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Buyang International Holding Inc

步陽國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 2457)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

FINANCIAL HIGHLIGHTS

	Six months ended 30 June		Changes
	2025	2024	
	(RMB'000)	(RMB'000)	
Revenue	172,725	189,315	-8.76%
Gross profit	21,221	26,912	-21.15%
Profit before tax	6,701	14,782	-54.67%
Profit for the period	5,947	12,447	-52.22%
Total comprehensive income for the period	5,681	12,639	-55.05%
Earnings per share (basic and diluted)			
(RMB)	0.006	0.012	-50.00%

The board (the “**Board**”) of directors (the “**Directors**”) of Buyang International Holding Inc (the “**Company**”) is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (collectively, the “**Group**”, “**we**”, “**us**” or “**our**”) for the six months ended 30 June 2025 (the “**Reporting Period**”) together with the comparative figures for the six months ended 30 June 2024. The unaudited condensed consolidated financial information for the Reporting Period has been reviewed by the audit committee of the Board (the “**Audit Committee**”).

Certain amounts and percentage figures included in this announcement have been subject to rounding adjustments, or have been rounded to one or two decimal places. Any discrepancies in any tables, charts or elsewhere between totals and sums of amounts listed therein are due to rounding.

Our revenue decreased to approximately RMB172.7 million for the six months ended 30 June 2025 as compared to approximately RMB189.3 million for the six months ended 30 June 2024.

Our profit decreased to approximately RMB5.9million for the six months ended 30 June 2025 as compared to approximately RMB12.4 million for the six months ended 30 June 2024 and our net profit margin decreased from 6.57% for the six months ended 30 June 2024 to 3.44% for the six months ended 30 June 2025.

Our total comprehensive income decrease to approximately RMB5.7 million for the six months ended 30 June 2025 as compared to approximately RMB12.6 million for the six months ended 30 June 2024.

Basic and diluted earnings per share for the six months ended 30 June 2025 were approximately RMB0.006, representing a decrease of 50.00% as compared to approximately RMB0.012 for the six months ended 30 June 2024.

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

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the six months ended 30 June 2025 — unaudited

(Expressed in Renminbi (“RMB”))

		Six months ended 30 June	
		2025	2024
	Note	RMB'000	RMB'000
Revenue	3	172,725	189,315
Cost of sales		<u>(151,504)</u>	<u>(162,403)</u>
Gross profit		<u>21,221</u>	<u>26,912</u>
Other revenue	4(a)	652	1,190
Other net gain	4(b)	238	2,424
Selling and distribution expenses		(4,562)	(4,603)
Administrative and other operating expenses		(5,646)	(6,073)
Research and development costs		(6,850)	(6,660)
Impairment loss on trade receivables		<u>(214)</u>	<u>(952)</u>
Profit from operations		<u>4,839</u>	<u>12,238</u>
Finance income		2,037	2,734
Finance costs		<u>(175)</u>	<u>(190)</u>
Net finance income	5(a)	<u>1,862</u>	<u>2,544</u>
Profit before taxation	5	6,701	14,782
Income tax	6	<u>(754)</u>	<u>(2,335)</u>
Profit for the period		<u>5,947</u>	<u>12,447</u>

		Six months ended 30 June	
		2025	2024
	Note	RMB'000	RMB'000
Profit for the period		5,947	12,447
Other comprehensive income for the period (after tax and reclassification adjustments)			
<i>Item that will not be reclassified to profit or loss:</i>			
Exchange difference on translation of financial statements of the Company		(1,528)	767
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange difference on translation of financial statements of the Company's subsidiaries outside mainland China		1,262	(575)
Other comprehensive income for the period		(266)	192
Total comprehensive income for the period		5,681	12,639
Earnings per share	7		
Basic and diluted (RMB)		0.006	0.012

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

at 30 June 2025 — unaudited

(Expressed in RMB)

		30 June 2025	31 December 2024
	<i>Note</i>	<i>RMB'000</i>	<i>RMB'000</i>
Non-current assets			
Property, plant and equipment	8	62,672	63,959
Right-of-use assets		14,852	15,215
Intangible assets		—	7
Deferred tax assets		1,238	1,244
A loan provided to a related party	9	—	14,817
Prepayments		1,298	1,317
		80,060	96,559
Current assets			
Inventories	10	96,972	85,877
Trade and other receivables	11	74,762	80,262
A loan provided to a related party	9	14,737	148
Income tax recoverable		1,921	1,258
Time deposits		60,163	40,030
Pledged deposits		19,207	16,588
Cash and cash equivalents		151,058	172,901
		418,820	397,064
Current liabilities			
Trade and other payables	12	73,243	78,315
Contract liabilities		9,621	4,867
Lease liabilities		516	501
		83,380	83,683
Net current assets		335,440	313,381
Total assets less current liabilities		415,500	409,940

