

**YUANDA INVESTMENTS AND TRADING LIMITED**  
**FINANCIAL REPORTS AND STATEMENTS**  
**31ST DECEMBER 2024**

**YUANDA INVESTMENTS AND TRADING LIMITED**  
**AUDITED REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED**  
**31ST DECEMBER 2024**

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**YUANDA INVESTMENTS AND TRADING LIMITED**  
**AUDITED REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED**  
**31ST DECEMBER 2024**

**REPORT OF THE DIRECTORS**  
**FOR THE YEAR ENDED 31ST DECEMBER 2024**

The Board of Directors has the pleasure to submit his annual report together with the audited financial statements for the year ended 31st December 2024, which disclose the state of affairs of the company.

**Incorporation**

The company is incorporated in Tanzania under the Tanzanian Companies Act 2002 as YUANDA INVESTMENTS AND TRADING LIMITED, a company limited by shares, and is domiciled in Tanzania. The address of the registered office is set out on page 1.

**Principal activities**

The principal activity of the Company is to carry on Business of Manufacturing of Automobile Vehicle Trucks, Fabrication of Spare Parts.

**Performance of the company**

The performance of the company during the period set on page 9 to 12 of the financial statement.

**Future Company developments strategies and objectives**

The company is expecting to improve its profitability by increasing performance.

**Corporate governance**

The management is responsible for the governance of the company and is committed to ensure that its company and operations are conducted with integrity and compliance with the relevant laws and regulation governing company operations.

The management takes overall responsibility for the company, including responsibility for identifying key risk areas, considering significant financial matters, and reviewing the performance of company business plans and budgets. The management is also responsible for ensuring that a comprehensive system of internal control policies and procedures is operative, and for compliance with sound corporate governance principles.

**Funding**

The company's source of funding presently is share capital.

**Risk management and internal control**

The management accepts final responsibility for the risk management and internal control systems of the company. It is the task of management to ensure that adequate internal financial and operational control systems are developed and maintained on an ongoing basis in order to provide reasonable assurance regarding:

- The effectiveness and efficiency of operations;
- The safeguarding of the company's assets;
- Compliance with applicable laws and regulations;
- The reliability of accounting records;
- Company sustainability under normal as well as adverse conditions; and
- Responsible behavior towards all stakeholders

**YUANDA INVESTMENTS AND TRADING LIMITED**  
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**Risk management and internal control**

The efficiency of any internal control system is dependent on the strict observance of prescribed measures. There is always a risk of non-compliance with such measures by staff. While no system of internal control can provide absolute assurance against misstatement or losses, the company's system is designed to provide the management with reasonable assurance that the procedures in place are operating effectively. The management assessed the internal control systems throughout the financial year ended 31st december 2024 and is of the opinion that they met accepted criteria.

**Solvency**

The management confirms that applicable accounting standards have been followed and that the financial statements have been prepared on a going concern basis. The management has reasonable expectation that his company has adequate resources to continue in operational existence for the foreseeable future.

**Employees' welfare**

There has been continued good relation between employees and management for the year 2024. There were no unresolved complaints received by management from the employees during the year. A healthy relationship continues to exist between management and staff.

**Disabled persons**

The company accepts disabled persons for employment for those vacancies that such persons are able to fill.

**Directorships**

The directors who held office during the year and to the date of this report is set out on page 1.

**Going Concern**

The directors have reasonable expectation that the company has adequate resources to meet its operational needs and continue in operation for the foreseeable future

**Auditor**

The company's auditor, UHURU Auditors expressed its willingness to continue in office in accordance with the Tanzanian Companies Act 2002.

By order of the Board of Directors

李政辉

.....  
Managing Director

.....  
Date



**YUANDA INVESTMENTS AND TRADING LIMITED**  
**AUDITED REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED**  
**31ST DECEMBER 2024**

**STATEMENT OF MANAGEMENT' RESPONSIBILITIES**

The Tanzanian Companies Act, 2002 requires the management to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the operating results of the company for that year. It also requires the management to ensure that the company keeps proper accounting records which disclose with reasonable accuracy at any time the financial position of the company. The management is also responsible for safeguarding the assets of the company.

