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**CNYD**

## **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)**

### **ANNOUNCEMENT OF UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2025**

The board (the “**Board**”) of directors (the “**Directors**”) of Yuanda China Holdings Limited (the “**Company**”) hereby announces the unaudited interim results of the Company and its subsidiaries (the “**Group**”) for the six months ended 30 June 2025 (the “**Reporting Period**”). The interim financial information of the Group for the Reporting Period has not been audited, but has been reviewed by the audit committee (the “**Audit Committee**”) of the Company.

<b>FINANCIAL HIGHLIGHTS</b>	<b>For the six months ended 30 June 2025 (Approximately)</b>	<b>For the six months ended 30 June 2024 (Approximately)</b>
Revenue ( <i>RMB million</i> )	<b>1,266.3</b>	1,088.2
Adjusted gross profit margin ( <i>Note</i> )	<b>23.3%</b>	18.5%
Profit for the period attributable to equity shareholders of the Company ( <i>RMB million</i> )	<b>184.1</b>	6.0
Net cash used in operating activities ( <i>RMB million</i> )	<b>(46.4)</b>	(198.6)
Basic and diluted earnings per share ( <i>RMB cents</i> )	<b>2.97</b>	0.10
Proposed interim dividend per share ( <i>HKD cents</i> )	<b>NIL</b>	NIL

*Note:* Adjusted gross profit margin represents gross profit margin after impairment losses for financial assets and contract assets.

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2025 — unaudited

(Expressed in Renminbi (“RMB”))

	<i>Note</i>	Six months ended 30 June	
		2025 <i>RMB’000</i>	2024 <i>RMB’000</i>
<b>Revenue</b>	3	<b>1,266,294</b>	1,088,162
Cost of sales		<u>(959,183)</u>	<u>(873,297)</u>
<b>Gross profit</b>		<b>307,111</b>	214,865
Other (expense)/income		(185)	3,126
Selling expenses		(15,889)	(19,089)
Administrative expenses		(157,487)	(151,426)
Expected credit losses of financial and contract assets		<u>(12,082)</u>	<u>(13,245)</u>
<b>Profit from operations</b>		<b>121,468</b>	34,231
Net finance income/(expense)	4(a)	<u>70,307</u>	<u>(24,862)</u>
<b>Profit before taxation</b>	4	<b>191,775</b>	9,369
Income tax	5	<u>(7,629)</u>	<u>(3,393)</u>
<b>Profit for the period attributable to equity shareholders of the Company</b>		<u><b>184,146</b></u>	<u>5,976</u>
<b>Earnings per share (<i>RMB cents</i>)</b>			
— Basic and diluted	6	<u><b>2.97</b></u>	<u>0.10</u>

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

*for the six months ended 30 June 2025 – unaudited*

*(Expressed in RMB)*

	Six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
<b>Profit for the period</b>	<b>184,146</b>	<b>5,976</b>
<b>Other comprehensive income for the period (after tax and reclassification adjustments)</b>		
Item that is or may be reclassified subsequently to profit or loss:		
– exchange differences on translation of financial statements	<u>(21,208)</u>	<u>(29,180)</u>
<b>Total comprehensive income for the period attributable to equity shareholders of the Company</b>	<b><u>162,938</u></b>	<b><u>(23,204)</u></b>

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2025 — unaudited

(Expressed in RMB)

		At 30 June 2025 RMB'000	At 31 December 2024 RMB'000
	Note		
<b>Non-current assets</b>			
Property, plant and equipment		319,809	323,105
Right-of-use assets		202,021	205,730
Investment properties		28,909	29,509
Deferred tax assets		232,385	236,731
		<u>783,124</u>	<u>795,075</u>
<b>Current assets</b>			
Inventories and other contract costs		174,648	246,110
Contract assets	7(a)	1,012,557	1,145,283
Trade and bills receivables	8	1,165,819	1,141,309
Deposits, prepayments and other receivables		431,373	390,266
Restricted deposits		389,636	349,196
Cash and cash equivalents		200,421	334,136
		<u>3,374,454</u>	<u>3,606,300</u>
<b>Current liabilities</b>			
Trade and bills payables	9	1,185,730	1,377,313
Contract liabilities	7(b)	653,261	707,897
Accrued expenses and other payables		244,821	317,358
Bank loans		737,100	694,950
Other borrowings		424,100	333,635
Income tax payable		194,923	200,019
Provision for warranties		51,456	50,222
		<u>3,491,391</u>	<u>3,681,394</u>
<b>Net current liabilities</b>		<u>(116,937)</u>	<u>(75,094)</u>
<b>Total assets less current liabilities</b>		<u>666,187</u>	<u>719,981</u>