	30 June	31 December
	2025	2024
<i>Note</i>	<i>RMB'000</i>	<i>RMB'000</i>
Non-current liabilities		
Lease liabilities	5,452	6,148
Deferred income	1,146	1,266
Deferred tax liabilities	2,766	2,071
	<u>9,364</u>	<u>9,485</u>
NET ASSETS	<u>406,136</u>	<u>400,455</u>
CAPITAL AND RESERVES		
Share capital	6,952	6,952
Reserves	399,184	393,503
TOTAL EQUITY	<u>406,136</u>	<u>400,455</u>

NOTES TO THE UNAUDITED INTERIM FINANCIAL INFORMATION

(Expressed in RMB unless otherwise indicated)

1 BASIS OF PREPARATION

Buyang International Holding Inc (the “**Company**”) was incorporated in the Cayman Islands on 14 November 2018 as an exempted company with limited liability under the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The Company’s shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 15 December 2022 (the “**Listing**”). The Company and its subsidiaries (together referred to as the “**Group**”) is principally engaged in the development, manufacturing and sales of a broad range of aluminium alloy wheels for automobiles.

The interim financial information of the Company as at and for the six months ended 30 June 2025 comprises the Company and its subsidiaries. The interim financial information has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with Hong Kong Accounting Standard (“**HKAS**”) 34, *Interim Financial Reporting*, issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”).

The interim financial information has been prepared in accordance with the same accounting policies adopted in the 2024 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2025 annual financial statements. Details of any changes in accounting policies are set out in note 2.

The preparation of an interim financial information in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

2 CHANGES IN ACCOUNTING POLICIES

The Group has applied the amendments to HKAS 21, *The effects of changes in foreign exchange rates — Lack of exchangeability* issued by the HKICPA to this interim financial information for the current accounting period. The amendments do not have a material impact on the interim financial information as the Group has not entered into any foreign currency transactions in which the foreign currency is not exchangeable into another currency.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

3 REVENUE AND SEGMENT REPORTING

(a) Revenue

The Group is principally engaged in the manufacturing and sales of a broad range of aluminium alloy wheels for automobiles. The Group's revenue from contracts with customers were recognised at point in time for the reporting period.

(i) *Disaggregation of revenue*

Disaggregation of revenue from contracts with customers by major products is as follows:

	Six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Sales of aluminium alloy wheels	167,293	183,907
Sales of others	5,432	5,408
	<u>172,725</u>	<u>189,315</u>

Disaggregation of revenue from contracts with customers by continent of delivery is disclosed in Note 3(b)(i).

- (ii) No revenue from transaction with single external customer amounts to 10% or more of the Group's revenue for each of the periods presented.
- (iii) Revenue expected to be recognised in the future arising from contracts with customers in existence at the reporting date.

For sales contracts of goods with original expected duration of less than one year, the Group has elected not to disclose information about the remaining performance obligations.

(b) Segment reporting

The Group manages its businesses by divisions, which are organised by geography. Information reported to the Group's chief operating decision maker, for the purpose of resources allocation and performance assessment, focuses on the operating results of the Group as a whole as the Group's resources are integrated and no discrete operating segment information is available. Accordingly, no segment information is presented.

Geographical information

(i) *Revenue from external customers by continent of delivery*

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Asia	91,313	90,372
Europe	28,806	32,737
America	43,707	61,388
Africa	5,661	2,593
Oceania	3,238	2,225
	172,725	189,315

(ii) *Non-current assets*

The Group's operating assets are substantially situated in the PRC. Accordingly, no segment analysis based on geographical locations of the assets is provided.

4 OTHER REVENUE AND OTHER NET GAIN

(a) Other revenue

	Six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Government grants	368	915
Rentals receivable from operating leases, other than those relating to investment property	275	275
Others	9	—
	<u>652</u>	<u>1,190</u>

(b) Other net gain

	Six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Net loss on disposal of property, plant and equipment	(387)	(47)
Net foreign exchange gain	625	2,471
	<u>238</u>	<u>2,424</u>

5 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after (crediting)/charging:

(a) Net finance income

	Six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Interest income on bank deposits	(1,599)	(2,257)
Interest income on a loan to a related party	(438)	(477)
Interest expense on lease liabilities	175	190
	<u> </u>	<u> </u>
Net finance income	<u><u>(1,862)</u></u>	<u><u>(2,544)</u></u>

(b) Staff costs

	Six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Salaries and other benefits	23,117	22,809
Contributions to defined contribution scheme		
<i>(Note)</i>	1,564	1,358
	<u> </u>	<u> </u>
	<u><u>24,681</u></u>	<u><u>24,167</u></u>

Note: The Group's subsidiaries in the PRC are required to participate in defined contribution retirement schemes administered and operated by the local municipal government. The Group's subsidiaries in the PRC contribute funds which are calculated based on certain percentages of the prevailing average salary as agreed by the local municipal government to the schemes to fund the retirement benefits of the employees. The Group has no other material obligation for the payment of retirement benefits beyond the contributions described above.