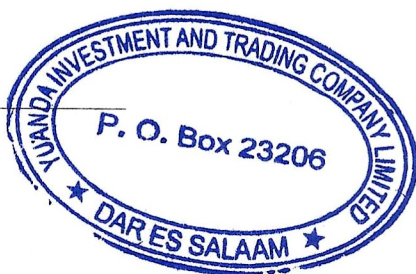
The management is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards and the requirements of the Tanzanian Companies Act, 2002 and for such internal controls as management determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The management accepts responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Financial Reporting Standards and in the manner required by the Tanzanian Companies Act, 2002. The management is of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the company and of its operating results. The management further accepts responsibility for the maintenance of accounting records which may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

Nothing has come to the attention of the managements to indicate that the company will not remain a going concern for at least the next twelve months from the date of this statement.

李政輝

Managing Director



\_\_\_\_\_ Date

## **Report on the Audit of the Financial Statements**

### **Opinion**

We have audited the financial statements of the YUANDA INVESTMENTS AND TRADING LIMITED which comprises of the

- Statement of Financial Position as at 31st december 2024
- statement of Financial Performance for the period ended 31st december 2024
- Statement of Changes in Equity as at 31st december 2024
- Statement of Cash Flows for the period ended 31st december 2024
- Statement, accounting policies, and notes to the Financial Statements for the year ended 31st december 2024 as shown in page 9 to 17 of this report.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of YUANDA INVESTMENTS AND TRADING LIMITED for the year ended 31st december 2024, and its financial performance and its cash flows for the year ended 31st december 2024 in accordance with International Financial Reporting Standards (IFRS).

### **Basis of opinion**

We conducted our audit accordance with International Standard on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of financial statement section of our report. We are independent of the Business within the meaning of Business act and have fulfilled our other responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Going concern**

The financial statements of Business have been prepared by using going concern basis of accounting. The use of this basis of accounting is appropriate unless management either intends to liquidate the Business or to cease the operations or has no realistic alternative but do not do so. As part of our audit of the financial statements, we have concluded that management's use of going concern basis of accounting in the preparation of Business financial statements is appropriate.

Management has not identified a material uncertainty that may cast significant doubt on the entity's ability to continue as a going concern, and accordingly none is disclosed in the financial statements.

Based on our audit of the financial statements we also have not identified such as material uncertainty. However, neither management nor auditor can guarantee the Business's ability to continue as going concern.

***Other Information***

The Director is responsible for the other information. The other information comprises the corporate information, the Directors' Report as required by the Companies Act, 2002, Statement of Directors' responsibilities and Declaration of Head of Finance. The other information does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

***Responsibilities of Directors for the Financial Statements***

The Directors are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards and in the manner required by the Companies Act, 2002, and for such internal control as Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Directors are responsible for assessing the ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Directors either intend to liquidate the Business or to cease operations, or have no realistic alternative but to do so. Director is responsible for overseeing the Business's financial reporting process.

***Auditors' Responsibilities for the Audit of the financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

Identify and assess the risks of material misstatement of the financial statements, whether due

- To fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the

- override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Business's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Business to cease to continue as a going concern.  
Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves true and fair view.

We communicate with Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

#### **Report on Other Legal and Regulatory Requirements**

As required by the Companies Act, 2002 we report that:

In our opinion, proper accounting records have been kept by YUANDA INVESTMENTS AND TRADING LIMITED;

- The individual accounts are in agreement with the accounting records of the Business; and
- We obtained all the information and explanations, which, to the best of our knowledge and belief, are necessary for the purposes of our audit.

**UHURU Auditors**  
**Certified Public Accountants**

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**Signed by:**  
**CPA Musa Solomon**  
**Partner**  
**NBAA Membership: ACPA-PP-2661**

