

YUNHONG GUIXIN GROUP HOLDINGS LIMITED

運鴻硅鑫集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8349)



INTERIM REPORT

2025



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*This report, for which the board (the “**Board**”) of directors (the “**Directors**”) of Yunhong Guixin Group Holdings Limited (the “**Company**”) collectively and individually accepts full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “**GEM Listing Rules**”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (1) the information contained in this report is accurate and complete in all material respects and not misleading or deceptive; (2) there are no other matters the omission of which would make any statement herein or this report misleading; and (3) all opinions expressed in this report have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.*

RESULTS

The Board announces the unaudited results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the six months ended 30 June 2025 (the “**Reporting Period**”), together with comparative unaudited figures for the corresponding periods in 2024 as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		For the six months ended 30 June	
	Notes	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Revenue	3	12,673	16,076
Cost of sales		(10,800)	(13,592)
Gross profit		1,873	2,484
Other revenue	4	330	117
Other net gain	4	1	67
Distribution costs		(657)	(1,964)
Administrative expenses		(5,383)	(2,309)
Loss from operations		(3,836)	(1,605)
Finance costs	5(a)	(54)	(102)
Loss before taxation	5	(3,890)	(1,707)
Income tax expenses	6	(105)	(76)
Loss for the period		(3,995)	(1,783)
Other comprehensive income for the period		–	–
Total comprehensive expense for the period		(3,995)	(1,783)
		RMB cent	RMB cent
Loss per share			
Basic and diluted	8	(1.00)	(0.45)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	At 30 June 2025 RMB'000 (Unaudited)	At 31 December 2024 RMB'000 (Audited)
Non-current assets			
Property, plant and equipment		21,716	23,322
Right-of-use assets		1,344	2,687
		23,060	26,009
Current assets			
Inventories		1,595	2,045
Contract assets		211	211
Trade and other receivables	10	42,601	36,625
Cash and cash equivalents		15,270	15,347
		59,677	54,228
Current liabilities			
Trade and other payables	11	21,864	15,376
Lease liabilities		2,154	3,519
Income tax payable		2,698	1,326
		26,716	20,221
Net current assets		32,961	34,007
Total assets less current liabilities		56,021	60,016
Non-current liabilities			
Lease liabilities		959	959
Deferred tax liabilities		1,473	1,473
		2,432	2,432
NET ASSETS		53,589	57,584
CAPITAL AND RESERVES			
Share capital	12	3,600	3,600
Reserves		49,989	53,984
TOTAL EQUITY		53,589	57,584

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Reserves							Total
	Share capital	Share premium	Capital reserve	Property	Statutory reserve	Retained profits	Sub-total	
				revaluation reserve				
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2024 (Audited)	3,600	20,900	9,557	–	8,707	19,187	58,351	61,951
Loss and total comprehensive expense for the period	–	–	–	–	–	(1,783)	(1,783)	(1,783)
At 30 June 2024 (Unaudited)	3,600	20,900	9,557	–	8,707	17,404	56,568	60,168
At 1 January 2025 (Audited)	3,600	20,900	9,557	–	8,707	14,820	53,984	57,584
Loss and total comprehensive expense for the period	–	–	–	–	–	(3,995)	(3,995)	(3,995)
At 30 June 2025 (Unaudited)	3,600	20,900	9,557	–	8,707	10,825	49,989	53,589

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	For the six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Net cash generated from operating activities	1,311	7,875
Cash flows from investing activities		
Purchase of property, plant and equipment	—	(475)
Interest received	21	69
Net cash generated from (used in) investing activities	21	(406)
Cash flows from financing activities		
Capital element of lease rentals paid	(1,364)	(1,332)
Interest element of lease rentals paid	(45)	(94)
Net cash used in financing activities	(1,409)	(1,426)
Net (decrease) increase in cash and cash equivalents	(77)	6,043
Cash and cash equivalents at beginning of period	15,347	9,082
Cash and cash equivalents at end of period	15,270	15,125

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2025

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands on 13 January 2016 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. Its shares have been listed on GEM of the Stock Exchange since 13 January 2017. The address of its registered office is Windward 3, Regatta Office Park, P.O. Box 1350, Grand Cayman KY1-1108, the Cayman Islands and its principal place of business is 66 South Oujang Road, Haimen Economic Development Zone, Nantong City, Jiangsu Province, the People's Republic of China (the "PRC").

