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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 2023

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 2023 (the "**Reporting Period**"), together with comparative figures for the year ended 31 December 2022.

FINANCIAL HIGHLIGHTS	**2023**	2022
	Approximately	Approximately
Revenue *(RMB million)*	**2,569.5**	3,263.6
Adjusted gross profit margin *(Note)*	**15.4%**	11.1%
Consolidated net profit *(RMB million)*	**25.3**	72.1
Profit for the year attributable to equity shareholders of the Company *(RMB million)*	**25.3**	72.1
Net cash generated from operating activities *(RMB million)*	**349.3**	76.8
Basic and diluted earnings per share *(RMB cents)*	**0.41**	1.16
Proposed final dividend per share *(HKD cents)*	**NIL**	NIL

Note: Adjusted gross profit margin represents gross profit after impairment losses for trade and bills receivables and contract assets.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2023

(Expressed in Renminbi (“RMB”))

	Note	2023 RMB’000	2022 RMB’000
Revenue	*6*	**2,569,509**	3,263,601
Cost of sales		**(2,054,169)**	(2,876,265)
Gross profit		**515,340**	387,336
Other income	*7*	**305**	25,467
Selling expenses		**(59,315)**	(56,474)
Administrative expenses		**(356,438)**	(371,116)
Expected credit losses of financial and contract assets		**(123,564)**	(23,962)
Loss from operations		**(23,672)**	(38,749)
Net finance income	*8(a)*	**43,537**	147,354
Profit before taxation	*8*	**19,865**	108,605
Income tax	*9*	**5,459**	(36,476)
Profit for the year attributable to equity shareholders of the Company		**25,324**	72,129
Earnings per share *(RMB cents)*			
– Basic and diluted	*10*	**0.41**	1.16

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2023
(Expressed in RMB)

	2023	2022
	RMB'000	*RMB'000*
Profit for the year	**25,324**	72,129
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	**(152,087)**	(212,664)
Other comprehensive income for the year	**(152,087)**	(212,664)
Total comprehensive income for the year attributable to equity shareholders of the Company	**(126,763)**	(140,535)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2023

(Expressed in RMB)

	Note	2023 *RMB'000*	2022 *RMB'000*
Non-current assets			
Property, plant and equipment		**350,984**	320,174
Right-of-use assets		**215,441**	212,914
Investment properties		**30,706**	31,906
Deferred tax assets		**332,794**	327,192
		929,925	892,186
Current assets			
Inventories and other contract costs		**259,193**	310,865
Contract assets	*11*	**1,188,488**	1,616,958
Trade and bills receivables	*12*	**1,529,231**	1,634,433
Deposits, prepayments and other receivables		**457,724**	523,990
Restricted deposits		**320,986**	701,144
Cash and cash equivalents		**274,515**	219,455
		4,030,137	5,006,845
Current liabilities			
Trade and bills payables	*13*	**1,573,174**	1,839,774
Contract liabilities	*11*	**508,569**	495,830
Accrued expenses and other payables		**338,716**	382,760
Bank loans		**713,950**	855,000
Other borrowings		**424,407**	820,760
Income tax payable		**239,607**	254,427
Provision for warranties		**62,357**	50,458
		3,860,780	4,699,009
Net current assets		**169,357**	307,836
Total assets less current liabilities		**1,099,282**	1,200,022

CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(Continued)*

At 31 December 2023

(Expressed in RMB)

	Note	**2023** *RMB'000*	2022 *RMB'000*
Non-current liabilities			
Lease liabilities		**9,094**	1,932
Provision for warranties		**205,488**	186,627
		214,582	188,559
NET ASSETS		**884,700**	1,011,463
CAPITAL AND RESERVES			
Share capital		**519,723**	519,723
Reserves		**364,977**	491,740
TOTAL EQUITY		**884,700**	1,011,463

NOTES

(Expressed in RMB unless otherwise indicated)

1 CORPORATE INFORMATION

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

2 STATEMENT OF COMPLIANCE

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

The IASB has issued certain 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 derivative financial instruments and 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 2023, the Group had cash and cash equivalents of RMB274,515,000, while the Group had bank loans and other borrowings within one year or on demand of RMB1,138,357,000. The net current assets of the Group decreased to RMB169,357,000 as at 31 December 2023 compared with that of RMB307,836,000 as at 31 December 2022, and the net profit for the year ended 31 December 2023 decreased to RMB25,324,000 compared with that of RMB72,129,000 for the year ended 31 December 2022.

