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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 2013

The Board of Directors (the "**Board**") of Yuanda China Holdings Limited (the "**Company**") is pleased to announce the audited consolidated results of the Company and its subsidiaries (the "**Group**") for the year ended 31 December 2013 (the "**Reporting Period**").

FINANCIAL HIGHLIGHTS

	2013	2012	Percentage Change%
Turnover *(RMB million)*	**10,872.4**	11,844.6	(8.2%)
Gross profit margin	**12.5%**	16.5%	(4.0%)
Profit attributable to equity shareholders of the Company *(RMB million)*	**104.4**	438.5	(76.2%)
Net cash generated from operating activities *(RMB million)*	**549.3**	201.6	>100.0%
Basic and diluted earnings per share *(RMB cents)*	**1.68**	7.06	(76.2%)
Proposed final dividend per share *(HK cents)*	**8.0**	4.0	100.0%

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2013

*(Expressed in Renminbi ("**RMB**"))*

	Note	2013	2012
		RMB'000	*RMB'000*
Turnover	*5*	**10,872,404**	11,844,578
Cost of sales		**(9,512,152)**	(9,886,757)
Gross profit	*5(b)*	**1,360,252**	1,957,821
Other revenue		**36,615**	16,031
Other net income		**8,648**	5,576
Selling expenses		**(176,781)**	(256,445)
Administrative expenses		**(1,036,034)**	(1,161,984)
Profit from operations		**192,700**	560,999
Finance costs	*6(a)*	**(160,019)**	(131,543)
Profit before taxation	*6*	**32,681**	429,456
Income tax	*7*	**(5,133)**	(51,546)
Profit for the year		**27,548**	377,910
Attributable to:			
Equity shareholders of the Company		**104,367**	438,491
Non-controlling interests		**(76,819)**	(60,581)
Profit for the year		**27,548**	377,910
Earnings per share (RMB cents)			
– Basic and diluted	*8*	**1.68**	7.06

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2013
(Expressed in RMB)

	2013	2012
	RMB'000	*RMB'000*
Profit for the year	**27,548**	377,910
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	**72,357**	(1,883)
– Cash flow hedge: net movement in the hedging reserve	**27,473**	1,040
Other comprehensive income for the year	**99,830**	(843)
Total comprehensive income for the year	**127,378**	377,067
Attributable to:		
Equity shareholders of the Company	**206,573**	439,302
Non-controlling interests	**(79,195)**	(62,235)
Total comprehensive income for the year	**127,378**	377,067

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 31 December 2013
(Expressed in RMB)

	Note	**2013**	2012
		RMB'000	*RMB'000*
Non-current assets			
Property, plant and equipment		**829,175**	842,930
Lease prepayments		**597,338**	602,914
Deferred tax assets		**237,903**	214,930
		1,664,416	1,660,774
Current assets			
Inventories		**417,325**	485,297
Gross amount due from customers for contract work	*9*	**5,152,193**	4,954,134
Trade and bills receivables	*10*	**2,843,223**	2,494,479
Deposits, prepayments and other receivables		**583,567**	493,134
Cash and cash equivalents		**3,273,800**	2,132,343
		12,270,108	10,559,387
Current liabilities			
Trade and bills payables	*11*	**4,275,207**	3,896,868
Gross amount due to customers for contract work	*9*	**1,310,610**	1,090,045
Receipts in advance		**202,783**	136,536
Accrued expenses and other payables		**626,220**	641,669
Bank loans		**2,933,153**	1,801,990
Income tax payable		**190,963**	190,373
Provision for warranties		**53,977**	36,856
		9,592,913	7,794,337
Net current assets		**2,677,195**	2,765,050
Total assets less current liabilities		**4,341,611**	4,425,824

	2013	2012
	RMB'000	*RMB'000*
Non-current liabilities		
Bank loans	**130,000**	150,000
Deferred tax liabilities	**1,768**	1,461
Provision for warranties	**103,107**	79,151
	234,875	230,612
NET ASSETS	**4,106,736**	4,195,212
CAPITAL AND RESERVES		
Share capital	**519,723**	519,723
Reserves	**3,781,681**	3,790,962
Total equity attributable to equity shareholders of the Company	**4,301,404**	4,310,685
Non-controlling interests	**(194,668)**	(115,473)
TOTAL EQUITY	**4,106,736**	4,195,212

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

The financial statements have been prepared in accordance with all applicable International Financial Reporting Standards ("IFRSs"), which collective term includes all applicable individual International Financial Reporting Standards, International Accounting Standards ("IASs") and related Interpretations issued by the International Accounting Standards Board (the "IASB") and the disclosure requirements of the Hong Kong Companies Ordinance. The financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange. A summary of the significant accounting policies adopted by the Group is set out below.

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 the financial statements.

3 BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The consolidated financial statements for the year ended 31 December 2013 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.

4 CHANGES IN ACCOUNTING POLICIES

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

- Amendments to IAS 1, *Presentation of financial statements – Presentation of items of other comprehensive income*
- IFRS 10, *Consolidated financial statements*
- IFRS 12, *Disclosure of interests in other entities*
- IFRS 13, *Fair value measurement*
- Amendments to IFRS 7 – *Disclosures – Offsetting financial assets and financial liabilities*

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period. Impacts of the adoption of new or amended IFRSs are discussed below.

