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Yuanda China Holdings Limited
遠大中國控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2789)

RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2024

The board (the "**Board**") of directors (the "**Directors**") of Yuanda China Holdings Limited (the "**Company**") hereby announces the audited annual consolidated results of the Company and its subsidiaries (collectively, the "**Group**") for the year ended 31 December 2024 (the "**Reporting Period**"), together with comparative figures for the year ended 31 December 2023.

FINANCIAL HIGHLIGHTS	**2024 Approximately**	2023 Approximately
Revenue *(RMB million)*	**2,212.4**	2,569.5
Adjusted gross profit margin *(Note)*	**11.5%**	15.4%
Consolidated net (loss)/profit *(RMB million)*	**(354.0)**	25.3
(Loss)/profit for the year attributable to equity shareholders of the Company *(RMB million)*	**(354.0)**	25.3
Net cash generated from operating activities *(RMB million)*	**212.9**	349.3
Basic and diluted (loss)/earnings per share *(RMB cents)*	**(5.70)**	0.41
Proposed final dividend per share *(HKD cents)*	**NIL**	NIL

Note: Adjusted gross profit margin is calculated based on adjusted gross profit, which represents gross profit after impairment losses for trade and bills receivables and contract assets.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2024
(Expressed in Renminbi ("RMB"))

	Note	**2024**	2023
		RMB'000	*RMB'000*
Revenue	*6*	**2,212,363**	2,569,509
Cost of sales		**(1,780,460)**	(2,054,169)
Gross profit		**431,903**	515,340
Other (loss)/income	*7*	**(20,100)**	305
Selling expenses		**(68,207)**	(59,315)
Administrative expenses		**(346,715)**	(356,438)
Expected credit losses of financial and contract assets		**(176,815)**	(123,564)
Loss from operations		**(179,934)**	(23,672)
(Finance costs)/net finance income	*8(a)*	**(68,516)**	43,537
(Loss)/profit before taxation	*8*	**(248,450)**	19,865
Income tax	*9*	**(105,538)**	5,459
(Loss)/profit for the year attributable to equity shareholders of the Company		**(353,988)**	25,324
(Loss)/earnings per share *(RMB cents)*			
– Basic and diluted	*10*	**(5.70)**	0.41

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2024
(Expressed in RMB)

	2024	2023
	RMB'000	*RMB'000*
(Loss)/profit for the year	**(353,988)**	25,324
Other comprehensive income for the year (after tax and reclassification adjustments):		
Item that may be reclassified subsequently to profit or loss:		
– Exchange differences on translation of financial statements	**(32,736)**	(152,087)
Other comprehensive income for the year	**(32,736)**	(152,087)
Total comprehensive income for the year attributable to equity shareholders of the Company	**(386,724)**	(126,763)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2024

(Expressed in RMB)

	Note	**2024** *RMB'000*	2023 *RMB'000*
Non-current assets			
Property, plant and equipment		**323,105**	350,984
Right-of-use assets		**205,730**	215,441
Investment properties		**29,509**	30,706
Deferred tax assets		**236,731**	332,794
		795,075	929,925
Current assets			
Inventories and other contract costs		**246,110**	259,193
Contract assets	*11*	**1,145,283**	1,188,488
Trade and bills receivables	*12*	**1,141,309**	1,529,231
Deposits, prepayments and other receivables		**390,266**	457,724
Restricted deposits		**349,196**	320,986
Cash and cash equivalents		**334,136**	274,515
		3,606,300	4,030,137
Current liabilities			
Trade and bills payables	*13*	**1,377,313**	1,573,174
Contract liabilities	*11*	**707,897**	508,569
Accrued expenses and other payables		**317,358**	338,716
Bank loans		**694,950**	713,950
Other borrowings		**333,635**	424,407
Income tax payable		**200,019**	239,607
Provision for warranties		**50,222**	62,357
		3,681,394	3,860,780
Net current (liabilities)/assets		**(75,094)**	169,357
Total assets less current liabilities		**719,981**	1,099,282

CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(Continued)*

At 31 December 2024

(Expressed in RMB)

	2024	2023
	RMB'000	*RMB'000*
Non-current liabilities		
Lease liabilities	**6,047**	9,094
Deferred tax liabilities	**22,997**	–
Provision for warranties	**192,961**	205,488
	222,005	214,582
NET ASSETS	**497,976**	884,700
CAPITAL AND RESERVES		
Share capital	**519,723**	519,723
Reserves	**(21,747)**	364,977
TOTAL EQUITY	**497,976**	884,700

NOTES

(Expressed in RMB unless otherwise indicated)

1 CORPORATE INFORMATION

Yuanda China Holdings Limited (the "**Company**") was incorporated in the Cayman Islands on 26 February 2010 as an exempted company with limited liability under the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The shares of the Company were listed on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on 17 May 2011. The consolidated financial statements of the Company comprise the Company and its subsidiaries (collectively referred to as the "**Group**"). The principal activities of the Group are the design, procurement, production, sale and installation of curtain wall systems.

2 STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with IFRS Accounting Standards issued by the International Accounting Standards Board (the "**IASB**"). These financial statements also comply with the disclosure requirements of the Hong Kong Companies Ordinance and the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**"). Material accounting policies adopted by the Group are disclosed below.

The IASB has issued certain amendments to IFRS Accounting Standards that are first effective or available for early adoption for the current accounting period of the Group. Note 5 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 periods reflected in these financial statements.

3 BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The measurement basis used in the preparation of the financial statements is the historical cost basis except for equity investment which are stated at their fair values.

The Company has its functional currency in Hong Kong dollar ("**HK$**"). As majority of the Group's operation are conducted by the subsidiaries of the Group in Chinese Mainland in Renminbi ("**RMB**"), the consolidated financial statements are presented in Renminbi.

For the year ended 31 December 2024, the Group incurred net loss of RMB353,988,000 (2023: net profit of RMB25,324,000). As at 31 December 2024, the Group had net current liabilities of RMB75,094,000 (31 December 2023: net current assets: RMB169,357,000). As set out in Note 14, the directors (the "**Directors**") of the Company has proposed a distribution of approximately RMB229,970,000 after the year end. Notwithstanding the above conditions, the Directors consider that there are no material uncertainties related to events or conditions which, individually or collectively, may cast significant doubt on the Group's ability to continue as a going concern. Management of the Group had prepared a cash flow forecast of the Group for at least the next twelve months from 31 December 2024, which has taken into account the following:

- the Group has obtained newly drawn-down and refinanced bank loans of RMB541,990,000 after 31 December 2024;

- The Group continues to improve its operating cash flows by accelerating the progress billings and collection of trade receivables, actively participating in bidding, negotiating with suppliers on payment terms, and reduction of operation expenses;

- The Group continues the negotiations with various banks to:

  (i) renew the short-term bank loans upon maturity; and/or

  (ii) provide additional bank facilities to the Group.

