Buyang International Holding Inc
步陽國際控股有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock code: 2457)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2025

The board (the "**Board**") of directors (the "**Directors**") of Buyang International Holding Inc (the "**Company**") is pleased to announce the audited consolidated financial results of the Company and its subsidiaries (collectively, the "**Group**", "**we**", "**us**" or "**our**") for the year ended 31 December 2025 (the "**Reporting Period**") together with the comparative figures for the year ended 31 December 2024.

RESULTS SUMMARY

	For the year ended 31 December		**Year-on-year**
	2025	2024	**Changes**
	RMB'000	*RMB'000*	
Revenue	**404,827**	391,981	3.28%
Gross profit	**44,553**	49,714	(10.38)%
Profit before tax	**12,207**	24,411	(49.99)%
Profit for the year	**11,064**	19,180	(42.31)%
Total comprehensive income for the year	**10,650**	19,568	(45.57)%
Earnings per share (basic and diluted) *(RMB)*	**0.01**	0.02	(50.00)%

Our revenue increased to approximately RMB404.8 million for the Reporting Period as compared to approximately RMB392.0 million for the year ended 31 December 2024.

Our profit for the year decreased to approximately RMB11.1 million for the Reporting Period as compared to approximately RMB19.2 million for the year ended 31 December 2024 and our net profit margin decreased from approximately 4.9% for the year ended 31 December 2024 to approximately 2.7% for the Reporting Period. The decrease in net profit was primarily due to (i) the decrease in gross profit margin; and (ii) the increase in foreign exchange loss resulting from the depreciation of the U.S. dollar.

Our total comprehensive income for the year decrease to approximately RMB10.7 million for the Reporting Period as compared to approximately RMB19.6 million for the year ended 31 December 2024.

Basic and diluted earnings per share (the "**Share**") for the Reporting Period were approximately RMB0.01, representing a decrease of approximately 50.00% as compared to approximately RMB0.02 for the year ended 31 December 2024.

The Board does not recommend the payment of a final dividend for the year ended 31 December 2025.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 31 December

	Note	**2025**	2024
		RMB'000	*RMB'000*
Revenue	3	**404,827**	391,981
Cost of sales		**(360,274)**	(342,267)
Gross profit		**44,553**	49,714
Other revenue	4(a)	**1,722**	1,897
Other net (loss)/gain	4(b)	**(994)**	4,352
Selling and distribution expenses		**(10,111)**	(9,972)
Administrative and other operating expenses		**(12,049)**	(12,334)
Research and development costs		**(15,146)**	(14,463)
Impairment reversal on trade receivables		**87**	537
Profit from operations		**8,062**	19,731
Finance income		**4,501**	5,065
Finance costs		**(356)**	(385)
Net finance income	5(a)	**4,145**	4,680
Profit before taxation	5	**12,207**	24,411
Income tax	6	**(1,143)**	(5,231)
Profit for the year		**11,064**	19,180
Other comprehensive income for the year (after tax and reclassification adjustments)			
Item that will not be reclassified to profit or loss:			
Exchange difference on translation of financial statements of the Company		**(2,457)**	2,163
Item that may be reclassified subsequently to profit or loss:			
Exchange difference on translation of financial statements of the Company's subsidiaries outside Chinese mainland		**2,043**	(1,775)
Other comprehensive income for the year		**(414)**	388
Total comprehensive income for the year		**10,650**	19,568
Earnings per Share			
Basic and diluted (RMB)	7	**0.01**	0.02

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as of 31 December

	Note	**2025**	2024
		RMB'000	*RMB'000*
Non-current assets			
Property, plant and equipment		**62,713**	63,959
Right-of-use assets		**14,484**	15,215
Intangible assets		**—**	7
Deferred tax assets		**1,322**	1,244
A loan provided to a related party		**—**	14,817
Prepayments		**698**	1,317
		79,217	96,559
Current assets			
Inventories		**94,041**	85,877
Trade and other receivables	8	**72,008**	80,262
A loan provided to a related party		**14,596**	148
Income tax recoverable		**2,062**	1,258
Time deposits		**120,968**	40,030
Pledged deposits		**17,877**	16,588
Cash and cash equivalents		**106,058**	172,901
		427,610	397,064
Current liabilities			
Trade and other payables	9	**80,046**	78,315
Contract liabilities		**5,211**	4,867
Lease liabilities		**532**	501
		85,789	83,683

