

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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)

- (1) ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED
DECEMBER 31, 2023;**
- (2) RESIGNATIONS OF EXECUTIVE DIRECTORS;**
- (3) CHANGE OF AUTHORIZED REPRESENTATIVE;**
- (4) PROPOSED ELECTION OF NON-EMPLOYEE DIRECTORS OF
THE THIRD SESSION OF THE BOARD;**
- (5) PROPOSED ELECTION OF NON-EMPLOYEE REPRESENTATIVE
SUPERVISORS OF THE THIRD SESSION OF
THE SUPERVISORY COMMITTEE;**
- (6) PROPOSED ADOPTION OF THE CHINA ACCOUNTING
STANDARDS FOR BUSINESS ENTERPRISES TO
PREPARE FINANCIAL STATEMENTS;**
- AND**
- (7) PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

ANNUAL FINANCIAL HIGHLIGHTS:

For the year ended December 31, 2023, the Group's:

- revenue was approximately RMB1,405.8 million, which decreased by 16.4% as compared with 2022;
- loss for the year was approximately RMB32.7 million, compared to the profit for the year of RMB29.9 million in 2022;
- loss attributable to equity holders of the Company was approximately RMB34.1 million, compared to the profit attributable to equity holders of the Company of RMB27.2 million in 2022; and
- basic loss per Share was approximately RMB0.08, compared to the basic earnings per Share of RMB0.06 in 2022.

The Board announces the audited consolidated results of the Group for the year ended December 31, 2023 together with the comparative data for the year ended December 31, 2022 as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2023

	<i>Note</i>	Year ended December 31,	
		2023	2022
		RMB'000	RMB'000
Revenue	3	1,405,775	1,680,686
Cost of sales	5	<u>(1,282,768)</u>	<u>(1,497,751)</u>
Gross profit		<u>123,007</u>	<u>182,935</u>
Other income	3	13,138	6,201
Other loss – net	4	(16,035)	(6,206)
Selling expenses	5	(22,259)	(15,586)
Administrative expenses	5	(97,457)	(88,575)
Research and development expenses	5	(17,117)	(11,596)
Net impairment loss on financial assets	5	<u>(9,446)</u>	<u>(21,183)</u>
Operating (loss)/profit		<u>(26,169)</u>	<u>45,990</u>
Finance income	6	2,557	5,528
Finance costs	6	<u>(19,261)</u>	<u>(15,118)</u>
Finance costs – net	6	<u>(16,704)</u>	<u>(9,590)</u>
(Loss)/Profit before income tax		<u>(42,873)</u>	<u>36,400</u>
Income tax expense	7	<u>10,177</u>	<u>(6,523)</u>
(Loss)/Profit for the year		<u>(32,696)</u>	<u>29,877</u>
(Loss)/Profit attributable to:			
– The equity holders of the Company		(34,085)	27,173
– Non-controlling interests		<u>1,389</u>	<u>2,704</u>
		<u>(32,696)</u>	<u>29,877</u>
Earnings per share for (loss)/profit attributable to the equity holders of the Company during the year (expressed in RMB per share)			
– Basic and diluted (loss)/earnings per share	8	<u>(0.08)</u>	<u>0.06</u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2023

	<i>Note</i>	Year ended December 31,	
		2023	2022
		RMB'000	RMB'000
(Loss)/Profit for the year		<u>(32,696)</u>	<u>29,877</u>
Other comprehensive income			
<i>Items that may be reclassified to profit or loss</i>			
– Changes in the fair value of debt instruments at fair value through other comprehensive income		–	840
– Income tax relating to the item		<u>–</u>	<u>(165)</u>
Other comprehensive income for the year, net of tax		<u>–</u>	<u>675</u>
Total comprehensive (loss)/income for the year		<u><u>(32,696)</u></u>	<u><u>30,552</u></u>
Total comprehensive (loss)/income attributable to:			
– The equity holders of the Company		(34,085)	27,835
– Non-controlling interests		<u>1,389</u>	<u>2,717</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2023

	<i>Note</i>	As at December 31,	
		2023	2022
		RMB'000	RMB'000
ASSETS			
Non-current assets			
Land use rights		40,717	41,702
Property, plant and equipment		257,898	202,329
Investment properties		–	63
Intangible assets		631	676
Deferred income tax assets		40,819	27,255
Other non-current assets		<u>1,123</u>	<u>5,828</u>
		<u>341,188</u>	<u>277,853</u>
Current assets			
Inventories		22,356	24,148
Financial assets at fair value through other comprehensive income		7,288	6,064
Trade and notes receivables	9	3,714,464	4,018,816
Prepayments and other receivables	10	47,990	32,786
Restricted cash		250,648	336,509
Cash and bank deposits		<u>71,817</u>	<u>134,661</u>
		<u>4,114,563</u>	<u>4,552,984</u>
Total assets		<u><u>4,455,751</u></u>	<u><u>4,830,837</u></u>
EQUITY			
Share capital		446,272	446,272
Reserves		483,170	483,170
Retained earnings		<u>310,217</u>	<u>359,087</u>
Total equity attributable to equity holders of the Company		<u>1,239,659</u>	1,288,529
Non-controlling interests		<u>80,525</u>	<u>81,076</u>
Total equity		<u>1,320,184</u>	<u>1,369,605</u>

		As at December 31,	
	<i>Note</i>	2023	2022
		RMB'000	RMB'000
LIABILITIES			
Non-current liabilities			
Lease liabilities		8,307	19,097
Provision for close down, restoration and environmental cost		1,105	1,467
Borrowings		51,028	2,700
		<u>60,440</u>	<u>23,264</u>
Current liabilities			
Trade and other payables	<i>11</i>	2,658,373	3,089,434
Lease liabilities		16,067	25,867
Provision for close down, restoration and environmental cost		3,874	5,297
Contract liabilities		9,094	3,000
Current income tax liabilities		1,574	5,133
Borrowings		386,145	309,237
		<u>3,075,127</u>	<u>3,437,968</u>
Total liabilities		<u>3,135,567</u>	<u>3,461,232</u>
Total equity and liabilities		<u>4,455,751</u>	<u>4,830,837</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

1 GENERAL INFORMATION

YNJG Green High-Performance Concrete Co., Ltd. was incorporated in Yunnan Province of the People's Republic of China (the “**PRC**”) on June 19, 2007 as a limited liability company under the Company Law of the PRC. On December 22, 2017, the Company was converted into a joint stock limited liability company with registered capital of RMB312,390,000 and changed its name to YCIH Green High-Performance Concrete Company Limited (the “**Company**”). The address of its registered office is YCIH Zhaotong Development Building, Zhaotong Road, Zhaoyang District, Zhaotong, Yunnan Province, the PRC.