- Mr. Kang Baohua (the "**Controlling Shareholder**") has committed to provide the necessary financial support, including but not limited to:

  (i) continue to provide or add properties and other assets held by him and a company under his control to secure/pledge the bank loans of the Group upon maturity; and/or

  (ii) provide additional borrowing facilities to the Group.

Based on a cash flow forecast of the Group prepared by the management, the Directors are of the opinion that the Group would have adequate funds to meet its liabilities as and when they fall due for at least twelve months from the end of the reporting period. Accordingly, the Directors consider it is appropriate to prepare the consolidated financial statements on a going concern basis.

The preparation of financial statements in conformity with IFRS 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.

Judgements made by management in the application of IFRS Accounting Standards that have significant effect on the financial statements and major sources of estimation uncertainty are discussed in Note 4.

4 ACCOUNTING JUDGEMENTS AND ESTIMATES

The significant sources of estimation uncertainty are as follows:

(i) Revenue recognition

Revenue from construction contracts is recognised over time. Such revenue and profit recognition on incomplete projects is dependent on estimating the total budgeted contract costs of the contract, as well as the contract costs incurred to date. The actual outcomes in the terms of total cost may be higher or lower than estimated at the end of the reporting period, which would affect the revenue and profit recognised in the future years as an adjustment to the amounts recorded to date.

(ii) Impairment of receivables and contract assets

Trade receivables and contract assets are reviewed by management at the end of each reporting period to determine the expected credit losses. The management bases the estimates on the historical credit loss experience, adjusted for factors that are specific to the debtors and assessments of both current and forecast general economic conditions. Credit risk assessments focus on the customers' past history of making payments when due and current ability and willingness to pay, taking into account the financial position of the customers and the macroeconomic environment in which the customers operate. The credit assessments also consider the status of the construction project, i.e. whether there is any delay, any unresolved lawsuits or contentious matters with customers. If the financial conditions of the customers and/or the macroeconomic environment of the Group were to deteriorate, resulting in an impairment of their ability to pay, additional impairment provision would be required.

(iii) Warranty provisions

The Group makes provisions under the warranties it gives on construction of curtain wall systems contracts, taking into account the Group's recent claim experience. As the curtain wall systems required by customers become more complex, the actual payment incurred for warranties provided may be different from that estimated at the end of the reporting period, which would affect profit or loss in future years.

(iv) Taxation

Determining tax provision involves judgement on tax treatment of certain transactions. The Group evaluates tax implication of transactions and tax provision are set up accordingly. Where the final tax outcome of these transactions is different from the amounts that were initially recorded, such differences will impact the tax provision in the year in which such determination is made.

Deferred tax assets are recognised for unused tax losses and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which the deferred tax assets can be utilised. In determining the amount of deferred tax assets to be recognised, significant judgement is required relating to the timing and level of future taxable profits, after taking into account future tax planning strategies. The amount of deferred tax assets recognised at future dates are adjusted if there are significant changes from these estimates.

(v) Impairment of property, plant and equipment and land use rights

If circumstances indicate that the carrying amount of the Group's property, plant and equipment and land use rights may not be fully recoverable, these assets are tested for impairment in accordance with accounting policy for impairment of non-current assets and the recoverable amount of the Group's property, plant and equipment and land use rights was calculated.

The recoverable amount is the greater of the fair value less costs of disposal and the value in use. The Group uses all readily available information in determining an amount that is a reasonable approximation of the recoverable amount, including estimates based on reasonable and supportable assumptions related to fair value assessment of the property, plant and equipment and land use rights. Changes in these estimates could have a significant impact on the recoverable amount of the assets and could result in additional impairment charge or reversal of impairment in future periods.

5 CHANGES IN ACCOUNTING POLICIES

The IASB has issued the following amendments to IFRS Accounting Standards that are first effective for the current accounting period of the Group:

- Amendments to IAS 1, *Presentation of financial statements – Classification of liabilities as current or non-current* ("**2020 amendments**") and amendments to IAS 1, *Presentation of financial statements – Non-current liabilities with covenants* ("**2022 amendments**")

- Amendments to IFRS 16, *Leases – Lease liability in a sale and leaseback*

- Amendments to IAS 7, *Statement of cash flows and IFRS 7, Financial instruments: Disclosures – Supplier finance arrangements*

None of these developments have had a material effect on how the Group's results and financial position for the current accounting period have been prepared or presented. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

6 REVENUE AND SEGMENT REPORTING

(a) Revenue

The principal activities of the Group are the design, procurement, production, sale and installation of curtain wall systems. Further details regarding the Group's principal activities are disclosed in Note 6(b).

(i) Disaggregation of revenue

Revenue represents contract revenue derived from the design, procurement, production, sale and installation of curtain wall systems. Disaggregation of revenue from contracts with customers within the scope of IFRS 15 by timing of revenue recognition is as follows:

	2024	2023
	RMB'000	*RMB'000*
Over time	**2,078,646**	2,455,348
Point in time	**133,717**	114,161
	2,212,363	2,569,509

Disaggregation of revenue by geographic markets is disclosed in Note 6(b)(iii).

The Group's customer base is diversified. There was no customer with transactions that exceeded 10% of the Group's revenue for the years ended 31 December 2024 and 2023.

(ii) Revenue expected to be recognised in the future arising from contracts with customers in existence at the reporting date.

As at 31 December 2024, the aggregated amount of the transaction price allocated to the remaining performance obligations under the Group's existing contracts is RMB8,528.3 million (2023: RMB6,299.7 million). This amount represents revenue expected to be recognised in the future from construction contracts entered into by the customers with the Group. The Group will recognise the expected revenue in future when or as the work is completed, which is expected to occur over the next 48 months (2023: 48 months).

As at 31 December 2024, the aggregated amount of the expected transaction price of the potential contracts (including tax) of which the Group has won the bidding is RMB2,876.0 million (2023: RMB3,558.0 million).

The above amounts do not include any amounts of completion bonuses that the Group may earn in the future by meeting the conditions set out in the Group's construction contracts with customers, unless at the reporting date it is highly probable that the Group will satisfy the conditions for earning those bonuses.

(b) Segment reporting

The Group manages its businesses by geographical locations of the construction contracts in a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment. The Group has presented the following two reportable segments. No operating segments have been aggregated to form the following reportable segments.

- Domestic: comprises construction contracts carried out in Chinese Mainland.

- Overseas: comprises construction contracts carried out outside of Chinese Mainland.