	Note	2025 RMB'000	2024 RMB'000
Net current assets		**341,821**	313,381
Total assets less current liabilities		**421,038**	409,940
Non-current liabilities			
Lease liabilities		**5,616**	6,148
Deferred income		**1,025**	1,266
Deferred tax liabilities		**3,292**	2,071
		9,933	9,485
NET ASSETS		**411,105**	400,455
CAPITAL AND RESERVES			
Share capital	*10*	**6,952**	6,952
Reserves		**404,153**	393,503
TOTAL EQUITY		**411,105**	400,455

1 GENERAL INFORMATION

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 Group is principally engaged in the research and development, design, manufacturing and sales of a broad range of aluminum alloy wheels for automobiles.

2 MATERIAL ACCOUNTING POLICIES

(a) Statement of compliance

These consolidated financial statements of Buyang International Holding Inc (the "**Company**") and its subsidiaries (together referred to as the "**Group**") have been prepared in accordance with HKFRS Accounting Standards, which collective term includes all applicable individual Hong Kong Financial Reporting Standards("**HKFRSs**"), Hong Kong Accounting Standards ("**HKASs**") and Interpretations as issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The HKICPA has issued certain new or amended HKFRS Accounting Standards that are first effective or available for early adoption for the current accounting period of the Group. Note 2(c) provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current accounting period reflected in these financial statements.

(b) Basis of preparation of the financial statements

The consolidated financial statements for the year ended 31 December 2025 comprise the Company and its subsidiaries.

The measurement basis used in the preparation of the financial statements is the historical cost basis.

Items included in the financial statements of each entity in the Group are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to the entity (the "**Functional Currency**").

The consolidated financial statements are presented in Renminbi ("**RMB**"), rounded to the nearest thousand, except when otherwise indicated, which is the functional currency of the Group's subsidiaries established in Chinese mainland. The functional currency of the Company and the Company's subsidiaries outside Chinese mainland are Hong Kong Dollars ("**HKD**"). The Group translates the financial statements of the Company and the Company's subsidiaries outside Chinese mainland from HKD into RMB.

The preparation of financial statements in conformity with HKFRS Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

(c) Changes in accounting policies

(i) New and amended HKFRSs

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

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

3 REVENUE AND SEGMENT REPORTING

(a) Revenue

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

(i) Disaggregation of revenue

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

	2025	2024
	RMB'000	*RMB'000*
Sales of aluminium alloy wheels	**392,740**	380,212
Sales of others	**12,087**	11,769
	404,827	391,981

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

(ii) The Group's customers with whom transactions have exceeded 10% of the Group's revenue in the respective years are as follows.

	2025	2024
	RMB'000	*RMB'000*
Customer I	**53,981**	*
Customer II	**42,577**	*

* Represents that the amount of aggregate revenue from such customer is less than 10% of the total revenue for respective year.

(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

	2025	2024
	RMB'000	*RMB'000*
Asia	**197,318**	198,492
Europe	**54,500**	61,998
America	**135,337**	120,454
Africa	**11,065**	5,851
Oceania	**6,607**	5,186
	404,827	391,981

(ii) Non-current asset

The Group's operating assets are substantially situated in the People's Republic of China (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

	2025	2024
	RMB'000	*RMB'000*
Government grants	**1,139**	1,260
Rentals receivable from operating leases, other than those relating to investment property	**550**	550
Others	**33**	87
	1,722	1,897

(b) Other net (loss)/gain

	2025	2024
	RMB'000	*RMB'000*
Net (loss)/gain on disposal of property, plant and equipment	**(322)**	88
Net foreign exchange (loss)/gain	**(672)**	4,264
	(994)	4,352

