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CNYD

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

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2789)

RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2020

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 2020 (the "**Reporting Period**"), together with comparative figures for the year ended 31 December 2019.

FINANCIAL HIGHLIGHTS	**2020 (Approximately)**	2019 (Approximately)	Percentage Change (Approximately)
Revenue *(RMB million)*	**2,735.6**	4,041.3	(32.3%)
Adjusted gross profit margin *(Note)*	**5.8%**	20.7%	(14.9%)
Consolidated net (loss)/profit *(RMB million)*	**(690.6)**	89.8	>(100%)
(Loss)/profit attributable to equity shareholders of the Company *(RMB million)*	**(690.6)**	89.8	>(100%)
Net cash generated from operating activities *(RMB million)*	**10.2**	129.9	(92.1%)
Basic and diluted (loss)/earnings per share *(RMB cents)*	**(11.12)**	1.45	>(100%)
Proposed final dividend per share *(HKD cents)*	**NIL**	NIL	

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

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2020

(Expressed in Renminbi ("RMB"))

	Note	**2020** **RMB'000**	2019 *RMB'000*
Revenue	*6*	**2,735,572**	4,041,253
Cost of sales		**(2,283,778)**	(3,049,917)
Gross profit		**451,794**	991,336
Other income	*7*	**39,869**	121,362
Selling expenses		**(77,233)**	(86,541)
Administrative expenses		**(454,927)**	(531,707)
Expected credit losses of financial and contract assets		**(322,583)**	(155,909)
(Loss)/profit from operations		**(363,080)**	338,541
Finance costs	*8(a)*	**(227,642)**	(142,523)
(Loss)/profit before taxation	*8*	**(590,722)**	196,018
Income tax	*9*	**(99,903)**	(106,198)
(Loss)/profit for the year attributable to equity shareholders of the Company		**(690,625)**	89,820
(Loss)/earnings per share (RMB cents)			
– Basic and diluted	*10*	**(11.12)**	1.45

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2020
(Expressed in RMB)

	2020	2019
	RMB'000	*RMB'000*
(Loss)/profit for the year	**(690,625)**	89,820
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 of the Company and certain subsidiaries into presentation currency	**59,648**	(66,252)
Other comprehensive income for the year	**59,648**	(66,252)
Total comprehensive income for the year attributable to equity shareholders of the Company	**(630,977)**	23,568

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2020

(Expressed in RMB)

	Note	2020 RMB'000	2019 RMB'000
Non-current assets			
Property, plant and equipment		**356,711**	387,236
Right-of-use assets		**237,738**	249,404
Investment property		**34,954**	31,135
Deferred tax assets		**370,984**	466,236
		1,000,387	1,134,011
Current assets			
Inventories and other contract costs		**366,411**	322,001
Contract assets	*11(a)*	**1,840,107**	2,568,142
Trade and bills receivables	*12*	**2,539,171**	2,918,319
Deposits, prepayments and other receivables		**617,786**	712,604
Cash on hand and in bank		**2,012,606**	1,878,068
		7,376,081	8,399,134
Current liabilities			
Trade and bills payables	*13*	**2,060,752**	2,582,442
Contract liabilities	*11(b)*	**566,515**	823,187
Accrued expenses and other payables		**2,097,872**	1,265,355
Bank loans		**699,200**	1,645,000
Income tax payable		**212,960**	226,930
Provision for warranties		**48,773**	82,023
		5,686,072	6,624,937
Net current assets		**1,690,009**	1,774,197
Total assets less current liabilities		**2,690,396**	2,908,208

	Note	2020 RMB'000	2019 RMB'000
Non-current liabilities			
Bank loans		**400,000**	–
Lease liabilities		**4,215**	2,554
Deferred tax liabilities		**404**	173
Provision for warranties		**185,025**	173,786
		589,644	176,513
NET ASSETS		**2,100,752**	2,731,695
CAPITAL AND RESERVES			
Share capital		**519,723**	519,723
Reserves		**1,581,029**	2,211,972
TOTAL EQUITY		**2,100,752**	2,731,695

NOTES

(Expressed in RMB unless otherwise indicated)

1 CORPORATE INFORMATION

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 financial statements have been prepared in accordance with all applicable International Financial Reporting Standards ("IFRSs"), which collective term includes all applicable individual International Financial Reporting Standards, International Accounting Standards ("IASs") and related Interpretations issued by the International Accounting Standards Board (the "IASB"). The 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"). Significant accounting policies adopted by the Group are disclosed below.