(i) Segment results

For the purpose of assessing segment performance and allocating resources between segments, the Group's most senior executive management monitors the results attributable to each reportable segment on the following bases:

The measure used for reporting segment result is "adjusted gross profit" (i.e. gross profit after impairment losses for financial assets and contract assets).

Revenue and expenses are allocated to the reportable segments with reference to revenue generated by those segments and the expenses incurred by those segments. No significant inter-segment sales have occurred for the years ended 31 December 2024 and 2023. The Group's other operating expenses, such as selling and administrative expenses, expected credit losses for other receivables and net finance income, are not measured under individual segments.

The Group's most senior executive management monitor the Group's assets and liabilities as a whole, accordingly, no segment assets and liabilities information is presented.

Information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the years ended 31 December 2024 and 2023 is set out below.

	2024		
	Domestic *RMB'000*	**Overseas** *RMB'000*	**Total** *RMB'000*
Revenue from external customers and reportable segment revenue	**1,016,362**	**1,196,001**	**2,212,363**
Reportable segment adjusted gross profit	**178,278**	**75,517**	**253,795**

	2023		
	Domestic	Overseas	Total
	RMB'000	*RMB'000*	*RMB'000*
Revenue from external customers and reportable segment revenue	1,031,099	1,538,410	2,569,509
Reportable segment adjusted gross profit	174,222	221,799	396,021

(ii) Reconciliation of reportable segment profit

	2024	2023
	RMB'000	*RMB'000*
Reportable segment adjusted gross profit	**253,795**	396,021
Other (loss)/income	**(20,100)**	305
Selling expenses	**(68,207)**	(59,315)
Administrative expenses	**(346,715)**	(356,438)
Reversal/(provision) of expected credit losses of other receivables	**1,293**	(4,245)
Net finance (expenses)/income	**(68,516)**	43,537
(Loss)/profit before taxation	**(248,450)**	19,865

(iii) ***Geographic information***

The following tables set out information about the geographical location of the Group's revenue from external customers. The geographical location of customers is based on the location at which the construction contracts are carried out.

	2024	2023
	RMB'000	*RMB'000*
Disaggregated by geographical location of customers		
Chinese Mainland	**1,016,362**	1,031,099
United States of America	**244,027**	181,313
United Kingdom	**243,871**	409,110
Qatar	**198,422**	115,260
Others	**509,681**	832,727
	1,196,001	1,538,410
	2,212,363	2,569,509

Vast majority of the Group's non-current assets are located in Chinese Mainland. As such, geographical analysis of the Group's non-current assets is not presented.

7 OTHER (LOSS)/INCOME

	2024	2023
	RMB'000	*RMB'000*
Government grants	**1,104**	10,009
Rental income from investment properties	**5,523**	9,558
Rental income from operating leases, other than those relating to investment property	**351**	343
Net gain from sale of scrap materials	**372**	764
Net loss on disposal of property, plant and equipment	**(25,538)**	(20,482)
Others	**(1,912)**	113
	(20,100)	305

8 PROFIT BEFORE TAXATION

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

(a) Finance costs/(net finance income):

	2024	2023
	RMB'000	*RMB'000*
Interest on borrowings	**63,625**	80,580
Interest on lease liabilities	**897**	740
Bank charges and other finance costs	**10,173**	18,582
Total borrowing costs	**74,695**	99,902
Interest income	**(10,280)**	(38,571)
Net foreign exchange loss/(gain)	**3,401**	(111,958)
Net loss on forward foreign exchange contracts	**700**	7,090
	68,516	(43,537)

No borrowing costs have been capitalised for the years ended 31 December 2024 and 2023.

(b) Staff costs#:

	2024	2023
	RMB'000	*RMB'000*
Salaries, wages and other benefits	**385,878**	368,722
Contributions to defined contribution retirement plans	**42,555**	42,802
	428,433	411,524

The employees of the subsidiaries of the Group established in the People's Republic of China ("**PRC**") participate in defined contribution retirement benefit schemes managed by the local government authorities, whereby these subsidiaries are required to contribute to the schemes at rates ranging from 14% to 16% (2023: from 14% to 16%) of the employees' basic salaries. Employees of these subsidiaries are entitled to retirement benefits, calculated based on a percentage of the average salaries level in the PRC, from the abovementioned retirement schemes at their normal retirement age.

The employees of overseas subsidiaries of the Group participate in defined contribution retirement benefit schemes managed by the respective local government authorities, whereby these subsidiaries are required to contribute to the respective schemes at rates stipulated by the relevant rules and regulations of the respective jurisdictions.

In addition, certain qualified employees of overseas subsidiaries also participate in defined benefit retirement plan. The subsidiary's payment obligation in the future under such plan are discounted and recognised as liabilities, deducted by the related plan assets, presented in other payables in the statement of financial position.

Contributions to these retirement plans vest immediately. There are no forfeited contributions that may be used by the Group to reduce the existing level of contribution. The Group does not have any further material obligations for payments of other retirement benefits beyond the above annual contributions.

(c) Other items:

	2024	2023
	RMB'000	*RMB'000*
Depreciation and amortisation#		
– owned property, plant and equipment	**23,546**	25,589
– right-of-use assets	**31,319**	32,418
– investment properties	**1,197**	1,200
Auditors' remuneration	**7,986**	8,805
Research and development costs#	**91,426**	77,159
Increase in provision for warranties#	**42,219**	51,434
Cost of inventories#	**1,780,460**	2,054,169

\# Cost of inventories includes RMB265.1 million for the year ended 31 December 2024 (2023: RMB272.3 million), relating to staff costs, depreciation and amortisation expenses, research and development costs and provision for warranties, which amount is also included in the respective total amounts disclosed separately above or in Note 8(b) for each of these types of expenses.

9 INCOME TAX

(a) Income tax in the consolidated statement of profit or loss represents:

	2024	2023
	RMB'000	*RMB'000*
Current tax		
– provision for corporate income tax in respective jurisdictions	**(13,635)**	–
Deferred tax		
– origination and reversal of temporary differences	**119,173**	(5,459)
	105,538	(5,459)

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

	2024	2023
	RMB'000	*RMB'000*
(Loss)/profit before taxation	**(248,450)**	19,865
Expected tax on (loss)/profit before taxation, calculated at the rates applicable in the jurisdictions concerned *(Notes (i), (ii), (iii) and (iv))*	**(67,890)**	10,243
Tax effect of non-deductible expenses	**4,361**	3,635
Tax effect of non-taxable income	**(3,981)**	(2,827)
Tax effect of utilisation of prior years' unused tax losses previously not recognised	**(22,096)**	(14,533)
Tax effect of unused tax losses and deductible temporary differences not recognised	**103,007**	6,369
Tax effect of reversal of the recognised deferred tax	**79,892**	–
Tax concessions *(Note (v))*	**(10,752)**	(8,346)
Tax effect of PRC Withholding Tax *(vi))*	**22,997**	–
Income tax	**105,538**	(5,459)

Notes:

(i) The Company and the subsidiaries of the Group incorporated in Hong Kong are subject to Hong Kong Profits Tax rate of 16.5% for the year ended 31 December 2024 (2023: 16.5%). No provision for Hong Kong Profits Tax has been made as the Company and the subsidiaries of the Group incorporated in Hong Kong did not have assessable profits subject to Hong Kong Profits Tax for the year ended 31 December 2024 (2023: Nil).