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION** *(Continued)**At 30 June 2025 — unaudited (continued)**(Expressed in RMB)*

	At 30 June 2025 <i>RMB'000</i>	At 31 December 2024 <i>RMB'000</i>
<i>Note</i>		
<b>Non-current liabilities</b>		
Bank loans	90,000	—
Lease liabilities	4,259	6,047
Deferred tax liabilities	—	22,997
Provision for warranties	141,855	192,961
	<u>236,114</u>	<u>222,005</u>
<b>NET ASSETS</b>		
	<u><u>430,073</u></u>	<u><u>497,976</u></u>
<b>CAPITAL AND RESERVES</b>		
Share capital	519,723	519,723
Reserves	(89,650)	(21,747)
<b>TOTAL EQUITY</b>		
	<u><u>430,073</u></u>	<u><u>497,976</u></u>

## NOTES

*(Expressed in RMB unless otherwise indicated)*

### 1 BASIS OF PREPARATION

These financial information has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with International Accounting Standard (“IAS”) 34, *Interim financial reporting*, issued by the International Accounting Standards Board (the “IASB”). It was authorised for issue on 29 August 2025.

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

As at 30 June 2025, the Group had cash and cash equivalents of RMB200,421,000, while the Group had bank loans and other borrowings repayable within one year or on demand of RMB1,161,200,000. The net current liabilities of the Group was RMB116,937,000 as at 30 June 2025. 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 30 June 2025, which has taken into account the following:

- the Group continues to improve its operating cash flows by accelerating the progress billings and collection of trade receivables, negotiating with suppliers on payment terms, and reduction of operation expenses; and
- the Group continues the negotiations with various banks to:
  - (i) renew the short-term bank loans upon maturity; and/or
  - (ii) provide of additional bank facilities to the Group.
- Mr Kang Baohua, an executive Director and the controlling shareholder of the Company (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 the cash flow forecast of the Group prepared by the management and assuming success of the above measures, the Directors are of the opinion that the Group would have adequate funds to meet its liabilities as and when they fall due at least twelve months from the end of the Reporting Period. Accordingly, the Directors consider it is appropriate to prepare these financial information on a going concern basis.

## 2 CHANGES IN ACCOUNTING POLICIES

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

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

## 3 REVENUE AND SEGMENT REPORTING

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

### (a) Disaggregation of revenue

All of the Group's revenue arises from construction contracts. The majority of the Group's revenue is recognised over time. Disaggregation of revenue from contracts with customers by timing of revenue recognition and geographical location of customers is as follows:

	<b>Six months ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b>RMB'000</b>	<b>RMB'000</b>
<b>Revenue from contracts with customers within the scope of IFRS 15</b>		
Over time	1,191,134	1,006,205
Point in time	75,160	81,957
	<b>1,266,294</b>	<b>1,088,162</b>
<b>Disaggregated by geographical location of customers</b>		
Chinese Mainland	403,989	535,336
Dubai	129,041	13,832
United Kingdom	108,395	101,479
Saudi Arabia	77,574	–
Indonesia	59,906	6,992
Cambodia	57,567	27,411
United States of America	19,534	81,977
Qatar	781	121,641
Others	409,507	199,494
	<b>862,305</b>	<b>552,826</b>
	<b>1,266,294</b>	<b>1,088,162</b>

**(b) Segment results**

For the purpose of assessing segment performance and allocating resources between segments, the Group's most senior executive management monitor 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 less 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 intersegment revenues have occurred for the six months ended 30 June 2025 and 2024. The Group's other operating expenses, such as selling and administrative expenses, impairment losses for other receivables and net finance costs, are not measured under individual segments.