The IASB has issued certain amendments to IFRSs 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 the 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 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 mainland China in Renminbi, the consolidated financial statements are presented in Renminbi.

The Group had incurred a net loss of RMB690,625,000 for the year ended 31 December 2020(31 December 2019: net profit of RMB89,820,000). Notwithstanding the above, based on a cash flow forecast of the Group for the twelve months ending 31 December 2021 prepared by the management, which has taken into account the unutilised bank facilities and the expected renewal of the short-term loans upon maturity, the directors of the Company are of the opinion that the Group will 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 and it is appropriate to prepare the consolidated financial statements on a going concern basis.

The preparation of financial statements in conformity with IFRSs 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 IFRSs 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:

(a) Revenue recognition

Revenue from construction contracts is recognised over time. Such revenue and profit recognition on incompleted 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.

(b) 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 repay, additional impairment provision would be required.

(c) 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, it is probable that the recent claim experience is not indicative of future claims that the Group will receive in respect of past construction of curtain wall systems. Any increase or decrease in the provision would affect profit or loss in future years.

(d) Deferred tax

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.

(e) Impairment of property, plant and equipment and right-of-use assets

In considering the impairment losses that may be required for the Group's property, plant and equipment and construction in progress, the recoverable amount of the asset needs to be determined. The recoverable amount is the greater of fair value less cost of disposal and the value in use. It is difficult to precisely estimate fair value less cost of disposal because quoted market prices for these assets may not be readily available. In determining the value in use, expected future cash flows generated by the asset are discounted to their present value, which requires significant judgement relating to the level of revenue and amount of operating costs. 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 and projections of the level of revenue and amount of operating costs. Changes in these estimates could have a significant impact on the carrying value of the assets and could result in additional impairment charge or reversal of impairment in future periods, where applicable.

5 CHANGES IN ACCOUNTING POLICIES

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

- Amendments to IFRS 3, *Definition of a Business*
- Amendments to IFRS 9, IAS 39 and IFRS 7, *Interest Rate Benchmark Reform*
- Amendments to IAS 1 and IAS 8, *Definition of Material*
- Amendment to IFRS 16, *Covid-19-Related Rent Concessions*

None of these developments have had a material effect on how the Group's results and financial position for the current 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 REPORT

(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

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

	2020	2019
	RMB'000	*RMB'000*
Revenue from contracts with customers within the scope of IFRS 15		
Over time	**2,644,195**	3,842,877
Point in time	**91,377**	198,376
	2,735,572	4,041,253

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

Revenue represents contract revenue derived from the design, procurement, production, sale and installation of curtain wall systems.

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 2020 and 2019.

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

As at 31 December 2020, the aggregated amount of the transaction price allocated to the remaining performance obligations under the Group's existing contracts is RMB8,039.6 million (2019: RMB8,033.1 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.

As at 31 December 2020, the aggregated amount of the expected transaction price of the potential contracts (inclusive of value-added tax) of which the Group has won the bidding is RMB3,949.9 million (2019: RMB4,894.5 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 the mainland China.

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

(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 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 2020 and 2019. The Group's other operating expenses, such as selling and administrative expenses, impairment losses for other financial assets and finance costs, are not measured under individual segments.

During the year ended 31 December 2020, 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 2020 and 2019 is set out below.

	2020		
	Domestic	**Overseas**	**Total**
	RMB'000	***RMB'000***	***RMB'000***
Revenue from external customers and reportable segment revenue	**1,236,767**	**1,498,805**	**2,735,572**
Reportable segment adjusted gross profit	**116,490**	**41,748**	**158,238**

	2019		
	Domestic *RMB'000*	Overseas *RMB'000*	Total *RMB'000*
Revenue from external customers and reportable segment revenue	1,703,621	2,337,632	4,041,253
Reportable segment adjusted gross profit	381,985	453,526	835,511

(ii) Reconciliation of reportable segment profit or loss

	2020 ***RMB'000***	2019 *RMB'000*
Reportable segment adjusted gross profit	**158,238**	835,511
Other income	**39,869**	121,362
Selling expenses	**(77,233)**	(86,541)
Administrative expenses	**(454,927)**	(531,707)
Expected credit losses of other financial assets	**(29,027)**	(84)
Finance costs	**(227,642)**	(142,523)
(Loss)/profit before taxation	**(590,722)**	196,018

(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.