(ii) The Company and a subsidiary of the Group incorporated in the Cayman Islands and the British Virgin Islands, respectively, are not subject to any income tax pursuant to the rules and regulations of their respective countries of incorporation.

(iii) The subsidiaries of the Group established in the PRC are subject to PRC Corporate Income Tax rate of 25% for the year ended 31 December 2024 (2023: 25%).

(iv) The subsidiaries of the Group incorporated in jurisdictions other than the PRC (including Hong Kong), the Cayman Islands and the British Virgin Islands, are subject to income tax rates ranging from 8.5% to 30% for the year ended 31 December 2024 pursuant to the rules and regulations of their respective countries of incorporation (2023: 8.5% to 30%).

(v) One of the subsidiaries of the Group established in the PRC has obtained approval from the tax bureau to be taxed as an enterprise with advanced and new technologies for the calendar years 2023 to 2025 and therefore enjoys a preferential PRC Corporate Income Tax rate of 15% for the year ended 31 December 2024 (2023: 15%). In addition, this subsidiary is entitled to an additional 100% tax deduction to its assessable profits (2023: 100%) in respect of the qualified research and development costs incurred in the PRC.

(vi) Pursuant to the PRC Corporate Income Tax Law, non-resident which have an establishment or place of business in the PRC but the relevant income is not effectively connected with the establishment or place of business in the PRC, are subject to PRC income tax at the rate of 10% on various types of passive income including dividends derived from sources in the PRC (the "**PRC Withholding Tax**"). As set out in Note 14, the distributions by the subsidiaries of the Group established in the PRC to their non-resident equity owners are subject to the PRC Withholding Tax.

(vii) Determining tax provision involves judgement on tax treatment of certain transactions. The Group evaluates tax implication of transactions and tax provision are set up accordingly. Where the final tax outcome of these transactions is different from the amounts that were initially recorded, such differences will impact the tax provision in the year in which such determination is made.

10 (LOSS)/EARNINGS PER SHARE

(a) Basic (loss)/earnings per share

The basic loss per share for the year ended 31 December 2024 is calculated based on the loss attributable to equity shareholders of the Company of RMB353,988,000 (2023: profit attributable to equity shareholders of RMB25,324,000) and the weighted average of 6,208,734,000 ordinary shares (2023: 6,208,734,000 ordinary shares) in issue during the year ended 31 December 2024.

(b) Diluted (loss)/earnings per share

There were no dilutive potential shares outstanding during the years ended 31 December 2024 and 2023. Hence, the diluted (loss)/earnings per share is the same as basic (loss)/earnings per share.

11 CONTRACT ASSETS AND CONTRACT LIABILITIES

(a) Contract assets

	2024	2023
	RMB'000	*RMB'000*
Contract assets		
Arising from performance under construction contracts	**1,790,597**	1,651,721
Less: loss allowance	**(645,314)**	(463,233)
	1,145,283	1,188,488

All of the amounts are expected to be billed within one year from the end of the reporting period, except for the amounts of RMB94.1 million at 31 December 2024 (31 December 2023: RMB103.6 million) related to retentions receivable (net of loss allowance) which are expected to be recovered over one year.

The Group's construction contracts include payment schedules which require stage payments over the construction period once milestones are reached, these payment schedules prevent the build-up of significant contract assets. The Group typically agrees to a one to five years retention period after the completion of construction contracts, depending on the market practice in the countries where construction contracts are carried out and credit assessment performed by management on an individual customer basis.

The amount of revenue recognised during the year from performance obligations satisfied (or partially satisfied) in previous periods is RMB40.9 million (2023: RMB110.3 million), mainly due to the changes in estimate of the stage of completion of certain construction contracts and approved contract modifications.

(b) Contract liabilities

	2024	2023
	RMB'000	*RMB'000*
Contract liabilities		
Construction contracts		
– Billings in advance of performance	**707,897**	508,569

All of the contract liabilities are expected to be recognised as revenue within one year.

When the Group receives a deposit before the construction activity commences this will give rise to contract liabilities at the start of a contract, until the revenue recognised on the project exceeds the amount of the deposit.

Movements in contract liabilities

	2024	2023
	RMB'000	*RMB'000*
Balance at 1 January	**508,569**	495,830
Decrease in contract liabilities as a result of recognising revenue during the year that was included in the contract liabilities at the beginning of the year	**(176,090)**	(189,316)
Increase in contract liabilities as a result of billing and receipt in advance of construction activities and recognising revenue during the year	**375,418**	202,055
Balance at 31 December	**707,897**	508,569

12 TRADE AND BILLS RECEIVABLES

	2024	2023
	RMB'000	*RMB'000*
Trade receivables for contract work due from:		
– third parties	**2,893,393**	3,279,266
– companies under the control of the Controlling Shareholder	**181,835**	186,027
	3,075,228	3,465,293
Bills receivable for contract work	**99,633**	126,012
Trade receivables for sale of raw materials due from:		
– third parties	**6,845**	4,427
– companies under the control of the Controlling Shareholder	**2,281**	2,284
	9,126	6,711
	3,183,987	3,598,016
Less: loss allowance	**(2,042,678)**	(2,068,785)
Financial assets measured at amortised cost	**1,141,309**	1,529,231

At 31 December 2024, the amount of retentions receivable from customers included in trade and bills receivables (net of loss allowance) is RMB320.5 million (31 December 2023: RMB325.3 million).

Except for retentions receivable (net of loss allowance) of RMB152.1 million at 31 December 2024 (31 December 2023: RMB110.7 million), all of the remaining trade and bills receivables are expected to be recovered within one year.

Ageing analysis

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

	2024	2023
	RMB'000	*RMB'000*
Within 1 year	**344,553**	676,730
1 to 2 years	**173,180**	102,477
More than 2 years	**623,576**	750,024
	1,141,309	1,529,231

The Group generally requires customers to settle progress billings and retentions receivable in accordance with contracted terms.

