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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)

ANNOUNCEMENT OF AUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2011

The Board of Directors (the "Board") of Yuanda China Holdings Limited (the "Company") is pleased to announce the audited interim results of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2011.

FINANCIAL HIGHLIGHTS

	Six months ended 30 June		
	2011	2010 (Unaudited)	%
Turnover *(RMB million)*	**4,802.0**	4,046.6	18.7
Profit attributable to shareholders of the Company *(RMB million)*	**416.6**	338.0	23.3
Basic and diluted earnings per share *(RMB cents)*	**8.9**	8.0	11.3
Interim dividend per share *(RMB cents)*	**Nil**	Nil	Nil

CONSOLIDATED INCOME STATEMENT

For the six months ended 30 June 2011
(Expressed in Renminbi ("RMB"))

		Six months ended 30 June	
		2011	2010
	Note	***RMB'000***	*RMB'000*
			(unaudited)
Turnover	*5, 9*	**4,801,985**	4,046,635
Cost of sales		**(3,659,338)**	(3,106,937)
Gross profit		**1,142,647**	939,698
Other revenue		**3,586**	5,829
Other net income		**1,364**	280
Selling expenses		**(104,777)**	(86,483)
Administrative expenses		**(438,654)**	(365,716)
Profit from operations		**604,166**	493,608
Finance costs	*6(a)*	**(58,938)**	(71,381)
Profit before taxation	*6, 9*	**545,228**	422,227
Income tax	*7*	**(123,272)**	(93,477)
Profit for the period		**421,956**	328,750
Attributable to:			
Equity shareholders of the Company		**416,625**	337,998
Non-controlling interests		**5,331**	(9,248)
Profit for the period		**421,956**	328,750
Earnings per share			
— Basic and diluted (RMB)	*8*	**0.089**	0.080

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2011
(Expressed in RMB)

	Six months ended 30 June	
	2011	2010
	RMB'000	*RMB'000*
		(unaudited)
Profit for the period	**421,956**	328,750
Other comprehensive income for the period (after tax and reclassification adjustments)		
Exchange differences on translation into presentation currency	**(26,383)**	12,166
Cash flow hedge: net movement in the hedging reserve	**(15,676)**	1,285
Total comprehensive income for the period	**379,897**	342,201
Attributable to:		
Equity shareholders of the Company	**377,175**	350,752
Non-controlling interests	**2,722**	(8,551)
Total comprehensive income for the period	**379,897**	342,201

CONSOLIDATED BALANCE SHEET
At 30 June 2011
(Expressed in RMB)

	Note	At 30 June 2011 RMB'000	At 31 December 2010 RMB'000
Non-current assets			
Property, plant and equipment		**775,052**	774,955
Lease prepayments		**621,244**	614,672
Deferred tax assets		**106,337**	95,006
		1,502,633	1,484,633
Current assets			
Inventories		**444,564**	366,783
Gross amount due from customers for contract work	*10*	**3,153,135**	2,684,915
Trade and bills receivables	*11*	**1,425,056**	1,231,888
Deposits, prepayments and other receivables		**646,898**	567,234
Cash and cash equivalents		**1,914,562**	533,723
		7,584,215	5,384,543
Current liabilities			
Trade and bills payables	*12*	**2,055,225**	1,792,796
Gross amount due to customers for contract work	*10*	**920,879**	883,479
Receipts in advance		**92,776**	165,692
Accrued expenses and other payables		**500,183**	782,843
Bank and other loans		**1,644,322**	1,827,474
Income tax payable		**170,287**	140,222
Provision for warranties		**49,353**	60,204
		5,433,025	5,652,710
Net current assets/(liabilities)		**2,151,190**	(268,167)
Total assets less current liabilities		**3,653,823**	1,216,466
Non-current liabilities			
Redeemable convertible preference shares		**—**	302,201
Deferred tax liabilities		**225**	222
Provision for warranties		**60,777**	47,365
		61,002	349,788
NET ASSETS		**3,592,821**	866,678
CAPITAL AND RESERVES			
Share capital	*13*	**519,723**	1
Reserves	*13*	**3,101,847**	898,148
Total equity attributable to equity shareholders of the Company		**3,621,570**	898,149
Non-controlling interests		**(28,749)**	(31,471)
TOTAL EQUITY		**3,592,821**	866,678

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2011
(Expressed in RMB)

	Equity attributable to equity shareholders of the Company										
	Paid in/ Share capital *RMB'000* *Note 13(b)*	Share premium *RMB'000*	Capital reserve *RMB'000*	Other reserve *RMB'000*	PRC statutory reserves *RMB'000*	Exchange reserve *RMB'000*	Hedging reserve *RMB'000*	Retained profits *RMB'000*	Total *RMB'000*	Non-controlling interests *RMB'000*	Total equity *RMB'000*
Balance at 1 January 2010	517,431	—	60,658	18,361	213,152	(26,620)	3,533	241,302	1,027,817	(10,106)	1,017,711
Changes in equity for the six months ended 30 June 2010:											
Profit/(loss) for the period (unaudited)	—	—	—	—	—	—	—	337,998	337,998	(9,248)	328,750
Other comprehensive income (unaudited)	—	—	—	—	—	11,469	1,285	—	12,754	697	13,451
Total comprehensive income (unaudited)	—	—	—	—	—	11,469	1,285	337,998	350,752	(8,551)	342,201
Effect on equity arising from the disposal of a subsidiary under common control (unaudited)	—	—	—	(984)	(840)	—	—	—	(1,824)	(3,181)	(5,005)
Balance at 30 June 2010 and 1 July 2010 (unaudited)	517,431	—	60,658	17,377	212,312	(15,151)	4,818	579,300	1,376,745	(21,838)	1,354,907
Changes in equity for the six months ended 31 December 2010:											
Profit/(loss) for the period (unaudited)	—	—	—	—	—	—	—	468,134	468,134	(9,667)	458,467
Other comprehensive income (unaudited)	—	—	—	—	—	7,402	9,208	—	16,610	(3,066)	13,544
Total comprehensive income (unaudited)	—	—	—	—	—	7,402	9,208	468,134	484,744	(12,733)	472,011
Issuance of shares (unaudited) *(Note 13(b)(ii))*	1	—	—	—	—	—	—	—	1	—	1
Issuance of redeemable convertible preference shares (unaudited)	—	—	30,541	—	—	—	—	—	30,541	—	30,541
Capitalisation of reserves and retained profits (unaudited)	588,679	—	—	—	(82,753)	—	—	(505,926)	—	—	—
Effect on equity arising from a group reorganisation (unaudited)	(1,106,110)	—	(60,658)	175,986	—	—	—	—	(990,782)	—	(990,782)
Effect on equity arising from the transfer of equity interests of a subsidiary within the Group (unaudited)	—	—	—	(3,100)	—	—	—	—	(3,100)	3,100	—
Appropriation to reserves (unaudited)	—	—	—	—	81,071	—	—	(81,071)	—	—	—
Transactions with equity holders of the Group (unaudited)	(517,430)	—	(30,117)	172,886	(1,682)	—	—	(586,997)	(963,340)	3,100	(960,240)
Balance at 31 December 2010	1	—	30,541	190,263	210,630	(7,749)	14,026	460,437	898,149	(31,471)	866,678
Balance at 1 January 2011	1	—	30,541	190,263	210,630	(7,749)	14,026	460,437	898,149	(31,471)	866,678
Changes in equity for the six months ended 30 June 2011:											
Profit for the period	—	—	—	—	—	—	—	416,625	416,625	5,331	421,956
Other comprehensive income	—	—	—	—	—	(23,774)	(15,676)	—	(39,450)	(2,609)	(42,059)
Total comprehensive income	—	—	—	—	—	(23,774)	(15,676)	416,625	377,175	2,722	379,897
Conversion of redeemable convertible preference shares *(Note 13(b)(iii))*	1	332,600	(30,541)	—	—	—	—	—	302,060	—	302,060
Capitalisation issue *(Note 13(b)(iii))*	376,739	(376,739)	—	—	—	—	—	—	—	—	—
Issuance of shares by initial public offering and exercise of over-allotment option *(Note 13(b)(iv))*	142,982	2,001,750	—	—	—	—	—	—	2,144,732	—	2,144,732
Share issuance expenses *(Note 13(b)(iv))*	—	(100,546)	—	—	—	—	—	—	(100,546)	—	(100,546)
Transactions with equity holders of the Group	519,722	1,857,065	(30,541)	—	—	—	—	—	2,346,246	—	2,346,246
Balance at 30 June 2011	519,723	1,857,065	—	190,263	210,630	(31,523)	(1,650)	877,062	3,621,570	(28,749)	3,592,821