	2020 ***RMB'000***	2019 *RMB'000*
Revenue from contracts with customers within the scope of IFRS 15		
Disaggregated by geographical location of customers		
Mainland China	**1,236,767**	1,703,621
United States of America	**431,733**	426,254
United Kingdom	**407,847**	540,872
Australia	**159,429**	439,847
Others	**499,796**	930,659
	1,498,805	2,337,632
	2,735,572	4,041,253

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

7 OTHER INCOME

	2020	2019
	RMB'000	*RMB'000*
Government grants	**28,648**	27,646
Rental income from investment property	**8,463**	1,972
Rental income from operating leases, other than those relating to investment property	**144**	170
Net income from provision of repairs and maintenance services	**2,506**	4,589
Net gain/(loss) from sale of scrap materials	**65**	(4,972)
Net gain on disposal of property, plant and equipment, land use rights and assets classified as held for sale *(Note (i))*	**43**	91,957
	39,869	121,362

Note:

(i) The amounts for the year ended 31 December 2019 included a net gain of RMB89.4 million arising from disposal of land use rights and properties classified as assets classified as held for sale.

8 (LOSS)/PROFIT BEFORE TAXATION

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

(a) Finance costs:

	2020	2019
	RMB'000	*RMB'000*
Interest on borrowings	**151,397**	175,055
Interest on lease liabilities	**1,710**	1,055
Bank charges and other finance costs	**21,086**	28,516
Total borrowing costs	**174,193**	204,626
Interest income	**(31,202)**	(21,986)
Net foreign exchange loss/(gain)	**144,509**	(54,948)
Net (gain)/loss on forward foreign exchange contracts	**(59,858)**	14,831
	227,642	142,523

No borrowing costs have been capitalised for the year ended 31 December 2020 and 2019.

(b) Staff costs#:

	2020	2019
	RMB'000	*RMB'000*
Salaries, wages and other benefits	**551,599**	624,060
Contributions to defined contribution retirement plans	**32,657**	64,449
	584,256	688,509

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 13% to 16% (2019: from 12% to 20%) 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 above mentioned retirement schemes at their normal retirement age. During the year ended 31 December 2020, the subsidiaries established in the PRC have been granted certain exemption on the contribution to defined contribution retirement plans by local government authority as a result of the COVID-19 pandemic for the period from February 2020 to December 2020.

The employees of the subsidiaries of the Group established outside of the PRC 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.

The Group does not have any further material obligations for payments of other retirement benefits beyond the above annual contributions.

(c) Other items:

	2020	2019
	RMB'000	*RMB'000*
Depreciation and amortisation#		
– owned property, plant and equipment	**29,828**	31,617
– right-of-use assets	**40,498**	17,720
– investment property	**1,130**	489
Impairment losses on trade and other receivables and contract assets	**322,583**	155,909
Research and development costs#	**109,645**	156,092
Increase in provision for warranties#	**57,246**	75,416
Cost of inventories#	**2,283,778**	3,049,917

Cost of inventories includes RMB316.8 million for the year ended 31 December 2020 (2019: RMB424.2 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 for each of these types of expenses.

9 INCOME TAX

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

	2020	2019
	RMB'000	*RMB'000*
Current tax:		
– provision for corporate income tax in respective jurisdictions	**6,827**	16,349
Deferred tax:		
– origination and reversal of temporary differences	**93,076**	89,849
	99,903	106,198

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

	2020	2019
	RMB'000	*RMB'000*
(Loss)/profit before taxation	**(590,722)**	196,018
Expected tax on (loss)/profit before taxation, calculated at the rates applicable to profits in the jurisdictions concerned *(Notes (i), (ii), (iii) and (iv))*	**(144,747)**	48,515
Tax effect of non-deductible expenses	**11,956**	4,077
Tax effect of non-taxable income	**–**	(3,545)
Tax effect of utilisation of prior years' unused tax losses previously not recognised	**(2,440)**	(8,600)
Tax effect of unused tax losses and deductible temporary differences not recognised	**37,308**	54,783
Tax effect of reversal of recognised deferred tax	**167,683**	–
Tax concessions and effect of changes of tax rate *(Note (v))*	**30,143**	10,968
Income tax	**99,903**	106,198

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 2020 (2019: 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 2020 (2019: 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 2020 (2019: 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 2020 pursuant to the rules and regulations of their respective countries of incorporation (2019: 8.5% to 35%).

(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 2020 to 2022 and therefore enjoys a preferential PRC Corporate Income Tax rate of 15% for the year ended 31 December 2020 (2019: 15%). In addition to the preferential PRC Corporate Income Tax rate, this subsidiary entitles an additional tax deductible allowance amounted to 75% (2019: 75%) of the qualified research and development costs incurred in the PRC by this subsidiary.