The parent company of the Company is Yunnan Construction and Investment Holding Group Co., Ltd. (“**YCIH**”) (“**雲南省建設投資控股集團有限公司**”). YCIH is operating under the supervision and regulation of the State-Owned Assets Supervision and Administration Commission of Yunnan Province (“**Yunnan SASAC**”).

The Company and its subsidiaries (together, the “**Group**”) are principally engaged in the research, development, production, sales, transportation and pumping of ready-mixed concrete as well as providing quality and technology management service in the PRC.

The Company completed its global initial public offering and listed its H shares on the Main Board of The Stock Exchange of Hong Kong Limited on October 31, 2019.

The consolidated financial statements are presented in Renminbi thousand (RMB'000), unless otherwise stated. These consolidated financial statements have been approved for issue by the Board of Directors on March 28, 2024.

2 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

This note provides a list of the material accounting policy information adopted in the preparation of these consolidated financial statements of the Group. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

2.1.1 Compliance with IFRS Accounting Standards and HKCO (as defined below)

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (“**IFRS Accounting Standards**”) and the disclosure requirements of the Hong Kong Companies Ordinance (“**HKCO**”) Cap. 622.

2.1.2 Historical cost convention

The consolidated financial statements have been prepared on a historical cost basis, except for the certain financial assets and liabilities measured at fair value.

2.1.3 *New and amended standards adopted by the Group*

The following new and amended accounting standards and interpretations become applicable for annual reporting periods commencing on or after January 1, 2023, and have been adopted by the Group in current period:

IFRS Accounting Standards 17	Insurance contracts
Amendments to IAS 1 and IFRS Accounting Standards Practice Statement 2	Disclosure of Accounting Policies
Amendments to IAS 8	Definition of Accounting Estimates
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to IAS 12	Pillar Two Model Rules
Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause (Int 5 (2020))	Interpretation 5 (2020) Presentation of Financial Statements

2.1.4 *New standards and amendments of IFRS Accounting Standards issued effective for the financial periods beginning on and after January 1, 2024 and have not been early adopted by the Group*

		Effective for annual periods beginning on or after
Amendments to IAS 1	Classification of Liabilities as Current or Non-current	January 1, 2024
Amendments to IAS 1	Non-current liabilities with covenants	January 1, 2024
Amendments to IFRS Accounting Standards 16	Lease Liability in a Sale and Leaseback	January 1, 2024
Amendments to IAS 7 and IFRS Accounting Standards 7	Supplier finance arrangements	January 1, 2024
Amendments to IAS 21	Lack of Exchangeability	January 1, 2025
Amendments to IFRS Accounting Standards 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

The Group is in the process of assessing the impact of the new standards, amendments to standards and conceptual framework on its results of operations and financial position. The Group expects to adopt the relevant new standards, amendments to standards and conceptual framework when they become effective.

2.2 Subsidiaries

2.2.1 Consolidation

Subsidiaries are all entities (including a structured entity) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

(a) *Changes in ownership interests in subsidiaries without change of control*

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners of the subsidiary in their capacity as owners. The difference between the fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(b) *Disposal of subsidiaries*

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in the consolidated income statement. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

3 SEGMENT INFORMATION, REVENUE AND OTHER INCOME

3.1 Operating segment information

Entity-wide disclosures

The Group's revenue and contribution to consolidated results are mainly derived from the research, development production and sales of ready-mixed concrete and related products, which is regarded as a single reportable segment in a manner consistent with the way in which information is reported internally to the Group's senior management for the purposes of resource arrangement and performance assessment. In addition, all the assets employed by the Group are located in Mainland China. Accordingly, no segment information by profit, asset and liability is presented, other than the entity-wide disclosures.

Geographical information

All of the Group's revenue is derived from customers based in Mainland China, and all of the Group's external customers and non-current assets are located in the PRC. Accordingly, no segment information by geographical segment is presented.

3.2 Revenue

	Year ended December 31,	
	2023	2022
	<i>RMB'000</i>	<i>RMB'000</i>
Sales of ready-mixed concrete and related products	1,314,634	1,541,986
Sales of polycarboxylic admixtures	58,441	65,599
Sales of cement and admixtures	22,381	43,142
Sales of aggregates	4,480	29,959
Quality and technology management service	5,839	–
	<u>1,405,775</u>	<u>1,680,686</u>

- (a) The Group is principally engaged in research, development, production and sales of ready-mixed concrete and related products and providing quality and technology management service.

All of the revenue is recognised at the point in time when the control of goods or service is transferred to the customers.

- (b) Revenue from major customers is set out below:

	Year ended December 31,	
	2023	2022
	<i>RMB'000</i>	<i>RMB'000</i>
Group A	996,552	1,136,798
Group B	34,407	25,759
Group C	31,700	–
Group D	–	24,754
	<u>1,062,659</u>	<u>1,187,311</u>

The customer portfolio of the Group is concentrated, which is consistent with the industry practice. Group A represents YCIH Group. If major customers substantially default in payment or terminate the business relationship with the Group, it could materially affect the Group's financial position and results of operations.

(c) *Contract liabilities*

The Group has recognised the following revenue-related contract liabilities:

	As at December 31,	
	2023	2022
	<i>RMB'000</i>	<i>RMB'000</i>
Contract liabilities related to sales of ready-mixed concrete	<u>9,094</u>	<u>3,000</u>

(i) *Revenue recognised in relation to contract liabilities*

The following table shows the amount of the revenue recognised in the respective year related to carried-forward contract liabilities.

	Year ended December 31,	
	2023	2022
	<i>RMB'000</i>	<i>RMB'000</i>
Revenue recognised that was included in the contract liabilities balance at the beginning of the year		
– sales of ready-mixed concrete	<u>2,019</u>	<u>4,271</u>

As permitted under IFRS Accounting Standards 15, the transaction price allocated to these unsatisfied contracts is not disclosed, because the contracts have an original expected duration of one year or less.

(ii) Contract liabilities represent advanced payments received from customers for sales of ready-mixed concrete that have not yet been delivered to the customers.

3.3 Other income

	Year ended December 31,	
	2023	2022
	<i>RMB'000</i>	<i>RMB'000</i>
Government grants(<i>Note (a)</i>)	8,402	3,797
Rental income	3,451	1,824
Others	1,285	580
	<u>13,138</u>	<u>6,201</u>

- (a) Government grants mainly represent grants for advanced manufacturing value-added tax allowance, subsidising the employment and the Group's general operation and research and development activities received from PRC government authorities for the year ended December 31, 2023. Government grants mainly represent grants for subsidising the employment and the Group's general operation and research and development activities received from PRC government authorities for the year ended December 31, 2022. There are no unfulfilled conditions or other contingencies attaching to these grants. The Group did not benefit directly from any other forms of government assistance.