5 PROFIT BEFORE TAXATION

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

(a) Net finance income

	2025	2024
	RMB'000	*RMB'000*
Interest income on bank deposits	**(3,621)**	(4,189)
Interest income on a loan to a related party	**(880)**	(876)
Interest on lease liabilities	**356**	385
Net finance income	**(4,145)**	(4,680)

(b) Staff costs

	2025	2024
	RMB'000	*RMB'000*
Salaries and other benefits	**52,564**	51,810
Contributions to defined contribution scheme *(Note)*	**3,331**	2,728
	55,895	54,538

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

	2025	2024
	RMB'000	*RMB'000*
Cost of inventories *(Note (i))*	**360,274**	342,267
Depreciation		
— Property, plant and equipment	**12,738**	12,014
— Right-of-use assets	**731**	731
Amortisation of intangible assets	**7**	76
Impairment reversal on trade receivables	**(87)**	(537)
Research and development costs *(Note (ii))*	**15,146**	14,463
Auditors' remuneration		
— Audit services related to the Group	**1,400**	1,400
— Other audit related services and non-audit services	**660**	660

Notes:

(i) Cost of inventories include RMB53,131,000 relating to staff costs and depreciation expenses for the year ended 31 December 2025 (2024: RMB52,008,000), 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.

(ii) Research and development costs include RMB7,063,000 relating to staff costs and depreciation expenses for the year ended 31 December 2025 (2024: RMB6,512,000), which amounts are also included in the respective total amounts disclosed separately above or in note 5(b) for each of these types of expenses.

6 INCOME TAX

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

	2025	2024
	RMB'000	*RMB'000*
Current tax		
PRC corporate income tax	**—**	2,672
	—	2,672
Deferred tax		
Origination and reversal of temporary differences	**(78)**	488
Withholding tax on the profits of the Group's PRC subsidiaries *(Note (iv))*	**1,221**	2,071
	1,143	2,559
	1,143	5,231

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 year ended 31 December 2025.

(iii) The Group's PRC subsidiary in Chinese mainland is subject to PRC income tax at 25%. According to the relevant PRC income tax law, certain research and development costs of PRC subsidiaries in Chinese mainland 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 Chinese mainland 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 in Chinese mainland.

As at 31 December 2025, deferred tax liabilities of RMB3,292,000 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 in Chinese mainland (31 December 2024: RMB2,071,000).

(b) Reconciliation between tax expense and profit before taxation at applicable tax rates:

	2025	2024
	RMB'000	*RMB'000*
Profit before taxation	**12,207**	24,411
Notional tax on profit before taxation, calculated at the rates applicable to profits in the jurisdictions concerned	**3,371**	6,532
Effect of additional deduction on research and development costs*	**(3,487)**	(3,418)
Withholding tax	**1,221**	2,071
Tax effect of non-deductible expenses, net of non-taxable income	**38**	46
Actual tax expense	**1,143**	5,231

* According to the relevant PRC income tax law, certain research and development costs of PRC subsidiaries are qualified for 100% (2024: 100%) additional deduction for tax purpose.

7 EARNINGS PER SHARE

The calculation of basic earnings per Share is based on the profit attributable to ordinary equity Shareholders (the "**Shareholders**") of the Company of RMB11,064,000 (2024: RMB19,180,000) and the weighted average of 1,000,000,000 ordinary Shares (2024: 1,000,000,000 ordinary Shares) in issue during the year ended 31 December 2025.

There were no dilutive potential shares outstanding for the years ended 31 December 2025 and 2024 and therefore the diluted earnings per Share are same as the basic earnings per Share.

