



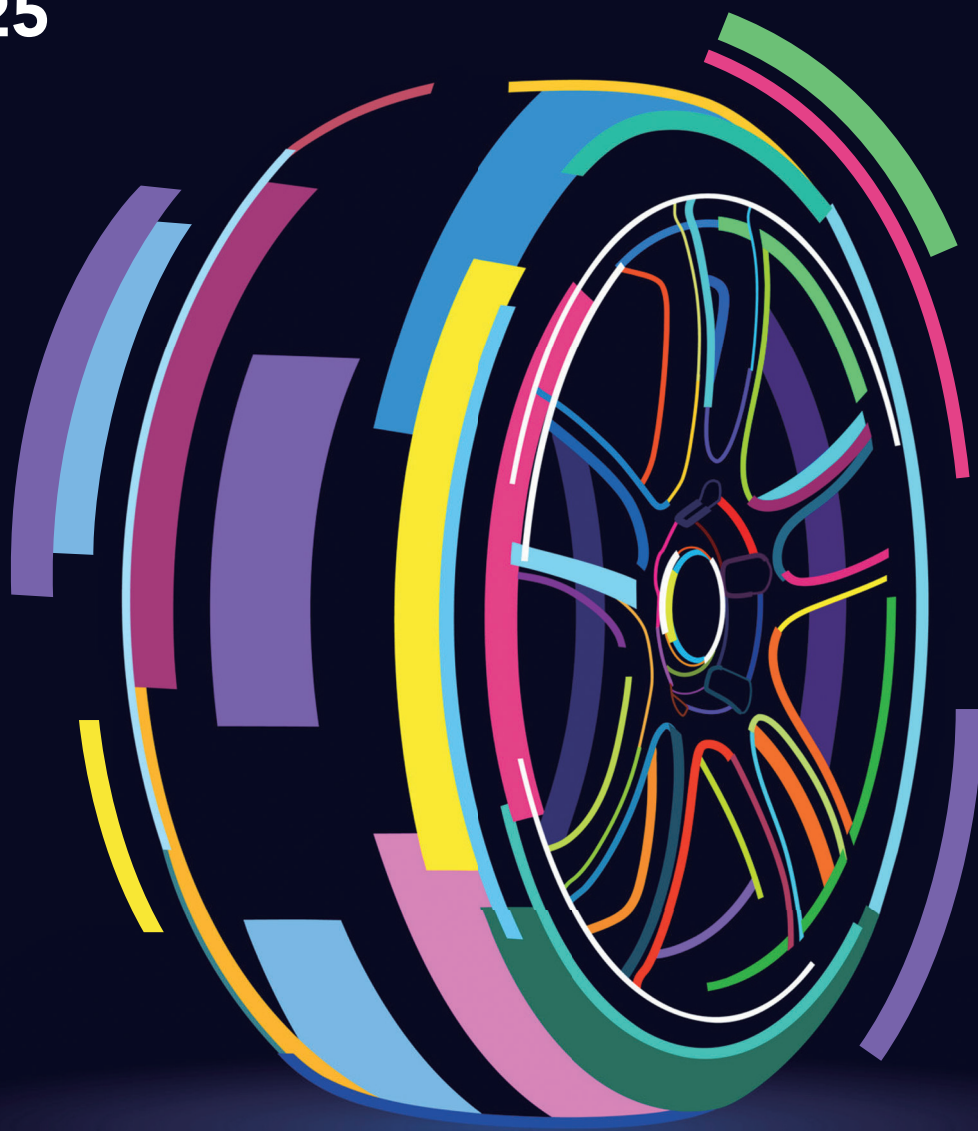
BUYANG INTERNATIONAL HOLDING INC

步陽國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock code: 2457

Interim Report 2025



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Company Introduction

OVERVIEW

Buyang International Holding Inc (the “**Company**”, and together with its subsidiaries, the “**Group**”, “**we**”, “**us**” or “**our**”) is 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 who dedicate to providing customers with high quality aluminum alloy automobile wheels for aftermarket sales, to meet modification, repair and maintenance needs of the end users. We manufacture and sell different types of aluminum alloy automobile wheels to our customers. Our products comprise of a wide variety of aluminum alloy automobile wheels. 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. Our products are used by a wide range of automobiles from subcompact and compact cars to full-size SUV and pickup truck. We maintain stable and long-term business with many customers in China and overseas countries and regions, providing high quality products that are widely appreciated by our customers.

