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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 2025

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 2025 (the “**Reporting Period**”), together with comparative figures for the year ended 31 December 2024.

FINANCIAL HIGHLIGHTS	2025	2024
	Approximately	Approximately
Revenue (<i>RMB million</i>)	2,814.6	2,212.4
Gross profit margin	26.1%	19.5%
Consolidated net profit/(loss) (<i>RMB million</i>)	352.5	(354.0)
Profit/(loss) for the year attributable to equity shareholders of the Company (<i>RMB million</i>)	352.5	(354.0)
Net cash generated from operating activities (<i>RMB million</i>)	433.2	212.9
Basic and diluted earnings/(loss) per share (<i>RMB cents</i>)	5.68	(5.70)
Proposed final dividend per share (<i>HKD cents</i>)	NIL	NIL

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2025

(Expressed in Renminbi (“RMB”))

	Note	2025 RMB'000	2024 RMB'000
Revenue	6	2,814,558	2,212,363
Cost of sales		<u>(2,080,652)</u>	<u>(1,780,460)</u>
Gross profit		733,906	431,903
Other income/(loss)	7	8,279	(20,100)
Selling expenses		(70,283)	(68,207)
Administrative expenses		(359,514)	(346,715)
Net reversal/(recognition) of expected credit losses of financial and contract assets		<u>119,346</u>	<u>(176,815)</u>
Profit/(loss) from operations		431,734	(179,934)
Finance costs	8(a)	<u>(62,129)</u>	<u>(68,516)</u>
Profit/(loss) before taxation	8	369,605	(248,450)
Income tax	9	<u>(17,076)</u>	<u>(105,538)</u>
Profit/(loss) for the year attributable to equity shareholders of the Company		<u>352,529</u>	<u>(353,988)</u>
Earnings/(loss) per share (RMB cents)			
– Basic and diluted	10	<u>5.68</u>	<u>(5.70)</u>

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2025

(Expressed in RMB)

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Profit/(loss) for the year	<u>352,529</u>	<u>(353,988)</u>
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	<u>78,293</u>	<u>(32,736)</u>
Other comprehensive income for the year	<u>78,293</u>	<u>(32,736)</u>
Total comprehensive income for the year attributable to equity shareholders of the Company	<u><u>430,822</u></u>	<u><u>(386,724)</u></u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2025

(Expressed in RMB)

	Note	2025 RMB'000	2024 RMB'000
Non-current assets			
Property, plant and equipment		351,850	323,105
Right-of-use assets		196,196	205,730
Investment properties		28,312	29,509
Deferred tax assets		183,051	236,731
		<u>759,409</u>	<u>795,075</u>
Current assets			
Inventories and other contract costs		193,443	246,110
Contract assets	11	875,233	1,145,283
Trade and bills receivables	12	984,449	1,141,309
Deposits, prepayments and other receivables		429,727	390,266
Restricted deposits		469,061	349,196
Cash and cash equivalents		573,072	334,136
		<u>3,524,985</u>	<u>3,606,300</u>
Current liabilities			
Trade and bills payables	13	1,060,041	1,377,313
Contract liabilities	11	607,482	707,897
Accrued expenses and other payables		292,394	317,358
Bank loans		816,100	694,950
Other borrowings		365,268	333,635
Income tax payable		125,345	200,019
Provision for warranties		45,821	50,222
		<u>3,312,451</u>	<u>3,681,394</u>
Net current assets/(liabilities)		<u>212,534</u>	<u>(75,094)</u>
Total assets less current liabilities		<u>971,943</u>	<u>719,981</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTIUNED)*At 31 December 2025**(Expressed in RMB)*

	2025	2024
	RMB'000	RMB'000
Non-current liabilities		
Bank loan	85,000	–
Lease liabilities	3,807	6,047
Deferred tax liabilities	13,736	22,997
Provision for warranties	171,443	192,961
	<u>273,986</u>	<u>222,005</u>
NET ASSETS	<u>697,957</u>	<u>497,976</u>
CAPITAL AND RESERVES		
Share capital	519,723	519,723
Reserves	178,234	(21,747)
TOTAL EQUITY	<u>697,957</u>	<u>497,976</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(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

The annual results set out in this announcement are extracted from the Group’s statutory financial statements for the year ended 31 December 2025.