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

1 CORPORATE INFORMATION

Yuanda China Holdings Limited (the "Company") was incorporated in the Cayman Islands on 26 February 2010 as an exempted company with limited liability under the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The consolidated interim financial statements of the Company as at and for the six months ended 30 June 2011 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.

Pursuant to a group reorganisation completed on 13 November 2010 (the "Reorganisation") to rationalise the Group's structure in preparation for the listing of the Company's shares on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), the Company became the holding company of the companies now comprising the Group. Details of the Reorganisation are set out in the prospectus of the Company dated 20 April 2011 (the "Prospectus"). The shares of the Company were listed on the Stock Exchange on 17 May 2011.

2 STATEMENT OF COMPLIANCE

The interim financial statements have been prepared in accordance with International Accounting Standards 34, *Interim financial reporting,* and 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 promulgated by the International Accounting Standards Board (the "IASB"). These interim financial statements also comply with applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange.

The IASB has issued certain new and revised IFRSs that are first effective or available for early adoption for the current accounting period of the Group. Note 4 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 and prior accounting periods reflected in these interim financial statements.

3 BASIS OF PREPARATION OF THE INTERIM FINANCIAL STATEMENTS

The interim financial statements for the six months ended 30 June 2011 comprise the Group.

These interim financial statements have been prepared using the merger basis of accounting as if the Group has always been in existence since 1 January 2010 (or where companies were incorporated/established at a date later than 1 January 2010, since their respective dates of incorporation/establishment) as the companies now comprising the Group were controlled by the same ultimate equity shareholder, namely Mr Kang Baohua (the "Controlling Shareholder") before and after the Reorganisation.

The measurement basis used in the preparation of the interim financial statements is the historical cost basis except for derivative financial instruments which are stated at their fair value.

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.

The comparative amounts of the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the six months ended 30 June 2010 and related notes disclosed in the consolidated interim financial statements were derived from the Group's management accounts and have not been audited.

4 CHANGES IN ACCOUNTING POLICIES

The IASB has issued a number of amendments to IFRSs and one new Interpretation that are first effective for the current accounting period of the Group and of the Company. Of these, the following developments are relevant to the Group's interim financial statements:

- IAS 24 (revised 2009), *Related party disclosures*
- Improvements to IFRSs (2010)
- IFRIC 19, *Extinguishing financial liabilities with equity instruments*

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

IFRIC 19 has not yet had a material impact on the Group's interim financial statements as these changes will first be effective as and when the Group enters a relevant transaction (for example, a debt for equity swap).

The remaining developments related primarily to clarification of certain disclosure requirements applicable to the Group's interim financial statements. These developments have had no material impact on the contents of these interim financial statements.

5 TURNOVER

The principal activities of the Group are the design, procurement, production, sale and installation of curtain wall systems.

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

6 PROFIT BEFORE TAXATION

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

(a) Finance costs:

	Six months ended 30 June	
	2011	2010
	RMB'000	*RMB'000*
		(unaudited)
Interest on bank advances and other borrowings wholly repayable within five years	**55,905**	21,342
Bank charges and other finance costs	**26,494**	20,282
Total borrowing costs	**82,399**	41,624
Interest income	**(3,048)**	(3,679)
Net foreign exchange (gain)/loss	**(2,830)**	38,740
Forward foreign exchange contracts: cash flow hedges, reclassified from equity	**(17,583)**	(5,304)
	58,938	71,381

No borrowing costs have been capitalised during the six months ended 30 June 2011 (six months ended 30 June 2010: RMBNil (unaudited)).

(b) Staff costs#:

	Six months ended 30 June	
	2011	2010
	RMB'000	*RMB'000*
		(unaudited)
Salaries, wages and other benefits	**498,771**	395,641
Contributions to defined contribution retirement plans	**35,317**	22,313
	534,088	417,954

(c) Other items:

	Six months ended 30 June	
	2011	2010
	RMB'000	*RMB'000*
		(unaudited)
Depreciation and amortisation#	**43,737**	35,155
Impairment losses on trade and other receivables	**9,738**	16,034
Operating lease charges in respect of land, plant and buildings, motor vehicles and other equipment#	**32,207**	32,077
Auditors' remuneration — audit services	**2,709**	201
Research and development costs#	**106,934**	84,801
Increase in provision for warranties#	**20,921**	20,642
Cost of inventories#	**3,659,338**	3,106,937

Cost of inventories includes RMB271.7 million for the six months ended 30 June 2011 (six months ended 30 June 2010: RMB229.6 million (unaudited)), relating to staff costs, depreciation and amortisation expenses, operating lease charges, research and development costs and provision for warranties, which amount is also included in the respective total amounts disclosed separately above or in Note 6(b) for each of these types of expenses.

7 INCOME TAX

(a) Income tax in the consolidated income statement represents:

	Six months ended 30 June	
	2011	2010
	RMB'000	*RMB'000*
		(unaudited)
Current taxation:		
— PRC income tax	**124,902**	79,185
— Overseas income tax	**6,213**	14,266
	131,115	93,451
Deferred taxation:		
— Origination and reversal of temporary differences	**(7,843)**	26
	123,272	93,477

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

	Six months ended 30 June	
	2011	2010
	RMB'000	*RMB'000*
		(unaudited)
Profit before taxation	**545,228**	422,227
Expected tax on profit before taxation, calculated at the rates applicable to profits in the jurisdictions concerned *(Notes (i), (ii), (iii) and (iv))*	**143,725**	101,326
Tax effect of non-deductible expenses *(Note (v))*	**6,153**	5,580
Tax effect of unused tax losses not recognised	**18,383**	8,802
Tax concessions *(Note (vi))*	**(44,989)**	(22,231)
Income tax	**123,272**	93,477

Notes:

(i) No Provision for Hong Kong Profits Tax has been made, as the Company and the subsidiaries of the Group incorporated in Hong Kong did not have assessable profits subject to Hong Kong Profits Tax for the six months ended 30 June 2011 (six months ended 30 June 2010: RMBNil (unaudited)).

(ii) The subsidiary of the Group incorporated in the British Virgin Islands is not subject to any income tax pursuant to the rules and regulations of its country of incorporation.

(iii) The PRC subsidiaries of the Group are subject to PRC Corporate Income Tax rate of 25% for the six months ended 30 June 2011 (six months ended 30 June 2010: 25% (unaudited)).