Our manufacturing facility is located in Yongkang City, Jinhua City, Zhejiang Province, PRC, and is equipped with various production machines, including gravity casting machines, low pressure casting machines, CNC lathes, machining centers, pretreatment spray equipment, powder spray machines and liquid spray machines, creating a complete production line with strong production capacity of approximately million units of aluminum alloy automobile wheel per year.

Corporate Information

BOARD OF DIRECTORS

Executive Directors

Ms. Xu Jingjun (*Deputy chairlady*)
Mr. Ying Yonghui (*Chief executive officer*)
Ms. Hu Huijuan

Non-executive Directors

Mr. Xu Buyun (*Chairman*)
Mr. Zhu Ning

Independent non-executive Directors

Mr. Yeung Man Simon
Mr. Chen Jingeng
Mr. Ren Guodong

AUDIT COMMITTEE

Mr. Yeung Man Simon (*Chairman*)
Mr. Chen Jingeng
Mr. Ren Guodong

REMUNERATION COMMITTEE

Mr. Chen Jingeng (*Chairman*)
Ms. Xu Jingjun
Mr. Ren Guodong

NOMINATION COMMITTEE

Mr. Xu Buyun (*Chairman*)
Ms. Xu Jingjun (*appointed on 30 June 2025*)
Mr. Yeung Man Simon (*appointed on 30 June 2025*)
Mr. Chen Jingeng
Mr. Ren Guodong

JOINT COMPANY SECRETARIES

Ms. Cheung Yuet Fan (*FCG, HKFCG*)
Ms. Xu Yuelian

AUTHORIZED REPRESENTATIVES

Ms. Xu Jingjun
Ms. Xu Yuelian

AUDITOR

KPMG
Public Interest Entity Auditor registered in accordance with the Accounting and Financial Reporting Council Ordinance
8th Floor, Prince's Building
10 Chater Road Central
Hong Kong

HONG KONG LEGAL ADVISOR

JINGTIAN & GONGCHENG LLP
Suites 3203–3207, 32nd Floor
Edinburgh Tower, The Landmark
15 Queen's Road Central
Central
Hong Kong

REGISTERED OFFICE

Cricket Square
Hutchins Drive, P.O. Box 2681
Grand Cayman, KY1-1111, Cayman Islands

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

8 Buyang Road
Xicheng Jiedao
Yongkang City
Zhejiang Province, PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 1910, 19/F, Lee Garden One
33 Hysan Avenue
Causeway Bay
Hong Kong

SHARE REGISTRAR AND TRANSFER OFFICER

Conyers Trust Company (Cayman) Limited
Cricket Square
Hutchins Drive, P.O. Box 2681
Grand Cayman KY1-1111, Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

PRINCIPAL BANK

Bank of China Limited, Yongkang Branch

STOCK CODE

02457

COMPANY'S WEBSITE

bywheel.com

LISTING DATE

December 15, 2022

Definitions

“Board”	the board of Directors
“Company”, “our Company” or “the Company”	Buyang International Holding Inc (步陽國際控股有限公司), an exempted company incorporated in the Cayman Islands with limited liability on November 14, 2018
“Controlling Shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Corporate Governance Code” or “CG Code”	the corporate governance code as set out in Part 2 of Appendix C1 to the Listing Rules, as amended or supplemented from time to time
“Director(s)”	the director(s) of our Company
“First Oriental”	First Oriental Limited, one of the Controlling Shareholders and is wholly owned by TopSun
“Global Offering”	as defined in the Prospectus
“Group”, “our Group”, “we” or “us”	our Company together with its subsidiaries and, in respect of the period before our Company became the holding company of our present subsidiaries, refers to the companies that are the present subsidiaries of the Company
“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Hong Kong dollar(s)”, “HKD” or “HK\$”	the lawful currency of Hong Kong
“Listing”	the listing of the Shares on the Main Board of the Stock Exchange
“Listing Date”	December 15, 2022, the date on which dealings in the Shares on the Main Board of the Stock Exchange first commence
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended or supplemented from time to time
“Model Code”	Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix C3 of the Listing Rules
“PRC”	the People’s Republic of China, excluding, for the purpose of this report, Hong Kong, Macau Special Administrative Region and Taiwan
“Prospectus”	prospectus of the Company dated November 29, 2022
“Renminbi” or “RMB”	the lawful currency of the PRC
“Report”	the Company’s interim report for the Reporting Period
“Reporting Period”	the period from 1 January 2025 to 30 June 2025
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time



