

Gross Profit and Gross Profit Margin

The gross profit of the Group increased by approximately RMB6.2 million or approximately 11.1% from approximately RMB56.5 million for the six months ended 30 June 2024 to approximately RMB62.7 million for the six months ended 30 June 2025. Such increase was primarily attributable to the increase in revenue of the Group as discussed above. The gross profit margin of the Group

increased from approximately 11.7% for the six months ended 30 June 2024 to approximately 12.8% for the six months ended 30 June 2025. Such increase was primarily attributable to the increase in the average unit price of sales for the six months ended 30 June 2025.

Other Income

Other income of the Group decreased from approximately RMB4.8 million for the six months ended 30 June 2024 to approximately RMB2.8 million for the six months ended 30 June 2025. Such decrease was primarily attributable to the decrease in bank interest income from approximately RMB1,045,000 to approximately RMB54,000 during the same period.

Selling and Distribution Expenses

The selling and distribution expenses of the Group slightly increased from approximately RMB10.0 million for the six months ended 30 June 2024 to approximately RMB10.1 million for the six months ended 30 June 2025. Such increase was primarily attributable to the increase in salaries of sales staff for the six months ended 30 June 2025.

Administrative Expenses

Administrative expenses of the Group increased from approximately RMB24.6 million for the six months ended 30 June 2024 to approximately RMB25.0 million for the six months ended 30 June 2025. Such increase was primarily attributable to the increase in depreciation of right-of-use assets during the six months ended 30 June 2025.

Finance Costs

Finance costs of the Group increased from approximately RMB5.6 million for the six months ended 30 June 2024 to approximately RMB6.8 million for the six months ended 30 June 2025. Such increase was primarily attributable to the increase in the principal amount and interest of borrowings during the same period.

Income Tax Expenses

Income tax expenses of the Group increased from approximately RMB3.3 million for the six months ended 30 June 2024 to approximately RMB3.9 million for the six months ended 30 June 2025. Such increase was primarily attributable to the increase in the current tax from approximately RMB3.3 million to approximately RMB3.9 million during the same period which was mainly due to the increase in the profit before tax leading to the increase in the taxable profit.

The effective income tax rate of the Group increased from approximately 15.6% for the six months ended 30 June 2024 to approximately 16.5% for the six months ended 30 June 2025.

Profit

As a result of the foregoing, the profit for the six months ended 30 June 2025 of the Group increased by approximately RMB2.0 million or approximately 11.0% from approximately RMB17.8 million for the six months ended 30 June 2024.

MATERIAL ACQUISITIONS AND DISPOSAL OF SUBSIDIARIES AND ASSOCIATED COMPANIES

There were no material acquisitions or disposals of subsidiaries and associated companies by the Group during the six months ended 30 June 2025.

CAPITAL COMMITMENTS

As at 30 June 2025, the Group had capital commitments of approximately RMB3.0 million, which were mainly related to the acquisition of the plant and machineries, and the development of the design and research centre.

CONTINGENT LIABILITIES

As at 30 June 2025, the Group did not have any significant contingent liabilities (30 June 2024: nil). The Group is currently not a party to any litigation that is likely to have a material adverse effect on the business, results of operations or financial condition.

FOREIGN EXCHANGE EXPOSURE

The Group's major operating subsidiary has foreign currency sales, which expose the Group to foreign currency risk. The Group also exposes to foreign currency risk relates principally to its trade receivables, trade and bills payables, other payables and bank balances denominated in foreign currencies other than the functional currency of the relevant Group entities. Foreign currencies are also used to settle expenses for overseas operations, which expose the Group to foreign currency risk.

The Group currently does not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

GEARING RATIO

As at 30 June 2025, the gearing ratio of the Group (defined as total liabilities divided by total assets and multiplied by 100%) was approximately 61.6% (31 December 2024: approximately 66.1%).

LIQUIDITY AND FINANCIAL RESOURCES AND CAPITAL STRUCTURE

The Group has principally funded the liquidity and capital requirements through capital contributions from the Shareholders, bank borrowings and net cash generated from operating activities. As at 30 June 2025, the Group had bank balances and cash of approximately RMB35.4 million (31 December 2024: approximately RMB65.0 million). As at 30 June 2025, the current ratio of the Group was approximately 1.5 times (31 December 2024: approximately 1.3 times). The financial resources that are presently available to the Group include bank borrowings, the Directors believe that the Group have sufficient working capital for the future requirements.