In this regard, the directors of the Company have identified various initiatives to address the Group's liquidity needs, which include 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.

- Mr Kang Baohua (the "**Controlling Shareholder**") and a company under his control have committed to provide the necessary financial support, including but not limited to renewal of the borrowings from Controlling shareholder and a company under his control upon maturity.

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 estimated uncertainty are as follows:

(i) Revenue recognition

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

(ii) Impairment of receivables and contract assets

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

(iii) Warranty provisions

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

(iv) Taxation

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

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

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

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

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

5 CHANGES IN ACCOUNTING POLICIES

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

- IFRS 17, *Insurance contracts*
- Amendments to IAS 8, *Accounting policies, changes in accounting estimates and errors: Definition of accounting estimates*
- Amendments to IAS 1, *Presentation of financial statements and IFRS Practice Statement 2, Making materiality judgements: Disclosure of accounting policies*
- Amendments to IAS 12, *Income taxes: Deferred tax related to assets and liabilities arising from a Single Transaction*
- Amendments to IAS 12, *Income taxes: International tax reform – Pillar Two model rules*

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

6 REVENUE AND SEGMENT REPORTING

(a) Revenue

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

(i) Disaggregation of revenue

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

	2023	2022
	RMB'000	*RMB'000*
Over time	**2,455,348**	3,195,104
Point in time	**114,161**	68,497
	2,569,509	3,263,601

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 2023 and 2022.

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

As at 31 December 2023, the aggregated amount of the transaction price allocated to the remaining performance obligations under the Group's existing contracts is RMB6,299.7 million (2022: RMB6,133.9 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 (2022: 48 months).

As at 31 December 2023, the aggregated amount of the expected transaction price of the potential contracts (including tax) of which the Group has won the bidding is RMB3,558.0 million (2022: RMB4,986.6 million).

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

(b) Segment reporting

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

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

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

(i) Segment results

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

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

Revenue and expenses are allocated to the reportable segments with reference to revenue generated by those segments and the expenses incurred by those segments. No significant inter-segment sales have occurred for the years ended 31 December 2023 and 2022. 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 2023 and 2022 is set out below.

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

	2022		
	Domestic	Overseas	Total
	RMB'000	*RMB'000*	*RMB'000*
Revenue from external customers and reportable segment revenue	1,471,880	1,791,721	3,263,601
Reportable segment adjusted gross profit	237,412	124,178	361,590

(ii) Reconciliation of reportable segment profit

	2023	2022
	RMB'000	*RMB'000*
Reportable segment adjusted gross profit	**396,021**	361,590
Other income	**305**	25,467
Selling expenses	**(59,315)**	(56,474)
Administrative expenses	**(356,438)**	(371,116)
(Provision)/reversal of expected credit losses of other receivables	**(4,245)**	1,784
Net finance income	**43,537**	147,354
Profit before taxation	**19,865**	108,605

(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.

	2023	2022
	RMB'000	*RMB'000*
Disaggregated by geographical location of customers		
Chinese Mainland	**1,031,099**	1,471,880
Australia	**420,272**	408,892
United Kingdom	**409,110**	781,332
United States of America	**181,313**	118,462
Others	**527,715**	483,035
	1,538,410	1,791,721
	2,569,509	3,263,601

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

	2023	2022
	RMB'000	*RMB'000*
Government grants	**10,009**	10,842
Rental income from investment property	**9,558**	8,201
Rental income from operating leases, other than those relating to investment property	**343**	187
Net gain from sale of scrap materials	**764**	1,102
Net loss on disposal of property, plant and equipment	**(20,482)**	(34)
Others	**113**	5,169
	305	25,467

8 PROFIT BEFORE TAXATION

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

(a) Net finance income:

	2023	2022
	RMB'000	*RMB'000*
Interest on borrowings	**80,580**	95,481
Interest on lease liabilities	**740**	455
Bank charges and other finance costs	**18,582**	11,746
Total borrowing costs	**99,902**	107,682
Interest income	**(38,571)**	(21,634)
Net foreign exchange gain	**(111,958)**	(234,446)
Net loss on forward foreign exchange contracts	**7,090**	1,044
	(43,537)	(147,354)

No borrowing costs have been capitalised for the years ended 31 December 2023 and 2022.