Definitions

“Share(s)”	ordinary share(s) in the capital of our Company with par value of US\$0.001 each
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“TopSun”	TopSun Investment Holding Company Limited, one of the Controlling Shareholders and is owned as to 70% by Mr. Xu Buyun and 30% by Ms. Chen Jiangyue
“%”	percent

Financial Summary

RESULTS

	Six months ended June 30,		
	2025	2024	Change
	(In RMB thousands)		
	Unaudited	Unaudited	
Revenue	172,725	189,315	(8.76%)
Gross Profit	21,221	26,912	(21.15%)
Profit before tax	6,701	14,782	(54.67%)
Income tax	(754)	(2,335)	(67.71%)
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%)

ASSETS, LIABILITIES AND EQUITY

	At June 30,	At December 31,	
	2025	2024	Change
	(In RMB thousands)		
	Unaudited		
Assets			
Total assets	498,880	493,623	1.06%
Equity and liabilities			
Total equity	406,136	400,455	1.42%
Total liabilities	92,744	93,168	(0.46%)
Total equity and liabilities	498,880	493,623	1.06%

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, but 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.

Management Discussion and Analysis

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	
	RMB'000	%	RMB'000	%
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	167,293	100.00%	183,907	100.00%

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 RMB5.4 million.

Management Discussion and Analysis

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.

Management Discussion and Analysis

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 RMB97.0 million (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 million).

Management Discussion and Analysis

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 Reporting 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 Report, 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.

Management Discussion and Analysis

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.

Management Discussion and Analysis

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.

Corporate Governance and Other Information

DIRECTORS AND CHIEF EXECUTIVE'S INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2025, the interests of each Director in the shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including the interests and short positions which were taken or deemed to have under such provisions of the SFO), (ii) which were recorded in the register required to be kept by the Company pursuant to section 352 of the SFO or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code as set out in Appendix C3 to the Listing Rules are as follows:

(i) Interests in the Company

Director	Nature of interest	Number of shares ⁽¹⁾	Approximate percentage of shareholding
Mr. Xu Buyun	Interest in controlled corporation ⁽²⁾	750,000,000 (L)	75%

Notes:

(1) (L) means long position.

(2) These 750,000,000 shares are held by First Oriental, which is indirectly owned as to 70.0% by Mr. Xu Buyun. Accordingly, under the SFO, Mr. Xu Buyun is deemed to be interested in all the shares held by First Oriental.

(ii) Interests in Associated Corporations

Director	Name of associated corporation/ subsidiary company	Nature of interest	Number of Shares in/ registered capital of the associated corporation ⁽¹⁾	Approximate percentage
Mr. Xu Buyun	First Oriental ⁽²⁾	Interest in controlled corporation	50,000 shares (L)	100%
	TopSun ⁽²⁾	Beneficial owner	35,000 shares (L)	100%
		Interest of spouse	15,000 shares (L)	

Notes:

1. (L) means long position.

2. First Oriental is interested in 75% of the issued Shares and is wholly owned by TopSun and, accordingly, First Oriental and TopSun are the holding companies (as defined in the SFO) of the Company respectively.

3. 15,000 shares of TopSun are held by Ms. Chen Jiangyue, the spouse of Mr. Xu Buyun. Accordingly, Mr. Xu Buyun is deemed to be interested in all the shares held by Ms. Chen Jiangyue under the SFO.

Corporate Governance and Other Information

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS IN SHARES AND UNDERLYING SHARES

As at 30 June 2025, to the best knowledge of the Directors, the following persons (other than the Directors or the chief executive of the Company) have interests in the shares or underlying shares of the Company which were recorded in the register required to be kept by the Company under section 336 of the SFO or which were required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO:

Name of shareholders	Nature of interest	Number of shares ⁽¹⁾	Approximate percentage of shareholding
Mr. Xu Buyun	Interest in controlled corporation ⁽³⁾	750,000,000 (L)	75%
Ms. Chen Jiangyue	Interest of spouse ⁽²⁾	750,000,000 (L)	75%
TopSun	Interest in controlled corporation ⁽³⁾⁽⁴⁾	750,000,000 (L)	75%
First Oriental ⁽³⁾	Beneficial owner ⁽³⁾⁽⁴⁾	750,000,000 (L)	75%