10 BASIC AND DILUTED (LOSS)/EARNINGS PER SHARE

(a) Basic (loss)/earnings per share

The basic loss per share for the year ended 31 December 2020 is calculated based on the loss attributable to equity shareholders of the Company of RMB690.6 million (2019: profit attributable to equity shareholders of the Company of RMB89.8 million) and the weighted average of 6,208,396,000 ordinary shares (2019: 6,208,147,000 ordinary shares) in issue during the year ended 31 December 2020, calculated as follows:

Weighted average number of ordinary shares

	2020 **No. of shares** ***'000***	2019 No. of shares *'000*
Issued ordinary shares at 1 January	**6,208,147**	6,208,147
Effect of termination of the Share Award Scheme	**249**	–
Weighted average number of ordinary shares at 31 December	**6,208,396**	6,208,147

(b) Diluted (loss)/earnings per share

There were no dilutive potential shares outstanding during the years ended 31 December 2020 and 2019. Hence, the diluted (loss)/earnings per share is the same as basic (loss)/earnings per share.

11 CONTRACT ASSETS AND CONTRACT LIABILITIES

(a) Contract assets

	2020	2019
	RMB'000	*RMB'000*
Contract assets		
Arising from performance under construction contracts	**2,306,997**	2,959,015
Less: loss allowance	**(466,890)**	(390,873)
	1,840,107	2,568,142

All of the amounts are expected to be billed within one year from the end of the reporting period, except for the amounts of RMB225.8 million at 31 December 2020 (31 December 2019: RMB285.7 million) related to retentions receivable (net of loss allowance) which are expected to be recovered over one year.

Included in the contract assets are amounts of RMB0.7 million at 31 December 2020 (31 December 2019: RMB0.7 million) due from the companies under the control of the Controlling Shareholder.

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 may be granted to customers for retentions receivable, depending on the market practice of construction industries in countries where construction contracts are carried out and credit assessment carried out 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 RMB170.8 million (2019: RMB328.1 million), mainly due to the changes in estimate of the stage of completion of certain construction contracts and approved contract modifications.

(b) Contract liabilities

	2020	2019
	RMB'000	*RMB'000*
Contract liabilities		
Construction contracts		
– Billings in advance of performance	**566,515**	823,187

Included in contract liabilities are amounts of RMB3.2 million at 31 December 2020 (31 December 2019: RMB3.2 million) due to the companies under the control of the Controlling Shareholder.

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

When the Group receives a deposit before the production 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

	2020	2019
	RMB'000	*RMB'000*
Balance at 1 January	**823,187**	881,998
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	**(435,011)**	(521,915)
Increase in contract liabilities as a result of billing and receipt in advance of construction activities	**178,339**	463,104
Balance at 31 December	**566,515**	823,187

12 TRADE AND BILLS RECEIVABLES

	2020	2019
	RMB'000	*RMB'000*
Trade receivables for contract work due from:		
– third parties	**3,802,475**	3,959,752
– companies under the control of the Controlling Shareholder	**172,252**	180,270
	3,974,727	4,140,022
Bills receivable for contract work	**65,472**	86,878
Trade receivables for sale of raw materials due from:		
– third parties	**3,940**	3,472
– companies under the control of the Controlling Shareholder	**1,809**	1,777
	5,749	5,249
	4,045,948	4,232,149
Less: loss allowance	**(1,506,777)**	(1,313,830)
Financial assets measured at amortised cost	**2,539,171**	2,918,319

At 31 December 2020, the amount of retentions receivable from customers included in trade and bills receivables (net of loss allowance) is RMB725.9 million (31 December 2019: RMB726.8 million).

Except for retentions receivable (net of loss allowance) of RMB204.6 million at 31 December 2020 (31 December 2019: RMB208.5 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:

	2020	2019
	RMB'000	*RMB'000*
Within 1 year	**816,015**	1,114,630
More than 1 year	**1,723,156**	1,803,689
	2,539,171	2,918,319

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

13 TRADE AND BILLS PAYABLES

	2020	2019
	RMB'000	*RMB'000*
Trade payables for purchase of inventories due to:		
– third parties	**996,351**	1,074,014
– companies under the control of the Controlling Shareholder	**5,197**	1,817
	1,001,548	1,075,831
Trade payables due to sub-contractors	**634,863**	686,194
Bills payable	**424,341**	820,417
Financial liabilities measured at amortised cost	**2,060,752**	2,582,442

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:

	2020	2019
	RMB'000	*RMB'000*
Within 1 month or on demand	**1,754,743**	2,059,570
More than 1 month but less than 3 months	**127,429**	122,718
More than 3 months	**178,580**	400,154
	2,060,752	2,582,442

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 2020 (2019: 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 2020 (2019: HK$Nil).

