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

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2789)

RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2015

The board (the "**Board**") of directors (the "**Directors**") of Yuanda China Holdings Limited (the "**Company**") hereby announces the audited consolidated results of the Company and its subsidiaries (collectively, the "**Group**") for the year ended 31 December 2015 (the "**Reporting Period**"), together with comparative figures for the year ended 31 December 2014.

FINANCIAL HIGHLIGHTS

	2015	2014	Percentage Change
Revenue *(RMB' million)*	**8,594.4**	10,038.7	(14.4%)
Gross profit margin	**10.6%**	14.7%	(4.1%)
Consolidated net (loss)/profit *(RMB' million)*	**(167.7)**	51.1	(>100.0%)
(Loss)/profit attributable to equity shareholders of the Company *(RMB' million)*	**(192.3)**	25.6	(>100.0%)
Net cash generated from operating activities *(RMB' million)*	**15.3**	85.2	(82.0%)
Basic and diluted (loss)/earnings per share *(RMB cents)*	**(3.10)**	0.41	(>100.0%)
Proposed final dividend per share *(HK cents)*	**0.0**	10.0	(100.0%)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2015

(Expressed in Renminbi ("RMB"))

	Note	2015	2014
		RMB'000	*RMB'000*
Revenue	5	**8,594,364**	10,038,653
Cost of sales		**(7,681,718)**	(8,558,050)
Gross profit	5(b)	**912,646**	1,480,603
Other income	6	**166,218**	31,505
Selling expenses		**(170,640)**	(175,479)
Administrative expenses		**(1,076,619)**	(1,040,700)
(Loss)/profit from operations		**(168,395)**	295,929
Finance costs	7(a)	**1,107**	(234,398)
(Loss)/profit before taxation	7	**(167,288)**	61,531
Income tax	8	**(443)**	(10,424)
(Loss)/profit for the year		**(167,731)**	51,107
Attributable to:			
Equity shareholders of the Company		**(192,257)**	25,597
Non-controlling interests		**24,526**	25,510
(Loss)/profit for the year		**(167,731)**	51,107
(Loss)/earnings per share (RMB cents)			
– Basic and diluted	9	**(3.10)**	0.41

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2015

(Expressed in RMB)

	2015	2014
	RMB'000	*RMB'000*
(Loss)/profit for the year	**(167,731)**	51,107
Other comprehensive income for the year (after tax and reclassification adjustments):		
Items that may be reclassified subsequently to profit or loss:		
– Exchange differences on translation into presentation currency	**(71,115)**	45,746
– Cash flow hedge:		
net movement in the hedging reserve	**(28,633)**	(32,292)
Other comprehensive income for the year	**(99,748)**	13,454
Total comprehensive income for the year	**(267,479)**	64,561
Attributable to:		
Equity shareholders of the Company	**(289,876)**	26,995
Non-controlling interests	**22,397**	37,566
Total comprehensive income for the year	**(267,479)**	64,561

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2015
(Expressed in RMB)

	Note	**2015**	2014
		RMB'000	*RMB'000*
Non-current assets			
Property, plant and equipment		**749,165**	794,582
Lease prepayments		**638,126**	551,708
Deferred tax assets		**340,992**	289,696
		1,728,283	1,635,986
Current assets			
Short-term investments		**–**	300,000
Inventories		**432,960**	446,061
Gross amount due from customers for contract work	*10*	**5,738,168**	5,933,550
Trade and bills receivables	*11*	**2,812,661**	2,864,965
Deposits, prepayments and other receivables		**619,922**	597,564
Cash and cash equivalents		**3,006,827**	2,662,517
		12,610,538	12,804,657
Current liabilities			
Trade and bills payables	*12*	**4,258,978**	4,663,206
Gross amount due to customers for contract work	*10*	**1,560,772**	1,365,694
Receipts in advance		**82,059**	119,776
Accrued expenses and other payables		**880,955**	803,748
Bank loans		**3,757,104**	3,320,000
Income tax payable		**229,214**	207,994
Provision for warranties		**48,222**	41,254
		10,817,304	10,521,672
Net current assets		**1,793,234**	2,282,985
Total assets less current liabilities		**3,521,517**	3,918,971

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

At 31 December 2015

(Expressed in RMB)

	2015	2014
	RMB'000	*RMB'000*
Non-current liabilities		
Bank loans	**300,000**	–
Deferred tax liabilities	**3,401**	2,067
Provision for warranties	**175,057**	128,630
	478,458	130,697
NET ASSETS	**3,043,059**	3,788,274
CAPITAL AND RESERVES		
Share capital	**519,723**	519,723
Reserves	**2,658,041**	3,425,653
Total equity attributable to equity shareholders of the Company	**3,177,764**	3,945,376
Non-controlling interests	**(134,705)**	(157,102)
TOTAL EQUITY	**3,043,059**	3,788,274

NOTES

(Expressed in RMB unless otherwise indicated)

1 CORPORATE INFORMATION

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

2 STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with 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"). These financial statements also comply with the 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").

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 and the Company. 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 financial statements.

3 BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The consolidated financial statements for the year ended 31 December 2015 comprise the Group.

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 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.