Notes:

1. (L) means long position.
2. Ms. Chen Jiangyue is the spouse of Mr. Xu Buyun. Accordingly, Ms. Chen Jiangyue is deemed to be interested in all the shares in which Mr. Xu Buyun is interested under the SFO.
3. The entire equity interest of First Oriental is held by TopSun, which is in turn owned as to 70% by Mr. Xu Buyun and 30% by Ms. Chen Jiangyue respectively. Accordingly, Mr. Xu Buyun and TopSun are deemed to be interested in all the shares held by First Oriental under the SFO.
4. Mr. Xu Buyun, the chairman and non-executive Director, is a director of TopSun and First Oriental.

Save as disclosed above, as at the date of this Report, the Directors were not aware of any persons (who were not Directors or chief executive of the Company) who had interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which would be required, pursuant to Section 336 of the SFO, to be entered in the register referred to therein.

Corporate Governance and Other Information

SHARE OPTION SCHEME

The Share Option Scheme was adopted by a written resolution of the Shareholders passed on 18 November 2022. The terms of the Share Option Scheme are in compliance with the provisions of Chapter 17 of the Listing Rules.

The Share Option Scheme is a share award scheme for the purpose of recognizing and rewarding Eligible Participants (as defined below) for the contributions they have made or may have made to the Group. The Share Option Scheme will provide an opportunity for Eligible Participants to have a personal interest in the Company for the purpose of (i) providing incentives for Eligible Participants to optimize their performance efficiency for the benefit of the Group; and (ii) attracting and retaining Eligible Participants or otherwise maintaining an ongoing business relationship with Eligible Participants whose contributions have been or will be beneficial to the long-term development of the Group.

The Board may, at its sole discretion, grant options to the following persons ("**Eligible Participants**"), for the number of New Shares to be determined by the Board: (i) any full-time or part-time employee, executive or officer of the Company or any of its subsidiaries; (ii) any Director (including non-executive directors and independent non-executive Directors) of the Company or any of its subsidiaries; (iii) any advisers, consultants, suppliers, customers and agents of the Company or any of its subsidiaries; and (iv) other persons who, in the sole discretion of the Board, will contribute or have contributed to the Group, the assessment criteria are: (aa) contribution to the development and performance of the Group; (bb) quality of work performed for the Group; (cc) performance initiative and commitment to responsibilities; and (dd) length of service or contribution to the Group.

The maximum number of shares in respect of which options may be granted under the Share Option Scheme and any other share option schemes of the Company (including shares in respect of which options have been granted, whether exercised or outstanding) shall not in aggregate exceed 10% of the total number of shares in issue at the time of the Company's listing, being 100,000,000 shares (the "**Scheme Limit**"), excluding for this purpose the maximum number of shares in respect of which options may be granted under the Share Option Scheme (or any other share option scheme of the Company) which has lapsed. The Share Option Scheme limit represents 10% of the total number of shares of the Company in issue as at the date of this Report.

The total number of shares in issue and issuable upon exercise of options granted to each eligible participant under the Share Option Scheme and any other share option scheme of the Company during any 12-month period up to the date of grant (including exercised and outstanding options and shares subject to options granted and accepted under the Share Option Scheme and any other share option scheme of the Company but subsequently cancelled) shall not exceed 1% of the shares in issue as at the date of grant.

Options may be exercised in accordance with the terms of the Share Option Scheme at any time after the date on which the options are deemed to have been granted and accepted and before the expiry of ten years from that date. The exercise period of the options will be determined by the Board at its sole discretion, but shall not exceed ten years from the date of grant of the options. Any option granted under the Share Option Scheme may be exercised by the grantee subject to the achievement of certain performance targets as may be specified by the Board for the time being. No share option may be granted more than ten years after the Listing Date. Unless terminated earlier by the Company in general meeting or by the Board, the Share Option Scheme shall be effective and valid for a period of ten years from the Listing Date. The remaining life of the Share Option Scheme is approximately seven years and eight months.