Amendments to IAS 1, Presentation of financial statements – Presentation of items of other comprehensive income

The amendments require entities to present separately the items of other comprehensive income that would be reclassified to profit or loss in the future if certain conditions are met from those that would never be reclassified to profit or loss. The presentation of other comprehensive income in the consolidated statement of profit or loss and other comprehensive income in the financial statements has been modified accordingly. In addition, the Group has chosen to use the new titles "statement of profit or loss" and "statement of profit or loss and other comprehensive income" as introduced by the amendments in the financial statements.

IFRS 10, Consolidated financial statements

IFRS 10 replaces the requirements in IAS 27, *Consolidated and separate financial statements*, relating to the preparation of consolidated financial statements and SIC-12, *Consolidation – Special purpose entities*. It introduces a single control model to determine whether an investee should be consolidated, by focusing on whether the entity has power over the investee, exposure or rights to variable returns from its involvement with the investee and the ability to use its power to affect the amount of those returns.

As a result of the adoption of IFRS 10, the Group has changed its accounting policy with respect to determining whether it has control over an investee. The adoption does not change any of the control conclusions reached by the Group in respect of its involvement with other entities as at 1 January 2013.

IFRS 12, Disclosure of interests in other entities

IFRS 12 brings together into a single standard all the disclosure requirements relevant to an entity's interests in subsidiaries, joint arrangements, associates and unconsolidated structured entities. The disclosures required by IFRS 12 are generally more extensive than those previously required by the respective standards.

IFRS 13, Fair value measurement

IFRS 13 replaces existing guidance in individual IFRSs with a single source of fair value measurement guidance. IFRS 13 also contains extensive disclosure requirements about fair value measurements for both financial instruments and non-financial instruments. The adoption of IFRS 13 does not have any material impact on the fair value measurements of the Group's assets and liabilities.

Amendments to IFRS 7 – Disclosures – Offsetting financial assets and financial liabilities

The amendments introduce new disclosures in respect of offsetting financial assets and financial liabilities. Those new disclosures are required for all recognised financial instruments that are set off in accordance with IAS 32, *Financial instruments: Presentation*, and those that are subject to an enforceable master netting arrangement or similar agreement that covers similar financial instruments and transactions, irrespective of whether the financial instruments are set off in accordance with IAS 32.

The adoption of the amendments does not have an impact on the financial statements because the Group has not offset financial instruments, nor has it entered into master netting arrangement or similar agreement which is subject to the disclosures of IFRS 7 during the periods presented.

5 TURNOVER AND SEGMENT REPORTING

(a) 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.

The Group's customer base is diversified. There was no customer with transactions that exceeded 10% of the Group's turnover for the years ended 31 December 2013 and 2012.

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

In view of the increasing competitiveness within the curtain wall systems industry, the management considers it is more important to focus on the profitability and cash flows of the construction projects within each of the segment identified by the Group. As a result, the treasury function is more centrally managed by the Group, and the Group's fixed assets and related lease prepayments have been deployed across the various segments to increase efficiency at a group level. Accordingly, certain information reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment has been changed in 2013. Consequently, the measure previously used for reporting segment result has been changed to gross profit or loss from "adjusted EBITDA" i.e., "adjusted earnings before interest, taxes, depreciation and amortisation", and segment assets information has been changed to exclude the amounts of property, plant and equipment and lease prepayments. Comparative figures have been adjusted to conform to the current year's segment presentation.

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 2013 and 2012. The Group's other operating expenses, such as selling and administrative expenses and finance costs, and non-current assets, including property, plant and equipment and lease prepayments, are not measured under individual segments. Accordingly, the information concerning capital expenditure, interest income and finance costs is not presented.

Information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the years ended 31 December 2013 and 2012 is set out below.

	2013						
	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	**2,271,568**	**1,626,211**	**2,438,917**	**694,004**	**1,421,363**	**2,420,341**	**10,872,404**
Reportable segment gross profit/(loss)	**492,139**	**289,189**	**497,988**	**45,274**	**219,371**	**(183,709)**	**1,360,252**
Reportable segment assets	**2,423,611**	**1,347,030**	**2,503,711**	**1,039,787**	**1,282,960**	**2,443,454**	**11,040,553**
Reportable segment liabilities	**1,134,268**	**877,622**	**1,687,216**	**650,568**	**807,935**	**1,634,474**	**6,792,083**

	2012						
	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	2,074,135	1,704,902	1,972,077	1,039,655	1,233,640	3,820,169	11,844,578
Reportable segment gross profit	469,897	300,855	405,471	142,233	201,884	437,481	1,957,821
Reportable segment assets	1,936,314	1,207,919	2,223,318	1,102,264	991,959	2,567,165	10,028,939
Reportable segment liabilities	1,065,297	811,356	1,294,776	704,969	811,523	1,533,934	6,221,855

(ii) Reconciliations of reportable segment assets and liabilities

	2013	2012
	RMB'000	*RMB'000*
Assets		
Reportable segment assets	**11,040,553**	10,028,939
Property, plant and equipment	**829,175**	842,930
Lease prepayments	**597,338**	602,914
Deferred tax assets	**237,903**	214,930
Unallocated head office and corporate assets	**1,677,495**	1,008,435
Elimination of receivables between segments, and segments and head office	**(447,940)**	(477,987)
Consolidated total assets	**13,934,524**	12,220,161
Liabilities		
Reportable segment liabilities	**6,792,083**	6,221,855
Bank loans	**3,063,153**	1,951,990
Income tax payable	**190,963**	190,373
Deferred tax liabilities	**1,768**	1,461
Unallocated head office and corporate liabilities	**227,761**	137,257
Elimination of payables between segments, and segments and head office	**(447,940)**	(477,987)
Consolidated total liabilities	**9,827,788**	8,024,949

(iii) 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. For overseas construction contracts, the Group further divided the customers based on regions, where each country within the region share similar characteristics as to the depth of the Group's penetration in the market and industry practices. No individual country has construction contracts generated revenue exceeded 10% of the Group's turnover for the years ended 31 December 2013 and 2012, and accordingly, the management considers the current classification of customers into regions is sufficient. As a result of the change in how segment information is reported internally to the Group's most senior executive management, the geographical location of the specified non-current assets is changed to being determined based on the physical location of the assets.