The Group's most senior executive management monitors 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 six months ended 30 June 2025 and 2024 is set out below.

	Six months ended 30 June 2025		
	Domestic <i>RMB'000</i>	Overseas <i>RMB'000</i>	Total <i>RMB'000</i>
Revenue from external customers and reportable segment revenue	<u>403,989</u>	<u>862,305</u>	<u>1,266,294</u>
Reportable segment adjusted gross profit	<u>76,299</u>	<u>218,730</u>	<u>295,029</u>
Six months ended 30 June 2024			
	Domestic <i>RMB'000</i>	Overseas <i>RMB'000</i>	Total <i>RMB'000</i>
Revenue from external customers and reportable segment revenue	<u>535,336</u>	<u>552,826</u>	<u>1,088,162</u>
Reportable segment adjusted gross profit	<u>129,635</u>	<u>71,985</u>	<u>201,620</u>



(c) **Reconciliations of reportable segment profit or loss**

	Six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Reportable segment adjusted gross profit	295,029	201,620
Other (expense)/income	(185)	3,126
Selling expenses	(15,889)	(19,089)
Administrative expenses	(157,487)	(151,426)
Net finance income/(expense)	70,307	(24,862)
	<u>191,775</u>	<u>9,369</u>
Profit before taxation	<u>191,775</u>	<u>9,369</u>

**4 PROFIT BEFORE TAXATION**

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

(a) **Net finance (income)/expense:**

	Six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Interest on borrowings	25,130	31,795
Interest on lease liabilities	444	446
Bank charges and other finance costs	5,944	7,848
	<u>31,518</u>	<u>40,089</u>
Total borrowing costs	31,518	40,089
Interest income	(6,987)	(4,879)
Net foreign exchange gain	(94,838)	(11,048)
Net loss on forward foreign exchange contracts	–	700
	<u>(70,307)</u>	<u>24,862</u>

(b) **Staff costs:**

	Six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Salaries, wages and other benefits	184,452	182,477
Contributions to defined contribution retirement plans	18,519	17,191
	<u>202,971</u>	<u>199,668</u>

(c) **Other items:**

	<b>Six months ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Depreciation and amortisation		
— owned property, plant and equipment	<b>12,740</b>	11,799
— right-of-use assets	<b>13,274</b>	15,648
— investment properties	<b>600</b>	600
Net loss on disposal of property, plant and equipment	<b>5,216</b>	10,460
Research and development costs	<b>11,007</b>	12,435
Increase in provision for warranties	<b>17,246</b>	19,481
Cost of inventories	<b>959,183</b>	873,297

**5 INCOME TAX**

	<b>Six months ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Current tax:		
— provision for corporate income tax in respective jurisdictions	<b>26,000</b>	2,322
Deferred tax:		
— originating and reversal of temporary differences	<b>(18,371)</b>	1,071
	<b>7,629</b>	3,393

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 six months ended 30 June 2025 (six months ended 30 June 2024: 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 six months ended 30 June 2025 (six months ended 30 June 2024: RMB Nil).

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.

The subsidiaries of the Group established in the People's Republic of China ("PRC") are subject to PRC Corporate Income Tax rate of 25% for the six months ended 30 June 2025 (six months ended 30 June 2024: 25%).

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 six months ended 30 June 2025 pursuant to the rules and regulations of their respective countries of incorporation (six months ended 30 June 2024: 8.5% to 30%).

One of the subsidiaries of the Group established in the PRC is taxed as an enterprise with advanced and new technologies and therefore enjoys a preferential PRC Corporate Income Tax rate of 15% for the six months ended 30 June 2025 (six months ended 30 June 2024: 15%). In addition to the preferential PRC Corporate Income Tax rate, this subsidiary is entitled to an additional tax deductible allowance amounting to 100% (six months ended 30 June 2024: 100%) of the qualified research and development costs incurred in the PRC by this subsidiary.

The determination of 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.

## **6 BASIC AND DILUTED EARNINGS PER SHARE**

### **(a) Basic earnings per share**

The basic earnings per share for the six months ended 30 June 2025 is calculated based on the profit attributable to equity shareholders of the Company of RMB184,146,000 (six months ended 30 June 2024: RMB5,976,000) and the weighted average of 6,208,734,000 ordinary shares (six months ended 30 June 2024: 6,208,734,000 ordinary shares) in issue during the interim period.