(c) **Other items**

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Cost of inventories*	151,504	162,403
Depreciation		
— Property, plant and equipment	6,152	5,087
— Right-of-use assets	363	323
Amortisation of intangible assets	7	38
Impairment loss on trade and other receivables	214	952
Research and development costs**	6,850	6,660

* Cost of inventories include RMB22,964,000 relating to staff costs and depreciation expenses for the six months ended 30 June 2025 (six months ended 30 June 2024: RMB22,122,000), which amounts are also included in the respective total amounts disclosed separately above or in Note 5(b) for each of these types of expenses.

** Research and development costs include RMB3,363,000 relating to staff costs and depreciation expenses for the six months ended 30 June 2025 (six months ended 30 June 2024: RMB3,106,000), which amounts are also included in the respective total amounts disclosed separately above or in note 5(b) for each of these types of expenses.

6 **INCOME TAX**

Income tax in the consolidated statement of profit or loss and other comprehensive income represents

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Current tax		
PRC corporate income tax	53	2,503
Deferred tax		
Origination and reversal of temporary differences	6	(168)
Withholding tax on the profits of the Group's PRC subsidiaries	695	—
	754	2,335

Notes:

- (i) Pursuant to the rules and regulations of the Cayman Islands, the Group is not subject to any income tax in the Cayman Islands.
- (ii) The applicable profits tax rate of the Group's subsidiary incorporated in Hong Kong was 16.5%. A two-tiered profits tax rates regime was introduced in 2018 whereby the first HKD2 million in assessable profits earned by a company will be taxed at half of the current tax rate (8.25%) while the remaining profits will continue to be taxed at 16.5%. No provision for Hong Kong Profits Tax has been made as the Group did not earn any income subject to Hong Kong Profits Tax during the six months ended 30 June 2025 (six months ended 30 June 2024: Nil).
- (iii) The Group's PRC subsidiary is subject to PRC income tax at 25%. According to the relevant PRC income tax law, certain research and development costs of PRC subsidiaries are qualified for 100% additional deduction for tax purpose.
- (iv) According to the Implementation Rules of the Corporate Income tax Law of the PRC, the Company's subsidiaries in the PRC are levied a 10% withholding tax on dividends declared to their foreign investment holding company arising from profit earned subsequent to 1 January 2008. Buyang (Hong Kong) Limited, a subsidiary of the Company, is subject to PRC dividend withholding tax at 10% on dividends receivables from the PRC subsidiaries.

As at 30 June 2025, deferred tax liabilities of RMB2,766,000 were recognised in respect of the 10% PRC dividend withholding tax that would be payable on the distribution of the retained profits of the Group's PRC subsidiaries (31 December 2024: RMB2,071,000).

7 EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit attributable to ordinary equity shareholders of the Company of RMB5,947,000 (six months ended 30 June 2024: RMB12,447,000) and the weighted average of 1,000,000,000 ordinary shares (six months ended 30 June 2024: 1,000,000,000 ordinary shares) in issue during the interim period.

There were no dilutive potential shares outstanding for the six months ended 30 June 2025 and 2024 and therefore the diluted earnings per share are same as the basic earnings per share.

8 PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2025, the Group acquired items of machinery equipment, moulds, electronic and other equipment with a cost of RMB5,594,000 (six months ended 30 June 2024: RMB5,069,000).

Items of machinery equipment, electronic and other equipment, motor vehicles with a net book value of RMB729,000 were disposed of during the six months ended 30 June 2025 (six months ended 30 June 2024: RMB133,000), resulting in a net loss on disposal of RMB387,000 (six months ended 30 June 2024: RMB47,000).

9 A LOAN PROVIDED TO A RELATED PARTY

	30 June 2025 RMB'000	31 December 2024 RMB'000
A fixed-rate loan receivables	14,591	14,817
Accrued interest receivables	146	148
	<u>14,737</u>	<u>14,965</u>
Analysed as:		
— Non-current	—	14,817
— Current	14,737	148
	<u>14,737</u>	<u>14,965</u>

On 8 May 2023, the Company lent a three-year loan to Topsun Investment Holding Company Limited of HKD16,000,000 with an annual interest rate of 6%, guaranteed by controlling shareholder Mr. Xu Buyun.

As at 30 June 2025, the gross loan provided to Topsun Investment Holding Company Limited amounted to RMB14,737,000 including the principal of HKD16,000,000 (equivalent to approximately RMB14,591,000) and corresponding interests of HKD160,000 (equivalent to approximately RMB146,000).

10 INVENTORIES

(a) Inventories in the consolidated statement of financial position comprise:

	30 June 2025 RMB'000	31 December 2024 RMB'000
Raw materials	18,878	16,856
Work in progress	16,540	14,077
Finished goods	61,238	54,388
Others	316	556
	<u>96,972</u>	<u>85,877</u>

(b) The analysis of the amount of inventories recognised as expenses and included in profit or loss are as follows:

	Six months ended 30 June 2025 RMB'000	2024 RMB'000
Carrying amount of inventories sold	151,198	162,153
Write-down of inventories	306	250
	<u>151,504</u>	<u>162,403</u>