15 CONTINGENT LIABILITIES

(a) Guarantees issued

At 31 December 2020, the Group has issued the following guarantees:

	2020	2019
	RMB'000	*RMB'000*
Guarantees for construction contracts' bidding, performance and retentions	**1,930,375**	1,901,761

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 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 RMB7.3 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 RMB125.7 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 January 2018, Shenyang Yuanda sued a customer in Beijing Third Intermediate People's Court to demand payment of the outstanding construction payable of RMB48.1 million, later this customer filed a counterclaim against Shenyang Yuanda claiming for RMB102.9 million due to additional costs incurred for project delays and quality defects. As at the date of this announcement, the lawsuit is under review by the Beijing Third Intermediate People's Court. If Shenyang Yuanda is found to be liable, the total expected monetary compensation may amount to approximately RMB102.9 million. Shenyang Yuanda continues to deny any liability in respect of the counterclaim and, based on legal advice, the directors of the Company do not believe it is probable that the court will find against Shenyang Yuanda. No provision had therefore been made in respect of this claim.

(iii) In addition to the lawsuits mentioned in Notes 15(b)(i) to 15(b)(ii), certain subsidiaries of the Group are named defendants on other lawsuits or arbitrations in respect of construction work carried out by them. As at the date of this announcement, these lawsuits and arbitrations are under reviewed before courts or arbitrators. If these subsidiaries are found to be liable, the total expected monetary compensation may amount to approximately RMB231.6 million, of which RMB17.3 million has already been provided for and the Group's bank deposits of RMB98.1 million at 31 December 2020 was frozen by courts for certain of these lawsuits. Based on legal advices, the directors of the Company do not believe it is probable that the courts or arbitrators will find against these subsidiaries of the Group on these lawsuits and arbitrations.

(c) Contingent compensation payable

In July 2016, it was reported that certain construction materials supplied by the Group was found to contain asbestos in two construction projects in Australia. The Group is cooperating with relevant authorities on investigation into the reason for the reported cases. As at the date of the announcement, asbestos was not found in other projects constructed by the Group and there was no related legal action against the Group in Australia. As the investigation is yet to be completed and claims against the Group from contractors have not been quantified, the directors of the Company cannot reliably estimate the repair cost and potential compensation for projects found with asbestos. No provision in this regard has therefore been made.

BUSINESS REVIEW

Overall performance

Looking back at 2020, the COVID-19 pandemic caused significant effects to the world economy and major economies experienced recession to different extent. Many countries continued to struggle against the COVID-19 and maintaining economic activities and the volatility of the COVID-19 caused difficulties in economic recovery. However, with the domestic COVID-19 pandemic under effective control, China's economy showed the trend of recovery and the gross domestic product expanded by 2.3% year on year, making it the only major economy with positive economic growth in the world. The Company has been actively promoting the resumption of work and production and accelerated the construction progress, the overall scale of domestic operating income recovered to about 70% of the same period last year. In terms of oversea market, as the COVID-19 continues and the anti-epidemic policies for public health are still in place, the revenue from overseas market is impacted by the delays in construction period. Nevertheless, the Group has effectively coped with the impact of the COVID-19, reduced variable costs and integrated fixed assets. Meanwhile the Group adhered to technological innovation and obtained 26 patents in 2020 which empower high-quality development for the future. Moreover, the management implemented adjustment in their remuneration believing that together with the Group they can get through the difficulties.

For the year ended 31 December 2020, the loss attributable to equity shareholders of the Company of the Group was about RMB690.6 million (2019: a profit of about RMB89.8 million). The main reason was that the adverse effect on the global economy brought by the prolonged outbreak of COVID-19 during the year 2020 resulted in a postponement of construction projects and the expected credit loss allowances recognised for financial and contract assets.

Newly-awarded projects (including VAT)

During the year 2020, the aggregate amount of newly-awarded projects of the Group decreased by about RMB2,171.7 million or 46.9% as compared with last year to about RMB2,455.1 million (2019: about RMB4,626.8 million). The main reason for the decrease was that the Group took a more prudent and cautious operating strategy to avoid the credit risks from customers whose cash flow may be affected by COVID-19.

