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雲建綠砼
GHPC

YCIH Green High-Performance Concrete Company Limited

雲南建投綠色高性能混凝土股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 1847)

**DISCLOSEABLE TRANSACTION
ENTERING INTO FACTORING AGREEMENT**

The Board hereby announces that on July 7, 2023, Polymer Company entered into Factoring Agreement with the Factoring Bank. According to the Factoring Agreement, the Factoring Bank agreed to provide non-recourse factoring services of RMB3 million to the Polymer Company, while the Polymer Company agreed to transfer Accounts Receivables to the Factoring Bank for obtaining the facility amount from the Factoring Bank.

Before entering into Factoring Agreement, the Factoring Bank had entered into Existing Factoring Agreement with Aggregate Company on July 5, 2023. According to Existing Factoring Agreement, Aggregate Company agreed to transfer accounts receivables of RMB17 million to the Factoring Bank, pursuant to which the Factoring Bank agreed to provide non-recourse factoring facility services to Aggregate Company for such accounts receivables. As none of the applicable percentage ratios (as defined in the Listing Rules) in respect of the Existing Factoring Agreement exceeds 5%, the entering into of the Existing Factoring Agreement did not constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules.

As the Group had entered into Existing Factoring Agreement with the Factoring Bank within the 12-month period prior to entering into of Factoring Agreement, Factoring Agreement shall be aggregated with Existing Factoring Agreement in accordance with Rule 14.22 of the Listing Rules. As one or more of the relevant applicable percentage ratios (as defined under the Listing Rules) calculated on an aggregated basis is higher than 5% but less than 25%, the entering into of the Factoring Agreement constitutes a discloseable transaction for the Company as defined under Chapter 14 of the Listing Rules, and the Company is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

BACKGROUNDS

The Board hereby announces that on July 7, 2023, Polymer Company entered into Factoring Agreement with the Factoring Bank. According to the Factoring Agreement, the Factoring Bank agreed to provide non-recourse factoring services of RMB3 million to the Polymer Company, while the Polymer Company agreed to transfer Accounts Receivables to the Factoring Bank for obtaining the facility amount from the Factoring Bank.

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Factoring Agreement

The principal terms of the Factoring Agreement are summarized as below:

Date: July 7, 2023

Parties: Polymer Company; and
the Factoring Bank

Factoring Facility Amount: According to Factoring Agreement, the Factoring Bank agreed to provide factoring facility amount of RMB3 million (same amount as the book value of Accounts Receivables) to the Polymer Company without recourse, while the Polymer Company agreed to transfer Accounts Receivables to the Factoring Bank for obtaining the facility from the Factoring Bank. Given that the factoring facility amount under Factoring Agreement is the same as the book value of Accounts Receivables, the Group expects that no gain or loss will be recorded upon completion of the transactions under the Factoring Agreement. The purpose of the factoring facility amount is to supplement the working capital of the Polymer Company.

Factoring Term: From the date of entering of the Factoring Agreement to November 30, 2023.

Factoring Type: No recourse right is attached. If the payment obligor of the Accounts Receivables fails to pay the receivables in full within the agreed period, the Factoring Bank has no recourse right to reclaim the outstanding amounts from the Polymer Company.

Transfer of Accounts Receivables: The Polymer Company agreed to transfer Accounts Receivables to the Factoring Bank at RMB3 million (same amount as the book value of Accounts Receivables and the factoring facility amount under Factoring Agreement) and the Factoring Bank agreed to receive Accounts Receivables and provide factoring services to the Polymer Company. The Polymer Company does not separately calculate the pre-tax and after-tax profits of such Accounts Receivables.

Factoring Fees and Interest Rate: The fees for the factoring facility services under Factoring Agreement are approximately 0.45% and the annual interest rate applicable to the factoring facility services is 3.80087%.

REASONS AND BENEFITS FOR ENTERING INTO FACTORING AGREEMENT

The Factoring Agreement is entered into by the Polymer Company in the ordinary and usual course of business, which is beneficial for the Group to activate its credit assets, accelerate the circulation of its assets, widen its finance channels, and enhance its development strength. The terms of Factoring Agreement (including factoring facility amount, fees and interests) were reached among all parties after arm's length negotiation, with reference to prevailing commercial practice. The Directors are of the view that the terms of Factoring Agreement are on normal commercial terms, are fair and reasonable and in the interests of the Company and Shareholders as a whole.

