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CNYD

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

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2789)

ANNOUNCEMENT OF UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2012

The Board of Directors (the "Board") of Yuanda China Holdings Limited (the "Company") is pleased to announce the unaudited interim results of the Company and its subsidiaries (collectively the "Group") for the six months ended 30 June 2012.

FINANCIAL HIGHLIGHTS

	First Half of 2012	First Half of 2011	Percentage Change
Turnover (RMB million)	**5,213.5**	4,802.0	8.6%
Gross profit margin	**18.8%**	23.8%	(21.0%)
EBITDA (RMB million)	**402.7**	647.9	(37.8%)
Net cash used in operating activities (RMB million)	**(1,122.2)**	(204.9)	447.7%
Profit attributable to equity shareholders of the Company (RMB million)	**262.4**	416.6	(37.0%)
Basic and diluted earnings per share (RMB cents)	**4.2**	8.9	(52.8%)
Interim dividend per share (RMB cents)	**NIL**	NIL	NIL

CONSOLIDATED INCOME STATEMENT

For the six months ended 30 June 2012 – unaudited
(Expressed in RMB)

		Six months ended 30 June	
	Note	**2012**	2011
		RMB'000	*RMB'000*
Turnover	*3*	**5,213,535**	4,801,985
Cost of sales		**(4,231,714)**	(3,659,338)
Gross profit		**981,821**	1,142,647
Other revenue		**4,099**	3,586
Other net income		**3,326**	1,364
Selling expenses		**(116,695)**	(104,777)
Administrative expenses		**(502,510)**	(438,654)
Profit from operations		**370,041**	604,166
Finance costs	*4(a)*	**(64,721)**	(58,938)
Profit before taxation	*4*	**305,320**	545,228
Income tax	*5*	**(56,141)**	(123,272)
Profit for the period		**249,179**	421,956
Attributable to:			
Equity shareholders of the Company		**262,356**	416,625
Non-controlling interests		**(13,177)**	5,331
Profit for the period		**249,179**	421,956
Earnings per share			
– Basic and diluted (RMB)	*6*	**0.042**	0.089

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2012 – unaudited
(Expressed in RMB)

	Six months ended 30 June	
	2012	2011
	RMB'000	*RMB'000*
Profit for the period	**249,179**	421,956
Other comprehensive income for the period (after tax and reclassification adjustments)		
Exchange differences on translation into presentation currency	**39,491**	(26,383)
Cash flow hedge: net movement in the hedging reserve	**(13,756)**	(15,676)
Total comprehensive income for the period	**274,914**	379,897
Attributable to:		
Equity shareholders of the Company	**287,761**	377,175
Non-controlling interests	**(12,847)**	2,722
Total comprehensive income for the period	**274,914**	379,897

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2012 – unaudited
(Expressed in RMB)

	Note	**At 30 June 2012** *RMB'000*	At 31 December 2011 *RMB'000*
Non-current assets			
Property, plant and equipment	*7*	**763,284**	729,697
Lease prepayments		**609,315**	591,532
Deferred tax assets		**174,976**	156,931
		1,547,575	1,478,160
Current assets			
Inventories		**437,179**	457,198
Gross amount due from customers for contract work	*8*	**4,401,314**	3,843,624
Trade and bills receivables	*9*	**2,231,998**	1,817,267
Deposits, prepayments and other receivables		**633,320**	537,773
Cash and cash equivalents		**892,142**	1,944,470
		8,595,953	8,600,332
Current liabilities			
Trade and bills payables	*10*	**2,571,737**	2,671,133
Gross amount due to customers for contract work	*8*	**801,569**	877,246
Receipts in advance		**80,277**	99,734
Accrued expenses and other payables		**398,198**	584,341
Bank and other loans		**1,433,630**	1,312,462
Income tax payable		**207,747**	210,450
Provision for warranties		**35,754**	27,739
		5,528,912	5,783,105
Net current assets		**3,067,041**	2,817,227
Total assets less current liabilities		**4,614,616**	4,295,387

	At **30 June** **2012** *RMB'000*	At 31 December 2011 *RMB'000*
Non-current liabilities		
Bank loans	**445,000**	195,000
Deferred tax liabilities	**947**	1,021
Provision for warranties	**75,610**	79,319
	521,557	275,340
NET ASSETS	**4,093,059**	4,020,047
CAPITAL AND RESERVES		
Share capital	**519,723**	519,723
Reserves	**3,639,421**	3,553,562
Total equity attributable to equity shareholders of the Company	**4,159,144**	4,073,285
Non-controlling interests	**(66,085)**	(53,238)
TOTAL EQUITY	**4,093,059**	4,020,047

NOTES

(Expressed in RMB unless otherwise indicated)

1 BASIS OF PREPARATION

The interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), including compliance with International Accounting Standard ("IAS") 34, *Interim financial reporting*, issued by the International Accounting Standards Board (the "IASB"). It was authorised for issue on 27 August 2012.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2011 annual financial statements, except for accounting policy changes that are expected to be reflected in the 2012 annual financial statements. Details of these changes in accounting policies are set out in Note 2.

The preparation of an interim financial report in conformity with IAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

The interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2011 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for full set of financial statements prepared in accordance with International Financial Reporting Standards ("IFRSs").

The interim financial report is unaudited, but has been reviewed by KPMG in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, issued by the Hong Kong Institute of Certified Public Accountants.