4 OTHER LOSS – NET

	Year ended December 31,	
	2023	2022
	<i>RMB'000</i>	<i>RMB'000</i>
Loss on law suits	(14,202)	(5,880)
(Loss)/gains on disposal of property, plant and equipment	(1,392)	120
Others	(441)	(446)
	<u>(16,035)</u>	<u>(6,206)</u>

5 EXPENSES BY NATURE

	Year ended December 31,	
	2023	2022
	<i>RMB'000</i>	<i>RMB'000</i>
Raw materials and purchased goods consumed	916,650	1,066,133
Transportation expenses	91,704	99,034
Employee benefit expenses	179,880	181,338
Outsourcing costs	98,704	107,537
Lease expenses	14,344	13,252
Amortisation of land use rights	985	985
Depreciation of properties, plant and equipment	63,284	56,276
Depreciation of investment properties	–	3
Amortisation of intangible assets	164	174
Net impairment loss on trade receivables	6,136	19,863
Net impairment loss on other receivables	3,310	1,320
Taxes and levies	10,882	12,014
Utilities and electricity	8,722	11,061
Maintenance expenses	5,653	9,997
Office expenses	2,793	6,307
Travelling expenses	4,568	4,310
Auditors' remuneration	2,716	2,716
Miscellaneous	18,552	42,371
	<hr/>	<hr/>
Total cost of sales, selling expenses, administrative expenses and net impairment losses on financial assets	<u>1,429,047</u>	<u>1,634,691</u>

6 FINANCE INCOME AND COSTS

	Year ended December 31,	
	2023	2022
	<i>RMB'000</i>	<i>RMB'000</i>
Interest income:		
– Bank deposits	2,236	3,896
– Deposits placed in YCIH Financial Company	62	115
Exchange gains	<u>259</u>	<u>1,517</u>
Total finance income	<u><u>2,557</u></u>	<u><u>5,528</u></u>
Interest expenses:		
– Bank borrowings	(17,390)	(12,183)
– Lease liabilities	(1,812)	(2,832)
Others	<u>(59)</u>	<u>(103)</u>
Total finance costs	<u><u>(19,261)</u></u>	<u><u>(15,118)</u></u>
Finance costs – net	<u><u>(16,704)</u></u>	<u><u>(9,590)</u></u>

7 INCOME TAX EXPENSE

The amount of income tax expense charged to the consolidated income statement represents:

	Year ended December 31,	
	2023	2022
	<i>RMB'000</i>	<i>RMB'000</i>
Current income tax	3,387	6,665
Deferred income tax	<u>(13,564)</u>	<u>(142)</u>
Income tax expense	<u><u>(10,177)</u></u>	<u><u>6,523</u></u>

- (a) Under the Law of the PRC on Corporate Income Tax (the “**CIT Law**”) and implementation regulations of the CIT Law, the tax rate of the Group is 25% from January 1, 2008. The income tax rate of 25% is applicable to the Group, except for:
- i) The Company and three subsidiaries including YCIH Polymer Material Co., Ltd. (“**Polymer Company**”), YCIH Qujing Building Material Co., Ltd. (“**Qujing Building Material**”) and YCIH Yuxi Building Material Co., Ltd. (“**Yuxi Building Material**”) are qualified as High-tech Enterprises and enjoy a preferential income tax rate of 15% for the years ended December 31, 2023 and 2022;
- ii) YCIH Baoshan Yongchang Building Material Co., Ltd. (“**Baoshan Building Material**”), enjoys a preferential income tax rate of 15% according to the policies of Western Area Development for the years ended December 31, 2023 and 2022, the applicable income tax rate for the remaining subsidiaries is 25%.

	Year ended December 31,	
	2023	2022
	RMB'000	RMB'000
(Loss)/profit before income tax	<u>(42,873)</u>	<u>36,400</u>
Tax calculated at the domestic CIT rate applicable	<u>25%</u>	<u>25%</u>
	<u>(10,718)</u>	<u>9,100</u>
Tax effect of:		
Effect of preferential income tax rate of the Group	2,314	(2,830)
Expenses not deductible for tax purpose	794	2,000
Additional deduction of research and development expenses incurred and equipment purchased	<u>(2,567)</u>	<u>(1,747)</u>
Income tax expense	<u>(10,177)</u>	<u>6,523</u>

For the years ended December 31, 2023 and 2022, the effective tax rate were 23.7% and 17.9%, respectively. The change in effective tax rate was mainly caused by a change in mix of profits earned or losses incurred by the group entities.

8 (LOSS)/EARNINGS PER SHARE

- (a) The basic earnings per share is calculated by dividing the profit attributable to the equity holders of the Company by the weighted average number of ordinary shares issued or deemed to be issued.

	Year ended December 31,	
	2023	2022
(Loss)/profit attributable to equity holders of the Company (RMB'000)	(34,085)	27,173
Weighted average number of ordinary shares in issue in thousands	<u>446,272</u>	<u>446,272</u>
Basic (loss)/earnings per share (RMB)	<u>(0.08)</u>	<u>0.06</u>

- (b) The diluted earnings per share was the same as the basic earnings per share as there was no potential dilutive share issued during the years ended December 31, 2023 and 2022.

9 TRADE AND NOTES RECEIVABLES

	As at December 31,	
	2023	2022
	RMB'000	RMB'000
Trade receivables – related parties	2,997,597	2,952,216
Trade receivables – third parties	<u>809,212</u>	<u>1,040,243</u>
	3,806,809	3,992,459
Less: Provision for impairment of trade receivables	<u>(120,120)</u>	<u>(112,504)</u>
	<u>3,686,689</u>	<u>3,879,955</u>
Notes receivable – related parties	27,318	96,782
Notes receivable – third parties	<u>551</u>	<u>43,653</u>
	<u>27,869</u>	<u>140,435</u>
Less: Net impairment losses on notes receivable	<u>(94)</u>	<u>(1,574)</u>
	<u>27,775</u>	<u>138,861</u>
Trade and notes receivables – net	<u>3,714,464</u>	<u>4,018,816</u>

As at December 31, 2023 and 2022, the fair values of trade and notes receivables of the Group approximated their carrying amounts.

As at December 31, 2023 and 2022, all the carrying amounts of trade and notes receivables were denominated in RMB.