The Company is an investment holding company. The Group is principally engaged in (i) the research and development, production and sales of fibreglass reinforced plastic products; and (ii) the sales of industrial silica sand material in the PRC.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The Group's unaudited condensed consolidated results for the six months ended 30 June 2025 have been prepared in accordance with the applicable disclosure requirements set out in Chapter 18 of the GEM Listing Rules and Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

The HKICPA has issued a number of amendments to HKFRSs which are effective for the current accounting period of the Group. None of those developments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

The accounting policies adopted in preparing the unaudited condensed consolidated results for the six months ended 30 June 2025 are consistent with those adopted in the financial statements of the Group for the year ended 31 December 2024.

The condensed consolidated results of the Group for the six months ended 30 June 2025 are unaudited but have been reviewed by the audit committee of the Company.

3. REVENUE

Revenue represents net invoiced value of goods sold, less value-added and sales taxes, returns and discounts, during the period.

	For the six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Revenue from contracts with customers within the scope of HKFRS 15		
Sales of fiberglass reinforced plastic products		
– fiberglass reinforced plastic ("FRP") grating	2,050	9,602
– epoxy wedge strip	–	4,901
Sales of silica sand		
– silica sand	10,623	1,573
	12,673	16,076
Timing of revenue recognition		
At a point in time	12,673	16,076

4. OTHER REVENUE AND OTHER NET GAIN

	For the six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Other revenue		
Interest income on bank deposits	21	69
Disposal of fixed assets	–	47
Payables that cannot be paid	309	–
Sundries	–	1
	330	117
Other net gain		
Net foreign exchange gain	1	67

5. LOSS BEFORE TAXATION

Loss before taxation is arrived at after charging the following items:

	For the six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
(a) Finance costs		
Bank charge	9	8
Interest on lease liabilities	45	94
	54	102
(b) Staff costs (including Directors' emoluments)		
Salaries, wages and other benefits	3,824	3,953
Contributions to defined contribution retirement plans	194	312
	4,018	4,265
(c) Other items		
Auditor's remuneration	1,084	1,658
Depreciation of right-of-use assets	1,343	1,344
Depreciation of property, plant and equipment	1,585	539
Cost of inventories recognised as expense (Note (i))	9,006	11,727
Research and development costs (Note (ii))	182	571

Notes:

- (i) Cost of inventories recognised as expenses include approximately RMB1,266,112 (six months ended 30 June 2024: RMB1,490,904) relating to staff costs, and approximately RMB1,192,864 (six months ended 30 June 2024: RMB362,710) relating to depreciation for property, plant and equipment, the amounts of which were also included in the respective total amount disclosed separately above for each of these types of expenses.

- (ii) Including in the research and development costs are staff cost of approximately RMB161,902 (six months ended 30 June 2024: RMB373,381), and costs of materials consumed RMB158 (six months ended 30 June 2024: RMB672), the amounts of which were also included in the respective total amount disclosed separately above for each of these types of expenses.

6. INCOME TAX EXPENSES IN THE CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	For the six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Current tax		
PRC Enterprise Income Tax ("EIT") on profits of the Group's subsidiary	105	76

Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands (the "BVI"), the Group is not subject to any income tax in the Cayman Islands and the BVI.

No provision for Hong Kong Profits Tax has been made for the six months ended 30 June 2025 and the corresponding six months in 2024 as the Group did not have assessable profits subject to Hong Kong Profits Tax during the aforesaid periods.

The PRC subsidiaries of the Group are subject to PRC EIT at 25% (six months ended 30 June 2024: 25%). Dividends declared to Prosperous Composite Material Co., Ltd., as a non-resident shareholder, in respect of profits earned by Nantong Meigu Composite Materials Company Limited which is an indirect wholly-owned subsidiary of the Company, are subject to the PRC withholding tax at 10% (six months ended 30 June 2024: 10%).

7. DIVIDEND

The Directors do not recommend the payment of any interim dividend for the six months ended 30 June 2025 (six months ended 30 June 2024: Nil).

8. LOSS PER SHARE

The calculation of the basic loss per share attributable to owners of the Company is based on the following data:

	For the six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Loss for the purpose of basic loss per share		
Loss for the period attributable to owners of Company	(3,995)	(1,783)
	'000	'000
Number of shares		
Number of shares at the beginning and the end of the reporting period and the weighted average number of shares	400,000	400,000

Basic loss per share for the six months ended 30 June 2025 amounted to RMB1.00 cent (six months ended 30 June 2024: RMB0.45 cent) per share.