For the year ended 31 December 2015, the Group incurred net loss of RMB167,731,000. These consolidated financial statements have been prepared on a going concern basis notwithstanding the net loss performance for the year ended 31 December 2015 because the directors of the Company are of the opinion that based on a cash flow forecast of the Group for the twelve months ending 31 December 2016 prepared by the management, which takes into account the banking facilities of RMB1,410,000,000 not yet utilised as at 31 December 2015, the Group would have adequate funds to meet its liabilities as and when they fall due at least twelve months from the end of the reporting period. Accordingly, the directors of the Company consider it is appropriate to prepare the consolidated financial statements on a going concern basis.

4 CHANGES IN ACCOUNTING POLICIES

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

- Amendments to IAS 19, *Employee benefits: Defind benefit plans: Employee contributions*
- *Annual improvements to IFRSs 2010-2012 Cycle*
- *Annual improvements to IFRSs 2011-2013 Cycle*

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

5 REVENUE AND SEGMENT REPORTING

(a) Revenue

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

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 2015 and 2014.

Further details regarding the Group's principal activities are disclosed below.

(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 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: comprises construction contracts carried out in the northeastern region of the People's Republic of China (the "PRC"), which includes Liaoning, Jilin, Heilongjiang, Shandong, Henan and Inner Mongolia provinces and autonomous region.

- North China: comprises construction contracts carried out in the northern region of the PRC, which includes Hebei and Shanxi provinces, Beijing and Tianjin.

- East China: comprises construction contracts carried out in the eastern region of the PRC, which includes Jiangsu, Zhejiang, Anhui and Jiangxi provinces, and Shanghai.

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

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

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

(i) Segment results, assets and liabilities

For the purpose 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 property, plant and equipment, lease prepayments, deferred tax assets and other corporate assets. Segment liabilities include trade and bills payables, gross amount due to customers for contract work, 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. No significant inter-segment sales have occurred for the years ended 31 December 2015 and 2014. The Group's other operating expenses, such as selling and administrative expenses and finance costs, are not measured under individual segments. The measure used for reporting segment result is gross profit.

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 2015 and 2014 is set out below.

				2015			
	Northeast China RMB'000	**North China RMB'000**	**East China RMB'000**	**West China RMB'000**	**South China RMB'000**	**Overseas RMB'000**	**Total RMB'000**
Revenue from external customers and reportable segment revenue	**1,364,534**	**1,028,048**	**1,865,454**	**691,935**	**1,151,640**	**2,492,753**	**8,594,364**
Reportable segment gross profit	**188,687**	**179,977**	**258,941**	**108,238**	**72,851**	**103,952**	**912,646**
Reportable segment assets	**2,640,639**	**1,544,220**	**2,350,813**	**1,088,063**	**1,484,267**	**2,416,522**	**11,524,524**
Reportable segment liabilities	**1,361,342**	**946,661**	**1,773,041**	**543,555**	**829,849**	**1,893,313**	**7,347,761**

	2014						
	Northeast China RMB'000	North China RMB'000	East China RMB'000	West China RMB'000	South China RMB'000	Overseas RMB'000	Total RMB'000
Revenue from external customers and reportable segment revenue	1,855,705	1,840,726	2,362,109	639,993	1,210,995	2,129,125	10,038,653
Reportable segment gross profit	286,270	434,019	343,760	80,529	153,776	182,249	1,480,603
Reportable segment assets	2,606,066	1,703,618	2,402,532	1,136,041	1,414,563	2,452,838	11,715,658
Reportable segment liabilities	1,279,805	1,054,713	1,739,490	611,288	858,416	1,691,799	7,235,511

(ii) Reconciliations of reportable segment assets and liabilities

	2015 *RMB'000*	2014 *RMB'000*
Assets		
Reportable segment assets	**11,524,524**	11,715,658
Property, plant and equipment	**749,165**	794,582
Lease prepayments	**638,126**	551,708
Deferred tax assets	**340,992**	289,696
Unallocated head office and corporate assets	**1,621,253**	1,545,675
Elimination of receivables between segments, and segments and head office	**(535,239)**	(456,676)
Consolidated total assets	**14,338,821**	14,440,643
Liabilities		
Reportable segment liabilities	**7,347,761**	7,235,511
Bank loans	**4,057,104**	3,320,000
Income tax payable	**229,214**	207,994
Deferred tax liabilities	**3,401**	2,067
Unallocated head office and corporate liabilities	**193,521**	343,473
Elimination of payables between segments, and segments and head office	**(535,239)**	(456,676)
Consolidated total liabilities	**11,295,762**	10,652,369

(iii) Geographic information

The following tables set 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 determined based on the physical location of the assets. For overseas construction contracts, the Group further divided the customers based on regions, where each country within the region shares similar characteristics as to the depth of the Group's penetration in the market and industry practices.