As at December 31, 2023, the trade and notes receivable of RMB62,250,000 (December 31, 2022: RMB23,845,000) were pledged for borrowings of RMB62,250,000 (December 31, 2022: RMB23,845,000)

- (a) The ageing analysis of trade and notes receivables, at the respective statement of financial position dates, based on the revenue recognised dates, are as follows:

	As at December 31,	
	2023	2022
	<i>RMB'000</i>	<i>RMB'000</i>
– Within one year	1,438,434	1,815,647
– One to two years	792,495	1,042,125
– Two to three years	733,301	1,119,159
– Three to four years	790,263	115,941
– Four to five years	48,439	17,445
– Over five years	31,746	22,577
	<u>3,834,678</u>	<u>4,132,894</u>

The Group did not hold any collateral as security over these debtors.

- (b) The Group applies the simplified approach to provide for expected credit losses prescribed by IFRS Accounting Standards 9, which permits the use of the life time expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the ageing days. As at December 31, 2023, provision of approximately RMB120,120,000 was made against trade receivables (December 31, 2022: RMB112,504,000)

Movements on the provision for impairment of trade receivables are as follow:

	Year ended December 31,	
	2023	2022
	<i>RMB'000</i>	<i>RMB'000</i>
Beginning of the year	112,504	94,215
Provision for impairment on trade receivables	<u>7,616</u>	<u>18,289</u>
End of the year	<u>120,120</u>	<u>112,504</u>

10 PREPAYMENTS AND OTHER RECEIVABLES

	As at December 31,	
	2023	2022
	<i>RMB'000</i>	<i>RMB'000</i>
Other receivables – related parties	7,802	4,122
Other receivables – third parties	<u>21,881</u>	<u>21,270</u>
	29,683	25,392
Less: Provision for impairment of other receivables	<u>(10,000)</u>	<u>(6,690)</u>
Other receivables – net	<u>19,683</u>	<u>18,702</u>
Prepayments	<u>11,871</u>	<u>12,311</u>
Other current assets	<u>16,436</u>	<u>1,773</u>
Prepayments and other receivables – net	<u>47,990</u>	<u>32,786</u>

As at December 31, 2023 and 2022, the fair values of other receivables of the Group approximated their carrying amounts.

As at December 31, 2023 and 2022, all the carrying amounts of prepayments and other receivables were denominated in RMB.

- (a) The ageing analysis of other receivables at the respective statement of financial position dates, based on the recording dates, are as follows:

	As at December 31,	
	2023	2022
	<i>RMB'000</i>	<i>RMB'000</i>
– Within one year	10,625	8,903
– One to two years	5,289	5,000
– Two to three years	3,746	1,592
– Three to four years	1,329	1,770
– Four to five years	1,275	2,188
– Over five years	7,419	5,939
	<u>29,683</u>	<u>25,392</u>

The Group did not hold any collateral as security over these debtors.

- (b) To measure the expected credit losses, other receivables have been grouped based on shared credit risk characteristics and the ageing days. As at December 31, 2023, provisions for impairment of approximately RMB10,000,000 were made against other receivables (December 31, 2022: RMB6,690,000).

Movements on the provision for impairment of other receivables are as follow:

	Year ended December 31,	
	2023	2022
	<i>RMB'000</i>	<i>RMB'000</i>
Beginning of the year	6,690	5,370
Provision for impairment on other receivables	3,310	1,320
	<u>10,000</u>	<u>6,690</u>

11 TRADE AND OTHER PAYABLES

	As at December 31,	
	2023	2022
	RMB'000	RMB'000
Notes payable	406,620	555,151
Trade payables – related parties	119,822	97,959
Trade payables – third parties	1,758,501	2,206,640
Other payables – related parties	73,168	23,597
Other payables – third parties	182,116	95,021
Staff salaries and welfare payable	97,811	62,933
Dividends payable	15,134	16,089
Accrued taxes other than income tax	5,201	32,044
	<u>2,658,373</u>	<u>3,089,434</u>

- (a) As at December 31, 2023 and 2022, all trade and other payables of the Group were non-interest bearing, and their fair values, except for the staff salaries and welfare payables and accrued taxes other than income tax which are not financial liabilities, approximated their carrying amounts due to their short maturities.
- (b) At each of the end of the reporting periods, the Group's trade and other payables are denominated in RMB.
- (c) The ageing analysis of trade payables at the respective statement of financial position dates, based on the recording dates, are as follows:

	As at December 31,	
	2023	2022
	RMB'000	RMB'000
– Within one year	911,002	942,960
– One to two years	239,709	733,746
– Two to three years	336,069	467,384
– Three to four years	257,744	83,869
– Four to five years	66,410	42,949
– Over five years	67,389	33,691
	<u>1,878,323</u>	<u>2,304,599</u>

12 DIVIDENDS

(a) Ordinary shares

	As at December 31,	
	2023	2022
	<i>RMB'000</i>	<i>RMB'000</i>
Final dividend for the year ended December 31, 2022 of RMB0.0331 per fully paid share (2021: Nil)	<u>14,785</u>	<u>–</u>

(b) Dividends not recognized as liabilities at the end of year

	As at December 31,	
	2023	2022
	<i>RMB'000</i>	<i>RMB'000</i>
The directors have not recommended any payment of final dividend for the year ended December 31, 2023 (2022: RMB0.0331 per fully-paid share)	<u>–</u>	<u>14,785</u>

13 EVENTS AFTER THE STATEMENT OF FINANCIAL POSITION DATE

According to the Notice of Court Closing and Notice of Execution received by the Group on March 25, 2024, the deduction of RMB13,198,000 out of the RMB103,167,000 frozen by the court as a result of the litigation has been executed.

MANAGEMENT DISCUSSION AND ANALYSIS

I. INDUSTRY OVERVIEW

2023 was the year for economic rehabilitation subsequent to the transition from COVID-19 pandemic prevention and control, but the overall performance of the national concrete industry was unoptimistic, influenced by the real estate market and the macroeconomic fluctuations. According to the statistics and analysis from the China Concrete & Cement-based Products Association, the cumulative output of ready-mixed concrete for above-scale enterprises of the concrete and cement-based products industry decreased by 5.5% year-on-year from January to December 2023, with the revenue from principal businesses decreased by 11.2% year-on-year and the total profit decreased by 9.29% year-on-year. In addition, real estate investment and regional fixed asset investment both declined. According to the statistics from the National Bureau of Statistics, in 2023, national real estate development investment dropped by 9.6% compared with the previous year, of which the decline in the western region amounted to 19.6% compared with the previous year. According to the statistics from the Yunnan Provincial Bureau of Statistics (雲南省統計局), throughout the year 2023, fixed asset investment in the province fell by 10.6% compared with the previous year, while other investment after excluding real estate development, transportation and water conservancy investment increased by 0.5%. All of these factors have imposed a significant impact on the business operations of the Group.