No diluted loss per share was presented as there was no potential ordinary shares outstanding during the periods ended 30 June 2025 and 2024.

9. SEGMENT REPORTING

The Group manages its businesses by business operations in a manner consistent with the way in which information is reported internally to the Group's chief operation decision maker for the purposes of resource allocation and performance assessment. The Group's reportable and operating segments are as follows:

- fiberglass business: research and development, production and sales of FRP products in the PRC; and
- silica sand business: sales of industrial silica sand materials in the PRC.

The following is an analysis of the Group's revenue and results from operations:

	For the six months ended 30 June 2025			
	FRP	Silica sand		
	business	business	Unallocated	Total
	RMB'000	RMB'000	RMB'000	RMB'000
Reportable segment revenue	<u>2,050</u>	<u>10,623</u>	<u>–</u>	<u>12,673</u>
Reportable segment profit (loss)	<u>(2,356)</u>	<u>1,957</u>	<u>(3,596)</u>	<u>(3,995)</u>

Geographic information

The following is an analysis of geographical location of the Group's revenue from external customers. The geographical location of customers refers to the location at which the goods were delivered.

For the six months ended 30 June		
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Local customers		
The PRC (excluding Hong Kong) (place of domicile)	12,673	11,009
Foreign customers		
The United Kingdom	–	4,777
Others	–	290
	–	5,067
	12,673	16,076

10. TRADE AND OTHER RECEIVABLES

	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Audited)
Trade receivables	24,586	17,524
Bills receivables	3,117	23,805
	27,703	41,329
Less: allowance for lifetime expected credit losses	(6,010)	(6,409)
Trade and bills receivables, net	21,693	34,920
Other receivables, net	20,027	984
Prepayments and deposits	881	721
	42,601	36,625

The Group has an unconditional right to all of the trade and other receivables which are expected to be recovered and/or recognised as expenses within one year or repayment on demand.

The increase in other receivables was mainly due to the fact that the Company has paid purchase deposits to suppliers to secure channels for the supply of high-quality raw materials, with an aim to obtain raw materials at more competitive prices after winning the bid and thereby reducing the costs.

An ageing analysis of trade and bills receivables (net of allowance for lifetime expected credit losses), based on the invoice date, is as follows:

	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Audited)
0–30 days	9,569	1,466
31–90 days	2,398	2,801
91–180 days	1,275	3,640
181–365 days	496	900
Over 365 days	7,955	26,113
	21,693	34,920

The Group generally granted credit terms to its customers for trade and bills receivables ranging from cash on delivery to 180 days after invoice date.

11. TRADE AND OTHER PAYABLES

	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Audited)
Trade payables	7,033	2,651
Total trade and bills payables (a)	7,033	2,651
Amounts due to Directors (b)	4,803	3,489
Other payables	10,028	9,236
	21,864	15,376

The increase in trade payables this year as compared to the previous year was mainly due to outstanding payments totaling RMB2,383 thousand for raw sand purchased from Tongliao Dayou Silicon Sand Co., Ltd., where the settlement period has not yet expired. For details, please refer to Note 11.(c) and Note 13.2.

(a) **The following is an analysis of trade payables by age based on the invoice date:**

	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Audited)
0–30 days	1,034	1,342
31–90 days	3,661	139
91–180 days	22	112
Over 180 days	2,316	1,058
	7,033	2,651

The credit period of trade payables normally vary from one to three months from the invoice date. The credit period of bills payables is normally within 90 to 270 days. As at 30 June 2025 and 31 December 2024, the bills payables were expected to be settled within one year.

(b) **Amount due to a Director**

	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Audited)
Amount due to Ms. Zhang Yaping	4,803	3,489
	4,803	3,489

The amount due was unsecured, interest-free and had no fixed repayment term.

(c) Amount due to a related party

	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Audited)
Amount due to Tongliao Dayou Silicon Sand Co., Ltd.	2,383	1,176

The amount due was unsecured and interest-free.