8 TRADE AND OTHER RECEIVABLES

	2025	2024
	RMB'000	*RMB'000*
Trade receivables		
— Third parties	**60,965**	68,947
Bills receivable	**5,738**	3,966
Less: Loss allowance for trade and bills receivable	**(640)**	(727)
Financial assets measured at amortised cost	**66,063**	72,186
Value-added tax recoverable and others	**1,241**	1,208
Prepayment	**4,704**	6,868
	72,008	80,262

Ageing analysis of trade and bills receivables

As of the end of the 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:

	2025	2024
	RMB'000	*RMB'000*
Within 3 months	**61,320**	65,076
Over 3 months but within 6 months	**4,572**	6,538
Over 6 months but within 12 months	**171**	572
	66,063	72,186

9 TRADE AND OTHER PAYABLES

	2025	2024
	RMB'000	*RMB'000*
Trade payables		
— Third parties	**34,644**	26,070
— Related parties	**1,078**	978
Bills payable	**17,877**	16,588
	53,599	43,636
Other payables and accruals	**14,857**	23,142
Financial liabilities measured at amortised cost	**68,456**	66,778
Accrued payroll and other benefits	**11,191**	11,154
Other taxes and charges payable	**399**	383
	80,046	78,315

The amounts due to related parties are unsecured and interest-free.

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

	2025	2024
	RMB'000	*RMB'000*
Within 3 months	**37,169**	30,936
Over 3 months but within 6 months	**15,812**	12,159
Over 6 months but within 12 months	**112**	177
Over 12 months	**506**	364
	53,599	43,636

10 CAPITAL AND DIVIDENDS

(a) Share capital

Authorised Share capital

	2025		2024	
	No. of Shares	**Amount**	No. of Shares	Amount
	('000)	***US$'000***	*('000)*	*US$'000*
Authorised:				
Ordinary Shares of US$0.001 each	**2,000,000**	**2,000**	2,000,000	2,000

Issued Share capital

	2025			2024		
	No. of Shares	**Amount**	**Amount**	No. of Shares	Amount	Amount
	('000)	***HKD'000***	***RMB'000***	*('000)*	*HKD'000*	*RMB'000*
Ordinary Shares, issued and fully paid:						
At 1 January and 31 December	**1,000,000**	**7,777**	**6,952**	1,000,000	7,777	6,952

(b) Dividends

The Directors of the Company has resolved not to declare any dividend attributable to the year ended 31 December 2025 (31 December 2024: Nil).

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 Reporting Period, we have achieved solid results and further expanded our overall competitive advantages.

For the Reporting Period, we generated approximately RMB89.6 million, RMB274.3 million and RMB28.8 million of our total revenue from the sale of small, medium and large aluminum alloy automobile wheels, respectively, and sold over 1,119 thousand aluminum alloy automobile wheels to the customers.

For the Reporting Period, we generated 97.0% of our total revenue from the sales of aluminum alloy automobile wheels, approximately 26.8% and 73.2% of our total revenue from the sales of aluminum alloy automobile wheels were to the domestic and overseas markets, respectively, and we sold over 1,119 thousand aluminum alloy automobile wheels to customers, of which approximately 802.0 thousand were sold to the overseas markets.

During the Reporting Period, our revenue increased from approximately RMB392.0 million during the year ended 31 December 2024 to approximately RMB404.8 million, our profit for the year decreased from approximately RMB19.2 million during the year ended 31 December 2024 to RMB11.1 million in the Reporting Period.

Throughout the Reporting Period, we remained dedicated to the ongoing development and research of new products. As a result, we successfully developed a total of 352 new products during the 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 141 customers located in the PRC and had 105 customers located in overseas countries and territories for the year ended 31 December 2025.

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

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

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

The following table sets forth our revenue by sizes of aluminum alloy automobile wheel, in absolute amount and as a percentage of total revenue derived from sales of aluminum alloy automobile wheels, for the years ended 31 December 2024 and 2025:

	Year ended 31 December			
	2025		2024	
	RMB'000	*%*	*RMB'000*	*%*
Small	**89,633**	**22.8**	74,407	19.6
Medium	**274,300**	**69.8**	272,632	71.7
Large	**28,807**	**7.4**	33,173	8.7
Total sales of aluminum alloy automobile wheel	**392,740**	**100.0**	380,212	100.0

FUTURE PROSPECTS

In 2026, 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 increased by approximately 3.3% from approximately RMB392.0 million for the year ended 31 December 2024 to approximately RMB404.8 million for the Reporting Period, mainly due to the increase in revenue generated from the sales of aluminum alloy wheels in Japan and Canada.