	2020		2019	
	Numbers of projects	***RMB million***	Numbers of projects	*RMB million*
Domestic	**24**	**997.9**	33	1,213.5
Overseas	**18**	**1,457.2**	27	3,413.3
Total	**42**	**2,455.1**	60	4,626.8

Backlog

As at 31 December 2020, the remaining contract value of backlog of the Group decreased by about RMB938.1 million or 7.3% as compared with last year to about RMB11,989.5 million (31 December 2019: about RMB12,927.6 million), which could support a sustainable development of the Group for the next 2-3 years.

	2020		2019	
	Remaining value of contracts		Remaining value of contracts	
	Number of projects	***RMB million***	Number of projects	*RMB million*
Domestic	**208**	**4,493.9**	218	4,682.0
Overseas	**93**	**7,495.6**	85	8,245.6
Total	**301**	**11,989.5**	303	12,927.6

Major technology achievements and awards

In 2020, the Group obtained 26 patents for utility model.

BUSINESS PROSPECTS

Looking forward to 2021, with the popularization of vaccines, it is expected that the global prevention and control of the COVID-19 pandemic will gradually improve and the world economy will recover. However, there are still uncertainties in the development of the epidemic and the process of economic recovery. The Group will continue to pay close attention to the non-synchronized economic recovery owing to the inconsistent progress of COVID-19 vaccination in each country. The Group will also continue to closely monitor and promptly respond to any kinds of derivative risks (trade protectionism, geo-political tensions, etc) under the impact of the pandemic.

FINANCIAL REVIEW

Revenue

For the year ended 31 December 2020, the revenue of the Group decreased by about RMB1,305.7 million or 32.3% as compared with last year to about RMB2,735.6 million (2019: about RMB4,041.3 million). The decline is due to the adverse effect on the global economy brought by the prolonged outbreak of COVID-19 resulted in a postponement of construction projects. Among which:

1. the revenue from domestic market of the Group decreased by about RMB466.8 million or 27.4% as compared with last year to about RMB1,236.8 million (2019: about RMB1,703.6 million), contributing approximately 45.2% of the total revenue of the Group; and

2. the revenue from overseas market of the Group decreased by about RMB838.8 million or 35.9% as compared with last year to about RMB1,498.8 million (2019: about RMB2,337.6 million), contributing approximately 54.8% of the total revenue of the Group.

Cost of sales

In 2020, the cost of sales of the Group decreased by about RMB766.1 million or 25.1% as compared with last year to about RMB2,283.8 million (2019: about RMB3,049.9 million). With the decrease in revenue during 2020, the related costs of sales decreased correspondingly.

Adjusted gross profit margin

In 2020, the adjusted gross profit margin of the Group decreased by about 14.9% to 5.8% (2019: about 20.7%). The decrease was mainly attributable to the adverse effect on the global economy brought by the prolonged outbreak of COVID-19 during the year 2020 resulted in a postponement of construction projects and the expected credit loss allowances recognised for financial and contract assets. Among which:

1. the domestic adjusted gross profit margin of the Group decreased by about 13.0% as compared with last year to about 9.4% (2019: about 22.4%); and

2. the overseas adjusted gross profit margin of the Group decreased by about 16.6% as compared with last year to about 2.8% (2019: about 19.4%).

Other income

Other income of the Group primarily comprised of government grants, rental revenue from operating leases, net income from provision of repairs and maintenance services.

In 2020, the other income of the Group decreased by about RMB81.5 million or 67.1% as compared with last year to about RMB39.9 million (2019: about RMB121.4 million). The decrease in the Group's other income was mainly due to the decline in net gain on disposal of property and land use rights classified as held for sale during the Reporting Period.

Selling expenses

In 2020, the selling expenses of the Group decreased by about RMB9.3 million or 10.8% as compared with last year to about RMB77.2 million (2019: about RMB86.5 million), accounted for approximately 2.8% of the operating revenue of the Group (2019: 2.1%).

Administrative expenses

In 2020, the administrative expenses of the Group decreased by about RMB76.8 million or 14.4% as compared with last year to about RMB454.9 million (2019: about RMB531.7 million), accounted for approximately 16.6% of the operating revenue of the Group (2019: 13.2%). This was mainly due to the certain exemption on the contribution to defined contribution retirement plans by local government authority as a result of the COVID-19 pandemic and the decrease of unnecessary commuting and transportation activities.