The financial information relating to the financial year ended 31 December 2011 that is included in the interim financial report as being previously reported information does not constitute the Company's statutory financial statements for that financial year but is derived from those financial statements. Statutory financial statements for the year ended 31 December 2011 are available from the Company's registered office. The auditors have expressed an unqualified opinion on those financial statements in their report dated 22 March 2012.

2 CHANGES IN ACCOUNTING POLICIES

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

- Amendments to IFRS 7, *Financial instruments: Disclosures – Transfers of financial assets*

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

The amendments to IFRS 7 require certain disclosures to be included in the annual financial statements in respect of all transferred financial assets that are not derecognised and for any continuing involvement in a transferred asset existing at the reporting date, irrespective of when the related transfer transaction occurred. However, an entity need not provide the disclosures for the comparative period in the first year of adoption. The Group did not have any significant transfers of financial assets in previous periods or the current period which require disclosure in the current accounting period under the amendments.

3 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.

(a) Segment results, assets and liabilities

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

Segment assets include all assets with the exception of certain property, plant and equipment and lease prepayments, deferred tax assets and other corporate assets. Segment liabilities include 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. However, assistance provided by one segment to another, including sharing of assets and technical know-how, is not measured.

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

In addition to receiving segment information concerning adjusted EBITDA, management is provided with segment information concerning revenue, interest income and finance costs related to each segment, and depreciation, amortisation, impairment losses, and additions to non-current segment assets used by the segments in their operations. No significant inter-segment sales have occurred for the six months ended 30 June 2012 and 2011.

Information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the six months ended 30 June 2012 and 2011 is set out below.

	Six months ended 30 June 2012						
	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	**605,901**	**671,459**	**894,446**	**601,781**	**529,213**	**1,910,735**	**5,213,535**
Reportable segment profit (adjusted EBITDA)	**62,340**	**64,412**	**141,281**	**49,327**	**16,950**	**81,928**	**416,238**

	At 30 June 2012						
	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*
Reportable segment assets	**1,647,665**	**997,366**	**1,798,710**	**1,095,512**	**788,976**	**2,891,209**	**9,219,438**
Reportable segment liabilities	**671,346**	**536,577**	**688,338**	**495,017**	**552,307**	**1,167,419**	**4,111,004**

	Six months ended 30 June 2011						
	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	808,343	602,241	887,386	485,666	373,389	1,644,960	4,801,985
Reportable segment profit (adjusted EBITDA)	142,665	89,137	182,873	67,367	21,042	165,865	668,949

	At 31 December 2011						
	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*
Reportable segment assets	1,540,075	1,000,975	1,729,465	929,487	663,045	2,713,819	8,576,866
Reportable segment liabilities	743,550	548,416	822,685	547,231	470,572	1,291,345	4,423,799

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

	Six months ended 30 June	
	2012	2011
	RMB'000	*RMB'000*
Revenue		
Reportable segment revenue and consolidated turnover	**5,213,535**	4,801,985
Profit		
Reportable segment profit	**416,238**	668,949
Depreciation and amortisation	**(32,641)**	(43,737)
Finance costs	**(64,721)**	(58,938)
Unallocated head office and corporate expenses	**(13,556)**	(21,046)
Consolidated profit before taxation	**305,320**	545,228

	At 30 June	At 31 December
	2012	2011
	RMB'000	*RMB'000*
Assets		
Reportable segment assets	**9,219,438**	8,576,866
Property, plant and equipment	**167,940**	146,196
Lease prepayments	**235,990**	238,514
Deferred tax assets	**174,976**	156,931
Unallocated head office and corporate assets	**665,295**	1,171,957
Elimination of receivables between segments, and segments and head office	**(320,111)**	(211,972)
Consolidated total assets	**10,143,528**	10,078,492
Liabilities		
Reportable segment liabilities	**4,111,004**	4,423,799
Bank and other loans	**1,878,630**	1,507,462
Income tax payable	**207,747**	210,450
Deferred tax liabilities	**947**	1,021
Unallocated head office and corporate liabilities	**172,252**	127,685
Elimination of payables between segments, and segments and head office	**(320,111)**	(211,972)
Consolidated total liabilities	**6,050,469**	6,058,445

4 PROFIT BEFORE TAXATION

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

(a) Finance costs:

	Six months ended 30 June	
	2012	2011
	RMB'000	*RMB'000*
Interest on bank advances and other borrowings wholly repayable within five years	**56,535**	55,905
Bank charges and other finance costs	**12,200**	26,494
Total borrowing costs	**68,735**	82,399
Interest income	**(6,498)**	(3,048)
Net foreign exchange loss/(gain)	**8,896**	(2,830)
Forward foreign exchange contracts: cash flow hedges, reclassified from equity	**(6,412)**	(17,583)
	64,721	58,938

(b) Staff costs:

	Six months ended 30 June	
	2012	2011
	RMB'000	*RMB'000*
Salaries, wages and other benefits	**530,514**	498,771
Contributions to defined contribution retirement plans	**39,551**	35,317
	570,065	534,088

(c) Other items:

	Six months ended 30 June	
	2012	2011
	RMB'000	*RMB'000*
Depreciation and amortisation	**32,641**	43,737
Net gain/(loss) on disposal of property, plant and equipment	**793**	(734)
Impairment losses on trade and other receivables	**50,769**	9,738
Operating lease charges in respect of land, plant and buildings, motor vehicles and other equipment	**42,355**	32,207
Research and development costs	**123,923**	106,934
Increase in provision for warranties	**25,713**	20,921
Cost of inventories	**4,231,714**	3,659,338