### **(b) Diluted earnings per share**

There are no dilutive potential shares outstanding during the six months ended 30 June 2025 and 2024. Hence, the diluted earnings per share is the same as basic earnings per share.

## 7 CONTRACT ASSETS AND CONTRACT LIABILITIES

### (a) Contract assets

	At 30 June 2025 <i>RMB'000</i>	At 31 December 2024 <i>RMB'000</i>
<b>Contract assets</b>		
Arising from performance under construction contracts	1,635,883	1,790,597
Less: loss allowance	<u>(623,326)</u>	<u>(645,314)</u>
	<u><b>1,012,557</b></u>	<u><b>1,145,283</b></u>

#### Notes:

- (i) All of the amounts are expected to be billed within one year from the end of the Reporting Period, except for the amounts of RMB86.0 million at 30 June 2025 (31 December 2024: RMB94.1 million) relating to retentions receivable (net of loss allowance) which are expected to be recovered over one year.
- (ii) 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.

### (b) Contract liabilities

	At 30 June 2025 <i>RMB'000</i>	At 31 December 2024 <i>RMB'000</i>
<b>Contract liabilities</b>		
Construction contracts		
— billings in advance of performance	<u><b>653,261</b></u>	<u><b>707,897</b></u>

#### Notes:

- (i) All of the contract liabilities are expected to be recognised as revenue within one year.
- (ii) 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.

## 8 TRADE AND BILL RECEIVABLES

	At 30 June 2025 RMB'000	At 31 December 2024 RMB'000
Trade receivables for contract work due from:		
— third parties	2,954,257	2,893,393
— companies under the control of the Controlling Shareholder	<u>191,629</u>	<u>181,835</u>
	<u>3,145,886</u>	<u>3,075,228</u>
Bills receivable for contract work	<u>81,762</u>	<u>99,633</u>
Trade receivables for sale of materials due from:		
— third parties	7,245	6,845
— companies under the control of the Controlling Shareholder	<u>1,189</u>	<u>2,281</u>
	<u>8,434</u>	<u>9,126</u>
	3,236,082	3,183,987
Less: loss allowance	<u>(2,070,263)</u>	<u>(2,042,678)</u>
Financial assets measured at amortised cost	<u><u>1,165,819</u></u>	<u><u>1,141,309</u></u>

At 30 June 2025, the amount of retentions receivable from customers included in trade and bills receivables (net of loss allowance) is RMB330.6 million (31 December 2024: RMB320.5 million).

Except for retentions receivable (net of loss allowance) of RMB120.4 million at 30 June 2025 (31 December 2024: RMB152.1 million), all of the remaining trade and bills receivables are expected to be recovered within one year.

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

(a) 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:

	At 30 June 2025 RMB'000	At 31 December 2024 RMB'000
Within 1 year	464,020	344,553
1 to 2 years	153,538	173,180
More than 2 years	548,261	623,576
	<u>1,165,819</u>	<u>1,141,309</u>

9 TRADE AND BILLS PAYABLES

	At 30 June 2025 RMB'000	At 31 December 2024 RMB'000
Trade payables for purchase of inventories due to:		
— third parties	560,524	729,049
— companies under the control of the Controlling Shareholders	4,542	5,256
	<u>565,066</u>	<u>734,305</u>
Trade payables due to sub-contractors	470,352	493,950
Bills payable	150,312	149,058
	<u>1,185,730</u>	<u>1,377,313</u>

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:

	At 30 June 2025 RMB'000	At 31 December 2024 RMB'000
Within 1 month or on demand	1,080,552	1,367,898
More than 1 month but less than 3 months	54,547	1,955
More than 3 months	50,631	7,460
	<u>1,185,730</u>	<u>1,377,313</u>

## 10 DIVIDENDS

### (a) Dividends payable to equity shareholders of the Company attributable to the interim period

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

### (b) Dividends payable to equity shareholders of the Company attributable to the previous financial year, approved during the interim period

No final dividend in respect of the previous financial year has been approved during the six months ended 30 June 2025 (six months ended 30 June 2024: Nil).