INFORMATION ON THE PARTIES

The Company is a joint stock limited company incorporated in the PRC whose H shares are listed on the Stock Exchange, and is primarily engaged in the production and sales of ready-mixed concrete and related products in the PRC. The Controlling Shareholder of the Company is YCIH, a limited liability company established in the PRC. As of the date of this announcement, YCIH is held as to 97.35% by the Yunnan SASAC and as to 2.65% by the Yunnan Provincial Department of Finance* (雲南省財政廳) respectively, and operates under the supervision and regulation of the Yunnan State-owned Assets Supervision and Administration Commission of the State Council.

Polymer Company is a limited liability company incorporated in the PRC and primarily engaged in the research, development, production and sales of concrete admixtures, which is a wholly-owned subsidiary of the Company.

The Factoring Bank is a state-controlled commercial bank in the PRC whose shares are listed on the Stock Exchange (stock code: 1288.HK) and the Shanghai Stock Exchange (stock code: 601288.SH), and is primarily engaged in banking and related financial services. The substantial shareholder of the Factoring Bank is Central Huijin Investment Ltd. and the Ministry of Finance, while Central Huijin Investment Ltd. is wholly owned by the State Council. To the best knowledge, information and belief of the Directors, having made all reasonable inquiries, the Factoring Bank and its ultimate beneficial owner are the third parties independent of the Company and its connected persons.

LISTING RULES IMPLICATIONS

As none of the applicable percentage ratios (as defined in the Listing Rules) in respect of the Existing Factoring Agreement exceeds 5%, the entering into of the Existing Factoring Agreement did not constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules.

As the Group had entered into Existing Factoring Agreement with the Factoring Bank within the 12-month period prior to entering into of Factoring Agreement, Factoring Agreement shall be aggregated with Existing Factoring Agreement in accordance with Rule 14.22 of the Listing Rules. As one or more of the relevant applicable percentage ratios (as defined under the Listing Rules) calculated on an aggregated basis is higher than 5% but less than 25%, the entering into of the Factoring Agreement constitutes a discloseable transaction for the Company as defined under Chapter 14 of the Listing Rules, and the Company is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms and expressions have the meanings set forth below:

“Aggregate Company”	YCIH Aggregate Co., Ltd.*, a limited liability company incorporated in the PRC and a wholly-owned subsidiary of the Company
“Accounts Receivables”	accounts payable (RMB3 million in total) by YCIH Yuxi Building Material Co., Ltd. (a subsidiary of the Company incorporated in the PRC with limited liability and primarily engaged in the research and development, production, sales, transport and pumping of commercial concrete) to the Polymer Company arising from its procurements of concrete polycarboxylic admixtures from the Polymer Company
“Board”	the board of Directors of the Company
“Company”	YCIH Green High-Performance Concrete Company Limited

“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Controlling Shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Existing Factoring Agreement”	factoring agreement dated July 5, 2023 entered into between Aggregate Company and the Factoring Bank in relation to the accounts receivables of RMB17 million which Aggregate Company agreed to transfer to Factoring Bank, pursuant to which the Factoring Bank agreed to provide the non-recourse factoring facility services to Aggregate Company in respect of such accounts receivables
“Factoring Agreement”	factoring agreement dated July 7, 2023 entered into between the Polymer Company and the Factoring Bank in relation to transfer of the Accounts Receivables by Polymer Company to the Factoring Bank for obtaining factoring facility provided by the Factoring Bank
“Factoring Bank”	Agricultural Bank of China Limited, a state-controlled commercial bank whose H shares and A shares are listed on the Stock Exchange (stock code: 1288.HK) and the Shanghai Stock Exchange (stock code: 601288.SH), respectively
“Group”	the Company and its subsidiaries
“Listing Rules”	the Rules Governing the Listing of Securities on Stock Exchange
“Polymer Company”	YCIH Polymer Material Co., Ltd.*, a limited liability company incorporated in the PRC and a wholly-owned subsidiary of the Company
“Shareholder(s)”	holder of the shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules

“YCIH”

Yunnan Construction and Investment Holding Group Co., Ltd.* (雲南省建設投資控股集團有限公司), a limited liability company established in the PRC, primarily engaged in, among others, infrastructure construction, urban construction and development, real estate development, commercial concrete production and building materials and equipment supply and other businesses, and a controlling shareholder of the Company within the meaning of the Hong Kong Listing Rules

“%”

per cent

By Order of the Board
YCIH Green High-Performance Concrete Company Limited
Li Zhangjian
Chairman

Kunming, China, July 7, 2023

As at the date of this announcement, the Board comprises Mr. Li Zhangjian, Mr. Lu Jianfeng, Mr. Zhang Long and Ms. Hu Zhurong (employee director) as executive directors; Mr. Jiang Qian and Mr. Liu Zhumin as non-executive directors; and Mr. Wong Kai Yan Thomas, Mr. Yu Dingming and Mr. Li Hongkun as independent non-executive directors.