13 TRADE AND BILLS PAYABLES

	2024	2023
	RMB'000	*RMB'000*
Trade payables for purchase of inventories due to:		
– third parties	**729,049**	951,104
– companies under the control of the Controlling Shareholder	**5,256**	5,208
	734,305	956,312
Trade payables due to sub-contractors	**493,950**	607,476
Bills payable	**149,058**	9,386
Financial liabilities measured at amortised cost	**1,377,313**	1,573,174

All of the trade and bills payables are expected to be settled within one year or are repayable on demand.

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

	2024	2023
	RMB'000	*RMB'000*
Within 1 month or on demand	**1,367,898**	1,568,302
More than 1 month but less than 3 months	**1,955**	2,050
More than 3 months	**7,460**	2,822
	1,377,313	1,573,174

14 DIVIDENDS/DISTRIBUTIONS

(i) Dividends payable to equity shareholders of the Company attributable to the year

The Directors do not recommend the payment of a dividend for the year ended 31 December 2024 (2023: HK$Nil).

(ii) Dividends payable to equity shareholders of the Company attributable to the previous financial year, approved and paid during the year

No final dividend in respect of the previous financial year has been approved during the year ended 31 December 2024 (2023: HK$Nil).

(iii) Special dividends/distributions

The Directors have proposed a distribution of a special dividend after the year end of HK$0.04 per share (2023: HK $Nil) based on 6,208,734,000 ordinary shares in issue as at 31 December 2024 to a total of HK$248,349,000 (equivalent to approximately RMB229,970,000) (2023: Nil).

15 CONTINGENT LIABILITIES

(a) Performance guarantee

At 31 December 2024, performance guarantee of approximately RMB230.4 million (31 December 2023: RMB171.0 million) was given by banks or the insurance company in favour of the Group's customers as security for the due performance and observance of the Group's obligations under the contracts entered into between the Group and the customers of the Group for construction work. The Group has contingent liabilities to indemnify the banks or the insurance company for any claims from customers under the guarantee due to the failure of the Group's performance.

As of the end of the reporting period, the Directors do not consider it probable that a claim in excess of the provision for warranties provided by the Group will be made against the Group under any of the performance guarantees. The maximum liability of the Group as of the end of the reporting period under the guarantees issued is the amount disclosed above.

(b) Contingent liabilities in respect of legal claims

(i) In December 2009, Shenyang Yuanda Aluminium Industry Engineering Co.,Ltd. ("**Shenyang Yuanda**") and Yuanda Aluminium Engineering (India) Private Limited ("**Yuanda India**"), both wholly-owned subsidiaries of the Group, jointly received a notice that they are being sued by a former sub-contractor in India in respect of Shenyang Yuanda's and Yuanda India's non-performance of the terms as stipulated in the sub-contract agreement entered into between Shenyang Yuanda and this former sub-contractor. Shenyang Yuanda has made a counterclaim against this sub-contractor for non-performance of the sub-contract agreement. On 30 September 2016, a first instance court judgement has been rendered in favour of Shenyang Yuanda and Yuanda India and pursuant to which the former sub-contractor shall pay to Shenyang Yuanda and Yuanda India damages in the amount of INR81.8 million (equivalent to approximately RMB6.9 million) plus accrued interest.

The former sub-contractor and Shenyang Yuanda and Yuanda India later on filed appeals and as at the date of this announcement, the lawsuit is under review before the Hon'ble High Court of Delhi. If Shenyang Yuanda and Yuanda India are found to be liable, the total expected monetary compensation may amount to approximately INR1,410.8 million (equivalent to approximately RMB118.5 million) plus accrued interest. Shenyang Yuanda and Yuanda India deny any liability in respect of the appeal filed by the former sub-contractor and, based on legal advice, the Directors do not believe it is probable that the court will find against Shenyang Yuanda and/or Yuanda India. No provision has therefore been made in respect of this claim.

(ii) In 2022, a wholly-owned subsidiary of the Group, Yuanda (UK) Co., Ltd. ("**Yuanda UK**") received a notice that Yuanda UK together with other various parties were being sued by Crest Nicholson in United Kingdom relating to defects of Admiralty Quarter development. Yuanda UK was the glazing sub-contractor for one building constructed by Ardmore Construction Limited, the main contractor. A Crest Nicholson estimated total cost for remedial works required to address all the defects amounting to GBP24.0 million (equivalent to approximately RMB217.8 million). Based on the confirmation with professional indemnity insurers of Yuanda UK, this claim falls under the coverage of the professional indemnity policy agreed between the insurer and Yuanda UK, but the coverage of the amount could not be determined as the resulting loss allocated to Yuanda UK has not been determined. Thus, the Directors cannot reliably estimate the remaining compensation borne by Yuanda UK. No provision has therefore been made in respect of this claim.

(iii) In 2023, a wholly-owned subsidiary of the Group, Yuanda Queensland Pty Ltd. ("**Yuanda Queensland**"), was in dispute with Multiplex Constructions QLD Pty Ltd. ("**Multiplex**") over the subcontracts for works on the Queen's Wharf-IRD Project relating to various claims for variations, delay and additional costs, as well as damages claimed by Multiplex. Multiplex has claimed a total of AUD13.1 million (equivalent to approximately RMB61.1 million) for the above damages. The liability amount of these claims is still in the process of being assessed and evaluated. Thus, the Directors cannot reliably estimate the expected monetary compensation borned by Yuanda Queensland. No provision has therefore been made in respect of this claim.

(iv) In addition to the lawsuit mentioned in Note 15(b)(i) to Note 15(b)(iii), certain subsidiaries of the Group are named defendants on other lawsuits, arbitrations or tax disputes in respect of construction work carried out by them. As at the date of this announcement, these lawsuits, arbitrations and disputes are under review before courts, arbitrators or tax bureaus. If these subsidiaries are found to be liable, the total expected monetary compensation may amount to approximately RMB317.9 million, of which RMB24.3 million has already been provided for and the Group's bank deposits and other deposits of RMB81.8 million at 31 December 2024 was frozen by courts or insurance companies for certain of these lawsuits or disputes. Based on legal advice and assessment from the Directors on these lawsuits, arbitrations or tax disputes, the Directors do not believe it is probable that the courts, arbitrators or tax bureaus will find against these subsidiaries of the Group on these lawsuits, arbitrations and tax disputes.

BUSINESS REVIEW

Overall performance

In 2024, global economic growth remained subdued. Despite demonstrating resilience in the face of multiple shocks such as geopolitical conflicts, inflation, and monetary policy tightening, the global economy lacked overall growth momentum, and divergent growth trends became evident. Against the backdrop of profound shifts in the global landscape, China's economy maintained stable operation in 2024, successfully achieving its key development goals. According to the data released by the National Bureau of Statistics of China, the gross domestic product of China in 2024 was approximately RMB134,910 billion, representing an increase of 5.0% compared with the previous year. Concurrently, the economic structure continued to optimize, demonstrating both quantitative growth and qualitative improvement.