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

	2013	2012
	RMB'000	*RMB'000*
The PRC (excluding Hong Kong and Macau) (Place of domicile)	**8,452,063**	8,024,409
Europe region	**735,430**	637,657
Australia region	**615,843**	946,005
Far East region	**342,505**	877,632
Middle East region	**321,727**	1,074,209
Americas region	**309,105**	219,841
Others region	**95,731**	64,825
	10,872,404	11,844,578

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

	2013	2012
	RMB'000	*RMB'000*
The PRC (excluding Hong Kong and Macau) (Place of domicile)	**1,400,341**	1,414,105
Overseas	**26,172**	31,739
	1,426,513	1,445,844

6 PROFIT BEFORE TAXATION

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

(a) Finance costs:

	2013	2012
	RMB'000	*RMB'000*
Interest on bank advances and other borrowings wholly repayable within five years	**161,002**	118,199
Bank charges and other finance costs	**29,297**	32,425
Total borrowing costs	**190,299**	150,624
Interest income	**(12,263)**	(11,983)
Net foreign exchange loss	**86,874**	7,664
Forward foreign exchange contracts: cash flow hedges, reclassified from equity	**(104,891)**	(14,762)
	160,019	131,543

No borrowing costs have been capitalised for the year ended 31 December 2013 (2012: RMB Nil).

(b) Staff costs#:

	2013	2012
	RMB'000	*RMB'000*
Salaries, wages and other benefits	**976,731**	1,231,553
Contributions to defined contribution retirement plans	**103,191**	95,643
Equity-settled share-based payment expenses in respect of share award scheme *(Note 12)*	**12,088**	–
	1,092,010	1,327,196

(c) Other items:

	2013	2012
	RMB'000	*RMB'000*
Depreciation and amortisation#	**68,042**	67,363
Impairment losses on trade and other receivables	**83,701**	85,118
Operation lease charges in respect of land, plant and buildings, motor vehicles and other equipement#	**53,545**	70,635
Auditors' remuneration		
– audit services	**7,000**	6,500
– other services	**3,329**	1,188
Research and development costs#	**386,139**	372,967
Increase in provision for warranties#	**90,690**	53,287
Cost of inventories#	**9,512,152**	9,886,757

\# Cost of inventories includes RMB720.6 million for the year ended 31 December 2013 (2012: RMB739.4 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 6(b) for each of these types of expenses.

7 INCOME TAX

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

	2013	2012
	RMB'000	*RMB'000*
Current taxation:		
– PRC Corporate Income Tax	**13,999**	103,486
– Overseas income tax	**23,420**	6,147
	37,419	109,633
Deferred taxation:		
– Origination and reversal of temporary differences	**(32,286)**	(58,087)
	5,133	51,546

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

	2013	2012
	RMB'000	*RMB'000*
Profit before taxation	**32,681**	429,456
Expected tax on profit before taxation, calculated at the rates applicable to profits in the jurisdictions concerned *(Notes (i), (ii), (iii) and (iv))*	**12,409**	101,686
Tax effect of non-deductible expenses *(Note (v))*	**15,733**	25,178
Tax effect of unused tax losses not recognised	**32,086**	22,169
Tax concessions *(Note (vi))*	**(55,095)**	(97,487)
Income tax	**5,133**	51,546

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 2013 (2012: 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 2013 (2012: 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 2013 (2012: 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 34% for the year ended 31 December 2013 pursuant to the rules and regulations of their respective countries of incorporation (2012: 8.5% to 34%).

(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 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 2012 to 2013 and therefore enjoys a preferential PRC Corporate Income Tax rate of 15% for the year ended 31 December 2013 (2012: 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.

8 BASIC AND DILUTED EARNINGS PER SHARE

(a) Basic earnings per share

The basic earnings per share for the year ended 31 December 2013 is calculated based on the profit attributable to equity shareholders of the Company of RMB104.4 million (2012: RMB438.5 million) and the weighted average of 6,203,764,000 ordinary shares (2012: 6,208,734,000 ordinary shares) in issue during the year.

The calculation of the weighted average number of ordinary shares during the years ended 31 December 2013 and 2012 was as follows:

	2013	2012
	'000	*'000*
Issued ordinary shares at 1 January	**6,208,734**	6,208,734
Effect of shares purchased and vested under a share award scheme *(Note 12)*	**(4,970)**	–
Weighted average number of ordinary shares at 31 December	**6,203,764**	6,208,734

(b) Diluted earnings per share

There were no dilutive potential shares outstanding during the years ended 31 December 2013 and 2012.