12. SHARE CAPITAL

	Number of shares		Nominal value	
	As at 30 June 2025 '000 (Unaudited)	As at 31 December 2024 '000 (Audited)	As at 30 June 2025 HK\$'000 (Unaudited)	As at 31 December 2024 HK\$'000 (Audited)
Authorised:				
Ordinary shares of HK\$0.01 each	2,000,000	2,000,000	20,000	20,000
			RMB'000	RMB'000
Issued and fully paid:				
Ordinary shares of HK\$0.01 each	400,000	400,000	3,600	3,600

13. MATERIAL RELATED PARTY TRANSACTIONS

13.1 Remuneration for key management personnel of the Group, including amounts paid to the Directors and certain highest-paid employees is as follows:

	For the six months ended 30 June	
	2025 <i>RMB'000</i> (Unaudited)	2024 <i>RMB'000</i> (Unaudited)
Short-term employee benefits	1,111	910
	<u>1,111</u>	<u>910</u>

13.2 Related Party Transactions

	For the six months ended 30 June	
	2025 <i>RMB'000</i> (Unaudited)	2024 <i>RMB'000</i> (Unaudited)
Silica sand	1,207	882
	<u>1,207</u>	<u>882</u>

This Reporting Period, we have purchased raw sand worth RMB1,206,651 from the supplier Tongliao Dayou Silicon Sand Co., Ltd., which is used for processing into dried and scrubbed sand. This company is a subsidiary indirectly controlled by our Company's Director, Mr. Li Yubao. The pricing policy for the purchased products is based on the use of comparable uncontrolled price method.

MANAGEMENT DISCUSSION AND ANALYSIS

Review and Prospects

The Group is principally engaged in (i) the research and development, production and sales of FRP products; and (ii) the sales of industrial silica sand material in the PRC. For the six months ended 30 June 2025, the Group's major products consisted of: (i) FRP grating products; and (ii) silica sand products.

FRP is widely applied in areas including building and construction field, electrical and telecommunications engineering. The product is characterized by its light weight, high strength, toughness, anti-slippery, anti-erosion, flame retardant, insulation and easy to colour as well as its artistic features. It also offers good and comprehensive economic benefits. As a result, FRP is widely applied in industries including petrochemical, electrical, marine engineering, plating, vessel, metallurgy, steel, papermaking, brewing and municipal industries. It is mainly used in operating platforms, equipment platforms, stair treads, trench covers, filter plates, etc., which indicates that FRP is an ideal component for corrosive environment.

Despite that FRP delivers outstanding performance as a relatively new type of material and serves as a substitute for traditional materials such as wood, concrete and metal, along with the potential application of products made of FRP composites in a wide range of fields such as aerospace, energy and transportation industries, the economic environment in China is facing challenges, while the government canceled the subsidies for wind power equipment, and coupled with the impact of the China-U.S. trade war in the first half of the year, the Company's export business has declined. However, with the easing of relations between China and the U.S., the Company believes this is a temporary phenomenon and is taking active measures to respond.

The Group continues to enhance product recognition by improving production technology in order to maintain effective cost control and strengthen the competitiveness. The Board believes that research and development capabilities are essential to the future growth of the Group. The Group will further enhance its research and development capabilities by controlling material sourcing, upgrading existing production lines and engaging professionals and technicians for research and development in order to enhance production efficiency, reduce costs and offer more competitive and high-quality products.

Leveraging on market trend information gathered by the sales and marketing team and participation in drafting the PRC industry standards, the Group constantly keeps track of developments and trends in the FRP industry around the world. Over the past years, the Group has kept abreast of the PRC government's macroeconomic stimulus when carrying out the research and development works. Moreover, the Group adheres to the policy in promoting its products in countries along the "Belt and Road Initiatives". With all these efforts, the Groups is hopeful that performance of the Group's FRP products would be further enhanced in the coming years.

With the extensive experience and market recognition of products that the Group has accumulated for more than a decade, as well as the expanding customer base, the Board is of the view that the Group is more well-positioned than other domestic enterprises in the industry to further develop and expand its markets and products in order to cope with the constantly changing market environment.

With the development of domestic glass, building material, petroleum and silicon chemical industries in the PRC over the years, the demand of the silica sand materials in domestic market is growing continuously.

Sales Performance

The Group recorded a consolidated sales revenue of approximately RMB12.67 million for the six months ended 30 June 2025, representing a decrease of approximately RMB3.41 million or 21.21% as compared to the corresponding period in 2024.