(iv) The subsidiaries of the Group incorporated in countries other than Hong Kong, the PRC and the British Virgin Islands are subject to income tax rates ranging from 8.5% to 35% for the six months ended 30 June 2011 pursuant to the rules and regulations of their respective countries of incorporation (six months ended 30 June 2010: 8.5% to 35% (unaudited)).

(v) The amounts mainly comprised non-deductible entertainment and other expenses in excess of the tax deductibility allowances under the PRC tax laws and regulations.

(vi) One of the Group's PRC subsidiaries is registered as a foreign investment enterprise, and according to the relevant income tax rules and regulations, this subsidiary is entitled to a 100% relief from PRC Corporate Income Tax in the first and second years and 50% relief for the third to fifth years, commencing from the year ended 31 December 2007, on a portion of profits this subsidiary earned due to the re-investment it had made in 2007.

(vii) On 16 March 2007, the Fifth Plenary Session of the Tenth National People's Congress passed the Corporate Income Tax Law of the PRC (the "new tax law") which takes effect on 1 January 2008. According to the new tax law, the applicable income tax rate of the PRC subsidiaries of the Group has changed to 25% with effect 1 January 2008; or gradually increase to 25% over a five-year period if the PRC subsidiary was previously enjoying a preferential tax rate of below 25%.

8 BASIC AND DILUTED EARNINGS PER SHARE

(a) Basic earnings per share

The basic earnings per share for the six months ended 30 June 2011 is calculated based on the profit attributable to equity shareholders of the Company of RMB416.6 million and the weighted average of 4,690,760,000 ordinary shares, comprising:

(i) 10,000 ordinary shares in issue as at the date of the Prospectus and 4,211,501,500 ordinary shares issued pursuant to the capitalisation issue on 17 May 2011, as if the 4,211,511,500 ordinary shares were outstanding throughout the six months ended 30 June 2011;

(ii) 685 ordinary shares issued on the conversion of the redeemable convertible preference shares and 288,487,815 ordinary shares issued pursuant to the capitalisation issue on 17 May 2011;

(iii) 1,500,000,000 ordinary shares issued on 17 May 2011 by initial public offering; and

(iv) 208,734,000 ordinary shares issued on 1 June 2011 by the exercise of the over-allotment option.

The basic earnings per share for the six months ended 30 June 2010 is calculated based on the profit attributable to equity shareholders of the Company of RMB338.0 million and the weighted average of 4,211,511,500 ordinary shares, comprising 10,000 ordinary shares in issue as at the date of the Prospectus and 4,211,501,500 ordinary shares issued pursuant to the capitalisation issue on 17 May 2011, as if the 4,211,511,500 ordinary shares were outstanding throughout the six months ended 30 June 2010.

The calculation of the outstanding ordinary shares during the six months ended 30 June 2011 and 2010 was as follows:

	Six months ended 30 June	
	2011	2010
	'000	*'000*
		(unaudited)
Issued ordinary shares at 1 January	**10**	—
Effect of shares issued on 26 February 2010 and 10 November 2010 *(Note 13(b)(ii))*	**—**	10
Effects of capitalisation issue on 17 May 2011 *(Note 13(b)(iii))*	**4,211,501**	4,211,501
Effect of conversion of redeemable convertible preference shares and the related capitalisation issue on 17 May 2011 *(Note 13(b)(iii))*	**71,724**	—
Effect of shares issued by initial public offering on 17 May 2011 *(Note 13(b)(iv))*	**372,928**	—
Effect of shares issued by exercise of over-allotment option on 1 June 2011 *(Note 13(b)(iv))*	**34,597**	—
Weighted average number of ordinary shares at 30 June	**4,690,760**	4,211,511

(b) Diluted earnings per share

There were no dilutive potential shares outstanding during the six months ended 30 June 2011 and 2010.

9 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 six reportable segments: Northeast China, North China, East China, West China, South China and Overseas. No operating segments have been aggregated to form the following reportable segments.

- Northeast China: comprised construction contracts carried out in the northeastern region of the PRC, which included Liaoning, Jilin, Heilongjiang, Shandong, Henan and Inner Mongolia provinces and autonomous region;

- North China: comprised construction contracts carried out in the northern region of the PRC, which included Hebei and Shanxi provinces, Beijing and Tianjin;

- East China: comprised construction contracts carried out in the eastern region of the PRC, which included Jiangsu, Zhejiang, Anhui and Jiangxi provinces, and Shanghai;

- West China: comprised construction contracts carried out in the western and northwestern regions of the PRC, which included Sichuan, Yunnan, Guizhou, Hubei, Shaanxi, Ningxia, Gansu, Qinghai and Xinjiang provinces and autonomous regions, and Chongqing;

- South China: comprised construction contracts carried out in the southern region of the PRC, which included Guangdong, Hunan, Fujian, Hainan and Guangxi provinces and autonomous region; and

- Overseas: comprised construction contracts carried out outside of the PRC.

(a) Segment results, assets and liabilities

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

Segment assets include all assets with the exception of certain property, plant and equipment and lease prepayments, deferred tax assets and other corporate assets. Segment liabilities include gross amount due to customers for contract work, trade and bills payables, receipts in advance, accrued expenses and other payables and provision for warranties managed directly by the segments.

Revenue and expenses are allocated to the reportable segments with reference to revenue generated by those segments and the expenses incurred by those segments. However, assistance provided by one segment to another, including sharing of assets and technical know-how, is not measured.

The measure used for reporting segment profit is "adjusted EBITDA" i.e. "adjusted earnings before interest, taxes, depreciation and amortisation", where "interest" is regarded as including interest income and finance costs, and "depreciation and amortisation" is regarded as including impairment losses on non-current assets. To arrive at adjusted EBITDA, the Group's earnings are further adjusted for items not specifically attributed to individual segments, such as directors' remuneration and other head office or corporate administration costs.

In addition to receiving segment information concerning adjusted EBITDA, management is provided with segment information concerning revenue, interest income, finance costs related to each segment, depreciation, amortisation and impairment losses and additions to non-current segment assets used by the segments in their operations. No significant inter-segment sales have occurred for the six months ended 30 June 2011 and 2010.

Information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the six months ended 30 June 2011 and 2010 is set out below.

	Six months ended 30 June 2011						
	Northeast China	**North China**	**East China**	**West China**	**South China**	**Overseas**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Revenue from external customers and reportable segment revenue	**808,343**	**602,241**	**887,386**	**485,666**	**373,389**	**1,644,960**	**4,801,985**
Reportable segment profit (adjusted EBITDA)	**142,665**	**89,137**	**182,873**	**67,367**	**21,042**	**165,865**	**668,949**
Interest income	**136**	**381**	**234**	**31**	**311**	**1,233**	**2,326**
Finance costs	**803**	**533**	**769**	**281**	**200**	**16,437**	**19,023**
Depreciation and amortisation	**2,906**	**6,227**	**6,543**	**2,050**	**2,467**	**14,745**	**34,938**
Additions to non-current segment assets during the period	**22,137**	**10,332**	**3,456**	**892**	**244**	**11,258**	**48,319**

	At 30 June 2011						
	Northeast China	**North China**	**East China**	**West China**	**South China**	**Overseas**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Reportable segment assets	**1,213,962**	**917,112**	**1,393,790**	**709,929**	**505,372**	**2,412,789**	**7,152,954**
Reportable segment liabilities	**545,356**	**402,403**	**605,297**	**375,527**	**348,741**	**1,353,190**	**3,630,514**