11 TRADE AND OTHER RECEIVABLES

	30 June 2025 RMB'000	31 December 2024 RMB'000
Trade receivables		
— Third parties	63,331	68,947
Bills receivable	4,641	3,966
Less: Loss allowance for trade and bills receivable	(941)	(727)
Financial assets measured at amortised cost	67,031	72,186
Value-added tax recoverable and others	1,050	1,208
Prepayments	6,681	6,868
	74,762	80,262

Ageing analysis of trade and bills receivables

As at the end of each reporting period, the ageing analysis of trade and bills receivables based on the date of revenue recognition and net of loss allowance is as follows:

	30 June 2025 RMB'000	31 December 2024 RMB'000
Within 3 months	55,617	65,076
Over 3 months but within 6 months	8,169	6,538
Over 6 months but within 12 months	3,245	572
	67,031	72,186

12 TRADE AND OTHER PAYABLES

	30 June 2025	31 December 2024
<i>Note</i>	<i>RMB'000</i>	<i>RMB'000</i>
Trade payables		
— Third parties	24,741	26,070
— Related parties	6,028	978
Bills payable	19,207	16,588
	49,976	43,636
Other payables and accruals	15,743	23,142
Financial liabilities measured at amortised cost	65,719	66,778
Accrued payroll and other benefits	7,132	11,154
Other taxes and charges payable	392	383
	73,243	78,315

As of the end of the reporting period, the ageing analysis of trade and bills payables, based on the invoice date, is as follows:

	30 June 2025	31 December 2024
	<i>RMB'000</i>	<i>RMB'000</i>
Within 3 months	38,804	30,936
Over 3 months but within 6 months	10,219	12,159
Over 6 months but within 12 months	790	177
Over 12 months	163	364
	49,976	43,636

13 DIVIDENDS

The directors of the Company has resolved not to declare any interim dividend in respect of the period for the six months ended 30 June 2025 (six months ended 30 June 2024: Nil).

14 COMMITMENTS

Capital commitments outstanding at 30 June 2025 not provided for in the interim financial report were as follows:

	30 June 2025 <i>RMB'000</i>	31 December 2024 <i>RMB'000</i>
Purchase of property, plant and equipment:		
Contracted for	<u>1,549</u>	<u>1,913</u>

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

We are an aluminum alloy automobile wheel manufacturer focusing on the aftermarket which is the market for parts and accessories used in the repair or maintenance of an automobile. We manufacture and sell different types of aluminum alloy automobile wheels to our customers.

We are pleased to announce that for the six months ended 30 June 2025, we have achieved solid results and further expanded our overall competitive advantages.

For the six months ended 30 June 2025, we generated approximately RMB35.6 million, RMB118.4 million and RMB13.3 million of our total revenue from the sale of small, medium and large aluminum alloy automobile wheels, respectively, and sold over 468.4 thousand aluminum alloy automobile wheels to the customers.

For the six months ended 30 June 2025, we generated 96.86% of our total revenue from the sales of aluminum alloy automobile wheels, approximately 32.75% and 67.25% of our total revenue from the sales of aluminum alloy automobile wheels were to the domestic and overseas markets, respectively, and we sold over 468.4 thousand aluminum alloy automobile wheels to customers, of which approximately 308.1 thousand were sold to the overseas markets.

During the six months ended 30 June 2025, our revenue decreased from approximately RMB189.3 million during the corresponding period in 2024 to approximately RMB172.7 million, our profit for the period decreased from RMB12.4 million during the corresponding period in 2024 to RMB5.9 million in the Reporting Period.

Throughout the first half of 2025, we remained dedicated to the ongoing development and research of new products. As a result, we successfully developed a total of 187 new products during Reporting Period.

Business Model

We are primarily engaged in the research and development, design, production and sales of aluminum alloy automobile wheels to domestic and overseas customers who purchase our branded and non-branded products. We cooperate closely with our customers to provide them with high quality products which are tailor-made to their specifications and budgets in a timely manner.

Our top five customers in terms of revenue during the Reporting Period were wholesale traders and after-sales retailers in the aftermarket. During the Reporting Period, we made consistent effort to expand our sales in overseas market.

Our customers are mainly aluminum alloy automobile wheel wholesale traders and retailers in the aftermarket. We had 110 customers located in the PRC and had 85 customers located in overseas countries and territories for the six months ended 30 June 2025.

Our products are mainly categorized by size, in particular the diameter of the aluminum alloy automobile wheels. The table below sets forth details of our products by type.

Type	Diameter	Main utilization
Small	12–16 inches	Subcompact and compact car
Medium	17–20 inches	Mid-size and large car and sports utility vehicle
Large	21–26 inches	Full-size sports utility vehicle and pickup truck

We generally design and produce aluminum alloy automobile wheels with a wide variety of elements, including size, design and color pursuant to customers' specific requirements and specifications. We also periodically offer our own designs to our customers based on our knowledge of contemporary market trends.