The Group recorded sales revenue of approximately RMB2.05 million for FRP for the six months ended 30 June 2025, which has decreased by approximately RMB12.45 million, or 86.0% compared to the same period in 2024. The decrease in revenue was mainly due to the overcapacity in China and changes in the economic environment, while the government canceled the subsidies for wind power equipment, and coupled with the escalating impact of the China-U.S. trade war, the industrial chain has come under multiple pressures. Moreover, sales for the domestic market increased by approximately 15.1% to approximately RMB12.67 million for the six months ended 30 June 2025 from approximately RMB11.01 million for the corresponding period in 2024. Sales for the overseas market decreased by 100% to RMB0 for the six months ended 30 June 2025 from approximately RMB5.1 million for the corresponding period in 2024. The domestic market contributed 100% of the total sales for the six months ended 30 June 2025, which has increased by 31.5 percentage points in comparison with that of approximately 68.5% for the six months ended 30 June 2024. The overseas market contributed 0% of the total sales

for the six months ended 30 June 2025, which has decreased by 31.5 percentage points in comparison with that of approximately 31.5% for the six months ended 30 June 2024.

The Group recorded sales revenue of approximately RMB10.62 million for silica sand for the six months ended 30 June 2025, which has increased by approximately RMB9.05 million, or 575.33% compared to the same period in 2024. The increase in revenue was mainly due to the fact that silica sand product is a new business with strong demand and the Company obtained orders by constantly expanding the market.

Details of the Group's revenue and gross profit margin by product categories are as follows:

	For the six months ended 30 June 2025		For the six months ended 30 June 2024	
	Sales revenue RMB'000	Gross profit margin %	Sales revenue RMB'000	Gross profit margin %
FRP grating products	2,050	-62.3	9,602	21.0
Epoxy wedge strip products	–	–	4,901	4.0
Silica sand	10,623	29.6	1,573	18.2
	12,673	14.8	16,076	15.5

FRP grating products were mainly sold to corporate customers in the PRC who are generally end-users of such products. The revenue generated from sales of FRP grating products decreased by approximately RMB7.55 million or 78.1% from approximately RMB9.60 million for the six months ended 30 June 2024 to approximately RMB2.05 million for the six months ended 30 June 2025. The gross profit margin decreased from 21.0% for the six months ended 30 June 2024 to -62.3% for the six months ended 30 June 2025.

The revenue from the epoxy wedge strip products decreased to RMB0 for the six months ended 30 June 2025 from approximately RMB4.90 million for the six months ended 30 June 2024.

The revenue from the sales of silica sand products increased by approximately RMB9.05 million or 575.33% from approximately RMB1.57 million for the six months ended 30 June 2024 to approximately RMB10.62 million for the six months ended 30 June 2025. The gross profit margin increased from 18.2% for the six months ended 30 June 2024 to 29.6% for the six months ended 30 June 2025.

Operating Costs and Expenses

Distribution costs of the Group decreased by approximately RMB1.30 million, or 66.5% to approximately RMB0.66 million for the six months ended 30 June 2025 from approximately RMB1.96 million for the six months ended 30 June 2024, which was mainly attributed to the contraction of the fiberglass business.

Before taking into consideration the reversal of the lifetime expected credit loss provisions of approximately RMB4.076 million for the six months ended 2024, administrative expenses decreased by approximately RMB1.0 million, or 15.6% to approximately RMB5.4 million for the six months ended 30 June 2025 from approximately RMB6.4 million for the six months ended 30 June 2024. The decrease was mainly due to the decline in audit fees and legal and professional fees during the period.

Operating Results

The Group recorded a net loss of approximately RMB4.00 million for the six months ended 30 June 2025 compared to a net loss of approximately RMB1.78 million for the six months ended 30 June 2024. This was mainly attributed to the contraction of the fiberglass business and the reversal of the lifetime expected credit loss provisions during the previous year.

Liquidity and Financial Resources

The Group financed its operations primarily through cash generated from operating activities. As at 30 June 2025, the Group did not have any bank borrowings.



Capital Structure

As at 30 June 2025, the share capital and total equity attributable to equity holders of the Company amounted to approximately RMB3.6 million (31 December 2024: approximately RMB3.6 million) and approximately RMB53.6 million (31 December 2024: approximately RMB57.6 million), respectively.

Contingent Liabilities

As at 30 June 2025, the Group did not have any contingent liabilities (31 December 2024: Nil).