	Six months ended 30 June 2010 (unaudited)						
	Northeast China	**North China**	**East China**	**West China**	**South China**	**Overseas**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Revenue from external customers and reportable segment revenue	512,225	420,605	883,781	384,122	275,848	1,570,054	4,046,635
Reportable segment profit (adjusted EBITDA)	56,893	54,812	115,197	49,401	10,838	258,547	545,688
Interest income	127	329	414	28	38	2,630	3,566
Finance costs	681	282	985	597	332	16,806	19,683
Depreciation and amortisation	2,429	5,166	5,411	1,739	2,095	12,710	29,550
Additions to non-current segment assets during the period	5,709	3,169	4,734	708	1,754	709	16,783

	At 31 December 2010						
	Northeast China	**North China**	**East China**	**West China**	**South China**	**Overseas**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Reportable segment assets	1,095,640	864,616	1,289,633	524,467	435,188	2,119,555	6,329,099
Reportable segment liabilities	566,601	460,005	718,641	308,028	323,622	1,169,197	3,546,094

(b) Reconciliations of reportable segment revenue, profit, assets and liabilities

	Six months ended 30 June	
	2011	2010
	RMB'000	*RMB'000*
		(unaudited)
Revenue		
Reportable segment revenue and consolidated turnover	**4,801,985**	4,046,635
Profit		
Reportable segment profit	**668,949**	545,688
Depreciation and amortisation	**(43,737)**	(35,155)
Finance costs	**(58,938)**	(71,381)
Unallocated head office and corporate expenses	**(21,046)**	(16,925)
Consolidated profit before taxation	**545,228**	422,227

	At 30 June 2011	At 31 December 2010
	RMB'000	*RMB'000*
Assets		
Reportable segment assets	**7,152,954**	6,329,099
Property, plant and equipment	**188,773**	191,858
Lease prepayments	**260,939**	263,465
Deferred tax assets	**106,337**	95,006
Unallocated head office and corporate assets	**1,527,868**	198,861
Elimination of receivables between segments, and segments and head office	**(150,023)**	(209,113)
Consolidated total assets	**9,086,848**	6,869,176

	At 30 June 2011	At 31 December 2010
	RMB'000	*RMB'000*
Liabilities		
Reportable segment liabilities	**3,630,514**	3,546,094
Bank and other loans	**1,644,322**	1,827,474
Income tax payable	**170,287**	140,222
Redeemable convertible preference shares	**—**	302,201
Deferred tax liabilities	**225**	222
Unallocated head office and corporate liabilities	**198,702**	395,398
Elimination of payables between segments, and segments and head office	**(150,023)**	(209,113)
Consolidated total liabilities	**5,494,027**	6,002,498

(c) Geographic information

The following table sets out information about the geographical location of the Group's (i) revenue from external customers and (ii) property, plant and equipment and lease prepayments (the "specified non-current assets"). The geographical location of customers is based on the location at which the construction contracts are carried out. The geographical location of the specified non-current assets is based on the segment to which they are allocated.

(i) The Group's revenue from external customers:

	Six months ended 30 June	
	2011	2010
	RMB'000	*RMB'000*
		(unaudited)
The PRC (excluding Hong Kong and Macau) (Place of domicile)	**3,157,025**	2,476,581
United Arab Emirates	**451,880**	424,627
Australia	**556,825**	472,980
United Kingdom	**37,849**	39,529
United States of America	**5,507**	59,003
Germany	**20,252**	70,957
Russia Federation	**106,063**	98,824
Republic of India ("India")	**23,344**	24,466
Japan	**11,961**	11,812
State of Kuwait ("Kuwait")	**16,761**	59,838
Kingdom of Jordan	**53,426**	56,811
Socialist Republic of Vietnam	**59,259**	63,619
State of Qatar	**161,191**	63,864
Switzerland	**63,100**	20,987
Others	**77,542**	102,737
	1,644,960	1,570,054
	4,801,985	4,046,635

(ii) The Group's specified non-current assets:

	At 30 June 2011 RMB'000	At 31 December 2010 RMB'000
Northeast China	**59,927**	41,009
North China	**74,422**	70,960
East China	**150,008**	153,095
West China	**15,073**	16,239
South China	**51,226**	53,449
Overseas	**595,928**	599,552
Head office and corporate assets	**449,712**	455,323
	1,396,296	1,389,627

10 GROSS AMOUNT DUE FROM/TO CUSTOMERS FOR CONTRACT WORK

	At 30 June 2011 RMB'000	At 31 December 2010 RMB'000
Contract costs incurred plus recognised profits less recognised losses in connection with construction contracts in progress at period/year end	**15,659,318**	14,525,992
Less: progress billings	**(13,427,062)**	(12,724,556)
	2,232,256	1,801,436
Gross amount due from customers for contract work *(Notes (i) and (ii))*	**3,153,135**	2,684,915
Gross amount due to customers for contract work *(Note (iii))*	**(920,879)**	(883,479)
	2,232,256	1,801,436

Notes:

(i) Except for amounts of RMB74.2 million as at 30 June 2011 (31 December 2010: RMB60.4 million), all of the remaining gross amount due from customers for contract work are expected to be recovered within one year.

(ii) Included in the gross amount due from customers for contract work are amounts of RMB2.9 million at 30 June 2011 (31 December 2010: RMB58.9 million) due from affiliates of the Controlling Shareholder.

(iii) All of the gross amount due to customers for contract work are expected to be recognised as revenue within one year.

11 TRADE AND BILLS RECEIVABLES

	At 30 June 2011 RMB'000	At 31 December 2010 RMB'000
Trade receivable for contract work due from:		
— Third parties	**1,465,611**	1,297,751
— Affiliates of the Controlling Shareholder	**5,544**	22,111
	1,471,155	1,319,862
Bills receivable for contract work	**71,594**	20,320
Trade receivable for sale of raw materials:		
— Third parties	**1,604**	1,645
— Affiliates of the Controlling Shareholder	**3,097**	2,717
	4,701	4,362
	1,547,450	1,344,544
Less: allowance for doubtful debts	**(122,394)**	(112,656)
	1,425,056	1,231,888

At 30 June 2011, the amount of retentions receivable from customers included in "trade and bills receivables" (net of allowance for doubtful debts) is RMB272.6 million (31 December 2010: RMB247.6 million).

Except for retentions receivable (net of allowance for doubtful debts) of RMB145.4 million at 30 June 2011 (31 December 2010: RMB114.4 million), all of the remaining trade and bills receivables are expected to be recovered within one year. The Group generally requires customers to settle progress billings in accordance with contracted terms and other debts in accordance with agreements. Credit terms may be granted to customers, depending on credit assessment carried out by management on an individual customer basis. Normally, the Group does not obtain collateral from customers.

Included in trade and bills receivables are debtors (net of allowance for doubtful debts) with the following ageing analysis as of the balance sheet date:

	At 30 June 2011 *RMB'000*	At 31 December 2010 *RMB'000*
Within 1 month	**529,831**	452,640
More than 1 month but less than 3 months	**280,278**	244,390
More than 3 months but less than 6 months	**291,677**	247,111
More than 6 months	**323,270**	287,747
	1,425,056	1,231,888

Receivables that were past due but not impaired relate to a wide range of customers for whom there was no recent history of default and had a good track record with the Group. Based on past experience, management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable. The Group does not hold any collateral over these balances.