These financial statements have been prepared in accordance with IFRS Accounting Standards as 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 new or amended 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.

As at 31 December 2025, the Group had cash and cash equivalents of RMB573,072,000, while the Group had bank loans and other borrowings within one year or on demand of RMB1,181,368,000. As set out in Note 14, the directors of the Company has proposed a distribution of approximately RMB274,723,000 after the year end. Notwithstanding the above conditions, the directors of the Company 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 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, 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.

Based on a cash flow forecast of the Group prepared by the management, the directors of the Company 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 of the Company 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 Group has applied amendments to ISA 21, *The effects of changes in foreign exchange rates – Lack of exchangeability* issued by the IASB to these financial statements for the current accounting period. The amendments do not have a material impact on these financial statements as the Group has not entered into any foreign currency transactions in which the foreign currency is not exchangeable into another currency.

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

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:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Over time	2,614,838	2,078,646
Point in time	<u>199,720</u>	<u>133,717</u>
	<u><u>2,814,558</u></u>	<u><u>2,212,363</u></u>

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 2025 and 2024.

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

As at 31 December 2025, the aggregated amount of the transaction price allocated to the remaining performance obligations under the Group's existing contracts is RMB8,360.9 million (2024: RMB8,528.3 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 (2024: 48 months).

As at 31 December 2025, the aggregated amount of the expected transaction price of the potential contracts (including tax) of which the Group has won the bidding is RMB4,840.4 million (2024: RMB2,876.0 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 trade receivables, commercial bills receivables 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 2025 and 2024. 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 2025 and 2024 is set out below.

	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>1,271,594</u>	<u>1,542,964</u>	<u>2,814,558</u>
Reportable segment adjusted gross profit	<u>455,564</u>	<u>397,730</u>	<u>853,294</u>
	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>1,016,362</u>	<u>1,196,001</u>	<u>2,212,363</u>
Reportable segment adjusted gross profit	<u>178,278</u>	<u>75,517</u>	<u>253,795</u>

(ii) Reconciliation of reportable segment profit

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Reportable segment adjusted gross profit	853,294	253,795
Other income/(loss)	8,279	(20,100)
Selling expenses	(70,283)	(68,207)
Administrative expenses	(359,514)	(346,715)
(Provision)/reversal of expected credit losses of other receivables	(42)	1,293
Finance costs	<u>(62,129)</u>	<u>(68,516)</u>
Profit/(loss) before taxation	<u>369,605</u>	<u>(248,450)</u>

(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.

	2025	2024
	RMB'000	RMB'000
Disaggregated by geographical location of customers		
Chinese Mainland	<u>1,271,594</u>	<u>1,016,362</u>
United Kingdom	325,605	243,871
Dubai	242,780	75,112
Cambodia	151,936	58,472
Saudi	121,334	39,335
Australia	86,191	55,777
United States of America	69,293	244,027
Others	<u>545,825</u>	<u>479,407</u>
	<u>1,542,964</u>	<u>1,196,001</u>
	<u>2,814,558</u>	<u>2,212,363</u>

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 INCOME/(LOSS)

	2025	2024
	RMB'000	RMB'000
Government grants	10,892	1,104
Rental income from investment properties	7,138	5,523
Rental income from operating leases, other than those relating to investment property	408	351
Net gain from sale of scrap materials	115	372
Net loss on disposal of property, plant and equipment	(10,276)	(25,538)
Others	<u>2</u>	<u>(1,912)</u>
	<u>8,279</u>	<u>(20,100)</u>

8 PROFIT BEFORE TAXATION

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

(a) Finance costs:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Interest on borrowings	55,940	63,625
Interest on lease liabilities	737	897
Bank charges and other finance costs	<u>11,706</u>	<u>10,173</u>
Total borrowing costs	68,383	74,695
Interest income	(9,148)	(10,280)
Net foreign exchange loss	2,894	3,401
Net loss on forward foreign exchange contracts	<u>–</u>	<u>700</u>
	<u><u>62,129</u></u>	<u><u>68,516</u></u>

No borrowing costs have been capitalised for the years ended 31 December 2025 and 2024.