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

	2015	2014
	RMB'000	*RMB'000*
The PRC (excluding Hong Kong and Macau) (Place of domicile)	**6,101,611**	7,909,528
Europe region	**663,171**	607,458
Australia region	**885,627**	919,996
Far East region	**307,112**	127,997
Middle East region	**205,484**	156,273
Americas region	**391,870**	223,662
Others	**39,489**	93,739
	8,594,364	10,038,653

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

	2015	2014
	RMB'000	*RMB'000*
The PRC (excluding Hong Kong and Macau) (Place of domicile)	**1,371,422**	1,329,844
Overseas	**15,869**	16,446
	1,387,291	1,346,290

6 OTHER INCOME

	2015	2014
	RMB'000	*RMB'000*
Government grants	**27,583**	28,840
Rental income from operating leases	**3,053**	3,507
Net income from provision of repairs and maintenance services	**3,424**	4,194
Net gain from sale of raw materials	**519**	26
Net gain/(loss) on disposal of property, plant and equipment and land use rights *(Note (i))*	**131,639**	(5,062)
	166,218	31,505

Note:

(i) The amounts included a gain of RMB131.4 million arising from disposal of land use rights by a PRC subsidiary of the Group in exchange of a new land and compensation to be received in relation to the disposal, after deducting the cost to be incurred to relocate the subsidiary's property, plant and equipment to the new land.

7 (LOSS)/PROFIT BEFORE TAXATION

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

(a) Finance costs:

	2015	2014
	RMB'000	*RMB'000*
Interest on borrowings	**203,329**	194,669
Bank charges and other finance costs	**34,747**	36,912
Total borrowing costs	**238,076**	231,581
Interest income	**(12,576)**	(16,742)
Net foreign exchange (gain)/loss	**(143,983)**	56,998
Net loss/(gain) on forward foreign exchange contracts:		
– net loss/(gain) on cash flow hedging instruments reclassified from equity	**51**	(24,260)
– net gain on other forward foreign exchange contracts	**(82,675)**	(13,179)
	(1,107)	234,398

No borrowing costs have been capitalised for the year ended 31 December 2015 (2014: RMBNil).

(b) Staff costs#:

	2015	2014
	RMB'000	*RMB'000*
Salaries, wages and other benefits	**917,135**	964,066
Contributions to defined contribution retirement plans	**104,367**	103,777
Equity-settled share-based payment expenses in respect of share award scheme *(Note 13)*	**14,705**	15,277
	1,036,207	1,083,120

(c) Other items:

	2015	2014
	RMB'000	*RMB'000*
Depreciation and amortisation#	**63,977**	65,021
Impairment losses on trade and other receivables	**209,108**	118,993
Operating lease charges in respect of land, plant and buildings, motor vehicles and other equipment#	**57,337**	45,725
Auditors' remuneration:		
– statutory audit services	**7,500**	7,300
– other services	**2,342**	3,507
Research and development costs#	**342,525**	375,130
Increase in provision for warranties#	**113,817**	104,132
Cost of inventories#	**7,681,718**	8,558,050

Cost of inventories includes RMB732.4 million for the year ended 31 December 2015 (2014: RMB720.4 million), 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 7(b) for each of these types of expenses.

8 INCOME TAX

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

	2015	2014
	RMB'000	*RMB'000*
Current taxation:		
– PRC Corporate Income Tax	**42,394**	48,489
– Overseas income tax	**3,885**	2,336
	46,279	50,825
Deferred taxation:		
– Origination and reversal of temporary differences	**(45,836)**	(40,401)
	443	10,424

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

	2015	2014
	RMB'000	*RMB'000*
(Loss)/profit before taxation	**(167,288)**	61,531
Expected tax on (loss)/profit before taxation, calculated at the rates applicable to profits in the jurisdictions concerned *(Notes (i), (ii), (iii) and (iv))*	**(68,117)**	29,333
Tax effect of non-deductible expenses *(Note (v))*	**10,706**	22,157
Tax effect of unused tax losses not recognised	**15,934**	23,961
Tax effect of write-down of deferred tax assets *(Note (vi))*	**59,942**	–
Tax concessions *(Note (vii))*	**(18,022)**	(65,027)
Income tax	**443**	10,424

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 2015 (2014: 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 2015 (2014: 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 2015 (2014: 25%).

(iv) The subsidiaries of the Group incorporated in countries 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 35% for the year ended 31 December 2015 pursuant to the rules and regulations of their respective countries of incorporation (2014: 8.5% to 35%).

(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) The Group wrote down previously recognised tax losses of RMB59.9 million (2014: RMB Nil), as the utilisation of these unused tax losses has changed due to changes were made to the estimates of the future operating results of certain subsidiaries of the Group.

(vii) 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 calendar years from 2014 to 2016 and therefore enjoys a preferential PRC Corporate Income Tax rate of 15% for the year ended 31 December 2015 (2014: 15%). In addition to the preferential PRC Corporate Income Tax rate, this subsidiary entitles an additional tax deductible allowance amounted to 50% of the qualified research and development costs incurred in the PRC by this subsidiary.

9 BASIC AND DILUTED (LOSS)/EARNINGS PER SHARE

(a) Basic (loss)/earnings per share

The basic loss per share for the year ended 31 December 2015 is calculated based on the loss attributable to equity shareholders of the Company of RMB192.3 million (2014: profit of RMB25.6 million) and the weighted average of 6,198,626,000 ordinary shares (2014: 6,188,268,000 ordinary shares) in issue during the year.

The calculation of the weighted average number of ordinary shares during the years ended 31 December 2015 and 2014 was as follows:

	2015	2014
	'000	*'000*
Issued ordinary shares at 1 January	**6,188,520**	6,178,734
Effect of shares purchased and vested under a share award scheme *(Note 13)*	**10,106**	9,534
Weighted average number of ordinary shares at 31 December	**6,198,626**	6,188,268

(b) Diluted (loss)/earnings per share

There were no dilutive potential shares outstanding during the years ended 31 December 2015 and 2014.