5 INCOME TAX

	Six months ended 30 June	
	2012	2011
	RMB'000	*RMB'000*
Current taxation		
– PRC income tax	**67,933**	124,902
– Overseas income tax	**3,901**	6,213
	71,834	131,115
Deferred taxation		
– Origination and reversal of temporary differences	**(15,693)**	(7,843)
	56,141	123,272

No provision for Hong Kong Profits Tax has been made, as the Company and the subsidiaries of the Group incorporated in Hong Kong did not have assessable profits subject to Hong Kong Profits Tax for the six months ended 30 June 2012 (six months ended 30 June 2011: RMBNil).

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.

The subsidiaries of the Group established in the PRC are subject to PRC Corporate Income Tax rates ranging from 15% to 25% for the six months ended 30 June 2012 (six months ended 30 June 2011: 25%).

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 six months ended 30 June 2012 pursuant to the rules and regulations of their respective countries of incorporation (six months ended 30 June 2011: 8.5% to 35%).

6 BASIC AND DILUTED EARNINGS PER SHARE

(a) Basic earnings per share

The basic earnings per share for the six months ended 30 June 2012 is calculated based on the profit attributable to equity shareholders of the Company of RMB262.4 million (six months ended 30 June 2011: RMB416.6 million) and the weighted average of 6,208,734,000 ordinary shares (six months ended 30 June 2011: 4,690,760,000 ordinary shares) in issue during the interim period.

(b) Diluted earnings per share

There were no dilutive potential shares outstanding during the six months ended 30 June 2012 and 2011.

7 PROPERTY, PLANT AND EQUIPMENT

(a) Acquisitions and disposals

During the six months ended 30 June 2012, the Group incurred capital expenditure of property, plant and equipment and construction in progress with a cost of RMB61.0 million (six months ended 30 June 2011: RMB39.7 million), including machinery and equipment acquired through the acquisition of a business under common control (see Note 12) with a net book value of RMB23.3 million. Items of property, plant and equipment with a net book value of RMB1.2 million were disposed of during the six months ended 30 June 2012 (six months ended 30 June 2011: RMB2.1 million), resulting in a gain on disposal of RMB0.8 million (six months ended 30 June 2011: a loss of RMB0.7 million).

(b) Change in assets estimated useful lives

During the six months ended 30 June 2012, the management of the Group reviewed the estimated useful lives of all of its property, plant and equipment and concluded that due to the periodic maintenances carried out by the Group, most of these assets are in good conditions, and are expected to be utilised beyond their original estimated useful lives. As a result, the Group has revised the estimated useful lives of its plant and buildings from 20 to 30 years and machinery and equipment from 10 to 15 years.

The change in accounting estimates is accounted for prospectively from 1 January 2012. The effect of this change in estimated useful lives is estimated to have decreased depreciation expenses by approximately RMB10.8 million for the six months ended 30 June 2012.

(c) Title ownership

At 30 June 2012, property certificates of certain properties with an aggregate net book value of RMB83.3 million (31 December 2011: RMB84.6 million) are yet to be obtained. The controlling shareholder of the Group, Mr. Kang Baohua, (the "Controlling Shareholder") has undertaken to procure the obtaining of the title documents for the above mentioned properties. If the title documents could not be obtained, the Controlling Shareholder agreed to indemnify the Group for all the losses and damages arising therefrom.

8 GROSS AMOUNT DUE FROM/TO CUSTOMERS FOR CONTRACT WORK

	At 30 June 2012 *RMB'000*	At 31 December 2011 *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	**23,865,329**	19,255,189
Less: progress billings	**(20,265,584)**	(16,288,811)
	3,599,745	2,966,378
Gross amount due from customers for contract work	**4,401,314**	3,843,624
Gross amount due to customers for contract work	**(801,569)**	(877,246)
	3,599,745	2,966,378

9 TRADE AND BILLS RECEIVABLES

	At 30 June 2012 *RMB'000*	At 31 December 2011 *RMB'000*
Trade receivable for contract work due from:		
– Third parties	**2,391,681**	1,854,965
– Affiliates of the Controlling Shareholder	**7,135**	6,941
	2,398,816	1,861,906
Bills receivable for contract work	**51,559**	128,165
Trade receivable for sale of raw materials due from:		
– Third parties	**5,992**	1,298
– Affiliates of the Controlling Shareholder	**1,547**	1,514
	7,539	2,812
	2,457,914	1,992,883
Less: allowance for doubtful debts	**(225,916)**	(175,616)
	2,231,998	1,817,267

The Group generally requires customers to settle progress billings and retentions receivable in accordance with contracted terms. In accordance with general industry practices, credit terms of one to two years may be granted to customers for retentions receivable.