9 GROSS AMOUNT DUE FROM/TO CUSTOMERS FOR CONTRACT WORK

	The Group	
	2013	2012
	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	**36,395,339**	27,651,808
Less: progress billings	**(32,553,756)**	(23,787,719)
	3,841,583	3,864,089
Gross amount due from customers for contract work	**5,152,193**	4,954,134
Gross amount due to customers for contract work	**(1,310,610)**	(1,090,045)
	3,841,583	3,864,089

10 TRADE AND BILLS RECEIVABLES

	The Group	
	2013	2012
	RMB'000	*RMB'000*
Trade receivables for contract work due from:		
– Third parties	**2,798,523**	2,492,700
– Affiliates of the Controlling Shareholder	**136,715**	82,050
	2,935,238	2,574,750
Bills receivables for contract work	**243,390**	174,426
Trade receivables for sale of raw materials due from:		
– Third parties	**1,559**	3,014
– Affiliates of the Controlling Shareholder	**1,884**	1,687
	3,443	4,701
	3,182,071	2,753,877
Less: allowance for doubtful debts	**(338,848)**	(259,398)
	2,843,223	2,494,479

The Group generally requires customers and debtors to settle progress billings and retentions receivables in accordance with contracted terms and other debts in accordance with agreements. Credit terms may be granted to customers and debtors, depending on credit assessment carried out by management on an 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:

	The Group	
	2013	2012
	RMB'000	*RMB'000*
Within 1 month	**532,599**	613,653
More than 1 month but less than 3 months	**380,056**	487,245
More than 3 months but less than 6 months	**465,932**	599,692
More than 6 months	**1,464,636**	793,889
	2,843,223	2,494,479

11 TRADE AND BILLS PAYABLES

	The Group	
	2013	2012
	RMB'000	*RMB'000*
Trade payables for purchase of inventories due to:		
– Third parties	**2,345,901**	2,271,179
– Affiliates of the Controlling Shareholder	**2,130**	21,693
	2,348,031	2,292,872
Trade payables due to sub-contractors	**601,090**	541,452
Bills payables	**1,326,086**	1,062,544
Financial liabilities measured at amortised cost	**4,275,207**	3,896,868

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:

	The Group	
	2013	2012
	RMB'000	*RMB'000*
Within 1 month or on demand	**3,061,118**	3,049,499
More than 1 month but less than 3 months	**270,394**	281,454
More than 3 months	**943,695**	565,915
	4,275,207	3,896,868

12 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 of 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 of 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:

	Average purchase price *HK$*	No. of shares held *'000*	Value *RMB'000*
At 1 January 2013	**–**	**–**	**–**
Shares purchased during the year	**0.70**	**48,020**	**26,568**
Shares granted and vested during the year		**(18,020)**	**(11,215)**
At 31 December 2013		**30,000**	**15,353**

On 20 May 2013, 18,020,000 ordinary shares held under the Share Award Scheme were awarded to certain employees of the Group with a fair value per share of HK$0.84 (equivalent to approximately RMB0.67 per share). The fair value of these awarded shares is determined by reference to the closing price of the Company's ordinary shares on 20 May 2013. These awarded shares were vested on 23 May 2013.

13 DIVIDENDS

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

	2013 *RMB'000*	2012 *RMB'000*
Final dividend proposed after the end of the reporting period of HK$0.08 per ordinary share (2012: HK$0.04 per ordinary share)	**390,519**	201,374

The final dividend proposed after the end of the reporting period has not been recognised as a liability at the end of the reporting period.

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

	2013 *RMB'000*	2012 *RMB'000*
Final dividend in respect of the previous financial year, approved and paid during the year, of HK$0.04 per ordinary share (2012: HK$0.04 per ordinary share)	**201,374**	201,337

14 CONTINGENT LIABILITIES

(a) Guarantees issued

At 31 December 2013, the Group has issued the following guarantees:

	The Group	
	2013	2012
	RMB'000	*RMB'000*
Guarantees for construction contracts' bidding, performance and retentions	**2,359,009**	2,378,699

As of the end of the reporting period, the directors of the Company do not consider it probable that a claim in excess of the provision for warranties provided by the Group will be made against the Group under any of the guarantees. The maximum liability of the Group as of the end of the reporting period under the guarantees issued is the amount disclosed above.

(b) Contingent liabilities in respect of legal claims

(i) In December 2009, Shenyang Yuanda Aluminium Industry Engineering Co., Ltd. ("Shenyang Yuanda") and Yuanda Aluminium Engineering (India) Private Limited ("Yuanda India"), both wholly owned subsidiaries of the Group, jointly received a notice that they are being sued by a former sub-contractor in Republic of India ("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 the 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 Rupee 1,410.8 million (equivalent to approximately RMB139.2 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 State of Kuwait ("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 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 RMB241.8 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 December 2013, Shenyang Yuanda received a notice that it is being sued by a supplier in respect of its non-payment for the work carried out by this supplier. As at the date of the financial statements, the above lawsuit is under reviewed before the Shenyang Intermediate People's Court. If Shenyang Yuanda is found to be liable, the total expected monetary compensation may amount to approximately RMB11.1 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.

(iv) In addition to the lawsuits mentioned in Notes 14(b)(i) to 14(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 the 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 RMB21.5 million. Based on legal advices, the directors of the Company do not believe it is probable that the courts or arbitrators will find against these subsidiaries of the Group on these lawsuits and arbitrations. No provision has therefore been made in this respect.

15 NON-ADJUSTING EVENT AFTER THE REPORTING PERIOD

On 28 March 2014, the directors of the Company have proposed a final dividend. Further details are disclosed in Note 13(a).

16 COMPARATIVE FIGURES

In view of the change in focus on how the Group operates its business segments, certain information reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment has been changed in 2013. Accordingly, certain comparative figures have been adjusted to conform to current year's presentation. Further details are set out in Note 5(b).

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 our curtain wall solutions mainly concentrate 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.

We believe we are a world leading curtain wall provider with a comprehensive product portfolio. We 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. We also provide ancillary products related to 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.