As at 1 January 2025, the Company had an issued share capital of HK\$6,000,000 divided into 600,000,000 shares. There has been no change in the capital structure of the Group during the six months ended 30 June 2025.

DEBTS AND CHARGE ON ASSETS

The total interest-bearing bank borrowings of the Group amounted to approximately RMB276.1 million as at 30 June 2025 (31 December 2024: approximately RMB276.4 million).

As at 30 June 2025, the Group's assets amounted to approximately RMB116.8 million was charged (31 December 2024: approximately RMB119.0 million) to secure certain banking facilities for the Group.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2025, the Group had a total of 595 full-time employees (31 December 2024: 569). The Group believes that employees are valuable assets that are crucial to the success of the Group. The Group generally pays its employees a fixed salary and discretionary year-end bonus and other allowances based on their respective positions and responsibilities. For the six months ended 30 June 2025, staff costs of the Group increased from approximately RMB35.0 million to approximately RMB41.7 million, the increase was mainly due to the increase in salaries, allowances and other benefits for the additional full-time employees.

SUBSEQUENT EVENT AFTER REPORTING PERIOD

As at the date of this announcement, the Group has no significant event occurred after the six months ended 30 June 2025 which require additional disclosures or adjustments.

USE OF NET PROCEEDS FROM LISTING

The net proceeds from the Listing received by the Company, after deducting the underwriting commissions and expenses paid by the Company, are approximately HK\$81.9 million (the “**Net Proceeds**”). As disclosed in the annual results announcement of the Company for the year ended 31 December 2023, the Net Proceeds had been fully utilised.

DIVIDEND

The Board has resolved not to recommend the payment of an interim dividend for the six months ended 30 June 2025.

CORPORATE GOVERNANCE

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of the Shareholders and to enhance corporate value and accountability. The Company has adopted the Corporate Governance Code (the “**CG Code**”) as set out in Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”). The Company has complied with all applicable code provisions of the CG Code during the six months ended 30 June 2025, except for deviation from code provision C.2.1 as explained under the paragraph headed “Chairman and Chief Executive Officer” below.

Chairman and Chief Executive Officer

Code provision C.2.1 of the CG Code stipulates that the roles of chairman and chief executive should be segregated and should not be performed by the same individual. However, the Company at present does not have a chief executive officer.

The overall strategic and other key business, financial and operational policies of the Group are made collectively after thorough discussion at both the Board and senior management levels and the Board believes that the current management structure enables effective and efficient overall strategic planning for the Group. The Board will continue to review the effectiveness of the corporate governance structure of the Group in order to assess whether separation of the roles of chairman and chief executive officer is necessary.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 of the Listing Rules as its own code of conduct regarding Directors’ securities transactions. Having made specific enquiries of all Directors, each of the Directors has confirmed that he/she has complied with the required standards as set out in the Model Code during the six months ended 30 June 2025.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the six months ended 30 June 2025, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s listed securities.

AUDIT COMMITTEE

The audit committee of the Company (the “**Audit Committee**”) has reviewed the Group’s unaudited financial results for the six months ended 30 June 2025 and the accounting principles and practices adopted by the Group and discussed risk management, internal control and financing reporting matters with management including a review of the unaudited consolidated financial statements for the six months ended 30 June 2025. There is no disagreement between the Board and the Audit Committee regarding the accounting treatment adopted by the Company.

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This interim results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.yadongtextile.com), and the interim report of the Company for the six months ended 30 June 2025 will be disseminated to the Shareholders electronically (or in hard copy upon request) and published on the respective websites of the Stock Exchange and the Company according to the requirements of the Listing Rules.

By order of the Board
Yadong Group Holdings Limited
XUE Shidong
Chairman

Hong Kong, 28 August 2025

As at the date of this announcement, the Company has five executive Directors, namely Mr. Xue Shidong, Mr. Wang Bin, Mr. Xiang Wenbin, Ms. Zhang Yeping and Mr. Jin Rongwei; and three independent non-executive Directors, namely Mr. Zhu Qi, Mr. Ho Kin Cheong Kelvin and Mr. Wang Hongliang.