Included in trade and bills receivables are debtors (net of allowance for doubtful debts) with the following ageing analysis as of the end of the reporting period:

	At 30 June 2012 *RMB'000*	At 31 December 2011 *RMB'000*
Within 1 month	**978,941**	706,537
More than 1 month but less than 3 months	**399,725**	391,885
More than 3 months but less than 6 months	**381,040**	384,262
More than 6 months	**472,292**	334,583
	2,231,998	1,817,267

10 TRADE AND BILLS PAYABLES

	At 30 June 2012 *RMB'000*	At 31 December 2011 *RMB'000*
Trade payable for purchase of inventories due to:		
– Third parties	**1,978,638**	1,905,966
– Affiliates of the Controlling Shareholder	**23,049**	9,832
	2,001,687	1,915,798
Trade payable due to sub-contractors	**201,422**	115,765
Bills payable	**368,628**	639,570
Financial liabilities measured at amortised cost	**2,571,737**	2,671,133

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

Included in trade and bills payables are creditors with the following ageing analysis as of the end of the reporting period:

	At 30 June 2012 *RMB'000*	At 31 December 2011 *RMB'000*
Due within 1 month or on demand	**2,221,709**	2,092,453
Due after 1 month but within 3 months	**192,122**	156,941
Due after 3 months	**157,906**	421,739
	2,571,737	2,671,133

11 DIVIDENDS

(a) Dividends payable to equity shareholders attributable to the interim period

The directors of the Company do not recommend the payment of an interim dividend for the six months ended 30 June 2012 (six months ended 30 June 2011: RMBNil).

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

	Six months ended 30 June	
	2012	2011
	RMB'000	*RMB'000*
Final dividend in respect of the previous financial year, approved during the following interim period, of HK$0.04 per ordinary share (six months ended 30 June 2011: HK$Nil per ordinary share)	**201,337**	–

12 ACQUISITION OF A BUSINESS FROM AN AFFILIATE OF THE CONTROLLING SHAREHOLDER

Pursuant to an assets acquisition agreement entered into between Shenyang Yuanda Metal Coating Co., Ltd. ("Yuanda Metal"), a wholly-owned subsidiary of the Group, and Shenyang Brilliant Elevator Co., Ltd. ("Brilliant Elevator"), Yuanda Metal acquired the assets and processes related to the metal coating business from Brilliant Elevator for a consideration of RMB23.9 million on 29 February 2012 (the "Acquisition Date"). The assets acquired were machinery and equipment with a pre-acquisition carrying value of RMB23.3 million. The consideration was determined by reference to the fair value of the machinery and equipment valued by an independent valuer.

The assets and processes acquired constitute a business as defined in IFRS 3, *Business combinations*, and as the Group and Brilliant Elevator are both controlled by the Controlling Shareholder, the above acquisition was accounted for as a business combination under common control. Accordingly, the acquired assets have been accounted for at historical cost, where the difference between the consideration paid and the carrying amount of the assets acquired at the Acquisition Date of RMB0.6 million has been recognised directly in equity as a distribution to the Controlling Shareholder.

13 CONTINGENT LIABILITIES

(a) Guarantees issued

At 30 June 2012, the Group has issued the following guarantees:

	At 30 June	At 31 December
	2012	2011
	RMB'000	*RMB'000*
Guarantees for construction contracts' bidding, performance and retentions	**2,178,303**	2,162,281

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

(b) Contingent liabilities in respect of legal claims

(i) In December 2009, Shenyang Yuanda Aluminium Industry Engineering Co., Ltd. ("Shenyang Yuanda") and Yuanda Aluminium Engineering (India) Private Limited ("Yuanda India"), both wholly owned subsidiaries of the Group, jointly received a notice that they are being sued by a former sub-contractor in India in respect of Shenyang Yuanda's and Yuanda India's non-performance of the terms as stipulated in the sub-contract agreement entered into between Shenyang Yuanda and this former sub-contractor. Shenyang Yuanda has made a counterclaim against this sub-contractor for non-performance of the sub-contract agreement. As at the date of this announcement, 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 RMB159.0 million) plus accrued interest. Both Shenyang Yuanda and Yuanda India continue to deny any liability in respect of the non-performance of the terms of the sub-contract agreement and, based on legal advice, the directors of the Company do not believe it is probable that the arbitration tribunal will find against Shenyang Yuanda and/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 this announcement, the above lawsuit is under reviewed before the Court of Appeal 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 RMB252.7 million). Shenyang Yuanda continues to deny any liability in respect of the claim and, based on legal advice, the directors of the Company do not believe it is probable that the court will find against Shenyang Yuanda. No provision has therefore been made in respect of this claim.

(iii) In September 2011, Shenyang Yuanda filed a lawsuit against a customer in respect of its non-payment of RMB25.1 million arose from the work carried out for this customer by Shenyang Yuanda. In October 2011, this customer filed a counterclaim against Shenyang Yuanda for non-performance of the construction contract. As at the date of this announcement, the above lawsuit is under reviewed before the High People's Court of Shandong Province. If Shenyang Yuanda is found to be liable, the total expected monetary compensation may amount to approximately RMB75.1 million. Shenyang Yuanda continues to deny any liability in respect of the counterclaim and, based on legal advice, the directors of the Company do not believe it is probable that the court will find against Shenyang Yuanda. No provision has therefore been made in respect of this counterclaim.

(iv) In June 2010, Yuanda Aluminium Industry Engineering (Germany) GmbH ("Yuanda Germany"), a wholly owned subsidiary of the Group, filed a lawsuit against a customer in respect of its non-payment of Euro 2.0 million in respect of the work carried out on this customer by Yuanda Germany. In September 2010, this customer filed a counterclaim against Yuanda Germany for non-performance of the construction contract. On 29 February 2012, a first instance court judgement has been rendered in favour of Yuanda Germany. In March 2012, this customer filed an appeal against the above judgement. As at the date of this announcement, the above appeal is under reviewed before the Higher Regional Court Frankfurt in Germany. If Yuanda Germany is found to be liable, the total expected monetary compensation may amount to approximately Euro 4.1 million (equivalent to approximately RMB32.3 million). Yuanda Germany continues to deny any liability in respect of the appeal and, based on legal advice, the directors of the Company do not believe it is probable that the court will find against Yuanda Germany. No provision has therefore been made in this respect.