After recording a loss of RMB269.6 million in the first half of 2013, the Company managed to turn losses to gains for the year ended 31 December 2013. For the year ended 31 December 2013, the profit attributable to equity shareholders of the Company was approximately RMB104.4 million (31 December 2012: approximately RMB438.5 million).

It was noted that:

1. In the second half of 2013, the Company improved the control for cost budget of projects and reduced the installation and on-site costs of projects;

2. In the second half of 2013, the Company managed the foreign exchange risks and substantially reduced foreign exchange losses incurred in the first half of 2013;

3. The Company reduced its regular wage and bonus level and used the share award scheme to motivate the employees and management teams, which improved the performance per capita. As a result, the Group's profitability was improved; and

4. Certain projects undertaken prior to 2011 (including 2011) by the Company carrying a low profit margins ("**the Low Profit Projects**") were completed in the first half of 2013. Meanwhile, projects undertaken after 2011 with higher profit margins provided positive revenue contribution to the Group in the second half of 2013. Hence, the Company's profit margin improved.

Newly-awarded Projects (excluding VAT)

	2013		2012	
	Number of projects	***RMB million***	Number of projects	*RMB million*
Domestic	**135**	**8,943**	165	10,706
Overseas	**29**	**3,893**	52	3,874
Total	**164**	**12,836**	217	14,580

In 2013, the Group undertook 164 new projects with an aggregate amount of approximately RMB 12,836 million, a decrease of about RMB 1,744 million or 12.0% as compared to 2012. The main reason was that the Company has voluntarily not participated in bidding for those new projects with an expected low profit margin or unfavourable payment terms in order to minimize potential risks of the ongoing development of the Company arising from low-price market competition.

Affected by the generally deteriorating payment terms and intensification of price competition, the Company gradually dropped out the Middle East market. However, the Company will continue to adhere to its internationalized strategy. In the past few years, the emerging market was developing in a fast pace, and on the other hand, the European market and American market were gradually recovering with some market scale. As such, the Company still got a great amount of overseas orders.

Details of the certain landmark projects obtained by the Group in 2013 are as follows:

Domestic:

Project name	**Category of project utilization**	**Approximately contract value**
Nanjing Youth Olympic Stadium	Sports Stadium	RMB 269.5 million
Xuzhou Suning Plaza	Headquarters Building	RMB 198.4 million
Avatar Dream World in Saudao town, Baoting County. Hainan pvorince	High-end Residence	RMB 194.7 million
Damei Central Plaza	Commercial Complex	RMB 179.7 million
Suzhou SBS Modern Media Building	Culturel Media	RMB 173.2 million
Shanghai Graud City	Commercial Complex	RMB 167.2 million
Dalian International Trade Center	Headquarters Building	RMB 159.1 million

Overseas:

Project name	**Category of project utilization**	**Approximately contract value**
Marina Bay in Singapone	Office Buildings and Residence	RMB 744.5 million
Vietnam ICB Center	Financial Center	RMB 461.4 million
British Victoria Office Building	Financial Center	RMB 288.7 million
Algiers Masjid	Public Facility	RMB 246.3 million
Moscow Admistrative Commercial Center	Government Office Building	RMB 204.2 million
British South Tower	High-end Hotel	RMB 191.9 million
Indescon Court Tower	High-end Residence	RMB 188.1 million

Backlog

	As at 31 December 2013 Remaining contract value		As at 31 December 2012 Remaining contract value	
	Number of projects	***RMB million***	Number of projects	RMB million
Domestic	**365**	**13,455**	376	12,964
Overseas	**92**	**6,773**	96	5,515
Total	**457**	**20,228**	472	18,479

As at 31 December 2013, the remaining value of backlog amounted to approximately RMB 20,228 million (31 December 2012: approximately RMB 18,479 million), which well-secured the Group's future income.

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 2013, the Group initiated numerous new innovation programmes, covering research mainly in low-carbon energy-saving modular functional curtain wall, dual cycle energy-saving double window, IOT (Internet of things) intelligentized curtain wall, airtight inflatable maintenance-free double-skin curtain wall and building integrated photovoltaic curtain wall. Some of which have been applied in certain curtain wall projects, such as:

- ultra white insulating laminated glass curtain wall body of Shenzhen Ping An Finance Centre (深圳平安金融中心);
- wide cellular stainless steel plate and sun shielding single-layer glass of Xiamen Shiqiao House (廈門世僑中心);
- 3mm thick titanium plated stainless steel curtain wall systems of Moscow President Service Centre (莫斯科總統服務中心).

Certain newly awarded projects in 2013 with an aggregate contract amount of approximately RMB 2,836 million were categorized under the new types of curtain wall systems, contributing to 22.1% of the amount of the newly awarded orders in 2013, which comprises unitized curtain wall, double-skin energy-saving curtain wall, photovoltaic curtain wall, intelligentized curtain wall and LED curtain wall. We would keep developing brand new, innovative curtain wall products and technology so that we can apply them in curtain wall projects with a view of strengthening our leading position in the industry.

In addition to constant innovations through the research and development in our main operating business, the Group gradually extends its business towards upstream and downstream and peripheral sectors. In 2013, the Group launched several brand new products, including the energy-saving insulated aluminum doors and windows, decoration walls and so forth, which not only enriched our product portfolios but also provided a new profit source for the Group.

In 2013, the Group obtained 225 patents, including 21 patents for invention, 190 patents for utility model and 14 patents for appearance design. The accumulated number of patents owned by the Group was 893 as at 31 December 2013.

In 2013, the "Cable prestressed glass curtain wall" was granted with provincial patent award of excellence.