Finance costs

In 2020, the finance costs of the Group increased by about RMB85.1 million or 59.7% as compared with last year to about RMB227.6 million (2019: about RMB142.5 million), accounted for 8.3% of the operating revenue of the Group (2019: 3.5%). This was mainly due to foreign exchange recognised as a net loss during the Reporting Period rather than a net profit in last year.

Income tax

In 2020, the income tax expense of the Group decreased by about RMB6.3 million or 5.9% as compared with last year to about RMB99.9 million (2019: about RMB106.2 million).

Consolidated net (loss)/profit

As a result of the foregoing, in 2020, the consolidated net loss of the Group was about RMB690.6 million (2019: a net profit of about RMB89.8 million).

(Loss)/profit attributable to equity shareholders of the Company

In 2020, the loss attributable to equity shareholders of the Company was about RMB690.6 million (2019: a profit attributable to equity shareholders of the Company of about RMB89.8 million).

Net current assets and financial resources

As at 31 December 2020, the net current assets of the Group decreased by about RMB84.2 million or 4.7% as compared with last year to about RMB1,690.0 million (31 December 2019: about RMB1,774.2 million).

As at 31 December 2020, the cash on hand and in bank of the Group increased by about RMB134.5 million or 7.2% as compared with last year to about RMB2,012.6 million (31 December 2019: about RMB1,878.1 million), mainly denominated in RMB, Australian dollar ("**AUD**"), USD, British Pound Sterling ("**GBP**"), Qutar Riyat ("**QAR**").

Bank loans and gearing ratio

As at 31 December 2020, the total bank loan of the Group decreased by about RMB545.8 million or 33.2% as compared with last year to about RMB1,099.2 million (31 December 2019: about RMB1,645.0 million). The bank loan as at 31 December 2020 were denominated in RMB of which approximately RMB699.2 million were repayable within one year.

The Group's gearing ratio (calculated by total liabilities divided by total assets) was 75.0% (31 December 2019: 71.3%).

Turnover days

Turnover days (day)	**2020**	2019
Receivables *(note 1)*	**565**	427
Trade and bills payables *(note 2)*	**580**	485
Inventory *(note 3)*	**99**	74

Notes:

1. The calculation of the receivables turnover days is based on the average amount of trade and bills receivables and net contract assets (contract assets less contract liabilities) as at the beginning and 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 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 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 138 days or 32.3% as compared with last year to about 565 days (2019: about 427 days).

During the Reporting Period, the turnover days of trade and bill payables increased by about 95 days or 19.6% as compared with last year to about 580 days (2019: about 485 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 2020, the inventory and contract costs of the Group increased by about RMB44.4 million or 13.8% as compared with last year to about RMB366.4 million (31 December 2019: about RMB322.0 million).

Capital expenditure

In 2020, the payment for capital expenditure of the Group decreased by about RMB4.1 million or 31.8% as compared with last year to about RMB8.8 million (2019: about RMB12.9 million), which was mainly related to the construction of plant and purchase of equipment.

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 maintained at an acceptable level.

Contingent liabilities

Details of the Group's contingent liabilities as at 31 December 2020 are set out in Note 15.

Charge on assets

As at 31 December 2020, the aggregate carrying value of the property, plant and equipment, land use rights pledged for the Group's bank loans is RMB413.2 million.

As at 31 December 2020, the carrying value of the time deposits pledged for the Group's short-term bank loans is RMB30.0 million.

As at 31 December 2020, the carrying value of the deposits pledged for the bank loans and bank bills and letter of credit issued by the Group is RMB780.8 million, the carrying value of the time deposits pledged for the bank bills and letter of credit issued by the Group is RMB419.3 million.

Save as disclosed above, the Group had no other charge on its assets as at 31 December 2020.

Material acquisitions and disposals

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

Automatic production and intelligent storage facilities agreement and technical service agreement

On 30 September 2020, the Group entered into two agreements (i.e. the Automatic Production And Intelligent Storage Facilities Agreement and the Technical Service Agreement) with Shenyang Yuanda Intellectual Robot Co., Ltd. ("**Yuanda Robot**") pursuant to which Yuanda Robot agreed to sell automatic production and intelligent storage facilities and to supply software development and design services as well as to provide automation upgrade and lean production service for the Group at a consideration of RMB35 million and RMB5 million, respectively. For future details, please refer to the announcement of the Company dated 30 September 2020.

For the year ended 31 December 2020, the automation upgrade and lean production service provided by Yuanda Robot to the Group amounted to RMB5.0 million under the Technical Service Agreement.