(b) Staff costs#:

	2023	2022
	RMB'000	*RMB'000*
Salaries, wages and other benefits	**368,722**	406,223
Contributions to defined contribution retirement plans	**42,802**	33,609
	411,524	439,832

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% (2022: 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:

	2023	2022
	RMB'000	*RMB'000*
Depreciation and amortisation#		
– owned property, plant and equipment	**25,589**	25,729
– right-of-use assets	**32,418**	26,888
– investment properties	**1,200**	1,200
Auditors' remuneration	**8,805**	14,948
Research and development costs#	**77,159**	72,867
Increase in provision for warranties#	**51,434**	59,486
Cost of inventories#	**2,054,169**	2,876,265

Cost of inventories includes RMB272.3 million for the year ended 31 December 2023 (2022: RMB274.7 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:

	2023	2022
	RMB'000	*RMB'000*
Current tax:		
– provision for corporate income tax in respective jurisdictions	**–**	13,012
Deferred tax:		
– origination and reversal of temporary differences	**(5,459)**	23,464
	(5,459)	36,476

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

	2023	2022
	RMB'000	*RMB'000*
Profit before taxation	**19,865**	108,605
Expected tax on profit before taxation, calculated at the rates applicable in the jurisdictions concerned *(Notes (i), (ii), (iii) and (iv))*	**10,243**	21,072
Tax effect of non-deductible expenses	**3,635**	3,383
Tax effect of non-taxable income	**(2,827)**	(18,345)
Tax effect of utilisation of prior years' unused tax losses previously not recognised	**(14,533)**	(30,647)
Tax effect of unused tax losses and deductible temporary differences not recognised	**6,369**	61,292
Tax effect of reversal of recognised deferred tax	**–**	10,609
Tax concessions and effect of changes of tax rate *(Note (v))*	**(8,346)**	(10,888)
Income tax	**(5,459)**	36,476

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 2023 (2022: 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 2023 (2022: Nil).

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

(iii) The subsidiaries of the Group established in the PRC are subject to PRC Corporate Income Tax rate of 25% for the year ended 31 December 2023 (2022: 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 2023 pursuant to the rules and regulations of their respective countries of incorporation (2022: 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 2023 (2022: 15%). In addition, this subsidiary is entitled to an additional 100% tax deduction to its assessable profits (2022: 100%) in respect of the qualified research and development costs incurred in the PRC.

(vi) 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 PER SHARE

(a) Basic earnings per share

The basic earnings per share for the year ended 31 December 2023 is calculated based on the profit attributable to equity shareholders of the Company of RMB25.3 million (2022: RMB72.1 million) and the weighted average of 6,208,734,000 ordinary shares (2022: 6,208,734,000 ordinary shares) in issue during the year ended 31 December 2023.

(b) Diluted earnings per share

There were no dilutive potential shares outstanding during the years ended 31 December 2023 and 2022. Hence, the diluted earnings per share is the same as basic earnings per share.

11 CONTRACT ASSETS AND CONTRACT LIABILITIES

(a) Contract assets

	2023	2022
	RMB'000	*RMB'000*
Contract assets		
Arising from performance under construction contracts	**1,651,721**	2,445,823
Less: loss allowance	**(463,233)**	(828,865)
	1,188,488	1,616,958

All of the amounts are expected to be billed within one year from the end of the reporting period, except for the amounts of RMB103.6 million at 31 December 2023 (31 December 2022: RMB107.5 million) related to retentions receivable (net of loss allowance) which are expected to be recovered over one year.

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

The amount of revenue recognised during the year from performance obligations satisfied (or partially satisfied) in previous periods is RMB110.3 million (2022: RMB28.0 million), mainly due to the changes in estimate of the stage of completion of certain construction contracts and approved contract modifications.