10 GROSS AMOUNT DUE FROM/TO CUSTOMERS FOR CONTRACT WORK

	2015	2014
	RMB'000	*RMB'000*
Contract costs incurred plus recognised profits less recognised losses in connection with construction contracts in progress at the end of the reporting period	**45,445,528**	41,387,301
Less: progress billings	**(41,268,132)**	(36,819,445)
	4,177,396	4,567,856
Gross amount due from customers for contract work	**5,738,168**	5,933,550
Gross amount due to customers for contract work	**(1,560,772)**	(1,365,694)
	4,177,396	4,567,856

11 TRADE AND BILLS RECEIVABLES

	2015 *RMB'000*	2014 *RMB'000*
Trade receivables for contract work due from:		
– Third parties	**3,193,472**	2,990,433
– Affiliates of the Controlling Shareholder	**133,418**	136,875
	3,326,890	3,127,308
Bills receivable for contract work	**141,121**	192,560
Trade receivables for sale of raw materials due from:		
– Third parties	**1,512**	1,327
– Affiliates of the Controlling Shareholder	**1,742**	1,611
	3,254	2,938
	3,471,265	3,322,806
Less: allowance for doubtful debts	**(658,604)**	(457,841)
	2,812,661	2,864,965

The Group generally requires customers to settle progress billings and retentions receivable in accordance with contracted terms. Credit terms of one to ten years may be granted to customers and debtors for retentions receivable, depending on credit assessment carried out by management on and individual customer or debtor basis.

As of the end of the reporting period, the ageing analysis of trade and bills receivables, based on the invoice date and net of allowance for doubtful debts, is as follows:

	2015 *RMB'000*	2014 *RMB'000*
Within 6 months	**789,134**	1,168,520
More than 6 months but less than 1 year	**363,045**	283,127
More than 1 year	**1,660,482**	1,413,318
	2,812,661	2,864,965

The ageing analysis of trade and bills receivables that are neither individually nor collectively considered to be impaired is as follows:

	2015	2014
	RMB'000	*RMB'000*
Neither past due nor impaired	**747,233**	653,270
Less than 6 months past due	**674,727**	998,318
More than 6 months but less than 1 year past due	**372,749**	318,559
More than 1 year past due	**1,017,952**	894,818
	2,065,428	2,211,695
	2,812,661	2,864,965

12 TRADE AND BILLS PAYABLES

	2015	2014
	RMB'000	*RMB'000*
Trade payables for purchase of inventories due to:		
– Third parties	**2,407,146**	2,619,230
– Affiliates of the Controlling Shareholder	**2,725**	1,497
	2,409,871	2,620,727
Trade payables due to sub-contractors	**734,603**	765,259
Bills payable	**1,114,504**	1,277,220
Financial liabilities measured at amortised cost	**4,258,978**	4,663,206

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:

	2015	2014
	RMB'000	*RMB'000*
Within 1 month or on demand	**3,346,548**	3,594,756
More than 1 month but less than 3 months	**275,680**	312,885
More than 3 months	**636,750**	755,565
	4,258,978	4,663,206

13 EQUITY SETTLED SHARE-BASED TRANSACTIONS

On 10 April 2013 (the "Adoption Date"), the directors of the Company adopted a share award scheme (the "Share Award Scheme") as a mean of rewarding and retaining certain employees of the Group and to attract suitable personnel for further development with the Group. A trust has been set up for the purpose of administering the Share Award Scheme.

Pursuant to the Share Award Scheme, the trust may purchase shares in the Company from the Stock Exchange with cash contributed by the Group, and to hold such shares until they are vested.

The directors of the Company may, from time to time, at its sole and absolute discretion, select any employee of the Group (other than those classes of employees specifically excluded as stated in the Share Award Scheme) for participation in the Share Award Scheme and grant such number of awarded shares to any selected employee of the Group at nil consideration. The directors of the Company are entitled to impose any conditions (including a period of continued service within the Group after the award) with respect to the vesting of the awarded shares.

The Share Award Scheme came into effect on the Adoption Date, and shall terminate on the earlier of (i) the tenth anniversary date of the Adoption Date; and (ii) such date of early termination as determined by the directors of the Company.

Details of the shares held under the Share Award Scheme are set out below:

		2015			2014	
	Average purchase price	**No. of shares held**	**Value**	Average purchase price	No. of shares held	Value
	HK$	***'000***	***RMB'000***	*HK$*	*'000*	*RMB'000*
At 1 January		**20,214**	**9,270**		30,000	15,353
Shares purchased during the year	**0.45**	**7,380**	**2,653**	0.57	17,304	7,781
Shares granted and vested during the year		**(27,007)**	**(11,713)**		(27,090)	(13,864)
At 31 December		**587**	**210**		20,214	9,270

On 5 May 2015, 27,007,000 ordinary shares held under the Share Award Scheme were awarded to certain employees of the Group with a fair value per share of HK$0.69 (equivalent to approximately RMB0.54 per share). The fair value of the awarded shares is determined by reference to the closing price of the Company's ordinary shares on 5 May 2015. These awarded shares were vested on 14 May 2015.