The following table sets forth our revenue by sizes of aluminum alloy automobile wheel, in absolute amount and as a percentage of total revenue derived from sales of aluminum alloy automobile wheels, for the six months ended 30 June 2025 and 2024:

	The six months ended 30 June			
	2025		2024	
	<i>RMB'000</i>	<i>%</i>	<i>RMB'000</i>	<i>%</i>
Small	35,612	21.29%	31,762	17.27%
Medium	118,416	70.78%	134,098	72.92%
Large	13,265	7.93%	18,047	9.81%
Total sales of aluminum alloy automobile wheel	<u>167,293</u>	<u>100.00%</u>	<u>183,907</u>	<u>100.00%</u>

Prospects

In the second half of 2025, our focus will persist on expanding into new markets and acquiring new customers, while also maintaining proactive communication with our existing customers. With a strong sense of confidence in our management, we are optimistic about the future growth prospects of our business.

Notwithstanding the uncertainties in the industry and the overall competitive business environment, the Group will continue to be committed to implementing the business strategies.

Financial Review

Revenue

The Group's revenue decreased by approximately 8.76% from approximately RMB189.3 million for the six months ended 30 June 2024 to approximately RMB172.7 million for the six months ended 30 June 2025, mainly due to a decline in sales in the US market as a result of the impact of US tariff policies.

Sales volume of aluminum alloy automobile wheel

Our total revenue from the sale of aluminum alloy automobile wheels decreased by approximately 9.03% from approximately RMB183.9 million for the six months ended 30 June 2024 to approximately RMB167.3 million for the six months ended 30 June 2025, mainly due to the impact of US tariff policies in the first half of the year, which caused customers to reduce their procurement volumes in response to the unstable international situation.

Sales of other products

Our total revenue from the sale of other products for the six months ended 30 June 2025 is basically the same as that for the six months ended 30 June 2024, amounting to approximately RMB 5.4 million.

Sales by geographic market

The majority of our revenue is generated from overseas markets. During the Reporting Period, revenue from sales in overseas markets accounted for approximately 65.14% of total revenue. Revenue from sales in overseas markets decreased by approximately 13.91% from approximately RMB130.7 million for the six months ended 30 June 2024 to approximately RMB112.5 million for the six months ended 30 June 2025. Our revenue from Asia increased by approximately 1.04% from approximately RMB90.4 million for the six months ended 30 June 2024 to approximately RMB91.3 million for the six months ended 30 June 2025. Our revenue from America decreased by approximately 28.80% from approximately RMB61.4 million for the six months ended 30 June 2024 to approximately RMB43.7 million for the six months ended 30 June 2025. Our revenue from Europe decreased by approximately 12.01% from approximately RMB32.7 million for the six months ended 30 June 2024 to approximately RMB28.8 million for the six months ended 30 June 2025. Our revenue from Africa increased by approximately 118.32% from approximately RMB2.6 million for the six months ended 30 June 2024 to approximately RMB5.7 million for the six months ended 30 June 2025. Our revenue from Oceania increased by approximately 45.53% from approximately RMB2.2 million for the six months ended 30 June 2024 to approximately RMB3.2 million for the six months ended 30 June 2025.

Cost of Sales

Our cost of sales decreased by approximately 6.71% from approximately RMB162.4 million for the six months ended 30 June 2024 to approximately RMB151.5 million for the six months ended 30 June 2025, which is in line with the decrease in revenue.

Gross Profit and Gross Profit Margin

Our gross profit decreased by approximately 21.15% from approximately RMB26.9 million for the six months ended 30 June 2024 to approximately RMB21.2 million for the six months ended 30 June 2025, primarily due to the decrease in the revenue.

Our gross profit margin was approximately 12.29% for the six months ended 30 June 2025, representing a decrease as compared to gross profit margin of approximately 14.22% for the six months ended 30 June 2024, mainly because of the increase in the proportion of small wheel hub sales and the increase in raw material prices.

Other Revenue

Our other revenue mainly consisted of government grants and rentals receivable from operating leases, other than those relating to investment property. Such government grants included financial subsidies related to various aspects of our operations, which were granted by local government authorities in the PRC.

Our other revenue decreased by approximately 45.21% from approximately RMB1.2 million for the six months ended 30 June 2024 to approximately RMB0.7 million for the six months ended 30 June 2025.

Other Net Gain

We had other net gain of approximately RMB0.2 million for the six months ended 30 June 2025, as compared to other net gain of approximately RMB2.4 million for the same period in 2024. Our other net gain primarily included net exchange gain, which were primarily attributable to translation of our trade and other receivables and cash at bank denominated in U.S. dollar into RMB. The fluctuation was align with the exchange rate and our overseas business scale.

Selling and Distribution Expenses

Our selling and distribution expenses for the six months ended 30 June 2025 are basically the same as that for the six months ended 30 June 2024, amounting to approximately RMB4.6 million.

Administrative and Other Operating Expenses

Our administrative and other operating expenses decreased by 7.03% from approximately RMB6.1 million for the six months ended 30 June 2024 to approximately RMB5.6 million for the six months ended 30 June 2025, which remained stable.

Research and Development Costs

We recorded research and development costs increased by 2.85% from approximately RMB6.7 million for the six months ended 30 June 2024 to approximately RMB6.9 million for the six months ended 30 June 2025, which remained stable.