(v) In addition to the lawsuits and arbitration mentioned in Notes 13(b)(i) to 13(b)(iv), 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 this announcement, the above lawsuits and arbitrations are under reviewed before courts or arbitrators. If these subsidiaries are found to be liable, the total expected monetary compensation may amount to approximately RMB30.6 million, of which RMB3.1 million has already been provided by the Group at 30 June 2012. Based on legal advice, 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 the lawsuits and arbitrations.

14 NON-ADJUSTING EVENT AFTER THE REPORTING PERIOD

Establishment of an associate

On 24 August 2010, Shenyang Yuanda has entered into a memorandum of understanding (the "MOU") with a third party in the establishment of a glass manufacturing company. Pursuant to the MOU, which is subject to further negotiation between Shenyang Yuanda and this third party and the finalisation of the related agreement, Shenyang Yuanda will obtain 49% equity interests in this new glass manufacturing company.

As at the date of this announcement, the above transaction has yet to be completed.

BUSINESS REVIEW

The Group is a provider of one-stop integrated curtain wall solutions including 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 customers to our curtain wall solutions mainly comprise non-residential and infrastructure developments both in domestic and overseas market, such as office building of government authorities or headquarters for leading companies from various industries, hotels, shopping center, center buildings for the use of conference, culture, sports, art and exhibition, airport, railway station and hospital and universities. We believe we are a leading curtain wall provider with a comprehensive product portfolio. Through research and development, we have further developed various curtain wall products by using more complex designs, production and installation as well as combining the new curtain wall products with new materials, technology, energy, environment protection and energy conservation, with determination of realizing "Low-carbon, Function, Safety" of curtain wall products. Such products include double-skin curtain walls, photovoltaic curtain walls, ecologically friendly curtain walls, video curtain walls and membrane structure curtain walls. We also provide ancillary products related to curtain wall systems, including skylights, metal roofs, canopy systems, shading systems, balustrade and breast board systems, fire doors and rolling doors, and energy-saving aluminum alloy doors and windows.

During the reporting period, the profit attributable to equity shareholders of the Company decreased by approximately 37.0% from the last corresponding period to about RMB262.4 million.

Newly-awarded Projects

	For the first half of 2012		For the first half of 2011	
	Number of projects	***RMB million***	*Number of projects*	*RMB million*
Domestic	**106**	**6,257.0**	73	3,767.1
Overseas	**26**	**1,786.0**	26	2,054.4
	132	**8,043.0**	99	5,821.5

For the first half of 2012, the Group was awarded with 132 new projects with an amount of approximately RMB8,043.0 million, an increase of RMB2,221.5 million or 38.2% as compared to the first half of 2011. During the first half of 2012, there was a slowdown in the growth for newly-awarded projects in overseas, when compared with the corresponding period last year. Attributable to the European debt crisis, though we have tendered for a number of projects in various cities in Europe, there was only few new projects being confirmed. There was only few newly-awarded projects in the Middle East market due to the Group's prudent strategy. Moreover, the termination of the Project World One Tower contract in India at the beginning of 2012 has exerted a relatively significant influence on the overall amount for projects awarded in overseas. The Group has been awarded more projects in the Americas and Australia markets during the period. Capitalising on its leadership in the curtain wall industry, the Group has successfully obtained several major landmark projects, such as South Australian Health & Medical Research Institute with a contract amount of approximately RMB160 million; BBVA Bank in Mexico with a contract amount of approximately RMB220 million; upscale residence in Yekaterinburg, Russia with a contract amount of approximately RMB120 million, all of which are from the overseas market.

In the domestic market, we obtained contracts for a multi-function shopping center, Olympia 66, in Dalian with a contract amount of approximately RMB320 million; a cultural industry project, Shenyang Art Center, with a contract amount of approximately RMB190 million; a local commercial bank project, China Bohai Bank (Tianjin branch), with a contract amount of approximately RMB180 million; Gezhouba Building, a state-owned enterprise office building project, with a contract amount of approximately RMB120 million; a government office building project, Fuzhou Administration Center, with a contract amount of approximately RMB150 million. As the development in business, tourism, property and other industry which brought in demand for complex buildings as well as the development of Northeast China market, which benefited from the National Games, the growth for newly-awarded projects in domestic market has shown great possibility and recorded significant increase compared with the corresponding period last year.

Backlog

	As at 30 June 2012		As at 30 June 2011	
	Number of projects	***RMB million***	*Number of projects*	*RMB million*
Domestic	**402**	**13,493.2**	388	7,507.6
Overseas	**107**	**6,522.1**	79	5,687.9
Total	**509**	**20,015.3**	467	13,195.5

As at the reporting date, the remaining value of backlog amounted to approximately RMB20,015.3 million in total, representing an increase of approximately RMB6,819.8 million or 51.7% from the last corresponding period. It is expected that the backlog takes two years to be completed, which will well-secure the Group's future income.