**DAR ES SALAAM**

**Date:** \_\_\_\_\_

**YUANDA INVESTMENT AND TRADING LIMITED**  
**P.O. BOX, DAR ES SALAAM**

**STATEMENT OF FINANCIAL POSITION AS ON 31ST DECEMBER 2024**

	NOTE	31st December 2024 Tzs	31st December 2023 Tzs
<b>Non current assets</b>			
Property, plant and equipment	14	874,100,000	800,000,000
Intangible assets	15	-	-
Capital work-in-progress		-	-
Investments	5	-	-
Investment properties	6	-	-
Other non-current assets		-	-
		<u>874,100,000</u>	<u>800,000,000</u>
<b>Current assets</b>			
Inventories	5	-	-
Trade and other receivables	6	130,000,000	130,000,000
Cash and cash equivalents	7	2,292,450	85,071,526
Tax Receivables	13	-	-
		<u>132,292,450</u>	<u>215,071,526</u>
<b>Total assets</b>		<b><u>1,006,392,450</u></b>	<b><u>1,015,071,526</u></b>
<b>Equity</b>			
Share capital	8	1,040,000,000	1,040,000,000
Revaluation reserve		-	-
Retained earnings		(33,907,550)	(25,061,474)
Share application money		-	-
		<u>1,006,092,450</u>	<u>1,014,938,526</u>
<b>Non current liabilities</b>			
Long term liabilities	9	-	-
Borrowings		-	-
		-	-
<b>Current liabilities</b>			
Trade and other payables	11	300,000	133,000
Provisions	12	-	-
Bank overdraft	13	-	-
Borrowings	0	-	-
Current tax	13	-	-
		<u>300,000</u>	<u>133,000</u>
<b>Total equity and liabilities</b>		<b><u>1,006,392,450</u></b>	<b><u>1,015,071,526</u></b>

The significant accounting policies and the notes on pages 14 to 26 form an integral part of these financial statements.

Report of the Independent Auditor's on pages 7 to 9.

The financial statements on Pages 10 to 26 were approved by the Board of Directors and signed on behalf by:

李政辉

Director  
Dated:

李政辉

Director  
Dated:



**YUANDA INVESTMENT AND TRADING LIMITED**  
**P.O. BOX, DAR ES SALAAM**

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31ST DECEMBER 2024**

PARTICULARS	NOTE	2024 Tzs	2023 Tzs
<b>Revenue</b>		-	-
<b>Cost of sales</b>			-
Opening stock		-	-
Add: Purchases & direct costs	1	-	-
Less: Closing stock		0	-
		-	-
<b>Gross profit</b>		-	-
Other income		-	-
		-	-
<b>Less: Expenses</b>			-
Administrative expenses	2	(8,371,716)	(24,425,950)
Selling and distribution expenses	3	-	-
Financial expenses	4	(474,360.00)	(635,524)
		(8,846,076)	(25,061,474)
<b>Profit / (Loss) before tax</b>		(8,846,076)	(25,061,474)
Less : Tax expense / credit	13	-	-
<b>Profit / (Loss) after tax</b>		<b>(8,846,076)</b>	<b>(25,061,474)</b>
<b>Other comprehensive income / (loss)</b>			-
Gain / (loss) on fair value adjustment of borrowings		-	-
Deferred interest		-	-
Gain / (loss) on fair valuation of property, plant and equipment			-
Others (please specify)			-
<b>Total comprehensive income / (loss)</b>		<b>(8,846,076)</b>	<b>(25,061,474)</b>

The significant accounting policies and the notes on pages 14 to 26 form an integral part of these financial statements.

Report of the Independent Auditor's on pages 7 to 9.

**YUANDA INVESTMENT AND TRADING LIMITED**  
**P.O. BOX, DAR ES SALAAM**

**STATEMENT OF CHANGE IN EQUITY FOR THE YEAR ENDED 31ST DECEMBER 2024**

Particulars	Share capital		Revaluation reserve		Retained earnings		Total	
	Tzs		Tzs		Tzs		Tzs	
<b>Year ended 31st December 2023</b>								
As at start of the year	1,040,000,000		-		-		1,040,000,000	
Prior Year Adjustment	-		-		-		-	
Capital Addition	1,040,000,000		-		-		1,040,000,000	
Net profit / (loss)	-		-		(25,061,474)		(25,061,474)	
<b>At the end of the year</b>	<b>1,040,000,000</b>		<b>-</b>		<b>(25,061,474)</b>		<b>1,014,938,526</b>	
<b>Year ended 31st December 2024</b>								
As at start of the year	1,040,000,000		-		(25,061,474)		1,014,938,526	
Net profit / (loss)	-		-		(25,061,474)		(8,846,076)	
<b>At the end of the year</b>	<b>1,040,000,000</b>		<b>-</b>		<b>(33,907,550)</b>		<b>1,006,092,450</b>	

The significant accounting policies and the notes on pages 14 to 26 form an integral part of these financial statements.

Report of the Independent Auditor's on pages 7 to 9.