(b) Contract liabilities

	2023	2022
	RMB'000	*RMB'000*
Contract liabilities		
Construction contracts		
– Billings in advance of performance	**508,569**	495,830

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

	2023	2022
	RMB'000	*RMB'000*
Balance at 1 January	**495,830**	514,899
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	**(189,316)**	(244,046)
Increase in contract liabilities as a result of billing and receipt in advance of construction activities and recognising revenue during the year	**202,055**	224,977
Balance at 31 December	**508,569**	495,830

12 TRADE AND BILLS RECEIVABLES

	2023	2022
	RMB'000	*RMB'000*
Trade receivables for contract work due from:		
– third parties	**3,279,266**	3,249,339
– companies under the control of the Controlling Shareholder	**186,027**	179,560
	3,465,293	3,428,899
Bills receivable for contract work	**126,012**	115,715
Trade receivables for sale of raw materials due from:		
– third parties	**4,427**	4,446
– companies under the control of the Controlling Shareholder	**2,284**	1,701
	6,711	6,147
	3,598,016	3,550,761
Less: loss allowance	**(2,068,785)**	(1,916,328)
Financial assets measured at amortised cost	**1,529,231**	1,634,433

At 31 December 2023, the amount of retentions receivable from customers included in trade and bills receivables (net of loss allowance) is RMB325.3 million (31 December 2022: RMB398.9 million).

Except for retentions receivable (net of loss allowance) of RMB110.7 million at 31 December 2023 (31 December 2022: RMB87.2 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:

	2023	2022
	RMB'000	*RMB'000*
Within 1 year	**265,020**	241,984
1 to 2 years	**64,200**	122,224
More than 2 years	**1,200,011**	1,270,225
	1,529,231	1,634,433

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

13 TRADE AND BILLS PAYABLES

	2023	2022
	RMB'000	*RMB'000*
Trade payables for purchase of inventories due to:		
– third parties	**951,104**	1,105,141
– companies under the control of the Controlling Shareholder	**5,208**	4,893
	956,312	1,110,034
Trade payables due to sub-contractors	**607,476**	659,271
Bills payable	**9,386**	70,469
Financial liabilities measured at amortised cost	**1,573,174**	1,839,774

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:

	2023	2022
	RMB'000	*RMB'000*
Within 1 month or on demand	**1,568,302**	1,787,216
More than 1 month but less than 3 months	**2,050**	38,353
More than 3 months	**2,822**	14,205
	1,573,174	1,839,774

14 DIVIDENDS

(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 2023 (2022: 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 2023 (2022: HK$Nil).

15 CONTINGENT LIABILITIES

(a) Performance guarantee

At 31 December 2023, performance guarantee of approximately RMB171.0 million (31 December 2022: RMB558.4 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 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 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 RMB120.5 million) plus accrued interest. Shenyang Yuanda and Yuanda India deny any liability in respect of the appeal filed by the former sub-contractor and, based on legal advice, the directors 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 2022, A wholly-owned subsidiary of the Group, Yuanda (UK) Co., Ltd ("**Yuanda UK**") received a notice that Yuanda UK together with other various parties were being sued by Crest Nicholson in United Kingdom relating to defects of Admiralty Quarter development. Yuanda UK was the glazing sub-contractor for one building constructed by Ardmore Construction Limited, the main contractor. The Crest Nicholson estimated total cost for remedial works required to address all the defects amounting 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 was not able to determine as the resulting loss allocated to Yuanda UK has not been determined. Thus, the directors of the Company cannot reliably estimate the remaining compensation borned 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 RMB63.6 million) for the above damage. 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 borned by Yuanda Queensland. No provision has therefore been made in respect of this claim.