(b) Staff costs#:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Salaries, wages and other benefits	443,390	385,878
Contributions to defined contribution retirement plans	<u>46,745</u>	<u>42,555</u>
	<u><u>490,135</u></u>	<u><u>428,433</u></u>

The employees of the subsidiaries of the Group established in the 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% (2024: 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:**

	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Depreciation and amortisation [#]		
– owned property, plant and equipment	23,032	23,546
– right-of-use assets	32,287	31,319
– investment properties	1,197	1,197
Auditors' remuneration	7,695	7,986
Research and development costs [#]	105,045	91,426
Increase in provision for warranties [#]	52,718	42,219
Cost of inventories [#]	2,080,652	1,780,460

[#] Cost of inventories includes RMB313.1 million for the year ended 31 December 2025 (2024: RMB265.1 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:**

	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Current tax:		
– provision for corporate income tax in respective jurisdictions	(27,932)	(13,635)
Deferred tax:		
– origination and reversal of temporary differences	45,008	119,173
	17,076	105,538

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

	2025 RMB'000	2024 RMB'000
Profit/(loss) before taxation	369,605	(248,450)
Expected tax on profit/(loss) before taxation, calculated at the rates applicable in the jurisdictions concerned (Notes (i), (ii), (iii) and (iv))	96,998	(67,890)
Tax effect of non-deductible expenses	5,484	4,361
Tax effect of non-taxable income	(534)	(3,981)
Tax effect of unused tax losses and deductible temporary differences not recognised	(68,658)	160,803
Tax concessions (Note (v))	(19,953)	(10,752)
Tax effect of PRC Withholding Tax (Note (vi))	3,739	22,997
Income tax	17,076	105,538

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 2025 (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 year ended 31 December 2025 (2024: RMBNil).
- (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 2025 (2024: 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 2025 pursuant to the rules and regulations of their respective countries of incorporation (2024: 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 period from the calendar years from 2023 to 2025 and therefore enjoys a preferential PRC Corporate Income Tax rate of 15% for the year ended 31 December 2025 (2024: 15%). In addition, this subsidiary is entitled to an additional 100% tax deduction to its assessable profits (2024: 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% (5% for Hong Kong resident) on various types of passive income including dividends derived from sources in the PRC (the “**PRC Withholding Tax**”). 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 EARNINGS/(LOSS) PER SHARE

(a) Basic earnings/(loss) per share

The basic earnings/(loss) per share for the year ended 31 December 2025 is calculated based on the profit attributable to equity shareholders of the Company of RMB352,529,000 (2024: loss of RMB353,988,000) and the weighted average of 6,208,734,000 ordinary shares (2024: 6,208,734,000 ordinary shares) in issue during the year ended 31 December 2025.

(b) Diluted earnings/(loss) per share

There were no dilutive potential shares outstanding during the years ended 31 December 2025 and 2024. Hence, the diluted earnings/(loss) per share is the same as basic earnings/(loss) per share.

11 CONTRACT ASSETS AND CONTRACT LIABILITIES

(a) Contract assets

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Contract assets		
Arising from performance under construction contracts	1,498,178	1,790,597
Less: loss allowance	(622,945)	(645,314)
	<u>875,233</u>	<u>1,145,283</u>

All of the amounts are expected to be billed within one year from the end of the Reporting Period, except for the amounts of RMB77.2 million at 31 December 2025 (31 December 2024: RMB94.1 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 ten 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 RMB28.1 million (2024: RMB40.9 million), mainly due to the changes in estimate of the stage of completion of certain construction contracts and approved contract modifications.

(b) Contract liabilities

	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Contract liabilities		
Construction contracts		
– Billings in advance of performance	<u>607,482</u>	<u>707,897</u>

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

	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Balance at 1 January	707,897	508,569
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	(565,671)	(176,090)
Increase in contract liabilities as a result of billing and receipt in advance of construction activities and recognising revenue during the year	<u>465,256</u>	<u>375,418</u>
Balance at 31 December	<u>607,482</u>	<u>707,897</u>

12 TRADE AND BILLS RECEIVABLES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Trade receivables for contract work due from:		
– third parties	2,105,723	2,893,393
– companies under the control of the Controlling Shareholder	<u>113,365</u>	<u>181,835</u>
	<u>2,219,088</u>	<u>3,075,228</u>
Bills receivable for contract work	<u>81,842</u>	<u>99,633</u>
Trade receivables for sale of raw materials due from:		
– third parties	4,268	6,845
– companies under the control of the Controlling Shareholder	<u>2,148</u>	<u>2,281</u>
	<u>6,416</u>	<u>9,126</u>
	2,307,346	3,183,987
Less: loss allowance	<u>(1,322,897)</u>	<u>(2,042,678)</u>
Financial assets measured at amortised cost	<u><u>984,449</u></u>	<u><u>1,141,309</u></u>

At 31 December 2025, the amount of retentions receivable from customers included in trade and bills receivables (net of loss allowance) is RMB265.2 million (31 December 2024: RMB320.5 million).