### (c) Special dividends/distributions

During the six months ended 30 June 2025, a special dividend of HK\$0.04 per share was declared. The aggregate amount of the special dividend declared during the six months ended 30 June 2025 amounted to HK\$248,349,000 (equivalent to approximately RMB230,841,000).

## 11 CONTINGENT LIABILITIES

### (a) Performance guarantee

At 30 June 2025, performance guarantee of approximately RMB263.2 million (31 December 2024: RMB230.4 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 RMB7.0 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 RMB120.3 million) plus accrued interest. Shenyang Yuanda and Yuanda India deny any liability in respect of the appeal filed by the former sub-contractor and 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 the United Kingdom in respect of defects of Admiralty Quarter development. Yuanda UK was the glazing sub-contractor for one building constructed by Ardmore Construction Limited, the main contractor. The Crest Nicholson estimated total cost for remedial works required to address all the defects amounted to GBP24.0 million (equivalent to approximately RMB217.0 million). Based on the confirmation with professional indemnity insurers of Yuanda UK, this claim falls for cover under 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**"), is 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 RMB62.4 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 borne by Yuanda Queensland. No provision has therefore been made in respect of this claim.
- (iv) In addition to the lawsuits mentioned in Note 11(b)(i) to Note 11(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 reviewed before courts, arbitrators or tax bureaus. If these subsidiaries are found to be liable, the total expected monetary compensation may amount to approximately RMB304.3 million, of which RMB24.3 million has already been provided for and the Group's bank deposits and other deposits of RMB56.1 million at 30 June 2025 was frozen by courts or insurance companies for certain of these lawsuits or disputes. Based on 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 the first half of 2025, the global geopolitical landscape remained complex, with intertwined factors such as adjustments in U.S. tariff policies, persistent inflationary pressures and turmoil in the global trading system, which profoundly impacted the global economic landscape. The Central Government of China continued to deepen multilateral, bilateral and regional economic cooperation, fostering a transparent, stable and predictable policy environment. China's GDP in the first half of 2025 was approximately RMB66,053.6 billion, representing a year-on-year increase of 5.3%, demonstrating strong resilience and laying the foundation for the full-year economic growth target.

The global property market still faces challenges such as weak recovery confidence, uneven regional development and a high-interest rate environment. In the face of uncertainties in the market environment, the Group has achieved a well-balanced approach to market expansion and risk management through flexible strategies. Leveraging our robust global marketing network and exceptional operational capabilities in overseas curtain wall projects, we have deepened our presence in international markets, achieving steady business growth in the first half of the year. At the same time, the Group's management efficiency and effectiveness were further enhanced through the implementation of internal autonomy, strengthened internal coordination and linkage, and more comprehensive budget management.

For the six months ended 30 June 2025, the profit attributable to equity shareholders of the Company of the Group increased by approximately RMB178.2 million as compared with the corresponding period of 2024 to approximately RMB184.1 million (for the six months ended 30 June 2024: approximately RMB6.0 million), mainly due to (i) the good progress made in the Group's internationalization strategy, with overseas market orders contributing significantly, which led to the increase in the Group's scale of revenue during the Reporting Period as compared with the corresponding period of 2024, and (ii) the increase in the Group's exchange gains for the Reporting Period as compared with the corresponding period of 2024.

### **Newly-awarded projects (including VAT)**

For the six months ended 30 June 2025, the aggregate amount of newly-awarded projects of the Group increased by approximately RMB1,194.7 million or 97.3% as compared with the corresponding period of 2024 to approximately RMB2,422.0 million (for the six months ended 30 June 2024: approximately RMB1,227.3 million). This was mainly due to the continuous enhancement of the Group's international business operations, which led to the significant increase in the scale of newly-awarded projects in overseas market.

### **Backlog**

As of 30 June 2025, the contract value of backlog of the Group increased by approximately RMB2,337.3 million or 23.3% as compared with that as of 30 June 2024 to approximately RMB12,360.0 million (30 June 2024: approximately RMB10,022.7 million), which could support a sustainable development of the Group for the next 2-3 years.