**YUANDA INVESTMENT AND TRADING LIMITED**  
**P.O. BOX, DAR ES SALAAM**

**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST DECEMBER 2024**

<b>PARTICULARS</b>	<b>2024</b>	<b>2023</b>
	<b>Tzs</b>	<b>Tzs</b>
<b><u>Cash flows from operating activities</u></b>		
Profit / (Loss) before tax	(8,846,076)	(25,061,474)
<u>Adjustment for:</u>		-
Depreciation and amortisation	3,900,000	-
Profit / loss on sale of fixed assets	-	-
Drawings / Prior Year Adjustment	-	-
Unrealised forex exchange gain / loss	-	-
	<u>(4,946,076)</u>	<u>(25,061,474)</u>
<u>Movements in working capital:</u>		-
(Increase)/ decrease in inventories	-	-
(Increase)/ decrease in trade and other receivables	-	(130,000,000)
Increase/ (decrease) in trade and other payables	167,000	133,000
Cash generated from operations	<u>(4,779,076)</u>	<u>(129,867,000)</u>
Less: Taxes paid	-	-
<b>Net cash generated by operating activities (A)</b>	<b>(4,779,076)</b>	<b>(154,928,474)</b>
<b><u>Cash flow from investing activities</u></b>		
Payments of purchase of property, plant and equipment	(78,000,000)	(800,000,000)
Payments of purchase of intangibles	-	-
Funds invested	-	-
Proceed from disposal of property, plant and equipment	-	-
Proceed from disposal of intangibles	-	-
<b>Net cash (used in) / generated by investing activities (B)</b>	<b>(78,000,000)</b>	<b>(800,000,000)</b>
<b><u>Cash flow from financing activities</u></b>		
Proceed from issue of equity share capital	-	1,040,000,000
Increase/(Decrease) in long term loan	-	-
Increase/ (decrease) in bank overdraft	-	-
Proceed from borrowings	-	-
Repayment of borrowings	-	-
<b>Net cash (used in) / generated by financing activities (C)</b>	<b>-</b>	<b>1,040,000,000</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>(82,779,076)</b>	<b>85,071,526</b>
Cash and cash equivalents at the beginning of the year	85,071,526	-
Effect of exchange rate changes on the cash and cash equivalents held in foreign currencies	-	-
<b>Cash and cash equivalents at the end of the year</b>	<b><u>2,292,450</u></b>	<b><u>85,071,526</u></b>

The significant accounting policies and the notes on pages 14 to 26 form an integral part of these financial statements.

Report of the Independent Auditor's on pages 7 to 9.

**YUANDA INVESTMENTS AND TRADING LIMITED**  
**NOTE TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2024**

**NOTES**

**1. Principal Accounting Policies**

The principal accounting policies adopted in the preparation of these financial statements are set out below.

**2. Basis of Preparation**

The financial statements of YUANDA INVESTMENTS AND TRADING LIMITED have been prepared in accordance with the International Financial Reporting Standards (IFRS).

These financial statements of YUANDA INVESTMENTS AND TRADING LIMITED have been prepared under the historical cost convention. The preparation of financial statements in accordance with IAS 16 and IAS 20 requires the use of certain critical accounting estimates. It is also, requires management to exercise judgments in the process of applying company's accounting policies.

The principal accounting policies adopted in the preparation of these financial statements are set out below. The policies have been consistently applied to all years presented, unless otherwise stated.

**3. Reporting Entity**

YUANDA INVESTMENTS AND TRADING LIMITED is the company registered in Tanzania. The address of its registered office is disclosed in the corporate information page 1. The principal activity of the company is described in the company management's report.

**YUANDA INVESTMENTS AND TRADING LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2024**  
**(CONTINUED)**

**IFRS 9 Financial Instruments**

IFRS 9, issued in November 2009, introduced new requirements for the classification and measurement of financial assets. IFRS 9 was amended in October 2010 to include requirements for the classification and measurement of financial liabilities and for DE recognition.

Key requirements of IFRS 9:

- All recognised financial assets that are within the scope of IAS 39 Financial Instruments: Recognition and Measurement are required to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a company model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair value at the end of subsequent accounting periods. In addition, under IFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.
- With regard to the measurement of financial liabilities designated as at fair value through profit or loss, IFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Under IAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss is presented in profit or loss.

The management of the company does not anticipate that the application of IFRS 9 in the future will have a significant impact on amounts reported in respect of the company's financial assets and financial liabilities.

**IFRS 15 Revenue from Contracts with Customers**

In May 2015, IFRS 15 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. IFRS 15 will supersede the current revenue recognition guidance including IAS 18 Revenue, IAS 11 Construction Contracts and the related Interpretations when it becomes effective.