With respect to our production capacity expansion, part of the construction of our new plant in Anshan was completed and new plant area in Chengdu is under construction. The plans for expanding the production capacity of plant areas in Shanghai and Foshan as well as the establishment of new production capacity for plant areas in Tianjin and Middle East have been postponed as we are prudent about the austerity policies for domestic macro-economy and slowdown in overseas economy, and we are in possession of sufficient production capacity to meet our current requirements. The new plant in Chengdu has a site area of 100,000 sqm. and a construction area of 76,300 sqm., and has an accumulated investment of RMB34.1 million as at 30 June 2012 while the project budget cost is approximately RMB133.8 million. The project is expected to be completed in December, 2012.

Major technology result and award

Following the technology development strategy of "Low carbon, Function, Safety" in its curtain wall products, the Group has drawn on technology innovation for industry development. During the first half of 2012, there were 120 innovation projects in the process concerning with low-carbon and energy saving, shade and insulation, structure security, fireproof and earthquake resistance, and architectural aesthetics. In particular, 24 projects have been approved and gradually applied in practice, such as energy-saving curtain wall with large-span double units used in Leaden Hall Building in Britain, earthquake resistance curtain wall unit used in 神田駿河台工程 in Japan, and intelligent roof lighting for self-melt snow used in Dalian Hi – Think Technology area, etc.

The Group has applied for 187 new patents, and gained authorisation for 388 patents, including the number of patent authorisation granted this year for patent application last year. Authorisation gained for patent amounted to 548. The Group was awarded the "Excellent Company in Building Integrated Photovoltaic application" award from the Building Integrated Photovoltaic Committee of the China Construction Metal Structure Association. The Group's projects also gained various local awards, such as Oriental Financial Plaza in Shanghai gaining the Magnolia award in Shanghai, and 南通攜程信息技術大樓 gaining "Excellent Project" in Jiangsu "Yangtze Award".

Of the newly-awarded projects during the first half of 2012, new type of curtain wall system amounted to approximately RMB1,591 million, including curtain wall unit, energy-saving double curtain wall and LED curtain wall. We will make constant effort on developing new and innovative products and technologies for curtain wall which can be used in curtain wall projects, so as to consolidate our leadership in technology.

Main area of work for the latter half of the year

Facing adverse circumstances and challenges in the latter half of the year, the Board will make plan to establish strategy and target for mid – and long-term development of the Group; endeavor to capture opportunities in both domestic and key overseas markets to ensure the newly-awarded projects will be contracted on time; make more effort on performance appraisal and supervision of the management, focused on the concept of "Service, Quality and Cost", that is to deliver the project on time with good quality, control its cost budget, try to meet the goals for cash inflow and profit plan.

FINANCIAL REVIEW

Turnover

During the reporting period, the Group's turnover increased by approximately RMB411.5 million or 8.6%, from RMB4,802.0 million for the first half of 2011 to RMB5,213.5 million. The increase in turnover was primarily due to the following reasons:

(i) Turnover derived from domestic projects increased by approximately RMB145.8 million or 4.6%, from RMB3,157.0 million for the first half of 2011 to RMB3,302.8 million, representing 63.4% of the Group's revenue. During the period, the domestic projects recorded an overall slower growth, mainly due to the slower progress of domestic projects as a result of tightening credit market. The Northeast China, in particular, recorded a significant decrease in revenue for the first time. Northern China, on the other hand, maintained the same level as the corresponding period of last year. The turnover for Southern China, Western China and Eastern China recorded significant growth compared with the corresponding period last year, which in turn offset the adverse effect brought by the decrease in the Northeast China.

(ii) The overall growth rate of turnover of overseas project is higher than that in domestic market as compared with the corresponding period last year, increasing by approximately RMB265.7 million, 16.2% from RMB1,645.0 million for the first half of 2011 to RMB1,910.7 million, representing 36.6% of the Group's revenue. The increase was mainly due to the fact that revenue from Southeast Asia multiplied by 4.2 times compared with the corresponding period last year. As uncompleted projects from last year commenced construction, revenue from European areas increased 64.5% from the corresponding period last year. So did the American market. Middle East and Australia, however, recorded a decrease in revenue compared with the corresponding period last year.

Cost of Sales

During the six months ended 30 June 2012, the Group's cost of sales amounted to RMB4,231.7 million, representing an increase of RMB572.4 million, or 15.6% over RMB3,659.3 million for the corresponding period last year. The increase rate in cost of sales was higher than that in increase in revenue. The increase was mainly due to the fact that staff costs rose as a result of inflation in China; tightening credit market led to longer construction period which resulted in higher cost of installment and an increase in the site cost. In terms of the overseas market, cost of installment and site cost soared due to the extension of the actual construction period of projects from Southeast Asia and Australia. At the same time, we have invested more in R&D. The expenses for R&D are higher than that of the corresponding period last year.

Gross profit and gross profit margin

The Group's gross profit decreased by RMB160.9 million or 14.1%, from RMB1,142.7 million for the first half of 2011 to RMB981.8 million for the first half of 2012. Our gross profit margin dropped by 5.0% from 23.8% for the first half of 2011 to 18.8% for the first half of 2012, primarily due to actual progress of projects in both domestic and overseas market delayed and the expected revenue could not be achieved as a result of the constant slowdown in the development of global economy while the cost of sales increased. Gross profit margin either in domestic or overseas market dropped by approximately 5.0%.