As at 31 December 2020, the Automatic Production And Intelligent Storage Facilities Agreement is still in progress.

Significant investment

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

Future plans for significant investments or capital assets

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

Global offering and use of proceeds

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

As stated in the Company's prospectus dated 20 April 2011 and the supplementary prospectus dated 5 May 2011 (the "**Prospectus**"), the Group intended to use the proceeds 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 2020 , an accumulated amount of approximately HK$2,051 million of proceeds from the Global Offering (of which expansion of production capacity: HK$608 million; repayment of bank loans (mainly comprised the bridge 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$352 million will be used in accordance to the proposed allocation as stated in the Prospectus.

Employees and remuneration policies

As at 31 December 2020 , the Group had 3,107 full-time employees in total (31 December 2019: 4,016). 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' alike. The Group sets its remuneration policy with reference to the prevailing market conditions and the performance of the individuals concerned, subject to review from time to time. The components of the remuneration package consist of basic salary, allowances, fringe benefits including medical insurance and contributions to pension funds, as well as incentives like discretionary bonus and share options.

Scope of work of the auditors

The financial 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 2020 as set out in the preliminary announcement have been compared by the Group's auditor, KPMG, Certified Public Accountants, to the amounts set out in the Group's draft consolidated financial statements for the year and the amounts were found to be in agreement. The work performed by KPMG in this respect did not constitute an audit, review or other assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by KPMG.

Review of annual results

The audited annual results of the Group for the year ended 31 December 2020 have also been reviewed and approved by the audit committee of the Company, comprising all the three independent non-executive Directors namely, Mr. Poon Chiu Kwok (Chairman of the Audit Committee), Mr. Woo Kar Tung, Raymond and Mr. Pang Chung Fai, Benny.

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 2020, the Company has complied with all code provisions of the Corporate Governance Code as set forth in Appendix 14 of the Listing Rules, except the following deviation:

Code provision A.2.7

Code provision A.2.7 of the Corporate Governance Code stipulated that the chairman should at least annually hold meetings with the independent non-executive directors without the presence of other directors.

During the year ended 31 December 2020, a formal meeting could not be arranged between the Chairman of the Board and the independent non-executive Directors without the presence of other Directors due to the scheduling difficulties taking into account of the COVID-19 pandemic situation in Hong Kong. However, the independent non-executive Directors may communicate and discuss with the Chairman of the Board directly at any time to voice their opinions and share their views on the Company's affairs. The Company considers that there are sufficient channels and communication for discussion of the Company's affairs between the Chairman and the independent non-executive Directors in the absence of other Directors.

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 10 to the Listing Rules regarding securities transactions by the Company. The Company 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 2020.

Final dividend

The Board has resolved not to declare any annual dividend for the year ended 31 December 2020 (2019: Nil).

ANNUAL GENERAL MEETING

The annual general meeting of the Company (the "**Annual General Meeting**") will be held on Wednesday, 2 June 2021. A notice of the Annual General Meeting will be published and dispatched 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 in 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 Friday, 28 May 2021 to Wednesday, 2 June 2021 (both days inclusive), during which time no transfer of shares will be registered. To ensure that the shareholders 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, Computershare Hong Kong Investor Services Limited, at Room 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong by no later than 4:30 p.m. on Thursday, 27 May 2021 for registration of the relevant transfer.

TERMINATION OF SHARE AWARD SCHEME

A share award scheme (the "**Share Award Scheme**") was adopted on 10 April 2013 to recognize and motivate the contributions made to the Group by its employees and to give incentives in order to retain them for the continuous operation and development of the Group. For the year ended 31 December 2020, no shares had been awarded under the Share Award Scheme.

On 29 July 2020, the Group terminated the Share Award Scheme. Details of termination of the Share Award Scheme are set out in the announcement of the Company dated 29 July 2020.

PURCHASE, SALE AND REDEMPTION OF LISTED SECURITIES OF THE GROUP

Save as disclosed in Termination of Share Award Scheme, for the year ended 31 December 2020, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company.

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 2020.

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 2020 will be dispatched to the shareholders of the Group and 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, 31 March 2021

As at the date of this announcement, the executive directors of the Company are Mr. Kang Baohua, Mr. Liu Futao, Mr. Ma Minghui, Mr. Wang Hao, Mr. Zhao Zhongqiu and Mr. Zhang Lei, and the independent non-executive directors of the Company are Mr. Poon Chiu Kwok, Mr. Woo Kar Tung, Raymond and Mr. Pang Chung Fai, Benny.