(iv) In addition to the lawsuit mentioned in Note 15(b)(i) to Note 15(b)(iii), certain subsidiaries of the Group are named defendants on other lawsuits, arbitrations or tax disputes in respect of construction work carried out by them. As at the date of this announcement, these lawsuits, arbitrations and disputes are under reviewed before courts, arbitrators or tax bureaus. If these subsidiaries are found to be liable, the total expected monetary compensation may amount to approximately RMB285.2 million, of which RMB51.6 million has already been provided for and the Group's bank deposits and other deposits of RMB93.4 million at 31 December 2023 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, 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

Looking back at 2023, the global economic growth slowed down modestly, and the global economic recovery faced a lot of pressure and challenges under the environment of long-term impact of the pandemic, geopolitical tensions, high inflation and high interest rates. China's economy has steadily rebounded. According to the data released by the National Bureau of Statistics of China, the gross domestic product ("**GDP**") in 2023 was approximately RMB126,058.2 billion, representing an increase of 5.2% over the previous year. The intensity and effectiveness of the central government's regulatory policies have gradually become clear, and high-quality development has been solidly promoted.

The real estate industry is still facing a relatively long adjustment period, with fierce competition of real estate enterprises. In the face of the challenging market environment, the Group adheres to the development direction of "healthy enterprise, healthy employee, and healthy service", strengthens the control of operational risks, strictly controls the quality of contracts, strengthens cash flow management, and seeks the long-term development path of the enterprise.

For the year ended 31 December 2023, the profit attributable to equity shareholders of the Company was about RMB25.3 million (2022: about RMB72.1 million). The main reason was the decrease in foreign exchange gains as compared to the year ended 31 December 2022.

Newly-awarded projects (including VAT)

During the year 2023, the aggregate amount of newly-awarded projects of the Group increased by about RMB2,712.2 million or 126.9% as compared with last year to about RMB4,849.6 million (2022: about RMB2,137.4 million). The main reason for the increase was the Group's deep cultivation of customer resources and significant growth in overseas markets.

	2023		2022	
	Numbers of projects	***RMB million***	*Numbers of projects*	*RMB million*
Domestic	**100**	**2,220.6**	79	1,494.2
Overseas	**34**	**2,629.0**	37	643.2
Total	**134**	**4,849.6**	116	2,137.4

Backlog

As at 31 December 2023, the remaining contract value of backlog of the Group decreased by about RMB1,262.9 million or 11.4% as compared with last year to about RMB9,857.6 million (31 December 2022: about RMB11,120.5 million), which could support a sustainable development of the Group for the next 2-3 years.

	2023		2022	
	Remaining value of contracts		Remaining value of contracts	
	Numbers of projects	***RMB million***	*Numbers of projects*	*RMB million*
Domestic	**222**	**5,759.4**	208	4,799.4
Overseas	**79**	**4,098.2**	80	6,321.1
Total	**301**	**9,857.6**	288	11,120.5

Major technology achievements and awards

In 2023, the Group obtained 14 patents for utility model.

BUSINESS PROSPECTS

In 2024, the international economic situation is expected to remain complex and uncertain. Factors such as the restoration and reconstruction of the global supply chain triggered by geopolitical risks, the decline in international trade level, and the high inflationary pressure will continue to constrain the global economic growth. However, as the interest rate hike cycle of major developed economies gradually ends, it will have a positive impact on the global financial environment in the future. At the same time, the basic trend of long-term positive economic development in China will continue. In the face of the complex and volatile economic environment, the Group will firmly focus on its main business objectives, gain insight into potential market opportunities, continuously increase its efforts in open operation and international operation, and strive to improve its global resource allocation capabilities and comprehensive capabilities in R&D, manufacturing and services. At the same time, the Group will place the construction of safe operation at the core of corporate development, maintain operational resilience and stabilise asset quality. The Group also attaches great importance to sustainable development and creating value for customers.

FINANCIAL REVIEW

Revenue

For the year ended 31 December 2023, the Group's revenue was about RMB2,569.5 million (2022: about RMB3,263.6 million), representing a decrease of about RMB694.1 million or 21.3% as compared with the corresponding period of last year. This was mainly due to the delay in the progress of certain projects caused by the unfavourable macroeconomic situation, of which:

1. the revenue from domestic market of the Group decreased by about RMB440.8 million or 29.9% as compared with last year to about RMB1,031.1 million (2022: about RMB1,471.9 million), contributing about 40.1% of the total revenue of the Group; and

2. the revenue from overseas market of the Group amounted to about RMB1,538.4 million (2022: about RMB1,791.7 million), representing a decrease of about RMB253.3 million or 14.1% as compared with last year, contributing about 59.9% of the total revenue of the Group.