12 TRADE AND BILLS PAYABLES

	At 30 June 2011 *RMB'000*	At 31 December 2010 *RMB'000*
Trade payable for purchase of inventories:		
— Third parties	**1,309,188**	1,121,789
— Affiliates of the Controlling Shareholder	**66,407**	68,356
	1,375,595	1,190,145
Trade payable to sub-contractors	**188,673**	92,739
Bills payable	**490,957**	509,912
Financial liabilities measured at amortised cost	**2,055,225**	1,792,796

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

Included in trade and bills payables are creditors with the following ageing analysis as of the balance sheet date:

	At 30 June 2011	At 31 December 2010
	RMB'000	*RMB'000*
Due within 1 month or on demand	**1,697,998**	1,526,376
Due after 1 month but within 3 months	**110,927**	81,100
Due after 3 months	**246,300**	185,320
	2,055,225	1,792,796

13 CAPITAL, RESERVES AND DIVIDENDS

(a) Dividends

(i) *Dividends payable to equity shareholders attributable to the interim period*

The directors of the Company do not recommend the payment of an interim dividend for the six months ended 30 June 2011 (six months ended 30 June 2010: RMBNil (unaudited)).

(ii) *Dividends payable to equity shareholders attributable to the previous financial year, approved during the interim period*

The directors of the Company did not recommend the payment of a dividend for the year ended 31 December 2010 (year ended 31 December 2009: RMBNil).

(b) Paid-in/Share capital

For the purpose of these interim financial statements, the paid-in capital of the Group as at 1 January 2010 (i.e. prior to the Reorganisation) represented the paid-in capital of Shenyang Yuanda Aluminium Industry Engineering Co., Ltd. ("Shenyang Yuanda"), a wholly owned subsidiary of the Group, whereas the share capital of the Group as at 31 December 2010 and 30 June 2011 represented the amount of issued and paid-up capital of the Company, with details set out below:

	At 30 June 2011		At 31 December 2010	
	No. of shares '000	***HK$'000***	*No. of shares '000*	*HK$'000*
Authorised:				
Ordinary shares of HK$0.1 each *(Note (i))*	**12,000,000**	**1,200,000**	3,799	379
Preference shares of HK$0.1 each *(Note (i))*	**—**	**—**	1	1

	Six months ended 30 June 2011		Year ended 31 December 2010	
	No. of shares '000	***RMB'000***	*No. of shares '000*	*RMB'000*
Issued and fully paid:				
At 1 January	**10**	**1**	—	—
Issuance of shares *(Note (ii))*	**—**	**—**	10	1
Conversion of redeemable convertible preference shares *(Note (iii))*	**1**	**1**	—	—
Capitalisation issue *(Note (iii))*	**4,499,989**	**376,739**	—	—
Issuance of shares by initial public offering and exercise of over-allotment option *(Note (iv))*	**1,708,734**	**142,982**	—	—
At 30 June/31 December	**6,208,734**	**519,723**	10	1

(i) *Authorised share capital*

On 26 February 2010, the Company's date of incorporation, the Company's authorised share capital was HK$380,000, comprising 3,800,000 ordinary shares of HK$0.1 each.

On 19 November 2010, the directors of the Company passed resolutions to redesignate and reclassify the Company's authorised share capital of 3,800,000 ordinary shares into 3,799,315 authorised ordinary shares of HK$0.1 each and 685 authorised preference shares of HK$0.1 each.

On 12 April 2011, the equity shareholders of the Company resolved to increase the authorised ordinary share capital of the Company from 3,799,315 ordinary shares of HK$0.1 each to 12,000,000,000 ordinary shares of HK$0.1 each, where the 685 authorised preference shares of HK$0.1 each remained unchanged.

On 17 May 2011, upon the conversion of the redeemable convertible preference shares into 685 of the Company's ordinary shares, the authorised preference share capital of 685 preference shares of HK$0.1 each was cancelled and diminished.

(ii) *Issuance of shares*

The Company issued 1 ordinary share at par on 26 February 2010 and 9,999 ordinary shares at par on 10 November 2010, and the shares issued have been fully paid up.

On 19 November 2010, the Company allotted and issued 685 redeemable convertible preference shares to the Preference Shareholder for an aggregate subscription price of United States Dollar ("USD") 50.0 million.

(iii) *Conversion of redeemable convertible preference shares and capitalisation issue*

Pursuant to the resolutions passed by the equity shareholders of the Company on 12 April 2011 and upon the listing of the Company's shares on the Stock Exchange on 17 May 2011, the 685 redeemable convertible preference shares were converted into fully paid ordinary shares, and an additional amount of HK$449,998,931.5 (equivalent to approximately RMB376,739,000) standing to the credit of the share premium account was applied in paying up in full 4,499,989,315 ordinary shares of HK$0.1 each which were alloted and distributed as fully paid to shareholders whose names appeared on the register of members of the Company at the close of business on 12 April 2011 in proportion to their then shareholdings in the Company.

(iv) *Issuance of shares by initial public offering and exercise of over-allotment option*

On 17 May 2011, 1,500,000,000 ordinary shares of HK$0.1 each were issued and offered for subscription at a price of HK$1.5 each upon the listing of the shares of the Company on the Stock Exchange. On 1 June 2011, the Company exercised the over-allotment option in connection with the listing of its shares on the Stock Exchange and issued an additional 208,734,000 ordinary shares of HK$0.1 each at a price of HK$1.5 each. The proceeds of HK$170,873,400 (equivalent to approximately RMB142,982,000), representing the par value, were credited to the Company's share capital. The remaining proceeds of approximately HK$2,392,227,600 (equivalent to approximately RMB2,001,750,000) and the share issuance expenses of RMB100,546,000 were credited and debited, respectively, to the share premium account.

14 CONTINGENT LIABILITIES

(a) Guarantees issued

At 30 June 2011, the Group has issued the following guarantees:

	At 30 June 2011	At 31 December 2010
	RMB'000	*RMB'000*
Guarantees for construction contracts' bidding, performance and retentions	**2,066,875**	2,221,102

As of the balance sheet date, 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 balance sheet date under the guarantees issued is the amount disclosed above.

(b) Contingent liabilities in respect of legal claims

(i) In December 2009, Shenyang Yuanda and Yuanda 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-contractor agreement entered into between Shenyang Yuanda and this former sub-contractor. Shenyang Yuanda has also made a counterclaim against this sub-contractor for non-performance of the sub-contractor agreement. As at the date of the interim financial statements, the above lawsuit is under reviewed before the Arbitral Tribunal of New Delhi in India. If Shenyang Yuanda and Yuanda India are found to be liable, the total expected monetary compensation may amount to approximately Indian Rupees 1,410.8 million (equivalent to approximately RMB202.0 million) plus accrued interest. Both Shenyang Yuanda and Yuanda India continue to deny any liability in respect of the non-performance of the terms of the sub-contract agreement and, based on legal advice, the directors of the Company do not believe it is probable that the arbitration tribunal will find against Shenyang Yuanda and Yuanda India. No provision has therefore been made in respect of this claim.

(ii) In April 2009, Shenyang Yuanda received a notice that it is being sued by a construction agent in Kuwait in respect of damages arose from the termination of the agency agreement entered into between Shenyang Yuanda and this former agent. As at the date of the interim financial statements, the above lawsuit is under reviewed before the Court of First Instance in Kuwait. If Shenyang Yuanda is found to be liable, the total expected monetary compensation may amount to approximately Kuwaiti Dinar 11.2 million (equivalent to approximately RMB262.7 million). Shenyang Yuanda continues to deny any liability in respect of the claim 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 has therefore been made in respect of this claim.