The core principle of IFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price

**YUANDA INVESTMENTS AND TRADING LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2024**  
**(CONTINUED)**

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under IFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in IFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by IFRS 15. However, it is not practicable to provide a reasonable estimate of the effect of IFRS 15 until a detailed review has been completed.

**Amendments to IAS 16 and IAS 38 *Clarifications of Acceptable Methods of Depreciation and Amortisation***

The amendments to IAS 16 prohibit entities from using a revenue-based depreciation method for items of property, plant and equipment. The amendments to IAS 38 introduce a rebuttable presumption that revenue is not an appropriate basis for amortisation of an intangible asset. This presumption can only be rebutted in the following two circumstances:

- When the intangible asset is expressed as a measure of revenue; or
- When it can be demonstrated that revenue and consumption of the economic benefits of the intangible asset are highly correlated.

The amendments apply prospectively for annual periods beginning on or after 1 January 2024. Currently, the company uses the straight-line method for depreciation and amortisation for its property and equipment, and intangible assets respectively.

The management of the company does not anticipate that the application of the standard will have a significant impact on the company's financial statements.

**Early adoption of standards**

The company did not early-adopt any new or amended standards in the financial year.

**4. Significant Accounting Policies**

**Statement of compliance**

These financial statements have been prepared in accordance with International Financial Reporting Standards, (IFRS).

For the Companies Act 2002 reporting purposes, in these financial statements the balance sheet is equivalent to the statement of financial position and the profit and loss account is included in the statement of profit or loss and other comprehensive income.

**YUANDA INVESTMENTS AND TRADING LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2024**  
**(CONTINUED)**

**Basis of preparation**

The financial statements have been prepared under the historical cost basis of accounting as modified by revaluation of certain financial instruments which are accounted for at fair value on the assumption that the company will continue trading as a going concern in the foreseeable future.

The principal accounting policies adopted in the preparation of these financial statements remain unchanged from the previous year and are set out below:

**Revenue recognition**

Revenue represents the invoiced value of services, exclusive of Value Added Tax (VAT) and trade discounts where applicable and is recognized when services have been given.

**Interest income**

Interest income is accrued on a time basis by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. Other income is recognized when earned.

**Taxation**

The tax expense represents the sum of tax currently payable and deferred tax.

Current taxation is computed for on the basis of the results shown in the financial statements adjusted in accordance with its applicable tax legislation.

Deferred tax is provided, using the liability method, for all temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Currently enacted tax rates are used to determine deferred tax.

Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that future taxable profit will be available, against which the deductible temporary differences can be utilised while deferred tax liabilities are recognised for all taxable temporary differences.

**Foreign currency translation**

Transactions during the year which are denominated in foreign currencies are translated into Tanzanian Shillings at the rates ruling at the transaction dates. Monetary assets and liabilities at the end of the reporting period, which are denominated in foreign currencies, are translated into Tanzanian Shillings at rates ruling at that date. Exchange differences resulting from the translations are dealt with in the profit or loss in the year that they arise.

**YUANDA INVESTMENTS AND TRADING LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2024**  
**(CONTINUED)**

**Significant Accounting Policies (Continued)**

**Inventories**

Inventories are stated at the lower of cost and net realisable value. In general, cost is determined on the first in first out basis and includes direct costs incurred in bringing stocks to their existing location and condition. Net realisable value is the estimated price at which inventories can be sold in the normal course of company after allowing for the cost of realisation.

Provision is made where necessary for obsolete, slow moving and defective inventories.

**Property, plant and equipment**

Property, plant and equipment are stated at historic cost less accumulated depreciation and any accumulated impairment.

Depreciation is calculated on the straight-line basis to write off the cost of each asset to its residual value over its expected useful life. The useful lives applied are as follows:

Leasehold improvements are depreciated on the straight-line basis over the remaining period of lease.

For property, plant and equipment purchased or disposed of during the year, depreciation is provided on a pro-rata basis.

Property, plant and equipment are periodically reviewed for impairment. If the carrying value of an asset is estimated to be greater than its recoverable amount, it is written down to its estimated recoverable amount.

The gain or loss arising on the disposal or retirement of an asset is determined between the sales proceeds and the carrying amount of the asset and is recognised in the profit or loss.

**Intangible assets**

Costs incurred on computer software are initially accounted for at cost as intangible assets and subsequently at cost less any accumulated amortization and any accumulated impairment losses. Amortization is recognized in the profit or loss on straight line over the estimated useful lives not exceeding a period of four years.