Exposure to Fluctuations in Exchange Rates

The Group is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the U.S. foreign exchange risk arose from future commercial transactions, recognised assets and liabilities which are denominated in non-RMB. The management of the Group has set up a policy to require the Group companies to manage their foreign exchange risk against their functional currency. The Group companies are required to control the exposure of the foreign exchange risk during the business operation. The exposure of foreign exchange risk is mainly due to the purchase of the equipment from other countries and the management controls on the payment schedule to reduce the foreign exchange risk. Save for certain accounts receivables in U.S., the impact of foreign exchange risk on the Group was minimal and there was no significant adverse effect on normal operations. During the six months ended 30 June 2025, the Group did not commit to any financial instruments to hedge its exposure to foreign exchange risk. However, the management of the Group monitors foreign exchange exposure of the Group and will consider hedging significant foreign currency exposure should the need arise.

Charges on Group Assets

As at 30 June 2025, the Group did not pledge any of its assets (31 December 2024: Nil).

Significant Investment, Acquisition and Disposal

There were no significant investments held, acquisitions or disposals of subsidiaries, affiliated companies and joint ventures by the Group during the six months ended 30 June 2025.

Employees and Remuneration Policies

As at 30 June 2025, the Group had 61 employees (31 December 2024: 60). The total staff costs including Directors' remuneration for the six months ended 30 June 2025 were approximately RMB4.0 million (six months ended 30 June 2024: approximately RMB4.3 million). Remuneration is determined based on each employee's qualifications, position and seniority. In addition to a basic salary, year-end discretionary bonuses were offered with reference to our Group's performance as well as individual's performance to attract and retain appropriate and suitable personnel to serve the Group. Furthermore, the Group offers other staff benefits like provision of retirement benefits, various types of trainings and sponsorship of training courses. The Group also adopts an annual review system to assess the performance of staff, which forms the basis of decisions with respect to salary rises and promotions.

DIVIDEND

The Board does not recommend the payment of any interim dividend for the six months ended 30 June 2025 (six months ended 30 June 2024: Nil).

EVENT AFTER THE REPORTING PERIOD

The Group has no material subsequent event after 30 June 2025 and up to the date of this report.

DISCLOSURE OF CHANGE IN DIRECTOR'S INFORMATION

Ms. Jin Dan has resigned as an executive Director with effect from 25 August 2025 due to her other work commitments.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION

As at 30 June 2025, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of the associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) ("**SFO**") which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including any interest or short positions which they are taken or deemed to have under such provisions of the SFO), or pursuant to section 352 of the SFO to be entered in the register referred to therein, or pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by the Directors and to be notified to the Company and the Stock Exchange were as follows:

(i) Long position in the shares of the Company

Name	Capacity/ Nature of interest	Number of shares held/ interested in	Percentage of interest in the Company
Mr. Li Yubao (" Mr. Li ") (<i>Note</i>)	Interest in controlled corporations	162,600,000	40.65%

Note:

Mr. Li is the ultimate controlling shareholder of LF INTERNATIONAL PTE. LTD. ("**LFB**") and Yunhong Group Co., Limited ("**Yunhong**"), both of which in turn hold a total of 162,600,000 shares of the Company. Therefore, Mr. Li is deemed, or taken to be, interested in all the shares of the Company held by LFB and Yunhong for the purposes of the SFO.

(ii) Long position in the ordinary shares of associated corporations

Name	Name of associated corporation	Capacity/ Nature of interest	Number of shares held	Approximate percentage of interests
Mr. Li	LF INTERNATIONAL PTE. LTD. ("LFS") (Note 1)	Beneficial owner	100	100.00%
	LFB (Note 2)	Interest in a controlled corporation	1	100.00%

Notes:

1. LFS is a limited liability company incorporated in Singapore.
2. LFB is wholly-owned by LFS, which is in turn wholly-owned by Mr. Li.

Save as disclosed above, as at 30 June 2025, none of the Directors and chief executive of the Company had any interests or short position in the shares, underlying shares and debentures of the Company or any of the associated corporations (within the meaning of Part XV of the SFO), as notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, or as recorded in the register required to be kept by the Company under section 352 of the SFO, or otherwise notified to the Company and the Stock Exchange pursuant to Rule 5.46 of the GEM Listing Rules.