## **BUSINESS PROSPECTS**

Looking ahead to the second half of 2025, global geopolitical risks continue to evolve and economic growth momentum weakens. The Central Government of China has adhered to its strategic principle of “responding to the uncertainty of rapid changes in the external environment with the certainty of high-quality development”, and has been more proactive and flexible in its macro policy, promoting the revival of domestic demand and guiding industrial upgrading and structural optimization. The real estate industry is still faced with the problems of slackened growth, high operating costs and fierce competition in the short term, and the new model for the long-term healthy development of the industry still needs to be improved.

To tackle the persistent challenges in the external business environment, the Group will commit firmly to the long-termism development philosophy and build a solid foundation for high-quality development by focusing on strategies for serving customers and managing human resources. We will return to the essence of premium services, with our technical teams and management engaging deeply at the market frontline to accurately identify and address genuine customer needs, thereby driving new competitive advantages in existing markets. We will also recognize talent as the core driver for market expansion, technological innovation, and operational resilience. We will implement more tightly aligned incentive mechanisms to enhance organizational efficiency, while fostering seamless team collaboration to unlock market potential. The Board and management of the Group will also remain vigilant and closely monitoring market dynamics, and are committed to delivering operational results that maximize shareholder value and returns.

## **FINANCIAL REVIEW**

### **Revenue**

For the six months ended 30 June 2025, the revenue of the Group increased by approximately RMB178.1 million or 16.4% as compared with the corresponding period of 2024 to approximately RMB1,266.3 million (for the six months ended 30 June 2024: approximately RMB1,088.2 million). Among which:

1. for the six months ended 30 June 2025, the revenue from domestic market of the Group decreased by approximately RMB131.3 million or 24.5% as compared with the corresponding period of 2024 to approximately RMB404.0 million (for the six months ended 30 June 2024: approximately RMB535.3 million), contributing approximately 31.9% of the total revenue of the Group. This was mainly due to the impact of downward pressure of the market, which led to the slowdown in the progress of domestic construction projects; and
2. for the six months ended 30 June 2025, the revenue from overseas market of the Group increased by approximately RMB309.5 million or 56.0% as compared with the corresponding period of 2024 to approximately RMB862.3 million (for the six months ended 30 June 2024: approximately RMB552.8 million), contributing approximately 68.1% of the total revenue of the Group. This was mainly due to a significant revenue growth in the Middle East and Europe areas as compared with the corresponding period of the previous year.

## **Cost of sales**

For the six months ended 30 June 2025, the cost of sales of the Group increased by approximately RMB85.9 million or 9.8% as compared with the corresponding period of 2024 to approximately RMB959.2 million (for the six months ended 30 June 2024: approximately RMB873.3 million). This was mainly due to the growth in the Group's revenue.

## **Adjusted gross profit margin**

For the six months ended 30 June 2025, the Group's adjusted gross profit margin increased by approximately 4.8 percentage points as compared with the corresponding period of 2024 to approximately 23.3% (for the six months ended 30 June 2024: approximately 18.5%). This was mainly due to the higher gross profit contribution from orders in the Group's key overseas regions during the Reporting Period. Among which:

1. for the six months ended 30 June 2025, the Group's domestic adjusted gross profit margin decreased by approximately 5.3 percentage points as compared with the corresponding period of 2024 to 18.9% (for the six months ended 30 June 2024: approximately 24.2%); and
2. for the six months ended 30 June 2025, the Group's overseas adjusted gross profit margin increased by approximately 12.4 percentage points as compared with the corresponding period of 2024 to 25.4% (for the six months ended 30 June 2024: approximately 13.0%). This was mainly due to the higher gross profit contribution from orders in the Group's key overseas regions during the Reporting Period.

## **Non-IFRS measures: adjusted gross profit**

To supplement the consolidated statement of profit or loss presented in the interim results announcement which is presented in accordance with IFRS, the Company also use adjusted gross profit as a non-IFRS measures, which are not required by, or presented in accordance with, IFRS. The adjusted gross profit for the six months ended 30 June 2025 is calculated by deducting impairment losses of approximately RMB12.1 million from gross profit for financial assets and contract assets. The Company believed that the consideration of non-IFRS measures when shown in conjunction with the corresponding IFRS measures facilitates the identification of the Group's operating performance from year to year by eliminating potential impacts of items that the Company's management does not consider to be indicative of the Group's operating performance. Such non-IFRS measures allow investors to consider metrics used by the Company's management in evaluating the Group's performance. From time to time in the future, there may be other items that the Company may exclude in reviewing the Group's financial results. The use of the non-IFRS measures has limitations as an analytical tool, and shareholders of the Company 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.