BUSINESS PROSPECTS

Benefiting from rapid urbanization process and the trading-up market in China, since 2004, the curtain wall market has experienced a decade of fast development period. In the last few years, with the upgrade of the industrial chain, and the greater demand of better living environment from public, several policies have been introduced by the government, including "beautiful China", "new urbanization", "housing industrialization", "building integrated photovoltaic", which make us believe that the curtain wall market will develop fowards low-carbon, environmental protection, high energy-saving standard.

In 2014, despite the rapid growth of domestic real estate investment and the slightly recovery of overseas economy, the tightening policy in the domestic credit market and more intensive competition in the overseas market pose a huge challenge on the profitability of the entire industry.

In 2014, the Company will continue to stay firmly with its steady operating strategy, not to pursue the growth of topline and new orders blindly given the tightening policy in the domestic credit market and economic slowdown of overseas markets. The Company will keep improving its cost budget control, reducing its regular wage level, using the share award scheme to motivate both employees and management teams and retrenching staff to improve the perforamance per capita, which will help to reduce the cost of sales and administrative expenses and improve the profitability of the Company. The Company will further accelerate the collection of receivables and enjoy a longer credit period through centralized strategic procurement to improve the Group's operating cash flow level. At last, the Company will be more active to explore some new business models and get access to other industries.

As the Low Profit Projects have been gradually completed, it is expected that profitability of the Company will get better and better in coming year, and enhance the value of the shareholders of the Company (the "**Shareholders**").

FINANCIAL REVIEW

Turnover

In 2013, the Group's turnover decreased by RMB 972.2 million or 8.2% to approximately RMB 10,872.4 million (2012: approximately RMB 11,844.6 million). Among our turnovers:

1. The turnover from domestic market increased by approximately RMB 427.7 million or 5.3% to approximately RMB 8,452.1 million (2012: approximately RMB 8,024.4 million), contributing to 77.7% of the total turnover. The turnover from East China, Northeast China and South China increased as compared to that of 2012, partly offset by the decrease in revenue from West China and North China.

   The reason was that the number, contract value as well as the percentage of the projects undertaken in domestic market in the last couple of years increased. However, the Group's business in the West China and North China was adversely affected by intense competition and market adjustment, which led to a decrease in turnover in that segment.

2. The turnover from overseas market decreased by RMB1,399.9 million to approximately RMB 2,420.3 million (2012: approximately RMB 3,820.2 million), contributing to 22.3% of the total turnover. The main reason was that the progress of overseas projects has slowed down and the Company made an adjustment to its market strategy.

Cost of sales

In 2013, the Group's cost of sales decreased by about RMB 374.6 million or 3.8% to approximately RMB 9,512.2 million (2012: about RMB 9,886.8 million). It was mainly due to the decrease of turnover in 2013.

Gross profit and gross profit margin

In 2013, the Group's gross profit decreased by RMB 597.5 million or 30.5% to RMB 1,360.3 million (2012: RMB 1,957.8 million).

In 2013, the Group's domestic gross profit margin decreased by approximately 0.6% to 18.3% (2012: 18.9%). Given the prolonged project period of certain domestic projects affected by tightening policy in the domestic credit market and intense market competition, the gross profit of West China and South China was adversely affected.

However, in the second half of 2013, the Group's domestic gross profit margin improved for the reasons that:

1. Since 2011, the Company has been selective in the bidding process, especially for those projects with low profit margin and unfavorable payment terms. As a result, most of projects undertaken after 2011 were carrying a better profit margin.

2. With a better cost budget control and acceleration of contracting for the supplementary work with our customers, the gross profit margin of our domestic projects improved.

   For the reasons stated above, most of the existing domestic projects were operating under better conditions, the gross profit margin improved, which contributed to positive gross profit in the second half of 2013, including:

   (a) Dalian stadium project with a contract value of RMB 285 million;

   (b) Shenyang art centre with a contract value of RMB 163 million;

   (c) Dalian media centre with a contract value of RMB 101 million;

   (d) The design and installation services to the Shenyang Yuanda Aluminium Group Ltd. ("**Yuanda Group**") with an aggregate contract value of RMB 245 million;

   (e) Wuxi Sunning Plaza with a contract value of RMB 174 million; and

   (f) Sanya beautiful crown hotel with a contract value of RMB 458 million.

In 2013, the Group's overseas gross profit margin decreased by 19.1% to gross loss margin of 7.6% (2012: gross profit margin of 11.5%). Given the prolonged project period of certain overseas projects as a result of continuous slowdown of global economy, Europe debt crisis and intense market competition, the gross profit of overseas projects was adversely affected.

Other revenue

In 2013, the Group's other revenue increased by approximately RMB 20.6 million or 128.8% to approximately RMB 36.6 million (2012: approximately RMB 16.0 million). This was mainly due to the increase in one-off government corporate subsidy of RMB 19.7 million.

Other net income

Other net income primarily comprises net income from provision of repairs and maintenance services, sale of raw materials and net gain on disposal of property, plant and equipment.

In 2013, the Group's other net income increased by approximately RMB 3.0 million or 53.6% to approximately RMB 8.6 million (2012: approximately RMB 5.6 million). This was mainly due to the increase in the net income from provision of repairs and maintenance services.

Selling expenses

In 2013, the Group's selling expenses decreased by approximately RMB 79.6 million or 31.0% to approximately RMB 176.8 million (2012: approximately RMB 256.4 million). This is mainly due to the decrease of staff costs by reducing the regular wage and bonus level and retrenching staff to improve the performance per capita.