Sales volume of aluminum alloy automobile wheel

Our total revenue from the sale of aluminum alloy automobile wheels increased by approximately 3.3% from approximately RMB380.2 million for the year ended 31 December 2024 to approximately RMB392.7 million for the Reporting Period, mainly due to (i) the increased orders from existing customers; and (ii) the development of new products.

Sales of other products

Our total revenue from the sale of other products for the Reporting Period increased by approximately 2.5% from approximately RMB11.8 million for the year ended 31 December 2024 to approximately RMB12.1 million for the Reporting Period, mainly due to the increase in sales price of scrap aluminum.

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 71.0% of total revenue. Revenue from sales in overseas markets increased by approximately 8.2% from approximately RMB265.8 million for the year ended 31 December 2024 to approximately RMB287.6 million for the Reporting Period. Our revenue from Asia remained relatively stable, decreasing slightly by approximately 0.6% from approximately RMB198.5 million for the year ended 31 December 2024 to approximately RMB197.3 million for the Reporting Period. Our revenue from America increased by approximately 12.3% from approximately RMB120.5 million for the year ended 31 December 2024 to approximately RMB135.3 million for the Reporting Period. Our revenue from Europe decreased by approximately 12.1% from approximately RMB62.0 million for the year ended 31 December 2024 to approximately RMB54.5 million for the Reporting Period, mainly due to the weak consumption market. Our revenue from Africa increased by approximately 88.1% from approximately RMB5.9 million for the year ended 31 December 2024 to approximately RMB11.1 million for the Reporting Period, mainly due to growth in business volume in regions such as Libya. Our revenue from Oceania increased by approximately 26.9% from approximately RMB5.2 million for the year ended 31 December 2024 to approximately RMB6.6 million for the Reporting Period.

Cost of Sales

Our cost of sales increased by approximately 5.3% from approximately RMB342.3 million for the year ended 31 December 2024 to approximately RMB360.3 million for the Reporting Period, which was due to the increase in the sales volume of aluminum alloy automobile wheels.

Gross Profit and Gross Profit Margin

Our gross profit decreased by approximately 10.3% from approximately RMB49.7 million for the year ended 31 December 2024 to approximately RMB44.6 million for the Reporting Period, primarily due to the decreased gross profit margin.

Our gross profit margin was approximately 11.0% for the Reporting Period, representing a decrease as compared to gross profit margin of approximately 12.7% for the year ended 31 December 2024, mainly because of the increase in price of raw material and competitive market in 2025.

Other Revenue

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

Our other revenue decreased by approximately 10.5% from approximately RMB1.9 million for the year ended 31 December 2024 to approximately RMB1.7 million for the Reporting Period.

Other Net Loss

We had other net loss of approximately RMB1.0 million for the Reporting Period, as compared to other net gain of approximately RMB4.4 million for the year ended 31 December 2024. Our other net gain/loss primarily included net exchange gain/loss, 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 remained relatively stable, increasing slightly by approximately 1.0% from approximately RMB10.0 million for the year ended 31 December 2024 to approximately RMB10.1 million for the Reporting Period.

Administrative and Other Operating Expenses

Our administrative and other operating expenses remained relatively stable, decreasing slightly by approximately 2.4% from approximately RMB12.3 million for the year ended 31 December 2024 to approximately RMB12.0 million for the Reporting Period.

Research and Development Costs

The research and development costs increased by approximately 4.1% from approximately RMB14.5 million for the year ended 31 December 2024 to approximately RMB15.1 million for the Reporting Period, which remained relatively stable.

Net Finance Income

The Group had net finance income of approximately RMB4.1 million for the Reporting Period, compared with net finance income of approximately RMB4.7 million for the year ended 31 December 2024, representing a decrease of 12.8% 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 Reporting Period amounted to approximately RMB12.2 million, representing a decrease of approximately 50.0% as compared to approximately RMB24.4 million for the year ended 31 December 2024.

Income Tax

Our income tax decreased by approximately 78.8% from approximately RMB5.2 million for the year ended 31 December 2024 to approximately RMB1.1 million for the Reporting Period, primarily due to the decrease of the profit before tax. Our effective tax rate decreased from approximately 21.4% for the year ended 31 December 2024 to 9.4% for the Reporting Period, mainly due to the additional research and development expenses deductions, partially offsetting by the withholding tax.