The exercise price of the shares in respect of any particular share option granted under the Share Option Scheme will be determined at the sole discretion of the Board, provided that such price will not be lower than the highest of (i) the closing price of the shares as quoted on the Stock Exchange's daily quotation sheets on the date of grant, which must be a day on which the Stock Exchange is open for trading in securities; (ii) the average closing price of the shares as quoted on the Stock Exchange's daily quotation sheets for the five business days immediately preceding the date of grant; and (iii) the nominal value of the shares.

Corporate Governance and Other Information

Acceptance of an offer to grant an option must take place within seven days from and including the date on which such offer is made. The options shall be deemed to have been granted and accepted by the grantee and become effective upon receipt by the Company on or before the relevant acceptance date of the documents constituting the acceptance of the options duly signed by the Grantee together with a remittance of HK\$1.00 in favour of the Company as the consideration for the grant of the Options.

Details of the principal terms of the Share Option Scheme are set out in the section headed “Appendix IV — Statutory and General Information” of the Prospectus. As at the date of this Report, the maximum number of Shares in respect of which options may be granted under the Share Option Scheme is 100,000,000, representing 10% of the issued shares of the Company. At the beginning of the Reporting Period, the number of share options available for grant under the scheme limit was 100,000,000. No share options have been granted, exercised, outstanding, cancelled or lapsed during the Reporting Period. At the end of the Reporting Period, the number of share options available for grant under the scheme limit was 100,000,000.

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 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 allocation 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 Report.

Corporate Governance and Other Information

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 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 Report, 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 Report.

PURCHASE, SALE OR REDEMPTION OF THE LISTED SECURITIES OR SALE OF TREASURY SHARES

From 1 January 2025 and up to the date of this Report, 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 Report, there were no changes to the Directors' information which are required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

PUBLIC FLOAT

According to the public information obtained by the Company and the best knowledge of the Directors, from January 1, 2025 and up to the date of this Report, the public holds no less than 25% of the issued share capital of the Company, which complies with the requirements of the Stock Exchange and the Listing Rules.

EVENT AFTER THE REPORTING PERIOD

As at the date of this Report, the Group had 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 Report.

INDEPENDENT REVIEW OF AUDITOR

The interim financial report 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.

Independent Review Report



Review report to the board of directors of Buyang International Holding Inc

(Incorporated in the Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the interim financial report set out on pages 20 to 36, which comprises the consolidated statement of financial position of Buyang International Holding Inc as of 30 June 2025 and the related consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and condensed consolidated cash flow statement for the six months period then ended, and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of an interim financial report to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 *Interim Financial Reporting* as issued by the Hong Kong Institute of Certified Public Accountants. The directors are responsible for the preparation and presentation of the interim financial report in accordance with Hong Kong Accounting Standard 34.

Our responsibility is to express a conclusion, based on our review, on the interim financial report and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* as issued by the Hong Kong Institute of Certified Public Accountants. A review of interim financial report consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial report as at 30 June 2025 is not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34 *Interim Financial Reporting*.

KPMG

Certified Public Accountants

8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

28 August 2025

Consolidated Statement of Profit or Loss and Other Comprehensive Income

for the six months ended 30 June 2025 — unaudited

(Expressed in Renminbi (“RMB”))

	Note	Six months ended 30 June	
		2025 RMB'000	2024 RMB'000
Revenue	3	172,725	189,315
Cost of sales		(151,504)	(162,403)
Gross profit		21,221	26,912
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		(214)	(952)
Profit from operations		4,839	12,238
Finance income		2,037	2,734
Finance costs		(175)	(190)
Net finance income	5(a)	1,862	2,544
Profit before taxation	5	6,701	14,782
Income tax	6	(754)	(2,335)
Profit for the period		5,947	12,447

Consolidated Statement of Profit or Loss and Other Comprehensive Income

for the six months ended 30 June 2025 — unaudited (continued)

(Expressed in RMB)

	Note	Six months ended 30 June	
		2025 RMB'000	2024 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			
Basic and diluted (RMB)	7	0.006	0.012

The notes on pages 26 to 36 form part of this interim financial report.

Consolidated Statement of Financial Position

at 30 June 2025 — unaudited

(Expressed in RMB)

	Note	30 June 2025 RMB'000	31 December 2024 RMB'000
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	12(a)	60,163	40,030
Pledged deposits	12(b)	19,207	16,588
Cash and cash equivalents	12(c)	151,058	172,901
		418,820	397,064
Current liabilities			
Trade and other payables	13	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

Consolidated Statement of Financial Position

at 30 June 2025 — unaudited (continued)

(Expressed in RMB)

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

Approved and authorised for issue by the board of directors on 28 August 2025.