The central government continued to implement policies to regulate supply and demand dynamics within the real estate sector, contributing to stabilization in the real estate market after a period of decline. However, under the pressure of constrained funding and high inventory levels, the overall operating pressure on real estate companies did not see significant relief compared to 2023. In response to the complex and evolving external environment, the Group focused on the operational strategy of "cost reduction, efficiency enhancement, healthy development" in 2024. The Group enhanced project management efficiency and stimulated organizational vitality through various initiatives, including refined management of individual projects and deepening internal transaction mechanism reforms. Furthermore, the Group improved contract quality standards and dynamically monitored operational risks to enhance capital security and asset utilization efficiency, with a view to ensuring operational stability and sustainability, and promoting healthy, high-quality development.

For the year ended 31 December 2024, the loss attributable to equity shareholders of the Company was of about RMB354.0 million (2023: the profit attributable to equity shareholders of the Company was about RMB25.3 million), mainly due to i) the Group's prudent undertaking of projects against the background of weak global macroeconomic conditions and unfavorable market environment in 2024, resulting in a decrease in revenue and gross profit in 2024 as compared to 2023; ii) the foreign exchange loss in 2024 as compared to the foreign exchange gain in 2023 due to fluctuations in the exchange rate of RMB; and iii) the tax effect of the reversal of deferred tax recognized.

Newly-awarded projects (including Value Added Tax ("VAT"))

During the year 2024, the aggregate amount of newly-awarded projects of the Group decreased by about RMB1,523.6 million or 45.8% as compared with last year to about RMB3,326.0 million (2023: about RMB4,849.6 million). The main reason for the decrease was that under the current market environment, the Group has strengthened customer credit assessment and prudently undertaken projects.

	2024		2023	
	Numbers of projects	***RMB million***	*Numbers of projects*	*RMB million*
Domestic	**73**	**1,762.1**	100	2,220.6
Overseas	**21**	**1,564.0**	34	2,629.0
Total	**94**	**3,326.0**	134	4,849.6

Backlog

As at 31 December 2024, the remaining contract value of backlog of the Group increased by about RMB1,546.7 million or 15.7% as compared with last year to about RMB11,404.3 million (31 December 2023: about RMB9,857.6 million), which could support a sustainable development of the Group for the next 2-3 years.

	2024 Remaining value of contracts		2023 Remaining value of contracts	
	Numbers of projects	***RMB million***	*Numbers of projects*	*RMB million*
Domestic	**221**	**5,454.9**	222	5,759.4
Overseas	**85**	**5,949.4**	79	4,098.2
Total	**306**	**11,404.3**	301	9,857.6

Major technology achievements and awards

In 2024, the Group obtained 4 patents for utility model.

BUSINESS PROSPECTS

In 2025, the global economy is expected to continue its recovery, albeit with persistent uncertainties across multiple fronts. These uncertainties pose challenges to the sustainability and balance of the recovery and introduce complexities to China's economic development. The central government will maintain macroeconomic policy support and mitigate risks in key areas to ensure stable economic operation. The Group will adopt a prudent approach in strategic decision-making and business operations, and implement more stringent risk management measures. The Group will prioritize high-quality operations and sustainable development, strengthen project quality management, and maintain the prudent financial policy. We will also capitalize on opportunities arising from market challenges, and adapt our marketing and bidding strategies to evolving market dynamics. The Group will continuously build core competitiveness by fostering organizational vitality, empowering frontline sales, and deepening technological innovation. In 2025, the Group will adhere to the steady and healthy development trajectory, and strive to achieve all business objectives, in order to navigate future opportunities and challenges more effectively, and realize shared value for clients, employees, and itself.

FINANCIAL REVIEW

Revenue

For the year ended 31 December 2024, the Group's revenue was about RMB2,212.3 million (2023: about RMB2,569.5 million), representing a decrease of about RMB357.2 million or 13.9% as compared with the corresponding period of last year. This was mainly attributable to the slowdown in the progress of construction and the decrease in the number of projects completed due to the impact of the macro-economic and market environment in 2024, of which:

1. the revenue from domestic market of the Group decreased by about RMB14.7 million or 1.4% as compared with last year to about RMB1,016.4 million (2023: about RMB1,031.1 million), contributing about 45.9% of the total revenue of the Group; and

2. the revenue from overseas market of the Group amounted to about RMB1,196.0 million (2023: about RMB1,538.4 million), representing a decrease of about RMB342.4 million or 22.3% as compared with last year, contributing about 54.1% of the total revenue of the Group.

Cost of sales

In 2024, the cost of sales of the Group decreased by about RMB273.7 million or 13.3% as compared with last year to about RMB1,780.5 million (2023: about RMB2,054.2 million).

Adjusted gross profit margin

In 2024, the Group's adjusted gross profit margin was about 11.5% (2023: about 15.4%), representing a decrease of about 3.9 percentage points as compared with last year. The decrease was mainly due to the increase in bad debt losses on receivables and contract assets recognized during the year, of which:

1. the domestic adjusted gross profit margin of the Group was about 17.5% (2023: about 16.9%), representing an increase of about 0.6 percentage points as compared with last year; and

2. the overseas adjusted gross profit margin of the Group was about 6.3% (2023: about 14.4%) representing a decrease of about 8.1 percentage points as compared with last year.

Non-IRFS measures: Adjusted gross profit

To supplement the consolidated statement of profit or loss presented in the annual results announcement which is presented in accordance with IFRS, the Company also use the adjusted equity attributable to owners of the parent gross profit as a non-IFRS measures, which are not required by, or presented in accordance with, IFRS. The adjusted gross profit for the year ended 31 December 2024 is calculated by deducting impairment losses of approximately RMB178.1 million from gross profit for financial assets and contract assets. The Company believes that considering non-IFRS measurement indicators (when presented together with the corresponding IFRS measurement indicators) is based on the characteristics of the industry in which the Company operates, taking into account the credit risks that the Group may face in project execution, thereby enhancing financial transparency and comparability. Such non-IFRS measures allow investors to consider metrics used by the Company's management in evaluating the Group's performance. The use of the non-IFRS measures has limitations as an analytical tool, and shareholders of the Company (the "**Shareholders**") or potential investors should not consider it in isolation from, or as a substitute for or superior to analysis of, the Group's results of operations or financial condition as reported under IFRS. In addition, the definition of such non-IFRS financial measures does not have a standardized meaning prescribed by IFRS and therefore may not be comparable to similar measures presented by other companies, and may differ from similar terms used by other companies and therefore may not be comparable to similar measures presented by other companies.