In 2013, selling expenses accounted for 1.6% of the revenue (2012: 2.2%).

Administrative expenses

In 2013, the administrative expenses decreased by approximately RMB 126.0 million or 10.8% to approximately RMB 1,036.0 million (2012: approximately RMB 1,162.0 million). This is mainly due to the decrease of staff costs by reducing the regular wage and bonus level and retrenching staff to improve the performance per capita.

In 2013, administrative expenses accounted for 9.5% of the revenue (2012: 9.8%).

Finance costs

In 2013, the finance costs increased by about RMB 28.5 million or 21.7% to approximately RMB 160.0 million (2012: RMB 131.5 million). The reasons for the increase are as follow:

1. In 2013, the Company's interest expenses increased by RMB 42.8 million or 36.2% to RMB 161.0 million (2012: RMB 118.2 million).

   Even though the Group's effective interest rate went down as compared to last year, the Company's interest expenses somewhat increased. It was mainly due to the increase in the Company's total bank loans. As at 31 December 2013, the Company's total bank loans amounted to approximately RMB 3,063.2 million (2012: RMB 1,952.0 million).

   The Group obtained most of its new bank loans in the first half of 2013 and its operating cash flow improved in the second half of 2013. As at the date of this announcement, the Company has no plan to repay the bank loans in advance or obtain any other loan from the banks, considering the tightening the policy in the domestic credit market.

2. In 2013, the Group's net foreign exchange gain (after offsetting the gain from forward foreign exchange contracts) increased by approximately RMB 10.9 million or 153.5% to RMB 18.0 million (2012: RMB 7.1 million). In 2013, the Company recorded the foreign exchange gain arising from its transactions in Australian Dollar ("**AUD**"), RUB, United States Dollar ("**USD**") and CHF, partly offset by the loss arising from transactions in JPY, CAD, SGD and HKD.

In 2013, finance costs accounted for 1.5% of the revenue of the Group (2012: 1.1%).

Income tax

In 2013, the Group's income tax decreased by approximately RMB 46.4 million or 90.1% to RMB 5.1 million (2012: RMB 51.5 million) due to the decrease in profit before taxation.

Our effective tax rate increased from 12.0% in 2012 to 15.7% in 2013.

Profit attributable to our equity shareholders

In 2013, the profit attributable to equity shareholders of the Company decreased by RMB 334.1 million or 76.2% to approximately RMB 104.4 million (2012: approximately RMB 438.5 million).

The basic and diluted earnings per share decreased by approximately RMB 5.38 cents or 76.2% to approximately RMB 1.68 cents (2012: approximately RMB 7.06 cents).

Net current assets and financial resources

As at 31 December 2013, the Group's net current assets were approximately RMB 2,677.2 million (31 December 2012: approximately RMB 2,765.1 million).

As at 31 December 2013, the Group's cash and cash equivalents amounted to approximately RMB 3,273.8 million (31 December 2012: approximately RMB 2,132.3 million), mainly denominated in RMB, AUD, USD and British Pound Sterling.

Bank loans and gearing ratio

As at 31 December 2013, the Group's total bank borrowings amounted to approximately RMB 3,063.2 million (31 December 2012: approximately RMB 1,952.0 million), including RMB 2,972.3 million denominated in RMB and RMB 90.9 million denominated in USD. Such bank loans increased by approximately RMB 1,111.2 million or 56.9% compared to 2012.

The Group's gearing ratio (total loans divided by total equity) was 74.6% (31 December 2012: 46.5%). The increase was due to an increase in bank borrowings of the Group in 2013.

As at 31 December 2013, the Group's total principal amount of bank loans included RMB 2,933.2 million which was repayable within one year and RMB 130.0 million which was repayable between one to two years.

Turnover days of receivables/trade and bills payables/inventory

Turnover days (day)	2013	2012
Receivables *(Note 1)*	**219**	172
Trade and bills payables *(Note 2)*	**208**	163
Inventory *(Note 3)*	**34**	37

Notes:–

1. The calculation of the receivables turnover days is based on the average amount of trade and bills receivables after net of provision and net contract work receivables (gross amount due from customers for contract work less gross amount due to customers for contract work) after net of provision as at the beginning and ending of the relevant period divided by total turnover of the corresponding period and multiplied by 365 days of the financial year.

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 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 and multiplied by 365 days.

For the year ended 31 December 2013, the receivables turnover days of the Company were approximately 219 days (31 December 2012: approximately 172 days), an increase of 47 days, which was mainly due to the fact that amidst the domestic credit and fiscal crunch, the developers got cautious in project investment, delayed in construction progress payment and examination of completed projects, or reduced and delayed the payment of materials reserved for the contract work, while according to the contract or the developers' payment undertaking, the Group should meet the requirements of progress in the projects. This resulted in more working capital being advanced by the Group and a longer settlement period from the customers. At the same time, the cash collection for those completed projects remained slow.

For the year ended 31 December 2013, the trade and bills payables turnover days of the Company were approximately 208 days (31 December 2012: 163 days), an increase of 45 days. As we are in good and long-term cooperative relationship with suppliers, the Group obtained flavourable payment terms, resulting in the increase in the payables turnover days. The difference between receivables turnover days and payables turnover days for the period was 11 days, basically under control.

For the year ended 31 December 2013, the net operating cash flow increased by RMB 347.7 million to approximately RMB 549.3 million (31 December 2012: approximately RMB 201.6 million).

Inventory turnover days

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

For the year ended 31 December 2013, the Group's inventory turnover days were approximately 34 days (31 December 2012: approximately 37 days), more or less the same as compared to that of 2012.