DIRECTORS' RIGHTS TO PURCHASE SHARES OR DEBENTURES

Save as otherwise disclosed in this report, at no time during the Reporting Period was the Company or any of its holding companies, subsidiaries or fellow subsidiaries a party to any arrangements to enable the Directors and chief executive of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any body corporate, and none of the Directors and chief executive or their spouses or children under the age of 18, had any right to subscribe for the securities of the Company, or had exercised any such right during the Reporting Period.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 30 June 2025, so far as is known to the Directors, the following persons or corporations (other than a Director or chief executive of the Company) had interests or short positions in the shares or underlying shares of the Company which have been disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO and as recorded in the register required to be kept by the Company under section 336 of the SFO or, were, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company:

Name	Capacity/ Nature of interest	Number of ordinary shares held/interested in	Percentage of interest in the Company
LFS (<i>Note 1 and Note 2</i>)	Interest in a controlled corporation	162,600,000	40.65%
LFB (<i>Note 1</i>)	Beneficial owner	122,600,000	30.65%
Yunhong (<i>Note 2</i>)	Beneficial owner	40,000,000	10.00%
Mr. Huang Xuechao	Beneficial owner	44,880,000	11.22%

Notes:

1. LFB is wholly-owned by LFS, which is in turn wholly-owned by Mr. Li. Therefore, each of LFS and Mr. Li is deemed or taken to be interested in the shares of the Company held by LFB under the SFO.
2. LFS, which is wholly-owned by Mr. Li, holds approximately 70% equity interest in Yunhong, which in turn beneficially owns 40,000,000 shares of the Company (representing 10% of the total number of issued shares of the Company). Hence, Mr. Li is regarded as the ultimate controlling shareholder of Yunhong, and therefore, each of LFS and Mr. Li is deemed or taken to be interested in the shares of the Company held by Yunhong under the SFO.

Save as disclosed above, as at 30 June 2025, no other persons (other than the Directors and chief executive of the Company) had any interests or short positions in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company under section 336 of the SFO or which would fall to be disclosed to the Company and the Stock Exchange pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the six months ended 30 June 2025, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares, if any).

As at 30 June 2025, the Company did not have any treasury shares.

COMPETING INTERESTS

The Directors confirm that none of the Directors and their respective close associates (as defined in the GEM Listing Rules) is interested in any business apart from the business operated by the Group which competes or is likely to compete, directly or indirectly, with the Group's business during the six months ended 30 June 2025.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules as the code of conduct regarding Directors' dealing in securities of the Company. Having made specific enquiry to all Directors, all Directors confirmed that they complied with the required standard of dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules throughout the six months ended 30 June 2025. Moreover, the Company was not aware of any non-compliance with the required standard as set out in the code of conduct regarding securities transactions by the Directors up to the date of this report.

CORPORATE GOVERNANCE PRACTICES

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of its shareholders and to enhance corporate value and accountability. The Company has adopted the Corporate Governance Code (the **"CG Code"**) as set out in Part 2 of Appendix C1 to the GEM Listing Rules as its own code of corporate governance.

The Company has complied with all the applicable code provisions set out in the CG Code as set out in Part 2 of Appendix C1 to the GEM Listing Rules throughout the six months ended 30 June 2025.

AUDIT COMMITTEE

The Company established an audit committee (the **"Audit Committee"**) on 16 December 2016 with written terms of reference by reference to the code provisions of the CG Code. The Audit Committee comprises of three members, namely Mr. Ng Sai Leung, Mr. Wen Peng and Ms. Long Mei, all being independent non-executive Directors. Mr. Ng Sai Leung currently serves as the chairperson of the Audit Committee.

The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal control and risk management systems, nominate and monitor external auditor and to provide advice and comments to the Board on matters related to corporate governance. The Group's unaudited results for the six months ended 30 June 2025 have been reviewed by the Audit Committee.

PUBLICATION OF THE INTERIM REPORT

This interim report is available for viewing on the website of the Stock Exchange at www.hkexnews.hk and on the website of the Company at www.nantongrate.com.

By order of the Board
Yunhong Guixin Group Holdings Limited
Li Yubao
Chairman

Hong Kong, 25 August 2025

As at the date of this report, the executive Directors are Mr. Li Yubao, Ms. Zhang Yaping and Ms. Shi Dongying; and the independent non-executive Directors are Ms. Long Mei, Mr. Wen Peng and Mr. Ng Sai Leung.

This report will remain on the Stock Exchange's website at www.hkexnews.hk on the "Latest Listed Company Information" page for 7 days from the date of its publication and on the website of the Company at www.nantongrate.com.