Except for retentions receivable (net of loss allowance) of RMB155.9 million at 31 December 2025 (31 December 2024: RMB152.1 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:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Within 1 year	295,450	344,553
1 to 2 years	164,295	173,180
More than 2 years	<u>524,704</u>	<u>623,576</u>
	<u><u>984,449</u></u>	<u><u>1,141,309</u></u>

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

13 TRADE AND BILLS PAYABLES

	2025 RMB'000	2024 <i>RMB'000</i>
Trade payables for purchase of inventories due to:		
– third parties	561,117	729,049
– companies under the control of the Controlling Shareholder	5,338	5,256
	566,455	734,305
Trade payables due to sub-contractors	278,583	493,950
Bills payable	215,003	149,058
Financial liabilities measured at amortised cost	1,060,041	1,377,313

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:

	2025 RMB'000	2024 <i>RMB'000</i>
Within 1 month or on demand	934,877	1,367,898
More than 1 month but less than 3 months	75,318	1,955
More than 3 months	49,846	7,460
	1,060,041	1,377,313

14 DIVIDENDS/DISTRIBUTIONS

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

The directors of the Company do not recommend the payment of a dividend for the year ended 31 December 2025 (2024: 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 2025 (2024: HK\$Nil).

(iii) Special dividends/distributions

The directors of the Company have proposed the distribution of a special dividend after the year end of HK\$0.05 per share (2024: HK\$0.04) based on 6,208,734,000 ordinary shares in issue as at 31 December 2025 amounting to a total of HK\$310,437,000 (equivalent to approximately RMB274,723,000) (2024: HK\$248,349,000 (equivalent to approximately RMB230,841,000)).

15 CONTINGENT LIABILITIES

(a) Performance guarantee

At 31 December 2025, performance guarantee of approximately RMB290.5 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 of the Company 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 and 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 RMB6.4 million) plus accrued interest.

The former sub-contractor and Shenyang Yuanda and Yuanda India later on filed appeals and as at the date of these financial statements, the lawsuit is under reviewed 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 RMB110.9 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 of the Company 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 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 RMB61.4 million) for the above damages. The liability amount of these claims is still in the process of being assessed and evaluated. Thus, the directors of the Company cannot reliably estimate the expected monetary compensation borne by Yuanda Queensland. No provision has therefore been made in respect of this claim.
- (iii) In addition to the lawsuit mentioned in Note 15(b)(i) to Note 15(b)(ii), 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 these financial statements, 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 RMB310.7 million, of which RMB24.3 million has already been provided for and the Group’s bank deposits and other deposits of RMB55.8 million at 31 December 2025 was frozen by courts or insurance companies for certain of these lawsuits or disputes. Based on legal advice and assessment from the directors of the Company on these lawsuits, arbitrations or tax disputes, the directors of the Company 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 2025, the global economy continued to struggle to recover within a complex and volatile environment. Although inflationary pressures in major economies have eased and expectations of a shift toward accommodative monetary policy have emerged, factors such as geopolitical conflicts, increased uncertainty surrounding trade policies, and the restructuring of supply chains continue to cast uncertainty over the global growth outlook. Faced with a complex external environment and the growing pains of domestic transformation and adjustment, China's economy demonstrated remarkable resilience in 2025. Benefiting from precise macroeconomic policies and the gradual release of domestic demand potential, the year-on-year growth target for gross domestic product was successfully achieved, economic structure continued to improve, and high-quality development solidly advanced. According to the data released by the National Bureau of Statistics of China, the gross domestic product of China in 2025 amounted to RMB140.19 trillion, representing an increase of 5.0% compared with the previous year. The economy reached a new milestone, with strategic emerging industries and the transition to a green and low-carbon economy serving as new drivers of growth.