(iii) In June 2010, Yuanda Aluminium Industry Engineering (Germany) GmbH ("Yuanda Germany") filed a lawsuit against a customer in respect of its non-payment of Euro2.0 million in respect of the work carried out on this customer by Yuanda Germany. In September 2010, this customer filed a counterclaim against Yuanda Germany for non-performance of the construction contract. As at the date of the interim financial statements, the above lawsuit is under reviewed before the district court of Wiesbaden in Germany. If Yuanda Germany is found to be liable, the total expected monetary compensation may amount to approximately Euro6.1 million (equivalent to approximately RMB57.1 million). Yuanda Germany 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 Yuanda Germany. No provision has therefore been made in respect of this claim.

(iv) In September 2010, Yuanda USA Corporation ("Yuanda USA") received a notice that it is being sued by a former sub-contractor in respect of Yuanda USA's non-payment of the additional costs incurred by the sub-contractor arising from the sub-contractor agreement entered into between Yuanda USA and this former sub-contractor. Yuanda USA has also made a counterclaim against this sub-contractor for non-performance of the sub-contractor agreement. As at the date of the interim financial statements, the above lawsuit is under reviewed before an arbitrator. If Yuanda USA is found to be liable, the total expected monetary compensation may amount to approximately USD2.0 million (equivalent to approximately RMB12.9 million). Yuanda USA continues to deny any liability in respect of the claim and, based on legal advice, the directors of the Company do not believe it is probable that the arbitrator will find against Yuanda USA. No provision has therefore been made in respect of this claim.

(v) In addition to the lawsuits and arbitrations mentioned in Notes 14(b)(i) to 14(b)(iv), certain subsidiaries of the Group are named defendant on other lawsuits or arbitrations in respect of construction work carried out by them. The directors of the Company consider the amounts of claim involved in these lawsuits and arbitrations are insignificant to the Group, both individually and in aggregate. As at the date of the interim financial statements, the above 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 RMB4.5 million. Based on legal advice, 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. No provision has therefore been made in this respect.

15 NON-ADJUSTING POST BALANCE SHEET EVENTS

Establishment of an associate

On 24 August 2010, Shenyang Yuanda has entered into a memorandum of understanding (the "MOU") with a third party in the establishment of a glass manufacturing company. Pursuant to the MOU, which is subject to further negotiation between Shenyang Yuanda and this third party and the finalisation of the related agreement, Shenyang Yuanda will obtain 49% equity interests in this new company through contribution of RMB36.8 million in the form of land use rights, production plant and equipment and cash.

As at the date of the interim financial statements, the above transaction has yet to be completed.

BUSINESS REVIEW

The Company is principally engaged in the provision of one-stop integrated curtain wall solutions for our customers to meet the technical specifications and performance requirements of their projects. Our services include the design of curtain wall systems, procurement of materials, fabrication and assembly of curtain wall products, performance testing, installation of products at construction sites, and after-sales services. Our curtain wall solutions are mainly for office buildings, hotels, shopping centers, casinos, exhibition halls, airports and stadiums. We believe we are a leading curtain wall provider with a comprehensive product portfolio. We have further developed various curtain wall products by using more complex designs, new materials and advanced technologies to serve different functions, such as environmental protection, energy conservation and intelligent control. Such products include double-skin curtain walls, photovoltaic curtain walls, ecologically friendly curtain walls, video curtain walls and membrane structure curtain walls. We also provide ancillary products related to curtain wall systems, including skylights, metal roofs, canopy systems, shading systems, balustrade and breast board systems, and energy-saving aluminum alloy doors and windows.

The Group is honored to announce that according to the latest information disclosed on relevant website, in terms of turnover and net profit of 2010, the Group surpassed Permasteelisa S.p.A (the largest curtain wall manufacturing and contracting company in 2009).

This is the first interim result announcement presented to the shareholders upon the Group's listing on 17 May 2011. The profit attributable to shareholders of the Group increased by approximately 23.3% from the last corresponding period to about RMB416.6 million for the first half of 2011.

Upon the listing, the Company took appropriate measure to avoid being exposed to the risk arising from the substantial devaluation of Hong Kong dollars against Renminbi during the first half of 2011 by converting the proceeds from Hong Kong dollars to Renminbi in Hong Kong and therefore successfully preserved the value of the proceeds.

New Contracts

	Contracted projects					
	For the six months ended 30 June 2011		**After 30 June 2011 and up to the date of this announcement**		**Awarded but not yet contracted projects as at 30 June 2011**	
	Number of projects	*RMB million*	*Number of projects*	*RMB million*	*Number of projects*	*RMB million*
China	67	3,220.3	26	941.7	6	546.8
Overseas	6	446.0	2	152.2	20	1,608.4
	73	3,666.3	28	1,093.9	26	2,155.2

For the six months ended 30 June 2011, the Group won 73 new contracts with an aggregate contract amount of approximately RMB3,666.3 million. There were another 28 new contracts with an aggregate contract amount of approximately RMB1,093.9 million entered into after 30 June 2011 and up to the date of this announcement. Moreover, awarded but not yet contracted projects were valued at approximately RMB2,155.2 million. During the period from 1 January 2011 to the date of this announcement, the total value of newly contracted and newly awarded but not yet contracted projects reached RMB6,915.4 million. Leveraging on its leading position in the domestic market, the Group successfully won the contract of the Shanghai Tower during the first half of 2011, which will become the tallest building in China and second tallest building worldwide with a total height of 632 meters.

Backlog

	As at 30 June 2011 Remaining value of contracts		As at 31 December 2010 Remaining value of contracts	
	Number of contracts	***RMB million***	*Number of contracts*	*RMB million*
China	**388**	**7,507.6**	398	7,444.4
Overseas	**79**	**5,687.9**	91	6,886.9
Total	**467**	**13,195.5**	489	14,331.3

In the first half of 2011, the Group has completed 95 projects, the remaining value of the Group's backlog on hand amounted to approximately RMB13,195.5 million in total. Moreover, the newly contracted projects entered into from 1 July 2011 till the date of this announcement were valued at approximately RMB1,093.9 million, which secured the Group's future income.

During the first half of 2011, despite the chaotic situations of certain countries in the Middle East, projects of the Company in the Middle East were not affected since most of them were carried out in countries with political stability such as Saudi Arabia, UAE, Kuwait and Qatar. The Company has adopted a cautious approach to the expansion of business in Syrian market and currently do not participate in any projects in Syria.

With respect to our production capacity expansion, the construction of our new plant in Anshan was almost completed and the plant was expected to commence production during the second half of 2011, which will increase the annual production capacity of the Group by 1 million square meters. In addition, we have basically confirmed the location of our new plant in Tianjin and has prepaid deposits for purchase of the land for our new plant in Chengdu.

Looking forward, we have the following plans:

Focus on landmark projects and large-scale newly developed regions

During the second half of 2011 and the coming years, a number of large-scale projects will be launched to the market, including Kingdom Tower in Saudi Arabia with design height of 1,000 meters, and buildings with design height of 500 meters and above such as Lotte Super Tower in Seoul, Pingan IFC in Shenzhen and Chow Tai Fook (Guangzhou) Center. Moreover, there are several large-scale newly developed regions under planning, including Hengqin New District, Zhuhai and Zhoushan Islands New District, Zhejiang. The Group believes that with our competitive strengths developed over the years, we are well positioned to capture the opportunities in these landmark projects.