However, under the new development pattern, challenges and opportunities coexist. Only by accurately identifying changes, scientifically responding to changes, and proactively seeking reform can we seize the opportunities. In February 2024, the Ministry of Ecology and Environment, the Ministry of Science and Technology, the Ministry of Industry and Information Technology, the Ministry of Housing and Urban-Rural Development, the Ministry of Transport, and the Ministry of Agriculture and Rural Affairs jointly formulated the “Implementation Plan for the Collection and Promotion of National Key Low-Carbon Technologies (國家重點低碳技術徵集推廣實施方案)”, which explicitly specified the collection, selection and promotion of cutting-edge and applicable low-carbon technologies, so as to comprehensively enhance the demonstration effect of low-carbon technologies, improve the level of industrial application, guide enterprises to explore low-carbon development solutions and green transformation paths, accelerate the cultivation of competitive advantages in low-carbon technology industries, and effectively facilitate the green and low-carbon transformation and high-quality development of the economic society. The unveiling of this plan once again indicates the direction for the Group’s green and low-carbon transformation and upgrading development in the coming years.

II. BUSINESS OVERVIEW

(I) Overview

The Company is a ready-mixed concrete producer located in Yunnan Province and also a national High-Tech Enterprise. We have a team with extensive management experience and robust technical capabilities, and have powerful research and development capabilities with an integration of technical research and development, results promotion and application and technical services. We have introduced modernized, scientific and green and environmentally-friendly manufacturing concepts into our production, and lead and drive the technological progress and green and low-carbon development in the concrete industry of Yunnan Province. In recent years, the Company has continued to carry out transformation and upgrading, and established a diversified business landscape focusing on the production of ready-mixed concrete, including ultra-high performance concrete (“UHPC”) and related products, and supplemented with the production of cement, aggregates, polycarboxylic admixtures, functional mineral dope, commercial mortar, phosphogypsum and other products, basically forming the production capacity layout for synchronous business development covering the east, west, south and north markets in the main urban area of Kunming, as well as prefectures and cities in Yunnan Province. Our business scope covers housing construction and infrastructure construction including railways, highways, integrated pipeline networks and other projects. We have established a complete industrial chain of “technical research and development, resource processing, production and sales”.

As at December 31, 2023, the Group had 40 concrete batching plants and 76 production lines with an annual production capacity of 17.98 million m³. The Group also had 161 concrete transporters (including 43 electric mixer trucks and 118 fossil-fuelled mixer trucks), 12 electric loaders, 7 unmanned electric loaders, 10 electric self-dumping aggregate transport trucks, 11 electric heavy-duty truck tractors, 10 bulk material transport semi-trailers, 5 self-dumping semi-trailers, along with 3 power swapping stations, 2 photovoltaic power station, and 2 pump trucks.

(II) Results of operation

During the year ended December 31, 2023, the Group produced and sold 4.32 million m³ of ready-mixed concrete, 21,000 tons of polycarboxylic admixtures, 270,000 tons of aggregates, 314,000 tons of cement and blended materials, 8,400 tons of commercial mortar, 511,000 unburned bricks and 15,000 RPC cover plates. We achieved a revenue of RMB1,405.8 million, a year-on-year decrease of 16.4%; a loss before tax of RMB42.9 million (2022: profit before tax RMB36.4 million); a loss for the year of RMB32.7 million (2022: profit for the year RMB29.9 million); and a loss attributable to the equity holders of the Company of RMB34.1 million (2022: profit attributable to the equity holders of the Company RMB27.2 million).

1. By business category

The following table sets forth the breakdown of revenue, cost of sales, gross margin and change in percentage by business category for the years ended December 31, 2023 and 2022:

Business	Year ended December 31,								
	2023 (RMB in million)			2022 (RMB in million)			Change in percentage (%)		
	Revenue	Cost of sales	Gross margin (%)	Revenue	Cost of sales	Gross margin (%)	Revenue	Cost of sales	Gross margin
Ready-mixed concrete and related products	1,316	1,204	8.5%	1,542	1,370	11.2%	-14.7%	-12.1%	-24.1%
Admixtures	58	52	10.3%	66	60	9.1%	-12.1%	-13.3%	13.2%
Aggregates	4	4	8.5%	30	27	10.0%	-86.7%	-85.2%	-15.0%
Cements and admixtures	22	20	9.1%	43	41	4.7%	-48.8%	-51.2%	93.6%
Quality and Technology services	6	3	50.0%	-	-	-	-	-	-
Total	1,406	1,283	8.7%	1,681	1,498	10.9%	-16.4%	-14.4%	-20.2%

For the year ended December 31, 2023, the majority of the Group's revenue was derived from the production and sales of ready-mixed concrete and related products, of which the Group's revenue generated from the production and sales of ready-mixed concrete and related products was RMB1,316 million, accounting for 93.6% of the total revenue. In 2023, the gross profit of the Group's operation was RMB123 million (2022: RMB183 million), and the overall gross margin for year 2023 was 8.7%, representing a decrease of 2.2 percentage points from 10.9% for the corresponding period of year 2022. Such decreases of gross profit and gross profit margin were mainly due to the decrease in both revenue and cost of sales, with the decrease in revenue (approximately 16.4%) exceeding the decrease in cost of sales (14.4%). The decrease in revenue was mainly due to the decrease in sales volume and unit selling price of the main product ready-mixed concrete by 7.1% and 8.1%, respectively, as a result of the shrinking of construction industry and more intense competition in concrete market. The decrease in cost of sales was mainly attributable to the implementation of a series of measures for cost reduction and efficiency improvement by the Group, which reduced material costs and direct manufacturing expenses by 16.2% and 10.7%, respectively, compared with the previous year, among which, the gross margin was 8.5% for the production and sales of ready-mixed concrete and related products, 10.3% for the production and sales of admixtures, 8.5% for the production and sales of aggregates, 9.1% for the sales of cements and admixtures and 50.0% for the business of quality and technology services.

2. *By customer category*

For the year ended December 31, 2023, the revenue generated by the Group from independent third-party customers was RMB407.5 million, representing a decrease of 25.0% compared to RMB543.3 million for the corresponding period in 2022 (for the reason of revenue decline, please refer to the analysis of the decrease in revenue on page 28 of this results announcement); and its proportion to revenue in 2023 stood at 29.0%, representing a decrease of 3.3 percentage points as compared with 32.3% for the corresponding period of 2022.