In 2025, competition in the building curtain wall industry continued to intensify, placing higher demands on enterprises' technical capabilities, project management, and financial operational capacity. In light of the market conditions in 2025, the Group adhered to the business principle of "prudent operation, quality improvement and efficiency enhancement, and risk control", and fully leveraged our professional strengths. During the year, we continued to deepen refined management, focusing on lean control throughout the entire project lifecycle to effectively improve engineering quality and delivery efficiency. At the same time, we strengthened supply chain coordination and strictly controlled procurement costs to further consolidate cost competitiveness. In terms of market expansion, we focused on quality overseas clients and high-quality projects, proactively avoiding high-risk orders to ensure healthy and stable cash flow. Furthermore, the Group deepened technological innovation and transformed production models to build a product system with core technological competitive advantages. In 2025, the Group achieved steady and robust growth by leveraging sound business strategies and exceptional project execution capabilities.

For the year ended 31 December 2025, the Group's profit attributable to equity shareholders of the Company was about RMB352.5 million (2024: the loss attributable to equity shareholders of the Company was about RMB354.0 million), mainly due to (i) the delivery of sound performance by the Group in its domestic and international sales markets in 2025, particularly with a significant year-on-year increase in overseas orders, which drove the Group's revenue growth in 2025 as compared with 2024, and (ii) the Group's continuous efforts in debt collection for trade receivables and contract assets, achieving the improvement in credit risk profile this year.

Newly-awarded projects (including Value Added Tax (“VAT”))

During the year 2025, the aggregate amount of newly-awarded projects of the Group increased by about RMB1,842.2 million or 55.4% as compared with last year to about RMB5,168.3 million (2024: about RMB3,326.1 million). The main reason for the increase was that the significant success of the Group’s internationalisation strategy, which led to substantial results growth in overseas markets during the year, particularly in regions such as Australia and the Middle East.

	2025		2024	
	<i>Numbers of projects</i>	<i>RMB million</i>	<i>Numbers of projects</i>	<i>RMB million</i>
Domestic	49	1,998.8	73	1,762.1
Overseas	60	3,169.5	21	1,564.0
Total	109	5,168.3	94	3,326.1

Backlog

As at 31 December 2025, the remaining contract value of backlog of the Group increased by about RMB1,797.0 million or 15.8% as compared with last year to about RMB13,201.3 million (31 December 2024: about RMB11,404.3 million), which could support a sustainable development of the Group for the next 2-3 years.

	2025		2024	
	Remaining value of contracts		Remaining value of contracts	
	<i>Numbers of projects</i>	<i>RMB million</i>	<i>Numbers of projects</i>	<i>RMB million</i>
Domestic	282	6,649.3	221	5,454.9
Overseas	95	6,552.0	85	5,949.4
Total	377	13,201.3	306	11,404.3

Major technology achievements and awards

In 2025, the Group obtained 7 patents for utility model.

BUSINESS PROSPECTS

Looking ahead to 2026, the global economic recovery remains unsure, and geopolitical conflicts and trade protectionism and other factors may continue to impact the global industrial landscape. The PRC's economy will maintain a steady and progressive trend although the downstream real estate market adjustment has not yet fully ended, which imposes multiple pressures on the building curtain wall industry, including slow demand recovery, intensified competition and cost fluctuations. However, the industry will also usher in a strategic opportunity period for technological upgrading and green transformation where innovative products such as prefabricated curtain walls and building integrated photovoltaic are expected to accelerate their penetration, and digital transformation will remain the main path for industry development.

The Group will always adhere to a prudent and stable operating philosophy to integrate risk control throughout the business process. Leveraging its core strengths, the Group will closely monitor market changes, rationally plan its business layout, and ensure the smooth and orderly development of its business. In the future, the Group will balance efficiency improvement and risk control, and consolidate its existing core market share through meticulous management, focusing on core regional markets and prioritizing projects with manageable risks. We will further strengthen technological research and development, enhance system integration capabilities, and create more benchmark curtain wall projects; deepen internal management reforms, optimize resource allocation, and continuously improve operational efficiency and profitability. At the same time, we will strictly adhere to the risk bottom line to ensure capital security, promote the Group's high-quality and sustainable development, thereby creating greater value for shareholders, and building more high-quality projects.