Net Finance Income

The Group had net finance income of approximately RMB1.9 million for the six months ended 30 June 2025, compared with net finance income of approximately RMB2.5 million for the six months ended 30 June 2024, representing a decrease of 26.81% mainly due to the decrease in interest rate resulting in lower finance income.

Profit Before Tax

As a result of the foregoing, our profit before tax for the six months ended 30 June 2025 amounted to approximately RMB6.7 million, representing a decrease of approximately 54.67% as compared to approximately RMB14.8 million for the same period in 2024.

Income Tax

Our income tax decreased by approximately 67.71% from approximately RMB2.3 million for the six months ended 30 June 2024 to approximately RMB0.8 million for the six months ended 30 June 2025, primarily due to the decrease in the profit before tax. Our effective tax rate decreased from approximately 15.8% for the six months ended 30 June 2024 to 11.3% for the six months ended 30 June 2025, mainly due to the additional research and development expenses deductions, partially offsetting by the withholding tax.

Profit for the Period

Based on the above, our profit for the period decreased by approximately 52.22% from approximately RMB12.4 million for the six months ended 30 June 2024 to approximately RMB5.9 million for the six months ended 30 June 2025 and our net profit margin for the period decreased from approximately 6.57% for the six months ended 30 June 2024 to approximately 3.44% for the six months ended 30 June 2025.

LIQUIDITY AND FINANCIAL RESOURCES

Financial Position

Our total assets increased by approximately 1.06% from approximately RMB493.6 million as of 31 December 2024 to approximately RMB498.9 million as of 30 June 2025. Total liabilities decreased by approximately 0.46% from approximately RMB93.2 million as of 31 December 2024 to approximately RMB92.7 million as of 30 June 2025.

As at 30 June 2025, current assets amounted to approximately RMB418.8 million, representing a increase of approximately 5.48% from approximately RMB397.1 million as at 31 December 2024, primarily due to the increase in the inventories and loan provided to a related party (current portion). Of which, inventories were approximately RMB97.0million (31 December 2024: approximately RMB85.9 million); trade and other receivables were approximately RMB74.8 million (31 December 2024: approximately RMB80.3 million); pledged deposits were approximately RMB19.2 million (31 December 2024: approximately RMB16.6 million); a loan provided to a related party (current portion) was approximately RMB14.7 million (31 December 2024: approximately RMB0.1 million); the income tax recoverable was RMB1.9 million (31 December 2024: approximately RMB1.3 million) and time deposits were approximately RMB60.2 million (31 December 2024: RMB40.0 million).

As at 30 June 2025, current liabilities amounted to approximately RMB83.4 million (31 December 2024: approximately RMB83.7 million); trade and other payables amounted to approximately RMB73.2 million (31 December 2024: approximately RMB78.3 million); contract liabilities amounted to approximately RMB9.6 million (31 December 2024: approximately RMB4.9 million); lease liabilities of approximately RMB0.5 million (31 December 2024: approximately RMB0.5 million). Non-current liabilities amounted to approximately RMB9.4 million (31 December 2024: approximately RMB9.5 million).

Inventories

As at 30 June 2025, our inventories amounted to approximately RMB97.0 million, representing an increase of approximately 12.92% from approximately RMB85.9 million as of 31 December 2024, mainly due to the production and procurement of the inventories for sales orders obtained.

Trade and other receivables

Our trade and other receivables was approximately RMB74.8 million as at 30 June 2025 as compared to approximately RMB80.3 million as of 31 December 2024, which remained stable.

Cash and Cash Equivalents

The Group continued to maintain a strong financial position. As of 30 June 2025, our cash and cash equivalents amounted to approximately RMB151.1 million, representing a decrease of approximately 12.63% from approximately RMB172.9 million as of 31 December 2024, mainly due to the purchase of time deposits.

Funding and Treasury Policy

The Group's funding and finance policy aims to maintain stable financial position and mitigate financial risks. The Group regularly reviews its funding requirements to maintain adequate financial resources in order to support its current business operations as well as its future investments and expansion plans.

Trade and other payables

Our trade and other payables decreased by approximately 6.48% from approximately RMB78.3 million as of 31 December 2024 to approximately RMB73.2 million as of 30 June 2025, mainly due to the partial payment for the remaining equipment and mold payables at the end of 2024 during the period.

Borrowings

As of 30 June 2025, the bank loans of the Group was nil (31 December 2024: nil).

Gearing Ratio

The Group's gearing ratio (which equals total debt (including bank loans and lease liabilities) divided by total equity) decreased from 1.7% as of 31 December 2024 to 1.5% as of 30 June 2025.

Capital Structure

As at the date of this announcement, the issued share capital of the Company was US\$1.0 million, comprising 1,000,000,000 shares of nominal value of US\$0.001 per share.

Working Capital

As at 30 June 2025, our net current assets amounted to approximately RMB335.4 million (31 December 2024: approximately RMB313.4 million). Our current assets principally consist of inventories, trade and other receivables, a loan provided to a related party, time deposits, cash and cash equivalents and pledged deposits. Our current liabilities principally consist of trade and other payables, contract liabilities and lease liabilities.