Other revenue

Other revenue for the six months ended 30 June 2012 was approximately RMB4.1 million (the first half of 2011: RMB3.6 million), representing an increase of approximately RMB0.5 million over the corresponding period of 2011. This was mainly due to an increase in one-off government subsidy of RMB1.1 million, while other items decreased slightly when compared with that of the corresponding period last year.

Other net income

Other net income primarily comprises net gain from the sale of raw materials, and disposal of property, plant and equipment. Other net income increased by RMB1.9 million from RMB1.4 million for the first half of 2011 to RMB3.3 million for the first half of 2012. This was mainly due to an increase in the net gain on disposal of fixed assets during the first half of 2012.

Selling expenses

Selling expenses increased by RMB11.9 million or 11.4%, from RMB104.8 million for the first half of 2011 to approximately RMB116.7 million for the first half of 2012. The growth rate is slightly higher than that of the revenue over the same period. Such increase was mainly because expenses incurred as the Group tried to expand the market. Selling expenses for the first half of 2012 accounted for 2.2% of the turnover, which was similar to the 2.2% for the first half of 2011.

Administrative expenses

During the six months ended 30 June 2012, the Group's administrative expenses was approximately RMB502.5 million as compared with RMB438.7 million for the first half of 2011, representing an increase of RMB63.8 million or 14.5%. Such increase was primarily due to an increase of RMB41.0 million in impairment provision for trade and other receivables as well as an increase of RMB12.2 million in staff salaries and benefits as a result of salary rise in line with business expansion and revenue growth. Administrative expenses for the first half of 2012 accounted for 9.6% of the turnover (the first half of 2011: 9.1%).

Finance costs

Finance costs increased by RMB5.8 million or 9.8% from RMB58.9 million for the first half of 2011 to RMB64.7 million for the first half of 2012. This was primarily due to the factors: (i) net foreign exchange loss (including gain from forward foreign exchange contracts) for the first half of 2012 increased by RMB22.9 million from the corresponding period of 2011. During the first half of 2012, we recorded net foreign exchange loss because of the fluctuation of the Australian dollars, Euro and Swiss Francs against the Renminbi; (ii) bank charges decreased by RMB14.3 million for the first half of 2012 primarily because guarantee charges decreased by RMB7.4 million and the Group has repaid the bridge loan of HKD820.0 million granted by Standard Chartered Bank for the reorganization prior to the listing during the first half of 2011 and charges of the loan incurred during the first half of 2011 was RMB6.9 million.

Income tax

Income tax decreased by RMB67.2 million or 54.5%, from RMB123.3 million in the first half of 2011 to RMB56.1 million in the first half of 2012. Our effective tax rate decreased from 22.6% for the six months ended 30 June 2011 to 18.4% for the six months ended 30 June 2012. In October 2011, Shenyang Yuanda Aluminium Industry Engineering Co., Ltd., a subsidiary of the Group, was certified as a high-tech enterprise of national grade and the Group was subject to preferential PRC Corporate Income Tax Rate of 15% for year 2012 and 2013, and subject to renew after year 2013.

Profit attributable to our equity shareholders

For the six months ended 30 June 2012, profit attributable to equity shareholders of the Company was approximately RMB262.4 million (the first half of 2011: approximately RMB416.6 million), representing a decrease of approximately 37.0% as compared with the same period last year. For the six months ended 30 June 2012, basic and diluted earnings per share were RMB0.042 (the first half of 2011: RMB0.089), representing a decrease of 52.8% from the same period last year.

Net current assets and financial resources

As at 30 June 2012, the Group's net current assets was RMB3,067.0 million (31 December 2011: RMB2,817.2 million). The Group funds its working capital requirements by its operations to maintain a stable financial position. As at 30 June 2012, the Group's cash and cash equivalents amounted to RMB892.1 million (31 December 2011: RMB1,944.5 million).

Bank loans and gearing ratio

As at 30 June 2012, the Group's total bank borrowings amounted to RMB1,878.6 million (31 December 2011: RMB1,507.5 million). The Group's gearing ratio (total loans divided by total equity) was 45.9% (31 December 2011: 37.5%). The increase was due to an increase in new bank borrowings of the Group in the first half of the year.

Turnover days of receivables/trade and bills payables/inventory

Turnover days (days)	**For the first half of 2012**	For the year of 2011
Receivables(1*)	**184 days**	132 days
Trade and bills payables(2*)	**149 days**	126 days
Inventory(3*)	**38 days**	33 days

1*. The calculation of the receivables turnover days is based on the average amount of trade and bills receivables 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) net of provision as at the beginning and ending of the relevant period divided by total turnover of the corresponding period and multiplied by 181 days or 365 days.

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 181 days or 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 divided by cost of raw materials and multiplied by 181 days or 365 days.

The receivables turnover days for the first half of 2012 increased by 52 days over 2011, mainly due to the fact that amidst domestic credit and fiscal crunch, the developers were cautious in project investment, delayed in construction progress payment and examination of completed projects, and 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 been advanced by the Group and a longer settlement period from the customers. The management paid much attention to the deterioration of settlement period of receivables and has formulated performance-based measures to speed up the collection to safeguard the risks, and it is expected that the receivables turnover days for whole year 2012 will be lower or close to that of 2011. In addition, the difference between the receivables turnover days and the payables turnover days for this period was 35 days, representing an increase compared with 6 days of 2011. It was mainly attributable to the chain effect of monetary and fiscal crunch on the upstream business. The management is implementing strategic procurement measures for raw materials, and strives to reverse the buyers' position in the market.