14 DIVIDENDS

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

	2015	2014
	RMB'000	*RMB'000*
Final dividend proposed after the end of the reporting period of HK$Nil per ordinary share (2014: HK$0.10 per ordinary share)	**–**	489,788

(ii) Dividends payable to equity shareholders of the Company attributable to the previous financial year, approved and paid during the year

	2015	2014
	RMB'000	*RMB'000*
Final dividend in respect of the previous financial year, approved and paid during the year, of HK$0.10 per ordinary share (2014: HK$0.08 per ordinary share)	**489,788**	390,519

15 CONTINGENT LIABILITIES

(a) Guarantees issued

At 31 December 2015, the Group has issued the following guarantees:

	2015	2014
	RMB'000	*RMB'000*
Guarantees for construction contracts' bidding, performance and retentions *(Note (i))*	**2,189,897**	2,676,717
Financial guarantee to a third party *(Note (ii))*	**227,104**	–
	2,417,001	2,676,717

The maximum liability of the Group as of the end of the reporting period under the guarantees issued is the amount disclosed above.

Notes:

(i) 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.

(ii) A third party provides guarantee in respect of a long-term bank loan of RMB227.1 million drawn by the Group. At the same time, a subsidiary of the Group provides a counter-guarantee to the third party.

(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. As at the date of these 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 INR1,410.8 million (equivalent to approximately RMB137.8 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/or 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 these 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 KWD11.2 million (equivalent to approximately RMB239.5 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 November 2014, Yuanda Canada Enterprises Ltd. ("Yuanda Canada"), a wholly owned subsidiary of the Group, received a notice that it is being counterclaimed by a contractor in Canada alleging damages due to additional costs incurred for project delays caused by Yuanda Canada and costs incurred in completing and rectifying Yuanda Canada's work. This counterclaim is derived from a claim registered by Yuanda Canada against the contractor in respect of its non-payment of CAD2.9 million (equivalent to approximately RMB13.6 million) for the value of work performed by Yuanda Canada. If Yuanda Canada is found to be liable, the total expected monetary compensation may amount to approximately CAD13.5 million (equivalent to approximately RMB63.2 million) plus accrued interest. Yuanda Canada denies 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 Canada. No provision had therefore been made in respect of this claim.

(iv) In addition to the lawsuits mentioned in Notes 15(b)(i) to 15(b)(iii), certain subsidiaries of the Group are named defendants on other lawsuits or arbitrations in respect of construction work carried out by them. The directors of the Company consider the amounts involved in these lawsuits and arbitrations are insignificant to the Group, both individually and in aggregate. As at the date of these financial statements, 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 RMB57.6 million, of which RMB28.2 million has already been provided by the Group at 31 December 2015. Based on legal advices, except for the lawsuits the Group has already provided for, 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.

16 COMPARATIVE FIGURES

Certain comparative figures set out in Note 7(a) have been adjusted to conform to current year's presentation.

BUSINESS REVIEW

The Group is a provider of one-stop integrated curtain wall solutions covering 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. End users of the Group's curtain wall solutions are mainly located in domestic and overseas non-residential and infrastructure development areas, such as office buildings of government authorities or headquarters of leading companies from various industries, hotels, shopping centers, convention, cultural and art centers, stadiums, exhibition halls, airports, train stations, hospitals and universities.

The Company believes that it is one of the world leading curtain wall providers with a comprehensive product portfolio. The Group's integrated elements of new materials, new technology, alternative energy, environmental protection and energy conservation into curtain wall products through much sophisticated research and development ("**R&D**"), design, production and installation works to further develop different types of curtain wall products and be committed to realizing the idea of "Low carbon, Function, Safety" in curtain wall products. Such products include double-skin, photovoltaic, ecologically friendly, video and membrane structure types of curtain walls. The Group also provides ancillary products to complement its curtain wall systems, including skylights, metal roofs, canopy systems, shading systems, balustrade and breast board systems, fire door, roll-up door and energy-saving aluminum alloy doors and windows.

During the year 2015, the loss attributable to equity shareholders of the Company was approximately RMB192.3 million (31 December 2014: a profit of approximately RMB25.6 million). In 2015, the Group incurred its first-ever whole year operation loss since the listing of its shares on the Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") in 2011, which was mainly due to the PRC economic downturn and the sluggish construction industry demand which in turn (i) decreased revenue and gross profit margin by lengthening period of construction projects; and (ii) increased the amount of impairment of receivables under the prudent and cautious principle during the year ended 31 December 2015.

NEWLY-AWARDED PROJECTS (EXCLUDING VAT)

During the year 2015, the Group was awarded with 126 new projects with an aggregate amount of approximately RMB8,867 million, representing a decline of approximately RMB3,328 million or 27.3% as compared to 2014. The main reason for the decline was that, in light of downward pressure on the PRC economy, the construction industry demand was continuously decreasing as a result of the declining growth rate of investment in real estate. Moreover, to avoid the credit risks from domestic customers, the Group took a more prudent and cautious operating strategy and avoided or forewent those projects with less favourable payment terms or lower profit margin.