Capital Expenditures

As at 30 June 2025, we incurred and settled capital expenditure, mainly comprising expenditure on property, plant and equipment and intangible assets, of approximately RMB13.5 million (six months ended 30 June 2024: approximately RMB7.7 million), mainly for the construction in progress.

Capital Commitments

As of 30 June 2025, our capital commitments for purchase of property, plant and equipment amounted to approximately RMB1.5 million (31 December 2024: approximately RMB1.9 million).

Pledge of Assets

As of 30 June 2025, we had collateral deposits of RMB19.2 million (31 December 2024: approximately RMB16.6 million), which mainly consist of deposits for the issuance of bank acceptance notes. The pledged deposits will be released upon settlement of the relevant bank acceptance notes by the Group.

Contingent Liabilities

During the Reporting Period, we did not have any material contingent liabilities.

Significant Investments Held

During the Reporting Period, the Group did not hold any significant investments (including any investment in an investee company with a value of 5% or more of the Company's total assets as of 30 June 2025).

Material Acquisitions and Disposals of Subsidiaries and Associates

During the Reporting Period, the Group did not have material acquisitions or disposals of subsidiaries or associates.

Future Plans for Major Investments and Capital Assets

During the Reporting Period, save as disclosed in the paragraph headed "Use of Net Proceeds from Global Offering" below, the Group has no specific plans for major investments or acquisitions of major capital assets or other businesses.

Risk factors and risk management

We are exposed to various types of financial risk in the ordinary course of business, including market risk (consisting of currency risk and interest rate risk), credit risk and liquidity risk.

1. Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. The Group's credit risks are primarily attributable to trade receivables. The Group's exposure to credit risk arising from cash and cash equivalents, time deposits, pledged deposits and bills receivable is limited because the counterparties are banks, for which the Group considers its credit risk to be low. In respect of other receivables and loans provided to related parties, the Group has assessed that the expected credit loss rate for these receivables is immaterial and no loss allowance provision for these receivables was recognised during the Reporting Period. Management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis.

Our exposure to credit risks is influenced mainly by the individual characteristics of each customer or debtor rather than the industry or country in which the customers operate and therefore significant concentrations of credit risk primarily arise when the Group has significant exposure to individual customers or debtors. Individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. Trade receivables are mostly due from the date of revenue recognition. Normally, we do not obtain collateral from customers.

In respect of trade receivables, we measure loss allowances for trade receivables at an amount equal to lifetime expected credit losses ("ECLs"), which is calculated using a provision matrix and individually determined to be impaired. The individually impaired receivables related to customers that were in financial difficulties and management assessed that only a portion of the receivables is expected to be recovered. For the provision matrix method, as our historical credit loss experience do not indicate significantly different loss patterns for different customer segments, the loss allowance based on ageing information which is analyzed based on the date of revenue recognition is not further distinguished between our different customer bases.

2. *Liquidity Risk*

Individual operating entities within the Group are responsible for their own cash management, including the short-term investment of cash surpluses and the raising of loans to cover expected cash demands, subject to approval by the parent company's board when the borrowings exceed certain predetermined levels of authority. The Group's policy is to regularly monitor its liquidity requirements to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

3. *Interest Rate Risk*

The Group's interest-bearing financial instruments at variable rates are the cash at bank as at the relevant period. The cash flow interest risk arising from the change of market interest rate on these balances is not considered significant. The Group's interest-bearing financial instruments at fixed interest rates are lease liabilities and a loan provided to a related party as at 30 June 2025 that is measured at amortized cost, and the change of market interest rate does not materially expose the Group to fair value interest risk. Overall speaking, the Group's exposure to interest rate risk is not significant.

4. *Currency Risk*

The Group is exposed to currency risk primarily through sales which give rise to receivables and cash balances that are denominated in a currency other than the functional currency of the operations to which the transactions relate. The currency giving rise to this risk is primarily United States dollars. During the six months ended 30 June 2025, the Group did not use any derivative financial instruments to hedge against the volatility associated with foreign currency transactions and other financial assets and liabilities arising in the ordinary course of business. The Group manages its foreign currency risk by closely monitoring the fluctuation of foreign currency rates.

Human Resources and Remuneration Policy

The number of employees of the Group was 487 as of 30 June 2025 (505 as of 30 June 2024). The total staff costs for the Reporting Period was approximately RMB24.7 million as compared to RMB24.2 million for the six months ended 30 June 2024. We did not incur equity settled share-based expenses during the Reporting Period.

To promote employees' knowledge and technical expertise, the Group offers training programs to employees from time to time according to their job duties. Employees' remuneration packages are determined with reference to the market information and individual performance and will be reviewed on a regular basis. The remuneration policy will be reviewed by the Board from time to time. In addition to basic remuneration, the Group also makes contributions to mandatory social security funds for the benefit of the PRC employees that provide for retirement insurance, medical insurance, unemployment insurance, maternity insurance, occupational injury insurance and housing funds.