Cost of sales

In 2023, the cost of sales of the Group decreased by about RMB822.1 million or 28.6% as compared with last year to about RMB2,054.2 million (2022: about RMB2,876.3 million).

Adjusted gross profit margin

In 2023, the Group's adjusted gross profit margin was about 15.4% (2022: about 11.1%), representing an increase of about 4.3 percentage points over the same period last year. The increase was mainly due to the cost saving and strict budgetary control policies, of which:

1. the domestic adjusted gross profit margin of the Group decreased by about 0.8 percentage points as compared with last year to about 16.9% (2022: about 16.1%); and

2. the overseas adjusted gross profit margin of the Group was about 14.4% (2022: about 6.9%), representing an increase of about 7.5 percentage points as compared with last year.

Other income

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

In 2023, the other income of the Group decreased by about RMB25.2 million or 98.8% as compared with last year to about RMB0.3 million (2022: about RMB25.5 million), mainly due to the increase in net loss on disposal of property, plant and equipment.

Selling expenses

In 2023, the Group's selling expenses amounted to approximately RMB59.3 million (2022: about RMB56.5 million), representing an increase of approximately RMB2.8 million or 5% as compared with last year, accounting for about 2.3% (2022: 1.7%) of the Group's operating income. The increase was due to the increase in marketing and promotion activities in 2023.

Administrative expenses

In 2023, the Group's administrative expenses amounted to about RMB356.4 million (2022: about RMB371.1 million), representing a decrease of about RMB14.7 million or 4% as compared with last year, and accounted for about 13.9% (2022: 11.4%) of the Group's revenue. Such increase was mainly due to the decrease in revenue in 2023.

Net finance income

In 2023, the Group's net finance income amounted to about RMB43.5 million (2022: about RMB147.4 million), representing an decrease of about RMB103.9 million or 70.5% as compared with last year, and accounted for 1.7% (2022: 4.5%) of the Group's operating income. This was mainly due to the decrease in exchange gains.

Income tax

In 2023, the income tax benefit of the Group was about RMB5.5 million (2022: an income tax expense of about RMB36.5 million), which mainly due to the Group turning from taxable profit last year to taxable loss this year.

Consolidated net profit

As a result of the foregoing, in 2023, the consolidated net profit of the Group was about RMB25.3 million (2022: RMB72.1 million).

Profit attributable to equity shareholders of the Company

In 2023, the profit attributable to equity shareholders of the Company was about RMB25.3 million (2022: RMB72.1 million). The main reason was the decrease in foreign exchange gains as compared with the year ended 31 December 2022.

Net current assets and financial resources

As at 31 December 2023, the net current assets of the Group decreased by about RMB138.4 million or 45.0% as compared with last year to about RMB169.4 million (31 December 2022: about RMB307.8 million). This was mainly due to the decrease of the net current assets of the overseas operation resulting from the exchange difference on translation.

As at 31 December 2023, the restricted deposits of the Group decreased by about RMB380.1 million or 54.2% as compared with last year to about RMB321.0 million (31 December 2022: about RMB701.1 million), which were mainly denominated in RMB.

As at 31 December 2023, the cash and cash equivalents of the Group increased by about RMB55.0 million or 25.1% as compared with last year to about RMB274.5 million (31 December 2022: about RMB219.5 million), which were mainly denominated in RMB, USD, Qatar Riyal, Euro, GBP and AUD.

Bank loans, other borrowings and gearing ratio

As at 31 December 2023, the Group's total bank loans amounted to about RMB714.0 million (31 December 2022: about RMB855.0 million), representing a decrease of about RMB141.0 million or 16.5% as compared with last year. As at 31 December 2023, the bank loans which should be repaid within one year were denominated in RMB.

As at 31 December 2023, the Group's total other borrowings amounted to about RMB424.4 million (31 December 2022: about RMB820.8 million), representing a decrease of about RMB396.4 million or 48.3% as compared with last year. The Group's gearing ratio (calculated by total liabilities divided by total assets) was 82.2% (31 December 2022: 82.9%).