FINANCIAL REVIEW

Revenue

For the year ended 31 December 2025, the Group's revenue was about RMB2,814.6 million (2024: about RMB2,212.4 million), representing an increase of about RMB602.2 million or 27.2% as compared with the corresponding period of last year. This was mainly attributable to the tangible results of the Group's continuously improving operational efficiency and the successful delivery of core projects both domestically and internationally, of which:

1. the revenue from domestic market of the Group increased by about RMB255.2 million or 25.1% as compared with last year to about RMB1,271.6 million (2024: about RMB1,016.4 million), contributing about 45.2% of the total revenue of the Group; and
2. the revenue from overseas market of the Group amounted to about RMB1,543.0 million (2024: about RMB1,196.0 million), representing an increase of about RMB347.0 million or 29.0% as compared with last year, contributing about 54.8% of the total revenue of the Group.

Cost of sales

In 2025, the cost of sales of the Group increased by about RMB300.2 million or 16.9% as compared with last year to about RMB2,080.7 million (2024: about RMB1,780.5 million). This was mainly due to the cost variations resulting from the increase in the Group's revenue.

Gross profit margin

In 2025, the Group's gross profit margin was about 26.1% (2024: about 19.5%), representing an increase of about 6.6 percentage points as compared with last year. The increase was primarily attributable to the Group's enhanced coverage of high-quality customers and an increase in the proportion of newly secured projects with higher gross profit margins.

Adjusted gross profit margin

In 2025, the Group's adjusted gross profit margin was about 30.3% (2024: about 11.5%), representing an increase of about 18.8 percentage points as compared with last year. The main reason was that the Group continuously strengthened the collection management of receivables and contract assets, resulting in a reduction in the provision made for bad debt losses on receivables and contract assets this year, of which:

1. the domestic adjusted gross profit margin of the Group was about 35.8% (2024: about 17.5%), representing an increase of about 18.3 percentage points as compared with last year; and
2. the overseas adjusted gross profit margin of the Group was about 25.8% (2024: about 6.3%) representing an increase of about 19.5 percentage points as compared with last year.

Non-IFRS 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 Accounting Standards, the Company also use the adjusted gross profit as a non-IFRS measures, which are not required by, or presented in accordance with, IFRS Accounting Standards. The adjusted gross profit for the year ended 31 December 2025 is calculated by deducting impairment reversal of approximately RMB119.4 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 may differ from similar terms used by other companies.

Other income/(loss)

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

In 2025, the other income/(loss) of the Group turns to an income of RMB8.3 million as compared with last year of other loss of about RMB20.1 million, mainly due to the increase in governmental grants received during the year and the decrease in net losses arising from disposal of property, plant and equipment.

Selling expenses

In 2025, the Group's selling expenses amounted to about RMB70.3 million (2024: about RMB68.2 million), representing an increase of about RMB2.1 million or 3.1% as compared with last year, accounting for about 2.5% (2024: 3.1%) of the Group's operating income.

Administrative expenses

In 2025, the Group's administrative expenses amounted to about RMB359.5 million (2024: about RMB346.7 million), representing an increase of about RMB12.8 million or 3.7% as compared with last year, and accounted for about 12.8% (2024: 15.7%) of the Group's revenue.

Finance costs

In 2025, the Group's finance costs amounted to about RMB62.1 million (2024: about RMB68.5 million), and accounted for 2.2% (2024: 3.1%) of the Group's operating income. This was mainly attributable to the decrease in interest expenses on borrowings.

Income tax

In 2025, the income tax cost of the Group was about RMB17.1 million (2024: RMB105.5 million), which mainly due to the decrease in reversal of deferred income tax recognised by the Group.

Consolidated net profit

As a result of the foregoing, in 2025, the consolidated net profit of the Group was about RMB352.5 million (2024: consolidated net loss of about RMB354.0 million).

Profit attributable to equity shareholders of the Company

In 2025, the profit attributable to equity shareholders of the Company was about RMB352.5 million (2024: loss of RMB354.0 million). The main reason was (i) the delivery of sound performance by the Group in its domestic and international sales markets in 2025, particularly with a significant year-on-year increase in overseas orders, which drove the Group's revenue growth in 2025 as compared with 2024, and (ii) the Group's continuous efforts in debt collection for trade receivables and contract assets, achieving the improvement in credit risk profile this year.

Net current liabilities and financial resources

As at 31 December 2025, the net current assets of the Group was about RMB212.5 million (31 December 2024: net current liabilities of about RMB75.1 million). This was mainly due to the increase in the net cash generated from the operation activities.