(III) Major operation and management measures

1. *Seizing policy opportunities, vigorously expanding the market*

In 2023, the Group continued to deepen its presence in the provincial market, with a view to improving market exploration capabilities, shifting the focus of operations forward, obtaining front-end operating information, broadening operating channels, expanding market penetration, adhering to the combination of high-position promotion and grassroot follow-up, and establishing the operational philosophy of “customer supremacy, fully staffed operation, practice-driven contracting”, and realizing the “fruitful achievements and highlights” in a practical way. **Firstly**, the Group inaugurated emerging regional markets such as Dongchuan, Luquan, Yiliang, and Jiangchuan, further expanding its business coverage. **Secondly**, some existing regional markets (such as Baoshan) grown against the formidable market environment, and the market advantages in key regions had been further expanded. **Thirdly**, the independent operating capabilities of subsidiaries were further improved. For example, Polymer Company recorded its revenue from external market accounting for more than half of its total revenue in 2023. **Fourthly**, by reaching a consensus on strategic cooperation with the Mangshi Municipal People’s Government (芒市人民政府), Mangshi State-owned Capital Investment Group Co., Ltd.(芒市國有資本投資集團有限公司) and China Construction Communications Engineering Group Corporation Limited (中建交通建設集團有限公司), the Group continued to improve its level and hierarchy of operating cooperation. **Fifthly**, the Group seized development opportunities arising from expansion of the “Three Major Economies” in Yunnan Province, to actively coordinate with the construction of industrial parks along the border such as Mohan, Ruili, and Hekou. Concurrently, the Group continuously monitored major projects, including airport reconstruction and expansion, highway projects, and international supply chain demonstration center.

2. Strengthening debt recovery efforts, consolidating development foundation

In 2023, the Group further intensified its debt collection efforts, and persisted in consummating its coordinated and hierarchical debt recovery mechanism. On the basis of the debt clearance leading group, the debt clearance office and the dedicated debt clearance team, we have strengthened the responsibilities of legal affairs department in external debt collection, explored the collection work pattern among party branches, and encouraged all employees to participate in the debt collection and clearance to ensure that the normalization of debt clearance shall be promoted at a high level and on a large scale. Simultaneously, the rule system for progress debt recovery, old debt recovery, and litigation-based debt recovery was further optimized. With the foundation of ensuring no omission in the debt recovery scope, we increased remuneration incentive efforts and reinforced debt recovery assessments, realizing increasingly enhanced effectiveness in debt recovery. For two consecutive years, our debt collections exceeded the revenue for the year.

3. Enhancing foundational management, elevating innovative momentum

Faced with the challenging architectural material industry landscape and sluggish market conditions throughout the year in Yunnan Province, the Group continued to strengthen foundational management. **Firstly**, we intensified cost control to effectively manage various operation and management costs by combining cost quota management with performance-linked compensation appraisal, gradually bringing in and transiting to the “one profit and five rates (一利五率)” indicator assessment as required by Yunnan SASAC, and regularly conducting economic operational analyses. **Secondly**, we bolstered the management of key engineering projects through advance intervention, forward-looking vision and comprehensive coordination to safeguard the undertaking and promotion of projects such as Yongren-Jinshuihe Highway, Nasa-Xingjie Highway and other multiple highway projects in Yunnan, as well as the hydropower silicon-based high-purity crystalline silicon green energy projects of Yunnan Kunhua Hospital (雲南昆華醫院) and Baoshan Tongwei (保山通威). **Thirdly**, human resources management was reinforced. We continued to implement a comprehensive “Accountability of Manager”, enhancing the development of grassroots station managers. We conducted comprehensive assessments for station managers of batching plants and laboratory directors, and made role adjustments based on assessment results. Simultaneously, we reserved backup talents for these positions, enriching the Company’s talent pool and ensuring a strong, complete, and optimal lineup of grassroots management personnel, thereby further strengthening the construction of talent teams for key and large-scale projects. **Fourthly**, technological innovation led development. In 2023, the Group applied for 2 invention patents, obtained 13 utility model patent authorizations, published 5 technical papers, and co-edited 1 set of national standards which have been released and will be implemented in June 2024. Up to now, the Group has cumulatively edited or co-edited a total of 28 sets of implemented national standards, industrial standards and other standards, and obtained a total of 106 invention patents and utility model patents and 3 software copyrights.

4 *Continuing the momentum of green and low-carbon development, enriching development connotations*

In the face of intense market competition, the Group persists in green and low-carbon development, adheres to transformation and upgrading, and consistently forges a benchmark for green and low-carbon development. On the basis of building the first green, new energy and low-carbon logistics system demonstration industrial park integrated with “photovoltaic power generation + energy station of charging, swapping and storing for heavy trucks + pure electric transportation equipment” in Yunnan Province, we have further increased our investment efforts. The distributed rooftop power station constructed and put into operation in two phases, has cumulatively generated approximately 600,000 kilowatt-hours of electricity, the remaining surplus of which, in addition to in-house utilization, could be connected to grid for sales. The supporting battery swapping stations and charging piles not only ensure the use of new energy transportation vehicles that have been put into use in succession (with a cumulative operating mileage of more than one million kilometers), but also gradually realize socialized operations, saving fuel costs while significantly reducing carbon dioxide emissions. The scaled effects of green and low-carbon development and the demonstration-driven effects are becoming more prominent, leading to significant improvements in both economic and social benefits.

(IV) Business update

1. *Contract signing*

As of December 31, 2023, the total amount of the Group’s newly signed sales contracts was approximately RMB3.48 billion. In particular, the amount of newly signed sales contracts with independent third parties accounted for approximately 60.3%, which was approximately 29 percentage points higher than that of the corresponding period in 2022.

In addition, the Group expects to sign certain sales contracts in the near future. According to preliminary estimates, it is expected that the amount of newly signed sales contracts in the first quarter of 2024 will be approximately RMB1.12 billion, among which, the expected amount of newly signed sales contracts for concrete business will be approximately RMB920 million, involving a demand for concrete of approximately 31.0 million m³; the amount of newly signed sales contracts in relation to the new products such as RPC cover plates, prefabricated components and commercial mortar is expected to be approximately RMB16.0 million.

2. *Major projects*

In 2023, the Group fully engaged in concrete production and supply for various highway construction projects and other key construction projects within Yunnan Province, which included highway projects such as Yongren-Jinshuihe Highway, Nasa-Xingjie Highway, Lijianggucheng-Ninglang Highway, Eshan-Shiping-Honghe Highway and Ludian-Qiaojia Highway as well as several non-highway projects like the Yunnan Kunhua Hospital Project, the Baoshan Tongwei Project and the Dongchuan Monocrystalline Silicon Plant Construction Project. In 2024, while prioritizing the reliable supply for existing key projects, the Group will focus on closely monitoring several large projects under newly signed contracts, which include, but not limited to, the Qujing Sanyuan Road South Extension Construction Project (曲靖三元路南延線建設項目), the Yuanjiang Yuefu Tianjiao Garden (元江悅府天驕苑), the Yuxi Granary Construction Project (玉溪糧庫建設項目) and the Lijiang Wenbihai Leisure and Tourism Project (麗江文筆海康旅項目).