Capital expenditure

In 2013, the Group's capital expenditure amounted to RMB 87.6 million (31 December 2012: RMB 130.5 million), which was mainly related to the expenses incurred on acquiring land, construction of plant and purchase of equipment. With respect to the expansion of manufacturing capacity, the new Chengdu production base was completed and commenced operation.

The headquarters and production base for photovoltaic curtain wall of the new Chengdu production base is situated at K0+500, 4 Konggang Road at Southwest Airport Economic Development Zone Phase 6 in Shuang Liu country, Chengdu City, Sichuan province with a site area of approximately 100,000 square meters and a gross floor area of approximately 75,000 square meters, respectively. The maximum annual production capacity is approximately 2,500,000 square meters of curtain wall area, representing an increase of about 180%, and will provide the Group with the product capacity for future development.

Foreign exchange risk

The overseas projects of the Group were mainly dominated in USD, Euro, GBP, AUD and Swiss Francs. To hedge our foreign exchange risks, we have entered into forward foreign exchange contracts which hedge the forecast transactions and monetary assets and liabilities denominated in foreign currencies of the Group with the net fair value of RMB 43.5 million and RMB64.5 million, respectively. The Group ensures that the Group's net exposure to currency risk arising from recognised assets and liabilities is kept to an acceptable level.

Contingent liabilities

Details of the Company's contingent liabilities as at 31 December 2013 are set out in Note 14.

Charge on assets

As at 31 December 2013, the Group's bank loans of RMB630.0 million were secured by property, plant and equipment and land use rights of the Group with the aggregate carrying value of approximately RMB636.5 million.

Save as disclosed, the Group had no charge on the assets as at 31 December 2013.

Material Acquisitions and disposals

During the year ended 31 December 2013, the Group did not have any material acquisitions and disposals of its subsidiaries and associated companies.

Significant Investments

The Group did not make any significant investments for the year ended 31 December 2013.

Future Plans for Material Investments or Capital Assets

The Company did 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 through which 1,708,734,000 new ordinary 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, expansion of its sales and marketing network.

As at 31 December 2013, an accumulated amount of approximately HK$1,772 million of proceeds from the global offering (of which expansion of production capacity: HK$329 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. The remaining proceeds of approximately HK$631 million will be used as stated in the Prospectus and the supplementary Prospectus of the Company.

Employees and Remuneration Policies

As at 31 December 2013, the Group had 11,357 full-time employees in total (31 December 2012: 12,532). The related employees' costs for the period (including directors' emoluments) amounted to approximately RMB1,092.0 million (2012: RMB 1,327.2 million). 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 participation in share option scheme. Details of the share option scheme will be available in the annual report 2013 of the Company.

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 Company for the year ended 31 December 2013 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. The annual results have 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

For the year ended 31 December 2013, the Company 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 on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

Model Code for Securities Transactions

The Board has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix 10 to the Listing Rules regarding securities transactions by the Company's directors (the "**Directors**"). The Company has made specific enquiry to all Directors and all the Directors have confirmed their compliance with the required standard set out in the Model Code for the year ended 31 December 2013.

Final Dividends

The Board recommends a cash final dividend of HK$8.0 cents per share for the year ended 31 December 2013, approximately HK$496.7 million in aggregate which is expected to be paid on or around 13 June 2014 (Friday), subject to the approval of the Shareholders at the Annual General Meeting (as defined below).

ANNUAL GENERAL MEETING

The annual general meeting of the Company ("**Annual General Meeting**") will be held on 28 May 2014 (Wednesday). A notice of the Annual General Meeting will be published and dispatched to the Shareholders in the manner required by the Listing Rules in due course.

BOOK CLOSE PERIOD AND RECORD DATE

1. **For determining the entitlement to attend and vote at the annual general meeting**

   For determining the entitlement to attend and vote at the Annual General Meeting, the Company's register of members will be closed from 23 May 2014 (Friday) to 28 May 2014 (Wednesday) (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 Company'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 22 May 2013 (Thursday) for registration of the relevant transfer.

2. **For determining the entitlement to the proposed final dividend**

   For determining the entitlement to the proposed final dividend for the year ended 31 December 2013, the Company's register of members will be closed from 4 June 2014 (Wednesday) to 6 June (Friday) (both days inclusive), during which time no transfer of shares will be registered, and the record date is fixed on 6 June 2014 (Friday). To ensure the entitlement to the final dividend, which will be resolved and voted at the Annual General Meeting, the Shareholders must deliver their duly stamped instruments of transfer, accompanied by the relevant share certificates, to the Company's 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 3 June 2014, (Tuesday) for registration of the relevant transfer.

PURCHASE, SALE AND REPURCHASE OF SHARES

During the year ended 31 December 2013, neither the Company nor any of its subsidiaries has purchased or sold 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 48,020,000 shares of the Company. In addition, the Company has not redeemed any of its listed securities during the year ended 31 December 2013.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is available to the Company and within the knowledge of the Directors as at the date of this announcement, the Company maintained adequate public float throughout the year ended 31 December 2013.

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 and deliever fruitful rewards to our Shareholders and investors in 2014.

PUBLICATION OF ANNUAL REPORT

This annual results announcement is published on the websites of the Stock Exchange (http://www.hkexnews.hk) and the Company (http://www.yuandacn.com). The annual report of the Company for the year ended 31 December 2013 containing all the information required by the Listing Rules will be dispatched to the Shareholders and made available on the aforesaid websites in due course.

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

Hong Kong, 28 March 2014

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.