	)	
Xu Buyun	)	
	)	Directors
Xu Jingjun	)	
	)	

The notes on pages 26 to 36 form part of this interim financial report.

Consolidated Statement of Changes in Equity

for the six months ended 30 June 2025 — unaudited

(Expressed in RMB)

	Attributable to equity shareholders of the Company						
	Share capital	Share premium	Capital reserve	The People's Republic of China (the "PRC") statutory reserve	Exchange reserve	Retained profits	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1 January 2024	6,952	198,080	(45,000)	30,073	(5,016)	195,798	380,887
Changes in equity for the six months ended 30 June 2024:							
Profit for the period	—	—	—	—	—	12,447	12,447
Other comprehensive income for the period	—	—	—	—	192	—	192
Total comprehensive income	—	—	—	—	192	12,447	12,639
Balance at 30 June 2024 and 1 July 2024	6,952	198,080	(45,000)	30,073	(4,824)	208,245	393,526
Changes in equity for the six months ended 31 December 2024:							
Profit for the period	—	—	—	—	—	6,733	6,733
Other comprehensive income for the period	—	—	—	—	196	—	196
Total comprehensive income	—	—	—	—	196	6,733	6,929
Appropriation of statutory reserve	—	—	—	2,301	—	(2,301)	—
Balance at 31 December 2024	6,952	198,080	(45,000)	32,374	(4,628)	212,677	400,455
Balance at 1 January 2025	6,952	198,080	(45,000)	32,374	(4,628)	212,677	400,455
Changes in equity for the six months ended 30 June 2025:							
Profit for the period	—	—	—	—	—	5,947	5,947
Other comprehensive income for the period	—	—	—	—	(266)	—	(266)
Total comprehensive income	—	—	—	—	(266)	5,947	5,681
Balance at 30 June 2025	6,952	198,080	(45,000)	32,374	(4,894)	218,624	406,136

The notes on pages 26 to 36 form part of this interim financial report.

Condensed Consolidated Cash Flow Statement

for the six months ended 30 June 2025 — unaudited

(Expressed in RMB)

		Six months ended 30 June	
		2025	2024
	Note	RMB'000	RMB'000
Operating activities			
Cash generated from operations		10,125	2,297
PRC corporate income tax paid		(716)	(2,726)
Net cash generated from/(used in) operating activities		9,409	(429)
Investing activities			
Payment for purchase of property, plant and equipment and intangible assets		(13,486)	(7,747)
Payment for purchase of time deposits		(60,000)	(100,000)
Proceeds from disposal of time deposits		40,030	60,023
Proceeds from disposal of property, plant and equipment		388	98
Interest received		1,874	3,156
Net cash used in investing activities		(31,194)	(44,470)
Financing activities			
Dividends paid to equity shareholders of the Company		—	(27,187)
Capital element of lease rentals paid		(501)	(472)
Interest element of lease rentals paid		(356)	(385)
Net cash used in financing activities		(857)	(28,044)
Net decrease in cash and cash equivalents		(22,642)	(72,943)
Cash and cash equivalents at 1 January		172,901	223,729
Effect of foreign exchange rate changes		799	2,326
Cash and cash equivalents at 30 June	12(c)	151,058	153,112

The notes on pages 26 to 36 form part of this interim financial report.

Notes to the Unaudited Interim Financial Report

(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 report of the Company as at and for the six months ended 30 June 2025 comprises the Company and its subsidiaries. The interim financial report 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**”). It was authorised for issue on 28 August 2025.

The interim financial report 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 report 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.

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2024 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with HKFRS Accounting Standards.

The interim financial report is unaudited, but has been reviewed by the audit committee of the Company and approved for issue by the Board of Directors on 28 August 2025. The interim financial report has also been reviewed by KPMG in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, issued by the HKICPA. KPMG’s independent review report to the Board of Directors is included on page 19.

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 report for the current accounting period. The amendments do not have a material impact on this interim financial report 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.