3. *New products and businesses*

In 2023, the Group made progress in new businesses and products. **Firstly**, our cement and mortar business continued to expand. In particular, the sales volume of cement and admixtures in 2023 approximately doubled that of the corresponding period last year. Meanwhile, the Group researched and developed phosphogypsum slag cement to promote the research on the preparation of high-performance concrete from ultra-low carbon and multi-solid waste cement, and facilitated the production verification and demonstrative application of green low-carbon building materials products. **Secondly**, the production of UHPC small prefabricated components has been steadily advancing, with production lines of RPC cover plates established and put into operation in Yuxi, Yuanjiang, and Lijiang in succession, which continuously introduced cost-effective RPC cover plate products with thin thickness, light weight and high strength to the market. **Thirdly**, through powerful combination and school-enterprise cooperation, the Group has cooperated with Yunnan Institute of Building Research Co., Ltd, Wuhan University of Technology and other institutions to promote the project application, research and development of the comprehensive utilization technology supported by synergy of phosphogypsum and industrial solid waste. It has also completed the construction of a demonstration production line for phosphogypsum aggregate ecological permeable bricks and products with an annual output of 250,000 m² at the Dashiba Green Building Materials Production Base in Kunming, and successfully completed debugging and production, laying the foundation for mass production of the next phase.

III. FINANCIAL REVIEW

(I) Revenue

During the year ended December 31, 2023, the Group achieved a revenue of RMB1,406 million, representing a year-on-year decrease of 16.4%. The decrease in revenue was mainly attributable to the shrinking of construction industry and more intense competition in concrete market, which resulted in a decrease in the sales and unit selling price of the main product ready-mixed concrete of 7.1% and 8.1%, respectively. Among them, the total sales revenue of ready-mixed concrete and related products was RMB1,316 million, representing a decrease of RMB226 million compared to the previous year. In addition to the sales revenue of ready-mixed concrete and related products, such as commercial mortar, baking-free bricks and RPC cover plates, the Group also generated sales revenue from admixtures, aggregates, cement and admixtures and revenue from quality and technical services during the Reporting Period. The following table sets forth the breakdown of revenue for the year ended December 31, 2023 and for the year ended December 31, 2022:

	2023		2022	
	RMB in million	Percentage of operating revenue	RMB in million	Percentage of operating revenue
Ready-mixed concrete and related products	1,316	93.6%	1,542	91.7%
Admixtures	58	4.1%	66	3.9%
Aggregates	4	0.3%	30	1.8%
Cement and admixtures	22	1.6%	43	2.6%
Quality and technical services	6	0.4%	—	0.0%
Total	<u>1,406</u>	<u>100.0%</u>	<u>1,681</u>	<u>100.0%</u>

(II) OPERATING EXPENSES

In 2023, the Company continued to strengthen cost control, improve operational service efficiency and promote cost reduction and efficiency enhancement. The Group's accumulated operating expenses for the year were RMB1,429 million, with a decrease of 12.6% compared to the previous year; accounting for 101.7% of operating revenue, representing an increase of 4.4 percentage points compared to the previous year. The decrease in operating expenses was mainly due to a decrease in cost of materials and direct manufacturing expenses compared to the corresponding period of the previous year.

(III) GROSS PROFIT AND GROSS MARGIN

During the Reporting Period, the gross profit generated from operations of the Group was RMB123 million (2022: RMB183 million). The overall gross margins for 2023 and 2022 were 8.7% and 10.9%, respectively. For specific reasons in relation to the apparent decreases in gross profit and gross margin, please refer to the analysis in the section headed “Results of Operation” of this results announcement. The gross profit margin for the production and sales of ready-mixed concrete and related products is 8.5%, for the production and sales of admixtures is 10.3%, for the production and sales of aggregates is 8.5%, for the sales of cement and admixtures is 9.1% and for the business of quality and technology services is 50.0%.

(IV) PROFITABILITY

1. Loss before income tax

The Group recorded a loss before income tax of RMB42.9 million in 2023 (2022: profit before income tax RMB36.4 million). This was mainly due to the decrease in both revenue and operating expenses as compared to last year, with the decrease in revenue (RMB275 million) exceeding the decrease in operating expenses (RMB206 million).

2. Income tax expense

The income tax expense of the Group was RMB-10.2 million due to the operating loss in 2023.

3. Loss for the year

In 2023, the Group recorded a loss for the year of RMB32.7 million (2022: profit for the year RMB29.9 million). Basic loss per Share were RMB0.08.

(V) Administration and research and development expenses

In 2023, the Group incurred administration and research and development expenses of RMB115 million (2022: RMB100 million), representing a year-on-year increase of 15.0%, mainly due to an increase in the Group’s preparation expenses and investment in research and development as compared with the corresponding period of the previous year.

(VI) General information of assets and liabilities

As at December 31, 2023, the total assets of the Group were RMB4,456 million (December 31, 2022: RMB4,831 million), representing a decrease of 7.8% as compared with that for the end of 2022. The assets of the Group were mainly trade and notes receivables, cash and bank deposits, and property, plant and equipment. Such assets accounted for 90.8% of the total assets of the Group, with trade and notes receivables and other assets accounting for 83.4% and 7.4% of the total assets, respectively.

As at December 31, 2023, the total liabilities of the Group were RMB3,136 million (December 31, 2022: RMB3,461million), representing a decrease of 9.4% as compared with that for the end of 2022.

(VII) Borrowings and solvency

As at December 31, 2023, the total liabilities of the Group were RMB3,136 million (December 31, 2022: RMB3,461million), of which 13.9% (December 31, 2022: 9.0%) were bank borrowings and 84.8% (December 31, 2022: 89.3%) were trade and other payables.

As at December 31, 2023, the total borrowings of the Group were RMB437 million (December 31, 2022: RMB312 million), all of which were bank borrowings, of which RMB386 million was repayable within one year; RMB49 million was repayable within one to two years and RMB2 million was repayable within two to five years.

As at December 31, 2023, the weighted average effective interest rate for bank borrowings of the Group was 4.60%.

During the Reporting Period, the total finance costs of the Group were RMB19 million (2022: RMB15 million) and the losses before interest and tax were RMB24 million (2022: earnings before interest and tax RMB51 million). The interest coverage ratio (losses before interest and tax divided by interest expenses) was 1.3 (2022: 3.4).

As at December 31, 2023, the gearing ratio (i.e. total liabilities divided by total assets) of the Group was 70.4% (December 31, 2022: 71.6%).

(VIII) Liquidity and capital resources

The Group focuses on maintaining a reasonable capital structure and continuously improving its profitability in order to maintain a good credit standing and sound financial position.