	2015		2014	
	Number of projects	***RMB' million***	Number of projects	*RMB' million*
Domestic	**97**	**5,165**	163	7,980
Overseas	**29**	**3,702**	26	4,215
Total	**126**	**8,867**	189	12,195

In light of the trend of depreciation of RMB against USD and the gradual recovery of overseas real estate market, it is expected that the Company will seek development opportunities in overseas market.

Details of the certain landmark projects obtained by the Group in 2015 are as follows:

Domestic:

Project name	**Category of project utilization**	**Approximately Contract Value** *RMB' million*
Shenzhen Upper Hills	Commercial Complex	235.0
Shanghai International Financial Center	Financial Center	223.0
Suzhou Gym Center	Communal Facilities	192.0
Chongqing Chinese Entrepreneurs Association	Headquarters Building	165.2
Guorui Plaza	Commercial Complex	159.2
Walton Group	Headquarters Building	142.0
Shenzhen Shuibei Jewelry Building	Headquarters Building	138.6
Guangzhou Baiyun Airport	Communal Facilities	116.5
Maritime Museum	Communal Facilities	108.3
Yanchang Petroleum Research Center	Headquarters Building	108.2
Jinan Life Insurance Building	Headquarters Building	107.6

Overseas:

Project name	Category of project utilization	Approximately contract value
		RMB' million
Jewel Project, Australia	Resort	472.8
Riverside Park, U.S.	Communal Facilities	352.7
Djakarta MENARA ASTRA, Indonesia	Headquarters Building	196.2
Los Angeles Metropolitan, U.S.	Commercial Complex	178.0
Stadium in Ujpest Budapest FC, Australia	Communal Facilities	155.9
Malaysia Stara Building, Malaysia	Headquarters Building	128.6
Robinson Towers, Singapore	Headquarters Building	121.2
Sequis Centre Tower, Indonesia	Headquarters Building	109.9

Backlog

As at 31 December 2015, the remaining contract value of backlog of the Group amounted to approximately RMB20,913 million (31 December 2014: approximately RMB22,209 million), which could support a sustainable development of the Group for the next 2-3 years.

	2015		2014	
	Remaining contract value		Remaining contract value	
	Number of projects	***RMB' million***	Number of projects	*RMB' million*
Domestic	**399**	**12,261**	396	13,525
Overseas	**100**	**8,652**	87	8,684
Total	**499**	**20,913**	483	22,209

Major technology achievements and awards

The Group adopts the strategy of "energy saving, information technology, intelligent, new technology, new materials" as its future technical development direction, and pioneers the development trend of the industry based on its technical expertise and extensive research and development experience.

In 2015, the Group obtained 37 patents, including 31 patents for invention and 6 patents for utility model. At 31 December 2015, the total number of patents owned by the Group was 965.

BUSINESS PROSPECTS

In 2015, for domestic market, China's macro economy stepped into the new normal of growth shift and structural transformation, with a relatively slow growth of GDP at about 6.9%, hitting a new low for 25 years. In light of the overall sluggish market demand, excess capacity of traditional industries, staple commodities continued to run at a low level, and the overall economic situation was challenging. In 2015, the total amount of the national real estate development investment was about RMB9.6 trillion, up by only approximately 1.0% as compared with that of last year, among which, the total investment of non-residential real estate closely linked with the curtain wall industry was about RMB3.1 trillion, up by approximately 2.3% as compared with that of last year. The inventory level was still severely high in domestic real estate market, and the growth rate of investment amount maintained at a low single digit, forming a negatively strong impact on the Group's business. For overseas market, the U.S. economy experienced a strong rebound, while the recovery of European economy was slightly weak, and the Asia Pacific region maintained at a steady pace. Affected by the continued decline of international oil prices, the economy of resource countries in the Middle East was facing a deflation risk where governments' finance collapsed, resulting in a significant reduction in infrastructure investment. The Group's business in Asia Pacific and Americas grew up during the Reporting Period, and it is expected more business will be strategically expanded in these two regions in the upcoming future.

Facing the complex domestic and international economic situation, the Group will continue to implement the steady and prudent business strategy, and strive to improve the level of internal management, strengthen budget management and cost control, strictly control the project risk, and implement effective risk management measures to ensure the main business of curtain wall would develop in a healthy and sustainable way. At the same time, the Group will also continuously adhere and respond to the changes in the real-market situation, actively grasp the new direction of the national policy and industrial restructuring, with an objective to be able to identify new business investment opportunities in the emerging industry and achieve strategic transformation to create more values for its shareholders.

FINANCIAL REVIEW

Revenue

For 2015, the Group's revenue decreased by approximately RMB1,444.3 million or approximately 14.4% compared with last year to approximately RMB8,594.4 million (2014: approximately RMB10,038.7 million). The main reason for the decline was that, in light of the slowdown in domestic real estate investment, the Group took a relatively prudent and cautious operation strategy and construction progress slowed down as a result. Among the revenue for the year ended 31 December 2015 is:

1. The revenue from domestic market decreased by approximately RMB1,808.0 million or approximately 22.9% compared with last year to approximately RMB6,101.6 million (2014: approximately RMB7,909.6 million), contributing approximately 71.0% of the total revenue of the Group; and

2. The revenue from overseas market increased by approximately RMB363.7 million or approximately 17.1% from last year to approximately RMB2,492.8 million (2014: approximately RMB2,129.1 million), contributing approximately 29.0% of the total revenue of the Group. While the domestic revenue dropped, the overseas revenue grew up, especially in the markets of Asia Pacific and Americas.