Profit for the Year

Based on the above, our profit for the year decreased by approximately 42.2% from approximately RMB19.2 million for the year ended 31 December 2024 to approximately RMB11.1 million for the Reporting Period and our net profit margin for the year decreased from approximately 4.9% for the year ended 31 December 2024 to approximately 2.7% for the Reporting Period.

LIQUIDITY AND FINANCIAL RESOURCES

Financial Position

Our total assets increased by approximately 2.7% from approximately RMB493.6 million as of 31 December 2024 to approximately RMB506.8 million as of 31 December 2025. Total liabilities increased by approximately 2.7% from approximately RMB93.2 million as of 31 December 2024 to approximately RMB95.7 million as of 31 December 2025.

As at 31 December 2025, current assets amounted to approximately RMB427.6 million, representing an increase of approximately 7.7% 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 RMB94.0 million (31 December 2024: approximately RMB85.9 million); trade and other receivables were approximately RMB72.0 million (31 December 2024: approximately RMB80.3 million); pledged deposits were approximately RMB17.9 million (31 December 2024: approximately RMB16.6 million); a loan provided to a related party (current portion) was approximately RMB14.6 million (31 December 2024: approximately RMB0.1 million); the income tax recoverable was RMB2.1 million (31 December 2024: approximately RMB1.3 million); and time deposits were approximately RMB121.0 million (31 December 2024: RMB40.0 million).

As at 31 December 2025, current liabilities amounted to approximately RMB85.8 million (31 December 2024: approximately RMB83.7 million); trade and other payables amounted to approximately RMB80.0 million (31 December 2024: approximately RMB78.3 million); contract liabilities amounted to approximately RMB5.2 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 RMB9.9 million (31 December 2024: approximately RMB9.5 million).

Inventories

As of 31 December 2025, our inventories amounted to approximately RMB94.0 million, representing an increase of approximately 9.4% 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 remained stable at approximately RMB72.0 million as at 31 December 2025, representing an decreased of approximately 10.3% from approximately RMB80.3 million as of 31 December 2024, mainly due to improvement in collections.

Cash and Cash Equivalents

The Group continued to maintain a strong financial position. As of 31 December 2025, our cash and cash equivalents amounted to approximately RMB106.1 million, representing a decrease of approximately 38.6% from approximately RMB172.9 million as of 31 December 2024, mainly due to a portion of cash and cash equivalents have been transferred to time deposits for better economic benefit.

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 remained relatively stable, increasing slightly by approximately 2.2% from approximately RMB78.3 million as of 31 December 2024 to approximately RMB80.0 million as of 31 December 2025.

Borrowings

As of 31 December 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 31 December 2025.

Capital Structure

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

Working Capital

As at 31 December 2025, our net current assets amounted to approximately RMB341.8 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, income tax recoverable, time deposits, cash and cash equivalents and pledged deposits. Our current liabilities principally consist of trade and other payables, contract liabilities and lease liabilities.

Capital Expenditures

As at 31 December 2025, we incurred and settled capital expenditure, mainly comprising expenditure on property, plant and equipment and intangible assets, of approximately RMB21.8 million (31 December 2024: approximately RMB19.5 million), mainly for the construction in progress.

Capital Commitments

As at 31 December 2025, our capital commitments for purchase of property, plant and equipment amounted to approximately RMB2.7 million (31 December 2024: approximately RMB1.9 million).

Pledge of Assets

As of 31 December 2025, we had collateral deposits of approximately RMB17.9 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 31 December 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 had no specific plans for major investments or acquisitions of major capital assets or other businesses.

RISK FACTORS AND RISK MANAGEMENT

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

1. Credit Risk

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

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

In respect of trade receivables, we measure loss allowances for trade receivables at an amount equal to lifetime ECLs, which is calculated using a provision matrix. 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 time deposit, lease liabilities and a loan provided to a related party that are 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 Reporting Period, 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.