**Provisions**

Provisions are recognized when the company has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Employees' entitlements to annual leave are recognised when they accrue to employees. Provision is made for the estimated liability in respect of annual leave accrued at the end of the reporting period.

**YUANDA INVESTMENTS AND TRADING LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2024**  
**(CONTINUED)**

**Impairment**

At the end of each reporting period, the company reviews the carrying amounts of its assets to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

**Significant Accounting Policies (Continued)**

**Financial instruments**

Financial assets and financial liabilities are recognised on the company's statement of financial position when the company becomes a party to the contractual provisions of the financial instrument.

**Trade receivables**

Trade receivables are carried at anticipated realisable value. An estimate is made for doubtful receivables based on the review of all outstanding amounts at the year-end. Bad debts are written off when all reasonable steps to recover them have failed.

**Trade payables**

Trade payables are stated at their nominal value.

**Bank borrowings**

Interest bearing bank loans and overdrafts are recorded at the proceeds received, net of direct issue costs. Finance charges including premiums payable on settlement or redemption, are accounted for on an accrual's basis.

**Leases**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all risks and rewards of Directors to the Company as the lessee. All other leases are classified as operating leases.

Rentals payable under operating leases are amortised on the straight-line basis over the term of the relevant lease.

**Cash and cash equivalents**

For the purposes of the statement of cash flows, cash and cash equivalents include cash on hand, in banks, net of outstanding bank overdrafts and duly reconciled to the related items in the statement of financial position.

**Comparative figures**

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year

**YUANDA INVESTMENTS AND TRADING LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2024**  
**(CONTINUED)**

**5. Critical Accounting Judgements and Key Sources of uncertainties**

In the application of the accounting policies, management has made judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are regularly reviewed and revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The areas of critical judgements and key sources of estimation uncertainty are as set out below.

**Property, plant and equipment**

Management reviews the useful lives and residual values of the items of property, plant and equipment on a regular basis. During the financial year, the management determined no significant changes in the useful lives and residual values.

**Impairment provision**

Management carries out a regular review of the status of trade receivables, inventories and other financial assets to determine whether there is any indication that these assets have suffered any impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss, which is then dealt with in the profit or loss. In determining whether an impairment loss should be recognized in the profit or loss, management checks whether there is objective evidence that the assets are impaired and that the fair values have declined. Management estimates of the required provisions are based on critical evaluation of the economic circumstances involved, historical experience and other factors that are considered relevant.

**Taxes**

The company is subjected to a number of taxes and levies by various government and quasi-government regulations bodies. As a rule of thumb, the company recognises liabilities for the anticipated tax/levies payable with utmost care and diligence. However, significant judgement is usually required in the interpretation and applicability of those taxes/levies. Should it come to the attention of managements in one way or other, that the initially recorded liability was erroneous, such differences will impact on the income and liabilities in the period in which such differences are determined.

**YUANDA INVESTMENT AND TRADING LIMITED**  
**P.O. BOX, DAR ES SALAAM**

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2024**

	2024	2023
	Tzs	Tzs
<b>1 Cost of sales</b>		
Opening stock of raw materials	-	-
Purchases	-	-
Less: Closing stock of raw materials	-	-
Cost of material consumption	-	-
	-	-
Less: Work-in-progress	-	-
<b>Total cost of sales</b>	-	-
<b>2 Administrative expenses</b>		
Land Registration fees	81,000	81,000
Electricity & water expenses	520,500	600,000
Depreciation	3,900,000	-
Licenses and Registration Costs	100,000	1,334,200
Skills and Development Levy	-	-
Salaries and Wages	-	10,000,000
Food & Meals Expenses	93,450	-
DHL Clearing	-	-
Fuel Expenses	1,270,000	-
Traffic Notification Fees	-	30,000
Certificate of Incentives Fees	200,000	2,552,550
Insurance Expenses	-	-
Gas Fees	56,000	56,000
Customs and Excise Duty	-	-
Transport Charges	-	-
Distribution and Handling Charges	-	-
NSSF / PPF contribution - Admin	-	-
Medical Costs	35,000	7,500
Rent - others	-	960,000
Postage and courier expenses	9,000	-
Audit Fee	300,000	300,000
Provision for bad debts	-	-
Registration expenses	-	-
Repairs and maintenance	155,600	60,000
Office Supplies	100,000	-
WCF Cost	-	50,100
Printing and stationery expenses	231,166	-
Security expenses	-	-
Postage and courier expenses	-	-
Stamp duty	-	8,009,600
Motor Vehicle Expenses	-	-
Office Expenses	-	40,000
Telephone & Internet expenses	1,320,000	345,000
Miscellaneous expenses	-	-
<b>Total</b>	<b>8,371,716</b>	<b>24,425,950</b>