Notes to the Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated)

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 RMB'000	2024 RMB'000
Sales of aluminium alloy wheels	167,293	183,907
Sales of others	5,432	5,408
	172,725	189,315

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 RMB'000	2024 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

Notes to the Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated)

3 REVENUE AND SEGMENT REPORTING (Continued)

(b) Segment reporting (Continued)

Geographical information (Continued)

(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
	RMB'000	RMB'000
Government grants	368	915
Rentals receivable from operating leases, other than those relating to investment property (Note 16(b))	275	275
Others	9	—
	652	1,190

(b) Other net gain

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

5 PROFIT BEFORE TAXATION

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

(a) Net finance income

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Interest income on bank deposits	(1,599)	(2,257)
Interest income on a loan to a related party (Note 16(b))	(438)	(477)
Interest expense on lease liabilities (Note 16(b))	175	190
	(1,862)	(2,544)

Notes to the Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated)

5 PROFIT BEFORE TAXATION (Continued)

(b) Staff costs

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

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 RMB'000	2024 RMB'000
Cost of inventories* (Note 10(b))	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.

Notes to the Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated)

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.

Notes to the Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated)

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
	14,737	14,965
Analysed as:		
— Non-current	—	14,817
— Current	14,737	148
	14,737	14,965

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
	96,972	85,877

Notes to the Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated)

10 INVENTORIES (Continued)

(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	2024
	RMB'000	RMB'000
Carrying amount of inventories sold	151,198	162,153
Write-down of inventories	306	250
	151,504	162,403

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)
	67,031	72,186
Financial assets measured at amortised cost		
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

Notes to the Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated)

12 TIME DEPOSITS, PLEDGED DEPOSITS AND CASH AND CASH EQUIVALENTS

(a) Time deposits

	At 30 June 2025 RMB'000	At 31 December 2024 RMB'000
Time deposits held at the bank with original maturity over three months but within one year	60,163	40,030

As at 30 June 2025, the time deposits held at the bank with original maturity over three months have an annual interest rate of 1.1% (31 December 2024: 1.35%).

(b) Pledged deposits

	30 June 2025 RMB'000	31 December 2024 RMB'000
Guarantee deposits for issuance of bank acceptance notes	19,207	16,588

The pledged deposits will be released upon the settlement of the relevant bank acceptance notes by the Group.

(c) Cash and cash equivalents

	30 June 2025 RMB'000	31 December 2024 RMB'000
Bank deposits with original maturity within three months	40,035	2,000
Cash at bank	130,229	187,488
Cash in hand	1	1
	170,265	189,489
Less: Pledged deposits	(19,207)	(16,588)
	151,058	172,901

Notes to the Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated)

13 TRADE AND OTHER PAYABLES

	Note	30 June 2025 RMB'000	31 December 2024 RMB'000
Trade payables			
— Third parties		24,741	26,070
— Related parties	16(c)	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 RMB'000	31 December 2024 RMB'000
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

Notes to the Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated)

14 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).

15 COMMITMENTS

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

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

16 MATERIAL RELATED PARTY TRANSACTIONS

(a) Name of and relationship with related parties

During the reporting period, transactions with the following parties are considered as related party transactions:

Name of related party	Relationship with the Group
Mr. Xu Buyun 徐步雲先生	Controlling shareholder of the Company
Mrs. Chen Jiangyue 陳江月女士	Mr. Xu Buyun's close family member and controlling shareholder of the Company
Buyang Group Co., Ltd. and its subsidiaries ("Buyang PRC") 步陽集團有限公司及其子公司*	Corporate Controlled by Mr. Xu Buyun
Topsun Investment Holding Company Limited	Ultimate parent company of the Group

* The English translation of the Company name is for reference only. The official names of these companies are in Chinese.

Notes to the Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated)

16 MATERIAL RELATED PARTY TRANSACTIONS (Continued)

(b) Particulars of significant transactions between the Group and related parties during the reporting period are as follows:

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Interest income from:		
— Topsun Investment Holding Company Limited	438	477
Fuel expenses and utilities to:		
— Buyang PRC	4,712	4,182
Rental income from:		
— Buyang PRC	275	275
Interest expense on lease liabilities:		
— Buyang PRC	175	190

(c) Significant related party balances

	30 June 2025 RMB'000	31 December 2024 RMB'000
A loan provided to a related party:		
Topsun Investment Holding Company Limited (Note 9)	14,737	14,965
Amounts due to:		
Buyang PRC		
— Trade nature	6,028	978
Lease liabilities due to:		
— Buyang PRC	5,968	6,649

Note:

(i) Amounts due to related party are unsecured and interest-free.