Other loss/income

Other income of the Group primarily comprised government grants, rental income and net loss on disposal of property, plant and equipment.

In 2024, the other (loss)/income of the Group turns to a loss of RMB20.1 million as compared with last year of other income of about RMB0.3 million, mainly due to the decrease in governmental grants and rental income in 2024.

Selling expenses

In 2024, the Group's selling expenses amounted to approximately RMB68.2 million (2023: about RMB59.3 million), representing an increase of approximately RMB8.9 million or 15.0% as compared with last year, accounting for about 3.1% (2023: 2.3%) of the Group's operating income. The increase was due to the increase in the Group's marketing travel expenses and the increase in bonuses for sales personnel in 2024.

Administrative expenses

In 2024, the Group's administrative expenses amounted to about RMB346.7 million (2023: about RMB356.4 million), representing a decrease of about RMB9.7 million or 2.7% as compared with last year, and accounted for about 15.7% (2023: 13.9%) of the Group's revenue. Such increase was mainly due to the streamlining of management personnel in 2024.

Finance costs

In 2024, the Group's finance costs amounted to about RMB68.5 million (2023: net finance income of about RMB43.5 million), and accounted for 3.1% (2023: 1.7%) of the Group's operating income. This was mainly attributable to the increase in foreign exchange loss in 2024 due to the impact of exchange rate fluctuations, as compared to the foreign exchange gain recorded in 2023.

Income tax

In 2024, the income tax cost of the Group was about RMB105.5 million (2023: an income tax benefit of about RMB5.5 million), which mainly due to the reversal of deferred income tax recognized by the Group.

Consolidated net loss

As a result of the foregoing, in 2024, the consolidated net loss of the Group was about RMB354.0 million (2023: RMB25.3 million).

Loss attributable to equity shareholders of the Company

In 2024, the loss attributable to equity shareholders of the Company was about RMB354.0 million (2023: profit of RMB25.3 million). The main reason was i) the Group's prudent undertaking of projects against the background of weak global macroeconomic conditions and unfavorable market environment in 2024, resulting in a decrease in revenue and gross profit in 2024 as compared to 2023; ii) the foreign exchange loss recorded in 2024 as compared to a foreign exchange gain in 2023 due to the fluctuation in the exchange rate of RMB; and iii) the tax effect of the reversal of the recognized deferred tax.

Net current liabilities and financial resources

As at 31 December 2024, the net current liabilities of the Group was about RMB75.1 million (31 December 2023: net current assets of about RMB169.4 million). This was mainly due to the decrease of trade and bills receivables.

As of 31 December 2024, the restricted deposits of the Group increased by about RMB28.2 million or 8.8% as compared with last year to about RMB349.2 million (31 December 2023: about RMB321.0 million), which were mainly denominated in RMB.

As of 31 December 2024, the cash and cash equivalents of the Group increased by about RMB59.6 million or 21.7% as compared with last year to about RMB334.1 million (31 December 2023: about RMB274.5 million), which were mainly denominated in RMB, USD, Qatar Riyal, Euro, GBP and AUD.

Bank loans, other borrowings and gearing ratio

As at 31 December 2024, the Group's total bank loans amounted to about RMB695.0 million (31 December 2023: about RMB714.0 million), representing a decrease of about RMB19.0 million or 2.7% as compared with last year. As of 31 December 2024, the bank loans which should be repaid within one year were denominated in RMB.

As at 31 December 2024, the Group's total other borrowings amounted to about RMB333.6 million (31 December 2023: about RMB424.4 million), representing a decrease of about RMB90.8 million or 21.4% as compared with last year. The Group's gearing ratio (calculated by total liabilities divided by total assets) was 88.7% (31 December 2023: 82.2%).

Turnover days

Turnover days (day)	**2024**	2023
Receivables *(note 1)*	**312**	353
Trade and bills payables *(note 2)*	**433**	429
Inventory *(note 3)*	**157**	124

Notes:

1. The calculation of the receivables turnover days is based on the average amount of trade and bills receivables net of provision and contract assets due from customer (contract assets less contract liabilities) as at the beginning and ending of the relevant period divided by total revenue of the relevant period and multiplied by 365 days.

2. The calculation of turnover days of trade and bills payables is based on the average amount of trade and bills payables balances as at the beginning and ending of the relevant period divided by cost of raw materials and installation cost of the relevant period and multiplied by 365 days.

3. The calculation of inventory turnover days is based on the average amount of inventory balances as at the beginning and ending of the relevant period (net of provision) divided by cost of raw materials of the relevant period and multiplied by 365 days.

During the Reporting Period, the turnover days of receivables decreased by about 41 days or 11.6% as compared with last year to about 312 days (2023: about 353 days).

During the Reporting Period, the turnover days of trade and bill payables increased by about 4 days or 0.9% as compared with last year to about 433 days (2023: about 429 days).

Inventories and contract costs

The Group's inventories primarily consist of materials used in fabrication of curtain wall products, including extrusions aluminum, glass, steel and sealant. Contract costs are either the incremental costs of obtaining a contract with a customer or the costs to fulfill a contract with a customer which are not capitalised as inventory.

As at 31 December 2024, the inventory and contract costs of the Group decreased by about RMB13.1 million or 5.1% as compared with last year to about RMB246.1 million (31 December 2023: about RMB259.2 million).

Capital expenditure

In 2024, the payment for capital expenditure of the Group increased by about RMB9.6 million or 533.3% as compared with last year to about RMB11.4 million (2023: about RMB1.8 million), which was mainly the expenditure on the purchase of piecemeal machinery and equipment in 2024.

Foreign exchange risk

The overseas projects of the Group were mainly denominated in USD, GBP and AUD. To hedge any foreign exchange risks, the Group has entered into forward foreign exchange contracts which hedge the forecast transactions and monetary assets of the Group denominated in foreign currencies. The Group ensures that net exposure to currency risk arising from assets and liabilities will be maintained at an acceptable level.

Contingent liabilities

Details of the Group's contingent liabilities as of 31 December 2024 are set out in Note 15.

Charge on assets

As of 31 December 2024, the aggregate carrying value of the property, plant and equipment, land use rights pledged for the Group's bank loans is RMB330.9 million (31 December 2023: RMB350.4 million).

As of 31 December 2024, the carrying value of the time and other deposits pledged for the bank bills and letter of credit issued by the Group is RMB139.7 million (31 December 2023: RMB155.7 million).

As of 31 December 2024, the carrying value of RMB46.2 million bank deposits was frozen. The carrying value of the deposits pledged to secure the performance and retentions of construction contracts of the Group is RMB163.3 million (31 December 2023: RMB116.9 million).