**YUANDA INVESTMENT AND TRADING LIMITED**  
**P.O. BOX, DAR ES SALAAM**

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2024**

	2024 Tzs	2023 Tzs
		-
<b>4 Financial expenses</b>		
Bank charges	474,360	635,524
Foreign exchange loss / (gain) - unrealised	-	-
<b>Total</b>	<b>474,360</b>	<b>635,524</b>
<b>6 Trade and other receivables</b>		
Receivable from Shareholders	130,000,000	130,000,000
Trade debtors	-	-
	<b>130,000,000</b>	<b>130,000,000</b>
<b>7 Cash and cash equivalents</b>		
Cash in hand	1,847,500	12,887,050
Cash at banks	444,950	72,184,476
	<b>2,292,450</b>	<b>85,071,526</b>
		-
Issued and paid up share capital _____ shares of Tzs _____/- each	1,040,000,000	1,040,000,000
Unpaid share capital	-	-
	<b>1,040,000,000</b>	<b>1,040,000,000</b>
<b>9 Long term liabilities</b>		
Due to associate companies and related parties	-	-
Loan from director	-	-
Long term loan from others ( NMB )	-	-
	-	-
	-	-
<b>11 Trade and other payables</b>		
Trade creditors	-	-
VAT Payables	-	-
Audit fees payable	300,000	-
WCF Payable	-	5,000
SDL Payable	-	-
NSSF / PPF Payable	-	-
Withholding tax payable	-	-
PAYE Payable	-	128,000
	<b>300,000</b>	<b>133,000</b>

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2024

14 Property, plant & equipment

Particulars	Land Tzs	Building Tzs	Plant and machinery Tzs	Furniture and fixtures Tzs	Total Tzs
<b>Cost</b>					
Balances at 1st January 2023	-	-	-	-	-
Additions	800,000,000	-	-	-	800,000,000
Disposals	-	-	-	-	-
Revaluation increase / (decrease)	-	-	-	-	-
Balances at 31st December 2023	800,000,000	-	-	-	800,000,000
<b>Comprising:</b>					
Cost	-	-	-	-	-
Revaluation	800,000,000	-	-	-	800,000,000
Balances at 1st January 2024	800,000,000	-	-	-	800,000,000
Additions	-	78,000,000	-	-	78,000,000
Disposals	-	-	-	-	-
Revaluation increase / (decrease)	-	-	-	-	-
Balances at 31st December 2024	800,000,000	78,000,000	-	-	878,000,000
<b>Comprising:</b>					
Cost	-	-	-	-	-
Revaluation	800,000,000	78,000,000	-	-	878,000,000
<b>Accumulated depreciation</b>					
Balances at 1st January 2023	-	-	-	-	-
Depreciation for the year	-	-	-	-	-
Disposals	-	-	-	-	-
Balances at 31st December 2023	-	-	-	-	-
Balances at 1st January 2024	-	-	-	-	-
Depreciation for the year	-	3,900,000	-	-	3,900,000
Disposals	-	-	-	-	-
Balances at 31st December 2024	-	3,900,000	-	-	3,900,000
<b>Carrying value</b>					
Balances at 31st December 2024	800,000,000	74,100,000	-	-	874,100,000
Balances at 31st December 2023	800,000,000	-	-	-	800,000,000

**YUANDA INVESTMENTS AND TRADING LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2024**  
**(CONTINUED)**

**14. Related Party Transactions**

During the year, the company had no any transactions with the management or any other related parties.

**15. Financial Risk Management Objectives and Policies**

The company's activities expose it to a variety of financial risks, including credit risk, and the effects of changes in foreign currency exchange rates. The company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on its financial performance.

Risk management is carried out by the finance department under policies approved by the board of directors. Risk management policies and systems are reviewed regularly to reflect changes in market conditions, and services offered. The company, through its training, management standards and procedures, aims to develop a disciplined and constructive control environment, in which all employees/ and stakeholders understand their roles and obligations.

The most important types of risks are:

- Credit risk
- Liquidity risk
- Market risk which is mainly due to
- Foreign exchange risk and
- Interest rate risk

A description of the significant risk factors is given below together with the risk management policies applicable.