Inventories and inventory turnover days

Our inventories primarily consist of materials used in fabrication of curtain wall products, including extrusions aluminum, glass, steel and sealant. The Group's inventory balance as at 30 June 2012 was approximately RMB437.2 million (31 December 2011: RMB457.2 million). For the six months ended 30 June 2012, inventory turnover days was 38 days, representing an increase of 5 days as compared with 33 days in 2011. The main reasons for the increase in inventory turnover days were that (a) the calculation of inventory turnover days is based on the balances as at the beginning and ending of the relevant period, and the base for calculating the inventory turnover days of last year, namely the balance of the beginning of 31 December 2010, was lower; (b) the price of raw materials declined in the first half of this year and the amount of used raw material in actual cost is lower than that of last year, resulting in the decrease of ending balance. Actually, inventory quantity has not reduced this year and even increased slightly as compared with 2011.

Capital expenditure

During the reporting period, the Group's capital expenditure amounted to RMB85.2 million, which was mainly related to the expenses incurred on acquiring land, construction of plant and purchase of equipment.

Foreign exchange risk

The overseas projects of the Group were mainly dominated in USD, EURO, AUD and CHF. To manage our foreign exchange risks, we have started hedging the risk of appreciation of the Renminbi against foreign currencies through entering into forward foreign exchange contracts with reputable banks. However, as European debt crisis is still in a state of uncertainty and slowdown in growth of the global economy, such as China and the U.S. makes it more difficult for us to hedge foreign economy exchange risks.

Contingent liabilities

The Group's contingent liabilities as at 30 June 2012 are set out in Note 13.

Global offering and use of proceeds

In May 2011, the Company conducted a global offering in which a total of 1,708,734,000 new ordinary shares were issued at an issue 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 30 June 2012, an accumulated amount of approximately HK$1,635 million of proceeds from the global offering (of which expansion of production capacity: HK$192 million; repayment of its existing debts (mainly comprised of the bridge loan of Standard Chartered Bank): HK$962million; investment in research and development: HK$261 million; and expansion of its sales and marketing network: HK$220 million) was utilized. The remaining proceeds will be used as stated in the Prospectus and the supplementary Prospectus of the Company.

Human resources

As of 30 June 2012, the Group had 13,050 (31 December 2011: 13,009) full-time employees in total. The Group has sound policies of management incentives and competitive remuneration, which aligns the interests of management, employees and shareholders' alike. The Group sets its remuneration policy by reference to the prevailing market conditions and the performance of the individuals concerned, subject to review from time to time. The components of the remuneration package consist of basic salary, allowances, fringe benefits including medical insurance and contributions to pension funds, as well as incentives like discretionary bonus and participation in share options.

Purchase, Sale and Re-Purchase of Listed Securities of the Company

There was no purchase, sale and re-purchase of any listed securities of the Company by the Company or any of its subsidiaries during the six months ended 30 June 2012.

Review of interim results

The unaudited interim results of the Company for the six months ended 30 June 2012 have been reviewed by the Company's external auditor, KPMG, in accordance with Hong Kong Standard on Review Engagements 2410 "Review of interim financial information performed by the independent auditor of the entity" issued by the Hong Kong Institute of Certified Public Accountants. The auditor's review report will be included in the interim report to shareholders. The interim results 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 Audit Committee), Mr. Woo Kar Tung, Raymond and Mr. Pang Chung Fai, Benny.

Interim Dividend

The Board has resolved not to pay an interim dividend for the six months ended 30 June 2012.

Corporate Governance

During the period from 1 January 2012 till 31 March 2012, the Company has applied the principles of and has complied with all code provisions of the Code on Corporate Governance Practices (the "Old 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"). For the period from 1 April 2012 till 30 June 2012, save for Code Provision A.6.7, the Company has complied with the code provisions included in the amendments to the Old Code which took effect since 1 April 2012 (the "New Code").

Code Provision A.6.7 provides that independent non-executive directors and non-executive directors of the Company should attend general meetings of the Company. Mr. Woo Kar Tung, Raymond, an independent non-executive director of the Company, has not attended the annual general meeting of the Company held on 24 May 2012 due to a conflict with his business schedule.

Save as disclosed, there has been no deviation from the code provisions as set forth and on the Old Code and the New Code for the six months ended 30 June 2012.

Model Code for Securities Transactions

The Board has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix 10 to the Listing Rules for the transactions of the Company's securities. The Company has made specific enquiry to all Directors and all the Directors have confirmed their compliance with the required standards set out in the Model Code during the period for the six months ended 30 June 2012.

Appreciation

On behalf of the Board, I would like to express my sincere gratitude to our shareholders, investors, partners and customers for their continued trust and support and all our management and staff members for their contribution and devotion. We are obliged and confident in prudently operating business, reversing the declining trend of the results in adverse environment and achieving a brighter performance in the remaining period of the year, and deliver fruitful rewards to our shareholders and investors.

Publication of Interim Report

This interim results announcement is published on the websites of the Stock Exchange (http://www.hkexnews.hk) and the Company (http://www.yuandacn.com). The interim report of the Company for the six months ended 30 June 2012 will be despatched to the shareholders of the Company and made available for review on the aforesaid websites in due course.

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

Hong Kong, 27 August 2012

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