As of 31 December 2024, the aggregate carrying value of the trade receivables and contract assets pledged for the Group's bank loan and other borrowings is RMB32.5 million (2023: RMB10.7 million).

Save as disclosed above, the Group had no other charge on its assets as of 31 December 2024.

Material acquisitions and disposals

During the Reporting Period, the Group did not have any material acquisitions and disposals of subsidiaries, associated companies and joint ventures.

Significant investment

The Group did not make any significant investments during the Reporting Period and as of 31 December 2024.

Future plans for significant investments or capital assets

The Group does not have any future plans for significant investments or capital assets as at the date of this announcement.

Global offering and use of proceeds

In May 2011, the Company conducted a global offering (the "**Global Offering**") through which 1,708,734,000 new ordinary shares were offered at a price of HK$1.50 per share. Net proceeds raised were approximately HK$2,402,947,000. The ordinary shares of the Company were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on 17 May 2011.

As stated in the Company's prospectus dated 20 April 2011 and the supplementary prospectus dated 5 May 2011 (the "**Prospectus**"), the Group intended to use the proceeds from the Global Offering for expansion of its production capacity, repayment of its existing debts, investment in research and development, expansion of its sales and marketing network.

As of 31 December 2024, an accumulated amount of approximately HK$2,076 million of the proceeds from the Global Offering (of which, expansion of production capacity: HK$633 million; repayment of bank loans (mainly comprised the loan of Standard Chartered Bank): HK$962 million; expenses in research and development: HK$261 million; and expansion of its sales and marketing network: HK$220 million) was utilized in accordance with the intended use as stated in the Prospectus. It is intended that the remaining proceeds of approximately HK$327 million will be used in accordance to the proposed allocation as stated in the Prospectus in 1 to 5 years.

EMPLOYEES AND REMUNERATION POLICIES

As of 31 December 2024, the Group had 2,451 full-time employees in total (31 December 2023: 2,376). The increase in number of full-time employees was a result of the Group's expansion of technical talent pool. The Group has sound policies of management incentives and competitive remuneration, which align with the interests of management, employees and shareholders. The Group sets its remuneration policy with reference to the prevailing market conditions and the performance of the individuals concerned, subject to review from time to time. The components of the remuneration package consist of basic salary, allowances, fringe benefits including medical insurance and contributions to pension funds, as well as incentives like discretionary bonus.

SCOPE OF WORK OF THE AUDITORS

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2024 as set out in the preliminary announcement have been agreed by the Group's auditors, KPMG, Certified Public Accountants, as the amounts set out in the Group's 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.

REVIEW OF ANNUAL RESULTS

The audited annual results of the Group for the year ended 31 December 2024 have also been reviewed and approved by the audit committee of the Company (the "**Audit Committee**"), comprising all the three independent non-executive Directors, namely, Ms. Yang Qianwen, (Chairman of the Audit Committee), Mr. Wang Yuhang and Mr. Ha Gang.

CORPORATE GOVERNANCE

The Company is committed to the establishment of good corporate governance practices and procedures with a view to enhancing investors' confidence of the Company and the Company's accountability. For the year ended 31 December 2024, the Company has complied with all code provisions of the Corporate Governance Code as set forth in Part 2 of Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**").

MODEL CODE FOR SECURITIES TRANSACTIONS

The Board has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Listing Rules regarding securities transactions by the Company. The Group has made specific enquiry to all Directors and all the Directors have confirmed their compliance with the required standard set out in the Model Code for the year ended 31 December 2024.

FINAL DIVIDENDS

The Board has resolved not to declare any final dividend for the year ended 31 December 2024 (2023: Nil).

ANNUAL GENERAL MEETING

The annual general meeting of the Company (the "**Annual General Meeting**") will be held on Tuesday, 3 June 2025. A notice of the Annual General Meeting will be issued and disseminated to shareholders of the Group in the manner required by the Listing Rules in due course.

BOOK CLOSURE PERIOD AND RECORD DATE

For the purpose of determining shareholders' entitlement to attend and vote at the Annual General Meeting, the register of members of the Company will be closed from Thursday, 29 May 2025 to Tuesday, 3 June 2025 (both days inclusive), during which time no transfer of shares will be registered. To ensure that the shareholders of the Company are entitled to attend and vote at the Annual General Meeting, the shareholders must deliver their duly stamped instruments of transfer, accompanied by the relevant share certificates, to the Company's branch share registrar and transfer office in Hong Kong, MUFG Corporate Markets Pty Limited, at Suite 1601, 16/F., Central Tower, 28 Queen's Road Central, Hong Kong by no later than 4:30 p.m. on Wednesday, 28 May 2025 for registration of the relevant transfer.

PURCHASE, SALE AND REDEMPTION OF LISTED SECURITIES OF THE GROUP

For the year ended 31 December 2024, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities (including sale of treasury shares) of the Group.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Group and within the knowledge of the Directors as at the date of this announcement, the Group maintained adequate public float throughout the year ended 31 December 2024.

CHANGE OF AUDITORS

KPMG resigned as the auditor of the Company with effect from 20 December 2021 as KPMG and the Company could not reach a consensus on the audit service fee regarding the annual audit for the financial year ended 31 December 2021.

The Board, with the recommendation from the Audit Committee, appointed Moore Stephens CPA Limited ("**Moore Hong Kong**") as the auditor of the Company with effect from 20 December 2021.

Moore Hong Kong resigned with effect from 17 June 2022 for the impact of the prevention and control policies in response to the resurgence of COVID-19 epidemic in both Hong Kong and mainland China on the Company's financial reporting and auditing procedures. The Company then appointed KPMG as the auditor of the Company with effect from 30 June 2022.

Save as disclosed above, there was no other change of the Company's auditors in the preceding three years.

APPRECIATION

On behalf of the Board, I would like to express my sincere gratitude to our shareholders, investors, partners and customers for their continuous trust and support and all the management and staff of the Group for their contribution and devotion.

PUBLICATION OF ANNUAL REPORT

This results announcement is published on the websites of the Stock Exchange (http://www.hkexnews.hk) and the Group (http://www.yuandacn.com). The annual report of the Company for the year ended 31 December 2024 will be made available for review on the aforesaid websites in due course.

By order of the Board
Yuanda China Holdings Limited
Kang Baohua
Chairman

The PRC, 31 March 2025

As at the date of this announcement, the executive directors of the Company are Mr. Kang Baohua, Mr. Zhao Zhongqiu, Mr. Wang Hao and Mr. Zhang Lei, and the independent non-executive directors of the Company are Mr. Wang Yuhang, Ms. Yang Qianwen and Mr. Ha Gang.