**Credit risk**

Potential concentration of credit risk consists principally of short-term cash and cash equivalent due from related parties, and trade and other receivables. Trade receivables comprise a large and widespread customer base in the agriculture sector and the company performs ongoing credit evaluations on the financial condition of its customers. The credit risk on liquid funds with financial institutions is also low, because the counter parties are banks with high credit ratings.

The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the company's management based on prior experience and the current economic environment. The carrying amount of financial assets represents the maximum credit exposure.

The customers under the fully performing category are paying their debts as they continue trading. The default rate is low. The debt that is overdue is not impaired and continues to be paid. The finance department is actively following this debt.

The debts which are impaired have been fully provided for. However, management is actively following up recovery of the impaired debt.

**YUANDA INVESTMENTS AND TRADING LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2024**  
**(CONTINUED)**

In determining the recoverability of a trade receivable, the company considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date. The concentration of credit risk is limited due to the customer base being large and unrelated. Accordingly, the management believes that there is no further credit provision required in excess of the allowance for doubtful debts already recognised.

**Liquidity risk**

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. Liquidity risk arises because of the possibility that the entity could be required to pay its liabilities earlier than expected.

The company manages liquidity risk by monitoring forecast cash flows and ensuring that adequate borrowing facilities are maintained. The management may from time to time at their discretion raise or borrow monies for the company as they deem fit. There are no borrowing limits in the articles of association of the company.

**Market risk**

**(i) Interest rate risk management**

The company had borrowings at fixed interest rate as at year end and hence had no financial assets/liabilities subject to interest rate sensitivity.

**(ii) Interest rate sensitivity analysis**

At year-end, the company was not exposed to exchange rate fluctuation, as there were no interest chargeable borrowings or liabilities.

**16. Capital Risk Management**

The company manages its capital to ensure it will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the company consists of issued share capital and retained earnings.

**17. Contingent Liabilities**

As per management review at year end, the company had no contingent liabilities.

**18. Capital Commitments**

As at 31ST DECEMBER 2024, the company had no capital commitments.

**19. Events Subsequent to the end of the Reporting Period**

At the date of signing the financial statements, the management is not aware of any other matter or circumstance arising since the end of the financial year, not otherwise dealt with in these financial statements, which significantly affected the financial position of the company and results of its operations.

**YUANDA INVESTMENTS AND TRADING LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2024**  
**(CONTINUED)**

**20. Fair Values**

The management considers that there is no material difference between the fair value and carrying value of the company's financial assets and liabilities where fair value details have not been presented.

**21. Incorporation**

The company is incorporated in the United Republic of Tanzania under the Companies Act, 2002. The registered office is as disclosed in page 1 under the corporate information page.

**22. Currency**

The financial statements are presented in Tanzanian Shillings (TZS), which is also the functional currency.

**YUANDA INVESTMENT AND TRADING LIMITED**  
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**COMPUTATION OF TAXABLE INCOME**

	2024 Tzs	2023 Tzs
Profit / (Loss) as per statement of profit or loss	(8,846,076)	(25,061,474)
Add:		
Depreciation and amortisation	3,900,000	-
Visa and permit expenses	-	-
Donation	-	-
	<u>(4,946,076)</u>	<u>(25,061,474)</u>
Less:		
Wear and tear allowance	3,900,000	-
Initial allowance	-	-
Donation (upto 2% of book profit before donation)	-	-
	<u>(8,846,076)</u>	<u>(25,061,474)</u>
<b>Taxable income / (loss)</b>	<u>(8,846,076)</u>	<u>(25,061,474)</u>
Less: Brought forward of loss	-	-
<b>Taxable income for the year</b>	<u>(8,846,076)</u>	<u>(25,061,474)</u>

Tax on income @30%

**Wear and tear schedule**

Particulars	Class	Class	Class	Class	Total
	I	II	III	V	
Rate	37.50%	25.00%	12.50%	5.00%	
Opening balance at 1st January 2024	-	-	-	-	-
Additions	-	-	-	78,000,000	78,000,000
Residual expenditure	-	-	-	-	-
Less: Disposal	-	-	-	78,000,000	78,000,000
Initial allowance	-	-	-	78,000,000	78,000,000
Wear and tear	-	-	-	3,900,000	3,900,000
<b>Closing balance 31st December 2024</b>	-	-	-	<b>74,100,000</b>	<b>74,100,000</b>