As of 31 December 2025, the restricted deposits of the Group increased by about RMB119.9 million or 34.3% as compared with last year to about RMB469.1 million (31 December 2024: about RMB349.2 million), which were mainly denominated in RMB.

As of 31 December 2025, the cash and cash equivalents of the Group increased by about RMB239.0 million or 71.5% as compared with last year to about RMB573.1 million (31 December 2024: about RMB334.1 million), which were mainly denominated in RMB, USD, Qatar Riyal, Euro, GBP and AUD. Such increases were mainly due to the improvement in cash flow resulting from the Group's accelerated collection of receivables and the increase in bank loans.

Bank loans, other borrowings and gearing ratio

As at 31 December 2025, the Group's total bank loans amounted to about RMB901.1 million (31 December 2024: about RMB695.0 million), representing an increase of about RMB206.1 million or 29.7% as compared with last year.

As at 31 December 2025, the Group's total other borrowings amounted to about RMB365.3 million (31 December 2024: about RMB333.6 million), representing an increase of about RMB31.7 million or 9.5% as compared with last year. The Group's gearing ratio (calculated by total liabilities divided by total assets) was 83.7% (31 December 2024: 88.7%).

Turnover days

Turnover days (day)	2025	2024
Receivables (<i>note 1</i>)	184	312
Trade and bills payables (<i>note 2</i>)	214	433
Inventory (<i>note 3</i>)	39	157

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 128 days or 41.0% as compared with last year to about 184 days (2024: about 312 days).

During the Reporting Period, the turnover days of trade and bill payables decreased by about 219 days or 50.6% as compared with last year to about 214 days (2024: about 433 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 2025, the inventory and contract costs of the Group decreased by about RMB52.7 million or 21.4% as compared with last year to about RMB193.4 million (31 December 2024: about RMB246.1 million).

Capital expenditure

In 2025, the payment for capital expenditure of the Group increased by about RMB0.8 million or 7.0% as compared with last year to about RMB12.2 million (2024: about RMB11.4 million), which was mainly the expenditure on the purchase of piecemeal machinery and equipment in 2025.

Foreign exchange risk

The overseas projects of the Group were mainly denominated in USD, HK\$, GBP and AUD. 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 2025 are set out in Note 15.

Charge on assets

As of 31 December 2025, the aggregate carrying value of the property, plant and equipment, land use rights pledged for the Group's bank loans is RMB335.1 million (31 December 2024: RMB330.9 million).

As of 31 December 2025, the carrying value of the time and other deposits pledged for the bank bills, letter of credit and other borrowings from financial institutions is RMB228.5 million (31 December 2024: RMB139.7 million).

As of 31 December 2025, the carrying value of RMB28.4 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 RMB150.9 million (31 December 2024: RMB163.3 million).

As of 31 December 2025, the aggregate carrying value of the trade receivables and contract assets pledged for the Group's bank loan and other borrowings is RMB26.5 million (2024: RMB32.5 million).

As of 31 December 2025, bank deposit of RMB61.3 million was pledged for the Group's bank loans (31 December 2024: RMBNil).

Save as disclosed above, the Group had no other charge on its assets as of 31 December 2025.

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 2025.

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 2025, an accumulated amount of approximately HK\$2,089 million of the proceeds from the Global Offering (of which, expansion of production capacity: HK\$646 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 2025, the Group had 2,670 full-time employees in total (31 December 2024: 2,451). 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 2025 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 2025 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 2025, 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 2025.

FINAL DIVIDENDS

The Board has resolved not to declare any final dividend for the year ended 31 December 2025 (2024: Nil).

ANNUAL GENERAL MEETING

The annual general meeting of the Company (the “**Annual General Meeting**”) will be held on Tuesday, 9 June 2026. 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, 4 June 2026 to Tuesday, 9 June 2026 (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 Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong by no later than 4:30 p.m. on Wednesday, 3 June 2026 for registration of the relevant transfer.

PURCHASE, SALE AND REDEMPTION OF LISTED SECURITIES OF THE GROUP

For the year ended 31 December 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.

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 2025.

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 2025 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 2026

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. Gao Kai, and the independent non-executive directors of the Company are Mr. Wang Yuhang, Ms. Yang Qianwen and Mr. Ha Gang.