OTHER INFORMATION

Major Customers and Suppliers

For the year ended 31 December 2025, the Group's largest customer and five largest customers accounted for approximately 13.3% (2024: approximately 7.6%) and approximately 42.2% (2024: approximately 35.3%) respectively of the Group's total revenue, and the Group's largest supplier and five largest suppliers accounted for approximately 38.7% (2024: approximately 37.7%) and approximately 84.2% (2024: approximately 83.0%) respectively of the Group's total purchases.

None of the Directors, their associates or any Shareholders of the Company owning more than 5% of the Company's Share capital has any interest in any of the Group's five largest customers or suppliers other than Buyang PRC that the Directors are aware of.

Human Resources and Remuneration Policy

The number of employees of the Group was 492 as of 31 December 2025 (31 December 2024: 486 as of 31 December 2024). The total staff costs for the Reporting Period was approximately RMB55.9 million as compared to approximately RMB54.5 million for the year ended 31 December 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.

Use of Net Proceeds from the Global Offering

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 2025, the unutilized amount of the net proceeds was approximately HK$9.9 million.

There was no change in the intended use of the net proceeds as previously disclosed in the relevant announcement of the Company dated 15 November 2024 (the "**Reallocation Announcement**") and the Company will gradually utilize the net proceeds in accordance with such intended purposes.

Set out below are details of the allocation of the net proceeds, and the actual usage up to 31 December 2025.

Planned use of Net Proceeds	**Percentage of total Net Proceeds**	**Net Proceeds from the Global Offering**	**Unutilized amount of Net Proceeds as at the date of the Reallocation Announcement**	**Unutilized amount of Net Proceeds as at 1 January 2025**	**Utilized amount for the Reporting Period**	**Balance of Net Proceeds unutilized at 31 December 2025**	**Expected timeline of utilization**
	%	*HK' million*	*HK' million*	*HK' million*	*HK' million*	*HK' million*	
Expansion of our production capacity	57.0	42.8	19.6	18.6	10.2	8.4	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	6.8	1.5	On or before September 2026
General Working Capital	—	—	13.0	12.3	12.3	—	On or before September 2026
Total	100.0	75.1	46.8	39.2	29.3	9.9	

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

Connected Transactions

Provision of financial assistance to TopSun

On 8 May 2023, the Company entered into a loan agreement (the "**Loan Agreement**") with TopSun by having considered (i) the good financial position and the existing cash surplus of the Group and that the Company had not identified other better investment opportunities; (ii) the interest income per annum to be generated by the transactions contemplated under the Loan Agreement being more favorable than that offered by independent banks in Hong Kong for a 1-year fixed deposit; (iii) the repayment capacity of TopSun is satisfied to the Company in view of it is one of the Controlling Shareholders and the credit risk is relatively low; and (iv) Mr. Xu Buyun, the chairman of the Board, non-executive Director and one of the Controlling Shareholders, acting as a guarantor for the Loan Agreement agreed to provide personal guarantee to the Company, which further minimizes the risks. Pursuant to the Loan Agreement, the Company agreed to grant to TopSun a secured loan of HK$16,000,000 (the "**Loan**") with a fixed term of 3 years from the date of drawdown of the loan. The interest rate is 6% per annum, which shall accrue from day to day and be calculated on a basis of actual number of days elapsed over a year of 365 days. TopSun shall pay the interest on the Loan quarterly in arrears with the first interest repayment date on 8 May 2024. The Group finances the Loan with its internal resources.

As at 31 December 2025, the gross loan provided to TopSun amounted to RMB14,596,000 including the principal of HK$16,000,000 (equivalent to approximately RMB14,451,000) and corresponding interests receivable of HK$160,000 (equivalent to approximately RMB145,000).

For the details of the Loan Agreement, please refer to the announcement of the Company dated 8 May 2023.

FINAL DIVIDEND

The Board does not recommend the payment of a final dividend in 2025 (2024: nil).