Cost of sales

In 2015, the Group's cost of sales decreased by approximately RMB876.4 million or 10.2% compared with last year to approximately RMB7,681.7 million (2014: approximately RMB8,558.1 million). With the decrease in revenue, the related costs of sales were accordingly decreased.

Gross profit and gross profit margin

In 2015, the Group's gross profit decreased by approximately RMB568.0 million or approximately 38.4% to approximately RMB912.6 million (2014: approximately RMB1,480.6 million).

The Group's gross profit margin decreased by approximately 4.1% to approximately 10.6% (2014: approximately 14.7%). Among which:

1. In 2015, the Group's domestic gross profit margin decreased by approximately 3.1% compared with last year to 13.3% (2014: 16.4%), but representing an increase of 0.5% from the first half of 2015 (30 June 2015: 12.8%). The decrease in the Group's domestic gross profit margin was mainly attributable to the decline in the market growth, the increase in industry competition, as well as the increase in cost as a result of the slowdown of the construction schedule. The gross margin level of all regions in the domestic market declined except west China region, of which the North and the South China areas recorded more significant decreases; and

2. In 2015, the Group's overseas gross profit margin decreased by approximately 4.4% from last year to 4.2% (2014: 8.6%). The decrease in the Group's overseas gross profit margin was mainly because of the low profitability in the Middle East and Australia, which were in a state of loss, resulting in a lowered overseas gross profit margin.

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 and net gain on disposal of property, plant and equipment and land use rights.

In 2015, the Group's other income increased by approximately RMB134.7 million to approximately RMB166.2 million (2014: approximately RMB31.5 million). The increase in the Group's other income was mainly due to the one-off net gain on disposal of the property, plant and equipment and land use rights during the Reporting Period.

Selling expenses

In 2015, the Group's selling expenses decreased by approximately RMB4.9 million or approximately 2.8% to approximately RMB170.6 million (2014: approximately RMB175.5 million).

In 2015, selling expenses of the Group accounted for approximately 2.0% of the operating revenue of the Group (2014: 1.7%).

Administrative expenses

In 2015, the administrative expenses of the Group increased by approximately RMB35.9 million or approximately 3.4% to approximately RMB1,076.6 million (2014: approximately RMB1,040.7 million). This was mainly due to the facts that: (i) as a result of the headcount optimization policy implemented over the past few years, the staff cost of administrative staff declined, while at the same time; (ii) the Group continued to maintain the principle of prudence, and the provision for bad debts increased by RMB90.1 million to RMB209.1 million as compared with last year, resulting in the increase of administrative expenses as compared with last year.

In 2015, administrative expenses accounted for approximately 12.5% of the operating revenue of the Group (2014: 10.4%).

Finance costs

In 2015, finance costs recorded a net income of RMB1.1 million (2014: a finance cost of approximately RMB234.4 million). This was mainly due to foreign exchange gains recognised during the Reporting Period. Among the finance costs: 1) the expenditure of interest and bank charges was about RMB238.1 million; and 2) the net exchange gain was about RMB226.6 million. The decrease in finance costs recognised during the year reflected the foreign currency risk management capability of the Group's overseas operations was improved.

In 2015, finance costs accounted for 0.01% of the operating revenue of the Group (2014: 2.3%).

Income tax

In 2015, the Group's income tax was approximately RMB0.4 million (2014: approximately RMB10.4 million).

Consolidated net (loss)/profit

In 2015, the consolidated net loss of the Group was approximately RMB167.7 million (2014: a net profit of approximately RMB51.1 million), representing a decrease of RMB218.8 million compared with that of last year.

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

In 2015, the loss attributable to equity shareholders of the Company decreased by approximately RMB217.9 million to approximately RMB192.3 million (2014: a profit attributable to equity shareholders of the Company of approximately RMB25.6 million).

The basic and diluted loss per share were approximately RMB3.10 cents (2014: a basic and diluted earnings per share of approximately RMB0.41 cents).

Net current assets and financial resources

As at 31 December 2015, the Group's net current assets were approximately RMB1,793.2 million (31 December 2014: approximately RMB2,283.0 million).

As at 31 December 2015, the Group's cash and cash equivalents amounted to approximately RMB3,006.8 million (31 December 2014: approximately RMB2,662.5 million), mainly denominated in RMB, AUD, USD and British Pound Sterling ("GBP").

Bank loans and gearing ratio

As at 31 December 2015, the Group's total bank loans amounted to approximately RMB4,057.1 million (31 December 2014: approximately RMB3,320.0 million). The bank loans as at 31 December 2015 were denominated in RMB and USD of which approximately RMB3,757.1 million were repayable within one year.

The Group's gearing ratio (calculated by total liabilities divided by total assets) was 78.8% (31 December 2014: 73.8%).

Turnover days of receivables/trade and bills payables/inventory

Turnover days (day)	**2015**	2014
Receivables *(note 1)*	**306**	257
Trade and bills payables *(note 2)*	**288**	253
Inventory *(note 3)*	**44**	37

Notes:

1. The calculation of the receivables turnover days is based on the average amount of trade and bills receivables and net contract work receivables (gross amount due from customers for contract work less gross amount due to customers for contract work) 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 were 306 days, representing an increase of 49 days as compared to 2014, which was mainly due to the tight domestic financial market liquidity.