OTHER INFORMATION

Use of Net Proceeds from Global Offering

The Company's shares were listed on the Main Board of the Stock Exchange on 15 December 2022 (the "**Listing Date**"). The Company received net proceeds (after deduction of underwriting commissions and related costs and expenses) from the Global Offering of approximately HK\$75.1 million (the "**Net Proceeds**"). As at 31 December 2024, the unutilized amount of the net proceeds was approximately HK\$39.2 million.

Considering that the success of the Group is attributable to its products and the design, development and testing of the new molds and prototypes, the Board resolved to change the use of proceeds on 15 November 2024. For details, please refer to the announcement of the Company dated 15 November 2024 (the "**Reallocation Announcement**")

Set out below are details of the reallocation of the net proceeds, and the unutilized amount of the net proceeds up to 30 June 2025.

Planned use of net proceeds as stated in the Prospectus	Percentage of total Net Proceeds %	Net Proceeds from the Global Offering HK' million	Unutilized amount of reallocated Net Proceeds as at the date of the Reallocation Announcement HK' million	Unutilized amount of reallocated Net Proceeds as at 1 January 2025 HK' million	Utilized amount for the Reporting Period HK' million	Balance of Net Proceeds unutilized at 30 June 2025 HK' million	Expected timeline of utilization
Expansion of our production capacity	57.0	42.8	19.6	18.6	7.2	11.4	On or before September 2026
Construction of a new manufacturing facility, warehouse and other supporting facilities	36.2	27.2	N/A	N/A	N/A	N/A	N/A
Design, development and testing of our new molds and prototypes	6.8	5.1	14.2	8.3	5.2	3.1	On or before September 2026
General Working Capital	—	—	13.0	12.3	9.5	2.8	On or before September 2026
Total	100.0	75.1	46.8	39.2	21.9	17.3	

The unutilized Net Proceeds are placed in licensed banks in PRC and Hong Kong as at the date of this announcement.

Interim Dividend

The board of directors of the Company has resolved not to declare an interim dividend in respect of the six months ended 30 June 2025.

Corporate Governance Practices

The Company is committed to maintaining a high level of corporate governance in order 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**”) set out in Appendix C1 of the Listing Rules as its own corporate governance code. The Board believes that good corporate governance could lead the Company to success and balance the interests of Shareholders, customers and employees, and the Board is therefore devoted to ongoing reviews and enhancements of the efficiency and effectiveness of compliance with such principles and practices.

From 1 January 2025 and up to the date of this announcement, the Company has complied with all applicable code provisions under Part 2 of the Corporate Governance Code.

Model Code for Securities Transactions

The Company has adopted the Model Code as set out in Appendix C3 to the Listing Rules as its own code of conduct regarding Directors’ securities transactions. Having made specific enquiry with the Directors, all of the Directors confirmed that he/she has complied with the required standards as set out in the Model Code from 1 January 2025 and up to the date of this announcement.

Purchase, Sale or Redemption of the Listed Securities or Sale of Treasury Shares

From 1 January 2025 and up to the date of this announcement, neither the Company nor any of its subsidiaries has purchased, redeemed or sold any of the Company’s listed securities or sold any treasury shares. As at 30 June 2025, the Company did not hold any treasury shares.

Changes to Directors’ Information

From 1 January 2025 and up to the date of this announcement, there is no change to the Directors’ information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

Event After the Reporting Period

As at the date of this announcement, the Group has no important events which occurred after the end of the Reporting Period that are required to be disclosed.

Audit Committee

The Board has established the Audit Committee, which comprises three independent non-executive Directors, namely, Mr. Yeung Man Simon (Chairman), Mr. Chen Jingeng and Mr. Ren Guodong. The Audit Committee has also adopted written terms of reference which clearly set out its duties and obligations (the terms of reference are available on the websites of the Company and the Stock Exchange).

The Audit Committee has, together with the senior management of the Company, reviewed the accounting principles and practices adopted by the Group, and discussed internal control and financial reporting matters, including a review of the interim financial information for the six months ended 30 June 2025. The Audit Committee has also reviewed this announcement.

Independent Review of Auditor

The interim financial information for the six months ended 30 June 2025 is unaudited, but has been reviewed by KPMG, in accordance with Hong Kong Standard on Review Engagements No. 2410 “Review of interim financial information performed by the independent auditor of the entity” issued by the Hong Kong Institute of Certified Public Accountants, whose unmodified review report is included in the interim report to be published.

Publication of Interim Results and 2025 Interim Report

This interim results announcement is published on the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at <http://bywheel.com>. The interim report of the Company for the six months ended 30 June 2025 containing all the information required by the Listing Rules will be published on the respective websites of the Stock Exchange and the Company in accordance with the requirements under the Listing Rules.

By Order of the Board
Buyang International Holding Inc
Xu Buyun
Chairman

Hong Kong, 28 August 2025

As at the date of this announcement, the Board comprises Ms. Xu Jingjun, Mr. Ying Yonghui and Ms. Hu Huijuan as executive Directors; Mr. Xu Buyun and Mr. Zhu Ning as non-executive Directors; and Mr. Yeung Man Simon, Mr. Chen Jingeng and Mr. Ren Guodong as independent non-executive Directors.