Continue to strengthen the efforts in research and development

We have one of the strongest research, development and design teams among all major curtain wall providers in the world. Our research, development and design team mainly focuses on developing cutting-edge products and technologies that represent the latest industry trends, developing innovative integrated solutions tailored to customers' needs, improving existing products, enhancing production efficiency and reducing costs. Among the newly contracted and newly awarded projects obtained during the first half of 2011, approximately RMB1,227 million was related to new curtain wall systems mainly including double-skin energy-saving curtain wall and LED curtain wall. In addition, during the first half of 2011, we have applied for the registration of 245 new patents on our curtain wall products and technologies, among which application of 153 patents were accepted by the State Intellectual Property Office of the PRC and pending for approval, and 3 patents have obtained the relevant certification. Besides, we are committed to developing new and innovative curtain wall products and technologies to be used in our curtain wall projects in order to consolidate our technological leading position.

With the Group's leading position in the PRC and the global markets, proven track record, leading research, development and design capabilities, extensive sales and marketing network around the world, strong production and processing capacity, full range of high-quality services and experienced management team, the management has full confidence in the long-term development potential of our Company. We will spare no effort to generate the maximum value and return for our shareholders.

FINANCIAL REVIEW

Turnover

During the first half of 2011, the Group's turnover increased by approximately RMB755.4 million, or 18.7%, from RMB4,046.6 million for the first half of 2010 to approximately RMB4,802.0 million for the corresponding period of 2011. The increase in turnover was primarily due to the following reasons:

(i) The Group has consolidated its leading position in the industry in the PRC with its turnover derived from domestic projects increasing by approximately RMB680.4 million, or 27.5%, from approximately RMB2,476.6 million for the first half of 2010 to approximately RMB3,157.0 million for the corresponding period of 2011. The increase during the current period was mainly related to public facilities and commercial buildings. With its leading position in the domestic market, the Group achieved a brilliant result in Northeast China and Northern China. The turnover derived from Western China and Southern China also increased substantially as compared to the last corresponding period.

(ii) The turnover derived from the overseas projects slightly increased from approximately RMB1,570.1 million for the first half of 2010 to RMB1,645.0 million for the corresponding period of 2011. The increase during the current period was mainly related to the commercial buildings and public facilities in Australia and the Middle East.

Cost of Sales

During the six months ended 30 June 2011, the Group's cost of sales amounted to approximately RMB3,659.3 million, representing an increase of 17.8% over RMB3,106.9 million for the corresponding period in last year. The increase in cost of sales was in line with the expansion of the Group's business.

Gross profit and gross profit margin

The Group's gross profit increased by approximately RMB202.9 million, or 21.6%, from RMB939.7 million for the first half of 2010 to approximately RMB1,142.6 million for the first half of 2011. Our gross profit margin rose from 23.2% for the first half of 2010 to 23.8% for the first half of 2011, primarily due to profits from several domestic projects were better than expected. Although the curtain wall market was highly competitive and both the raw materials and labour costs were increasing, the Group, leveraging on its leading research, development and design capabilities, high-quality production and installation facilities, full range of excellent and timely services, stringent cost control system and experienced management team, was able to complete the projects with a satisfactory level of gross profit, as well as achieving customer satisfactory.

Other revenue

Other revenue for the six months ended 30 June 2011 was approximately RMB3.6 million (six months ended 30 June 2010: RMB5.8 million), representing a decrease of approximately RMB2.2 million over the corresponding period of 2010. This was mainly due to a decrease in one-off government subsidy of RMB2.5 million.

Other net income

Other net income primarily comprises net gain from the sale of raw materials and net losses on disposal of property, plant and equipment. Other net income increased by RMB1.1 million from approximately RMB0.3 million for the first half of 2010 to about RMB1.4 million for the first half of 2011. This was mainly due to a decrease in loss on disposal of fixed assets during the first half of 2011.

Selling expenses

Selling expenses increased by RMB18.3 million, or 21.2%, from approximately RMB86.5 million for the first half of 2010 to approximately RMB104.8 million for the first half of 2011. Such increase was primarily due to (i) an increase in the number of our sales staff and salary raised in connection with our market expansion, which results in an increase of staff salaries and benefits in the amount of RMB9.6 million. During the first half of 2011, the number of our sales staff increased by 40 or 13.6% as compared to the corresponding period of last year; (ii) an increase of RMB6.0 million in expenses for business development and market expansion; and (iii) an increase of RMB1.5 million in travel expenses. Selling expenses for the first half of 2011 accounted for 2.2% of the turnover, which was similar to 2.1% for the first half of 2010.

Administrative expenses

During the six months ended 30 June 2011, the Group's administrative expenses was approximately RMB438.7 million as compared with RMB365.7 million for the first half of 2010, representing an increase of RMB73.0 million or 20.0%. Such increase was primarily due to an increase of RMB71.1 million in staff salaries and benefits as a result of salary raises and an increase in the number of our administrative staff in line with business expansion and revenue growth. The average number of operation and management staff for the first half of 2011 increased by 613, or 12.1%, from last corresponding period. Administrative expenses for the first half of 2011 accounted for 9.1% of the turnover, which was similar to 9.0% for the first half of 2010.

Finance costs

Finance costs decreased by RMB12.5 million, or 17.5%, from approximately RMB71.4 million for the first half of 2010 to approximately RMB58.9 million for the first half of 2011. This was primarily due to (i) net foreign exchange gain (included gain from forward foreign exchange contracts) for the first half of 2011 increased by approximately RMB53.8 million from the corresponding period of 2010. During the first half of 2011, we recorded net foreign exchange gain because of the appreciation of the Australian dollars, Euro and Swiss Francs against the Renminbi and the use of forward foreign exchange contract, which effectively hedged against the USD depreciation against Renminbi and made a gain of approximately RMB17.6 million; (ii) interest expenses and bank charges increased by RMB34.6 million and RMB6.2 million respectively for the first half of 2011 primarily due to the interest on the bridge loan of HK$820 million granted by Standard Chartered Bank during the period for the reorganization for the Group in preparation for the listing and the increase of average bank and other loans balance.

Income tax

Income tax increased by RMB29.8 million, or 31.9%, from approximately RMB93.5 million for the first half of 2010 to approximately RMB123.3 million for the first half of 2011. Our effective tax rate slightly increased from 22.1% for the six months ended 30 June 2010 to 22.6% for the six months ended 30 June 2011.

Profit attributable to our shareholders

For the six months ended 30 June 2011, profit attributable to shareholders of the Company was approximately RMB416.6 million (six months ended 30 June 2010: approximately RMB338.0 million), representing an increase of approximately 23.3% over the last corresponding period. For the six months ended 30 June 2011, basic and diluted earnings per share were RMB8.9 cents (six months ended 30 June 2010: RMB8.0 cents), up 11.3% from the last corresponding period).

Net current assets and financial resources

As at 30 June 2011, the Group's net current assets was RMB2,151.2 million (31 December 2010: negative RMB268.2 million). The Group funds its working capital requirements through cash inflow from its operations to maintain a stable financial position. As at 30 June 2011, the Group's cash and cash equivalents amounted to RMB1,914.6 million (31 December 2010: RMB533.7 million).

Bank loans and gearing ratio

As at 30 June 2011, the Group's bank borrowings amounted to RMB1,644.3 million (31 December 2010: RMB1,827.5 million). The Group's gearing ratio (total loans divided by total shareholders' interest) was 45.8% (31 December 2010: 210.9%). Such substantial decrease in the gearing ratio was due to the fund raised by the Group from the global offering in the first half of the year and the repayment of bridge loan to Standard Chartered Bank.