## **Other (expense)/income**

Other (expense)/income of the Group primarily comprised government grants, rental income, and net income from provision of repairs and maintenance services, and disposal losses of property, plant and equipment.

For the six months ended 30 June 2025, the other income of the Group decreased by approximately RMB3.3 million or 105.9% as compared with the corresponding period of 2024, resulting in other expenses of approximately RMB0.2 million (for the six months ended 30 June 2024: other income of approximately RMB3.1 million). This was mainly due to the increase in losses on disposal of property, plant and equipment.

## **Selling expenses**

For the six months ended 30 June 2025, the selling expenses of the Group decreased by approximately RMB3.2 million or 16.8% as compared with the corresponding period of 2024 to approximately RMB15.9 million (for the six months ended 30 June 2024: approximately RMB19.1 million), accounting for approximately 1.3% of the operating revenue of the Group (for the six months ended 30 June 2024: 1.8%).

## **Administrative expenses**

For the six months ended 30 June 2025, the administrative expenses of the Group increased by approximately RMB6.1 million or 4.0% as compared with the corresponding period of 2024 to approximately RMB157.5 million (for the six months ended 30 June 2024: approximately RMB151.4 million). The administrative expenses accounted for approximately 12.4% of the operating revenue of the Group (for the six months ended 30 June 2024: 13.9%). This was mainly due to the increase in employee remuneration driven by an increase in the number of employees of the Group during the Reporting Period.

## **Net finance income/(expense)**

For the six months ended 30 June 2025, the Group recognised a net finance income of approximately RMB70.3 million (for the six months ended 30 June 2024: a net finance expense of approximately RMB24.9 million), which accounted for 5.6% of the operating revenue of the Group (for the six months ended 30 June 2024: -2.3%). This was mainly due to the significant increase in the Group's foreign exchange gains due to favorable fluctuations in exchange rates of certain currencies during the Reporting Period.

## **Net current liabilities and financial resources**

As of 30 June 2025, the net current liabilities of the Group increased by approximately RMB41.8 million or 55.7% as compared with 31 December 2024 to approximately RMB116.9 million (31 December 2024: approximately RMB75.1 million) mainly due to the special dividend paid and the retained profit for the period.

As of 30 June 2025, the cash on hand and in bank of the Group decreased by approximately RMB93.2 million or 13.6% as compared with 31 December 2024 to approximately RMB590.1 million (31 December 2024: approximately RMB683.3 million), mainly denominated in RMB, United States Dollar (“USD”), Qatari Riyal (“QAR”), Euro (“EUR”), British Pound Sterling (“GBP”) and Australian Dollar (“AUD”).

### **Bank loans, other borrowings and gearing ratio**

As of 30 June 2025, the total bank loans of the Group increased by approximately RMB132.1 million or 19.0% as compared with 31 December 2024 to approximately RMB827.1 million (31 December 2024: approximately RMB695.0 million).

As of 30 June 2025, the total other borrowings of the Group increased by approximately RMB90.5 million or 27.1% as compared with 31 December 2024 to approximately RMB424.1 million (31 December 2024: approximately RMB333.6 million).

The Group’s gearing ratio (calculated by total liabilities divided by total assets) was 89.7% (31 December 2024: 88.7%).

### **Turnover days of receivables**

The calculation of the receivables turnover days is based on the average amount of trade and bills receivables and net contract assets (contract assets less contract liabilities) as at the beginning and end of the relevant period (net of provision) divided by total revenue of the relevant period and multiplied by 181 days. For the six months ended 30 June 2025, the turnover days of receivables of the Group decreased by approximately 147 days or 39.8% as compared with the corresponding period of 2024 to approximately 222 days (for the six months ended 30 June 2024: approximately 369 days).