During the Reporting Period, the turnover days of trade and bill payables were 288 days, representing an increase of 35 days as compared to 2014.

During the Reporting Period, the net operating cash flow amounted to approximately RMB15.3 million (2014: approximately RMB85.2 million).

Inventory and inventory turnover days

The Group's inventories primarily consist of materials used in fabrication of curtain wall products, including extrusions aluminum, glass, steel and sealant.

As at 31 December 2015, the Group's inventory amounted to approximately RMB433.0 million (31 December 2014: approximately RMB446.1 million). During the Reporting Period, the inventory turnover days were 44 days, representing an increase of 7 days as compared to 2014.

Capital expenditure

In 2015, the Group's payment for capital expenditure amounted to approximately RMB86.0 million (2014: approximately RMB47.7 million), which was mainly related to the payment on land acquisition, construction of plant and purchase of equipment.

Foreign exchange risk

The overseas projects of the Group were mainly dominated in USD, Euro, GBP, AUD and Swiss Francs. 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 with a net negative fair value of approximately RMB34.2 million and a net fair value of approximately RMB10.0 million, respectively. 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 2015 are set out in Note 15.

Charge on assets

As at 31 December 2015, the Group's bank loans of approximately RMB940.0 million were secured by property, plant and equipment and land use rights with an aggregate carrying value of approximately RMB748.3 million.

Save as disclosed above, the Group had no other charge on its assets as at 31 December 2015.

Material acquisitions and disposals

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

Significant investment

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

Future plans for significant investments or capital assets

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

Global offering and use of proceeds

In May 2011, the Company conducted a global offering (the "**Global Offering**") through which 1,708,734,000 new ordinary shares were offered at a price of HK$1.50 per share. Net proceeds raised were approximately HK$2,402,947,000. The ordinary shares of the Company were listed on the Main Board of the Stock Exchange 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 2015, an accumulated amount of approximately HK$1,935 million of proceeds from the Global Offering (of which expansion of production capacity: HK$492 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$468 million will be used in accordance to the proposed allocation as stated in the Prospectus.

Employees and remuneration policies

As at 31 December 2015, the Group had 7,924 full-time employees in total (31 December 2014: 9,445). 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. The Group has also adopted a share option scheme and a share award scheme for the purpose of providing incentives and rewards to eligible participants, including the Directors, and full-time or part-time employee of the Group. Details of the share option scheme and share award scheme will be available in the annual report of the Group for the year ended 31 December 2015.

Company's mission

The Group implements the operation philosophy of "Technology leads the world, Services create value" and follows the corporate spirit of "To do things honestly, to treat people sincerely, to understand causes and results, to unify theory and practice". It leads the Group to continue to build up independent brand, independent intellectual property and independent marketing network, so as to assume corporate social responsibility for the state, to provide superior products and services to customers, to enhance benefits for employees as well as to create values and returns for equity shareholders.

Review of annual results

The annual results of the Group for the year ended 31 December 2015 have been audited by KPMG, the external auditor of the Company, in accordance with the Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. The independent auditor's report will be included in the annual report of the Company to be dispatched to the shareholders before end of April 2016. The audited annual results of the Group for the year ended 31 December 2015 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 to the Company and the Company's accountability. For the year ended 31 December 2015, the Group has complied with all code provisions of the Corporate Governance Code as set forth in Appendix 14 of the Rules Governing the Listing of Securities (the "**Listing Rules**") on the Stock Exchange.

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 Group. The Group has made specific enquiry to all Directors and all the Directors have confirmed their compliance with the required standard set out in the Model Code throughout the year ended 31 December 2015.

Final dividends

The Board has resolved not to declare any annual dividend for the year ended 31 December 2015 (2014: HK$10.0 cents per ordinary share).

ANNUAL GENERAL MEETING

The annual general meeting of the Company (the "**Annual General Meeting**") will be held on Thursday, 2 June 2016. 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, 27 May 2016 to Thursday, 2 June 2016 (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, 26 May 2016 for registration of the relevant transfer.

PURCHASE, SALE AND REDEMPTION OF LISTED SECURITIES OF THE GROUP

During the year ended 31 December 2015, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company, except that the trustee of the share award scheme adopted by the Board on 10 April 2013, pursuant to the terms of the rules and trust deed of such scheme, purchased on the Stock Exchange a total of 7,380,000 shares of the Company during the Reporting Period.

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 2015.

ACKNOWLEDGEMENT

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. The Group will continue to prudently operate business, improve the Group's probability level against the adverse environment and achieve a brighter performance to deliver fruitful rewards to our shareholders and investors.

PUBLICATION OF ANNUAL REPORT

This annual 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 2015 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
Kang Baohua
Chairman

HongKong, 30 March 2016

As at the date of this announcement, the executive Directors are Mr. Kang Baohua, Mr. Tian Shouliang, Mr. Guo Zhongshan, Mr. Wang Yijun, Mr. Wang Lihui and Mr. Zhang Lei; and the independent non-executive Directors are Mr. Poon Chiu Kwok, Mr. Woo Kar Tung, Raymond and Mr. Pang Chung Fai, Benny.