Receivables/trade and bills payables turnover days

Turnover days	**Six months ended 30 June 2011**	Full year ended 31 December 2010
Receivables	**126 days**	87 days
Trade and bills payables	**125 days**	101 days

The calculation of the receivables turnover days is based on the average amount of net contract work receivables (gross amount due from customers for contract work less gross amount due to customers for contract work plus trade and bills receivables net of provision) net of provision as at the beginning and ending of the relevant period divided by total turnover of the corresponding period and multiplied by 181 days or 365 days (where applicable). The receivables turnover days as at 30 June 2011 increased mainly because the construction works normally commenced after Lunar New Year holidays in China and gradually reached a peak in June 2011, and therefore, the Group was not able to collect the receivables of the above construction works during the interim period. Moreover, under more severe competition in the industry, the Company was forced to use more working capital of its own during the initial stage of construction, which results in a longer trade receivable turnover days. To lower the credit risk, individual credit evaluations are performed on all customers. These evaluations focuses on the customer's history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. In addition, the management has taken measures to speed up the collection of trade receivables and it is expected that the receivables turnover days will decrease by the end of this year. On the other hand, since we has a strong relationship and is a long term partner with most of the suppliers, the trade and bills payables turnover days also increased in line with the receivables turnover days.

Inventories and inventory turnover days

Our inventories primarily consist of materials used in fabrication of curtain wall products, including aluminum extrusions, glass, steel and sealant. The Group's inventory balance as at 30 June 2011 was approximately RMB444.6 million (31 December 2010: approximately RMB366.8 million). For the six months ended 30 June 2011, inventory turnover days (the average amount of inventories as at the beginning and ending of the period net of provision divided by cost of raw materials and multiplied by 181 days) was 38 days, representing an increase of 9 days as compared with 29 days for the year ended 31 December 2010. The main reasons for the increase in inventories and inventory turnover days were (i) many projects are expected to commence in the second half of the year, so we have purchased certain common materials in advance to ensure that the projects can be carried out smoothly; (ii) in anticipation of inflation, the Group has properly increased the reserve of certain raw materials which may be affected by the inflation such as steel and sealant. The management believes that the above measures will not have a significant impact on the Group's overall financial position.

Capital expenses

During the current reporting period, the Group's capital expenses amounted to approximately RMB52.5 million, which mainly related to the addition of land, plant and equipment under constructions.

Foreign exchange risk

As the overseas projects of the Group were dominated in USD, EURO, AUD, SGD, GBP, CHF and KWD, the movement in foreign exchange rates will affect the Group's financial position. To manage our foreign exchange risks, since 2009, we have started hedging the risk of appreciation of the Renminbi against foreign currencies through entering into forward foreign exchange contracts with reputable banks.

During the six months ended 30 June 2011, the Group entered into forward foreign exchange contracts denominated in U.S. dollars with an aggregated amount of about US$75.8 million in order to manage its risk exposure. As at 30 June 2011, the amount of outstanding forward foreign exchange contracts included approximately USD174.8 million, Euro8.7 million, CHF7.3 million and CAD0.3 million.

Contingent liabilities

The Group's contingent liabilities as at 30 June 2011 are set out in Note 14.

Global offering and use of proceeds

In May 2011, the Company conducted a global offering through which 6,208,734,000 ordinary shares, being new shares, were offered at a price of HK$1.50 per share. Net proceeds raised by the Company were approximately HK$2,402,947,000. The ordinary shares of the Company were listed on the Main Board of the Stock Exchange on 17 May 2011. As stated in the Company's prospectus dated 20 April 2011 and supplementary prospectus dated 5 May 2011, the Company intended to use the proceeds for expansion of its production capacity, repayment of its existing debts, investment in research and development, expanding its sales and marketing network. As at 30 June 2011, excluding the portion used to repay the bridge loan from Standard Chartered Bank, the remaining proceeds from the global offering were in the process of remitting to subsidiaries in China. Except the portion used to repay the bridge loan of Standard Chartered Bank, the Company has not utilized the proceeds from the global offering.

Human resources

As of 30 June 2011, the Group had 12,729 (31 December 2010: 12,721) full-time employees in total. The Group has sound policies of management incentives and competitive remuneration, which aligns the interests of management, employees and shareholders' alike. The Group sets its remuneration policy by 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 base salary, allowances, fringe benefits including medical insurance and contributions to pension funds, as well as incentives like discretionary bonus and participation in share options.

Audit of interim results

The interim results of the Company for the six months ended 30 June 2011 have been audited by the Company's external auditor, KPMG, in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. The auditor's independent audit report will be included in the Interim Report to shareholders. The audited interim results have also been reviewed and approved by the audit committee of the Company ("Audit Committee"), comprising all the three independent non-executive Directors namely, Mr. Poon Chiu Kwok (Chairman of Audit Committee), Mr. Woo Kar Tung, Raymond and Mr. Pang Chung Fai, Benny.

Corporate Governance

The Company strived to maintain a high standard of corporate governance and complied with the Code on Corporate Governance Practices set out in Appendix 14 of the Listing Rules. To the knowledge of the Board, the Company had fully complied with the code provisions in the Code on Corporate Governance Practices as set out in Appendix 14 of the Listing Rules since 17 May 2011, the date of listing of the Company's shares on the Stock Exchange (the "Listing Date"), and up to 30 June 2011 there has been no deviation from the code provisions.

Model Code for Securities Transactions

The Board has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix 10 to the Listing Rules for the transactions of the Company's securities. The Company has made specific enquiry to all Directors and all the Directors have confirmed their compliance with the required standards set out in the Model Code since the listing date of the Company and up to 30 June 2011.

Purchase, Sale and Re-Purchase of Shares

Save for the 208,734,000 shares issued by the Company pursuant to the Over-allotment Option under the Global Offering (as defined in the prospectus of the Company dated 20 April 2011), there was no purchase, sale and re-purchase of any listed securities of the Company by the Company or any of its subsidiaries between the period of the Listing Date and 30 June 2011.

General Information

The Group's consolidated interim financial statements have been audited by KPMG, the auditors of the Company, in accordance with the Hong Kong Standards on Auditing. The comparative figures in the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, and the consolidated statement of cash flows for the six months ended 30 June 2010 and the related notes disclosed in the consolidated interim financial statements are derived from the management accounts of the Group and have not been audited.

Publication of the interim results and interim report

This interim results announcement is published on the website of HKExnews (*www.hkexnews.hk*) as well as the website of the Company (*www.yuandacn.com*). The 2011 interim report will be dispatched to shareholders and will be published on the aforementioned websites in due course.

Appreciation

On behalf of the Board, I would like to express my sincere gratitude to our shareholders, investors, partners and customers for their continued trust and support and all our management and staff members for their contribution and devotion. We are confident in achieving a brighter performance in the remaining of the year and at the same time, deliver fruitful rewards to our shareholders and investors.

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

Hong Kong, 29 August 2011

As at the date of this announcement, the Board comprises 11 directors. Executive Directors are Mr. Kang Baohua (chairman), Mr. Tian Shouliang (chief executive officer), Mr. Guo Zhongshan, Mr. Wang Yijun, Mr. Si Zuobao, Mr. Wu Qingguo, Mr. Wang Lihui and Mr. Wang Deqiang, and the independent non-executive Directors are Mr. Poon Chiu Kwok, Mr. Woo Kar Tung, Raymond and Mr. Pang Chung Fai, Benny.