### **Inventories and other 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 of 30 June 2025, the inventory and contract costs of the Group decreased by approximately RMB71.5 million or 29.1% as compared with 31 December 2024 to approximately RMB174.6 million (31 December 2024: approximately RMB246.1 million). This was mainly due to the increase in sales of the Group and the adoption of a more streamlined inventory management model.

## **Capital expenditure**

For the six months ended 30 June 2025, the payment for capital expenditure of the Group increased by approximately RMB3.2 million or 327.8% as compared with the corresponding period of 2024 to approximately RMB4.2 million (for the six months ended 30 June 2024: approximately RMB1.0 million), which was mainly due to the increase in the expenditure on plant construction and equipment.

## **Foreign exchange risk**

The overseas projects of the Group were mainly dominated in USD, GBP and AUD. The Group ensures that net exposure to currency risk arising from assets and liabilities is maintained at an acceptable level.

## **Contingent liabilities**

Details of the Group's contingent liabilities as at 30 June 2025 are set out in Note 11.

## **Charge on assets**

As of 30 June 2025, the Group's bank loans of approximately RMB575.0 million were secured by property, plant and equipment and land use rights with an aggregate carrying value of approximately RMB321.1 million.

As of 30 June 2025, the Group's cash on hand and in bank to secure bank loans, bank bills, credit and guarantee letters and other borrowings was approximately RMB196.2 million.

As of 30 June 2025, bank deposits with the carrying value of approximately RMB24.2 million were frozen. The carrying value of the deposits pledged to secure the performance and retentions of construction contracts of the Group was approximately RMB161.7 million.

As of 30 June 2025, the aggregate carrying value of trade receivables and contract assets pledged as security for the Group's bank loans and other borrowings amounted to RMB19.4 million.

Save as disclosed above, the Group had no other charge on its assets as at 30 June 2025.

## **Material Acquisitions and Disposals**

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



## **Significant Investment**

The Group did not make any significant investments during the Reporting Period.

## **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 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 30 June 2025, an accumulated amount of approximately HK\$2,081 million of proceeds from the Global Offering (of which expansion of production capacity: HK\$638 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. It is intended that the remaining proceeds of approximately HK\$322 million will be used in accordance with the proposed allocation as stated in the Prospectus in 1 to 5 years.

## **EMPLOYEES AND REMUNERATION POLICIES**

As of 30 June 2025, the Group had 2,620 full-time employees in total (31 December 2024: 2,451). The increase in the number of full-time employees was a result of the Group’s increased pool of skilled talents. The Group has effective management incentive policies and competitive remuneration, which align with the interests of management, employees and shareholder alike. 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 such as discretionary bonus.

## **AUDIT COMMITTEE AND REVIEW OF FINANCIAL STATEMENTS**

The Company has established an Audit Committee with written terms of reference in compliance with the requirements set out in the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) to review and supervise the Group’s financial reporting procedures, risk management and internal control systems. The Audit Committee comprises three independent non-executive Directors, namely Ms. Yang Qianwen (chairman of the Audit Committee), Mr. Wang Yuhang and Mr. Ha Gang.

The Audit Committee has reviewed the Group’s unaudited consolidated interim financial information for the six months ended 30 June 2025. The Audit Committee is satisfied that the unaudited interim financial information has been prepared in accordance with applicable accounting standards and regulations as well as the Listing Rules, with adequate relevant disclosures made.

## **CORPORATE GOVERNANCE**

The Company is committed to maintaining good corporate governance practices and procedures with a view to enhancing investors’ confidence to the Company and the Company’s accountability. For the six months ended 30 June 2025, the Company has complied with all code provisions contained in Part 2 of the corporate governance code as set forth in Appendix C1 to 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. 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 six months ended 30 June 2025.

## **INTERIM DIVIDEND**

The Board has resolved not to declare any interim dividend for the six months ended 30 June 2025 (for the six months ended 30 June 2024: Nil).

## **PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE GROUP**

For the six months ended 30 June 2025, 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.

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



## **APPRECIATION**

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

## **PUBLICATION OF INTERIM RESULTS AND INTERIM 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 interim report of the Company for the six months ended 30 June 2025 will be disseminated to the shareholders of the Company and 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, 29 August 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.*