Turnover days

Turnover days (day)	**2023**	2022
Receivables *(note 1)*	**353**	302
Trade and bills payables *(note 2)*	**429**	315
Inventory *(note 3)*	**124**	75

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 increased by about 51 days or 16.9% as compared with last year to about 353 days (2022: about 302 days).

During the Reporting Period, the turnover days of trade and bill payables increased by about 114 days or 36.2% as compared with last year to about 429 days (2022: about 315 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 2023, the inventory and contract costs of the Group decreased by about RMB51.7 million or 16.6% as compared with last year to about RMB259.2 million (31 December 2022: about RMB310.9 million).

Capital expenditure

In 2023, the payment for capital expenditure of the Group increased by about RMB1.2 million or 200% as compared with last year to about RMB1.8 million (2022: about RMB0.6 million), which was mainly the expenditure on the purchase of piecemeal machinery and equipment in 2023.

Foreign exchange risk

The overseas projects of the Group were mainly dominated in USD, GBP and AUD. To hedge any foreign exchange risks, the Group has entered into forward foreign exchange contracts which hedge the forecast transactions and monetary assets denominated in foreign currencies of the Group. 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 at 31 December 2023 are set out in Note 15.

Charge on assets

As at 31 December 2023, the aggregate carrying value of the property, plant and equipment, land use rights pledged for the Group's bank loans is RMB350.4 million (31 December 2022: RMB358.0 million).

As at 31 December 2023, the carrying value of the time and other deposits pledged for the bank bills and letter of credit issued by the Group is RMB155.7 million (31 December 2022: RMB479.4 million).

As at 31 December 2023, the carrying value of RMB45.4 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 RMB116.9 million (31 December 2022: RMB162.3 million).

As at 31 December 2023, the aggregate carrying value of the trade receivables and contract assets pledged for the Group's bank loan is RMB10.7 million (2022: Nil).

Save as disclosed above, the Group had no other charge on its assets as at 31 December 2023.

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 at 31 December 2023.

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 at 31 December 2023, an accumulated amount of approximately HK$2,064 million of the proceeds from the Global Offering (of which, expansion of production capacity: HK$621 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$339 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 at 31 December 2023, the Group had 2,376 full-time employees in total (31 December 2022: 2,511). The decrease in number of full-time employees was a result of the Group's headcount optimization. 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 2023 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 2023 have also been reviewed and approved by the audit committee of the Company (the "**Audit Committee**"), comprising all the four independent non-executive Directors, namely, Mr. Woo Kar Tung, Raymond (Chairman of the Audit Committee), Mr. Wang Yuhang, Ms. Yang Qianwen 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 2023, the Company has complied with all code provisions of the Corporate Governance Code as set forth in 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 2023.

FINAL DIVIDENDS

The Board has resolved not to declare any final dividend for the year ended 31 December 2023 (2022: Nil).

ANNUAL GENERAL MEETING

The annual general meeting of the Company (the "**Annual General Meeting**") will be held on Tuesday, 4 June 2024. 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 who will be eligible to attend and vote at the Annual General Meeting, the register of members of the Company will be closed from Thursday, 30 May 2024 to Tuesday, 4 June 2024 (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 Group's share registrar in Hong Kong, Link Market Services (Hong Kong) Pty Limited, at Suite 1601, 16/F., Central Tower, 28 Queen's Road Central, Central, Hong Kong by no later than 4:30 p.m. on Wednesday, 29 May 2023 for registration of the relevant transfer.

PURCHASE, SALE AND REDEMPTION OF LISTED SECURITIES OF THE GROUP

For the year ended 31 December 2023, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities 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 2023.

CHANGE OF AUDITORS

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

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

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

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

APPRECIATION

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

PUBLICATION OF ANNUAL REPORT

This results announcement is published on the websites of the Stock Exchange (http://www.hkexnews.hk) and the Group (http://www.yuandacn.com). The annual report of the Company for the year ended 31 December 2023 will be made available for review on the aforesaid websites in due course.

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

The PRC, 28 March 2024

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. Woo Kar Tung, Raymond Mr. Wang Yuhang, Ms. Yang Qianwen and Mr. Ha Gang.