Closure of Register of Members/Record Date

The register of members of the Company will be closed from Tuesday, 26 May 2026 to Friday, 29 May 2026, both days inclusive, in order to determine the identity of the Shareholders who are entitled to attend the AGM, during which period no Share transfers will be registered. To be eligible to attend the AGM, all transfer forms accompanied by the relevant Share certificates must be lodged for registration with the Company's Share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong before 4:30 p.m. (Hong Kong time) on Friday, 22 May 2026. The shareholders whose names appear on the register of members of the Company on Friday, 29 May 2026 (i.e. the record date) are entitled to attend and vote at the AGM.

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

During the Reporting Period and up to the date of this announcement, the Company has complied with all applicable code provisions under Part 2 of the CG 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 during the Reporting Period and up to the date of this announcement.

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

During the Reporting Period and up to the date of this announcement, neither the Company nor any of its subsidiaries has purchased, redeemed or sold any of the Company's listed securities or sold any treasury Shares. As at 31 December 2025, the Company did not hold any treasury Shares.

Public Float

Based on the information that is publicly available to the Company and to the best knowledge of the Directors, during the Reporting Period and up to the date of this announcement, not less than 25% of the issued Share capital of the Company is held by members of the public, which is in compliance with the requirements of the Stock Exchange and the Listing Rules.

Events After The Reporting Period

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

Audit Committee

The Board has established the Audit Committee, which comprises three independent non-executive Directors, namely, Mr. Yeung Man Simon (Chairman), Mr. Chen Jingeng and Mr. Ren Guodong (with Mr. Yeung Man Simon possessing the appropriate professional qualifications and accounting expertise). 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 annual financial information for the Reporting Period. The Audit Committee has also reviewed this announcement.

SCOPE OF WORK OF THE EXTERNAL AUDITOR

The financial figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2025 as set out in the preliminary announcement have been agreed by the Group's auditor, KPMG, Certified Public Accountants, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by KPMG in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by KPMG on the preliminary announcement.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

This results announcement is published on the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at http://bywheel.com. The annual report of the Company for the year ended 31 December 2025 containing all the information required by the Listing Rules will be published on the respective websites of the Stock Exchange and the Company in accordance with the requirements under the Listing Rules.

DEFINITIONS

In this announcement, the following terms or expressions shall have the following meanings unless otherwise specified:

"Annual General Meeting" or "AGM"	the 2026 annual general meeting of the Company to be held on Friday, 29 May 2026
"Articles" or "Articles of Association"	the articles of association of the Company currently in force
"Board"	the board of Directors of the Company
"Buyang Group"	Buyang PRC and its subsidiaries, and, for the avoidance of doubt, exclude any member of our Group unless the context requires otherwise
"Buyang PRC"	Buyang Group Co., Ltd.* (步陽集團有限公司), formerly known as Yongkang City Buyun Door Co., Ltd.* (永康市步雲門業有限公司), Yongkang City Buyang Door Co., Ltd.* (永康市步陽門業有限公司) and Zhejiang Buyang Group Co., Ltd.* (浙江步陽集團有限公司), a company incorporated in the PRC with limited liability
"Buyang Wheel"	Zhejiang Buyang Auto Wheel Co., Ltd.* (浙江步陽汽輪有限公司), a company incorporated in the PRC with limited liability on 3 September 2007, which is an indirect whollyowned subsidiary of our Company
"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 14 November 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
"ECLs"	expected credit losses
"Functional Currency"	the currency that best reflects the economic substance of the underlying events and circumstances relevant to the entity
"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
"HKASs"	Hong Kong Accounting Standards
"HKFRSs"	Hong Kong Financial Reporting Standards
"HKICPA"	Hong Kong Institute of Certified Public Accountants
"Listing"	the listing of the Shares on the Main Board of the Stock Exchange
"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
"New Business Activity"	the group's business in livestreaming e-commerce
"PRC"	the People's Republic of China, excluding, for the purpose of this announcement, Hong Kong, Macau Special Administrative Region and Taiwan
"Prospectus"	prospectus of the Company dated 29 November 2022
"Renminbi" or "RMB"	the lawful currency of the PRC
"Reporting Period"	financial year ended 31 December 2025
"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

* *for identification purpose only*

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

Hong Kong, 27 March 2026

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