The capital resources of the Group mainly include cash flows generated from operation activities, loans from financial institutions and its own funds, which are mainly used for operating expenses and loan repayments. No financial instruments were used by the Group for hedging purposes.

As at December 31, 2023, total current assets of the Group were RMB4,115 million (December 31, 2022: RMB4,553 million), including: (i) cash and bank deposits of RMB72 million (December 31, 2022: RMB135 million), accounting for 1.8% of current assets (December 31, 2022: 3.0%); (ii) trade and notes receivables of RMB3,714 million (December 31, 2022: RMB4,019 million), accounting for 90.3% of current assets (December 31, 2022: 88.3%); and (iii) prepayments and other receivables of RMB48 million (December 31, 2022: RMB33 million), accounting for 1.2% of current assets (December 31, 2022: 0.7%).

As at December 31, 2023, the current ratio (i.e. current assets divided by current liabilities) of the Group was 133.8% (December 31, 2022: 132.4%), representing an increase of 1.4 percentage points as compared with last year.

During the Reporting Period, the net cash flow from operating activities of the Group was approximately RMB95 million net cash outflow (2022: approximately RMB314 million net cash outflow), representing a year-on-year decrease of 69.8%, which was mainly attributable to: on the one hand, cash inflow from operating activities for the year reduced by RMB154 million as compared with last year; on the other hand, cash outflow from operating activities for the year reduced by RMB373 million as compared with last year.

IV. HUMAN RESOURCES

As at December 31, 2023, we employed a total of 972 employees (December 31, 2022: 1,087). The table below sets out a breakdown of the number of employees by role as at December 31, 2023:

Role	Number
Management	124
Production management	234
Quality and technology	194
Procurement (materials supply)	80
Marketing	132
Administration and finance	189
Others	<u>19</u>
Total	<u><u>972</u></u>

The Group recruit employees in the open market, and established a scientific, reasonable, fair and impartial remuneration management system. The remuneration of employees mainly includes fixed salary, allowances and subsidies, performance-related salary and benefits. In accordance with the PRC laws, the Group also makes contributions to pension, medical insurance, unemployment insurance, work-related injury insurance, maternity insurance and housing fund for employees. For the year ended December 31, 2023 and the year ended December 31, 2022, employee benefits and labor expenses were RMB180 million and RMB181 million, respectively. The employee benefits and labor expenses have not fluctuated significantly during the year.

We consider employees to be our most valuable resource for our success. To ensure the quality of employees at all levels, we have set up in-house training programs to provide training for employees. In accordance with the Company's development goals and focusing on annual key tasks, key businesses, and talent development status, the Company continuously refines various training systems. It gradually achieves the scientific, standardized, and institutionalized management of training work. The 2023 annual training implementation plan has been formulated, with a focus on qualification certification training, key personnel training, fundamental management training, new employee training, comprehensive staff training, and specialized education on party ethics. In 2023, the Company successfully organized 199 eligible employees to participate in training and examinations for junior, intermediate and senior professional titles, while over 460 certificates related to job positions were also obtained or renewed. A total of 420 employees received training at different levels and categories with specific focus based on the particular features of various work positions, including the ability improvement of tendering business personnel, the business enhancement of internal audit personnel, the files management of cadre and employee personnel, the business ability reinforcement of the security director, the comprehensive ability improvement of the chief engineer, etc.

During the Reporting Period, we did not have any operation interruption attributable to major labor disputes or any complaints or claims from employees that were seriously adverse to our business. The Directors believe that we maintain a good relationship with employees and the Group did not have any major labor disputes that had a material impact on its normal business management during the Reporting Period.

V. PROCEEDS FROM THE GLOBAL OFFERING

The Company received net proceeds from the Global Offering (as defined below) of approximately HK\$366.11 million, equivalent to approximately RMB329.50 million. The Company did not issue any equity securities thereafter. With regard to the proceeds from the Global Offering, the Board adjusted the use and amount from time to time in accordance with the national and industry policies, the Company's development strategy and development progress of projects, and made an announcement in accordance with the Hong Kong Listing Rules. As disclosed in the announcement of the Company dated February 7, 2024 in relation to change in use of proceeds from the Global Offering, the Company's proceeds from the Global Offering available for further decision-making amounted to RMB46.93 million as of the last adjustment date of the proceeds from the Global Offering (being February 7, 2024). On February 7, 2024, the Board resolved to change the use of proceeds from the Global Offering for further decision-making to: (a) approximately RMB9.68 million would be used for "upgrading and renovation of green and low-carbon concrete and purchases of new energy equipment and facilities, new concrete production lines and related equipment and equity investment" (the uses and amount remain unchanged from before the change); and (b) approximately RMB37.25 million would be used for working capital and general corporate purposes.

During the period from February 7, 2024 to March 28, 2024: under (a) the purpose of "upgrading and renovation of green and low-carbon concrete and purchases of new energy equipment and facilities, new concrete production lines and related equipment and equity investment", the Company has actually used RMB0.00 million, decided but not yet actually used RMB0.00 million, and the unused amount is RMB9.68 million; and under (b) the "working capital and general corporate purposes", the Company has actually used RMB37.25 million, and the unused amount is RMB0.00 million. Taking into account the information currently available, the Board reasonably estimates that all the unutilized proceeds from the Global Offering are expected to be utilized by the end of 2025.

VI. MATERIAL ACQUISITION, DISPOSAL AND INVESTMENTS

For the year ended December 31, 2023, the Company did not make any material acquisitions and disposals of subsidiaries, associates or joint ventures. As at December 31, 2023, the Group did not hold any significant investments.

VII. CHARGE ON THE GROUP'S ASSETS

On May 23, 2023, the land use right of the Group's state-owned construction site with a cost of RMB13.81 million were pledged to the bank as collateral for borrowings of the Group.

VIII. FOREIGN EXCHANGE RISK

Although the Company operates in China and collects revenues and pays costs/fees in RMB, the Company is listed on the Hong Kong Stock Exchange and has raised proceeds denominated in HKD of approximately HK\$366.11 million (less the underwriting commission and other estimated expenses paid and payable by the Company for the global offering (the “**Global Offering**”). As at December 31, 2023, the balance of the Group’s carrying cash and bank deposits denominated in HKD amounted to HK\$1.65 million. As of March 28, 2024, the balances of bank deposit denominated in HKD of the Group was HK\$1.50 million. We settled foreign exchange in a timely manner by focusing on exchange rate changes to reduce the effect of exchange rate fluctuations on foreign currency held by us.

IX. CONTINGENT LIABILITIES

As at December 31, 2023, the Group had no material contingent liabilities.

X. MATERIAL INVESTMENT PLAN

According to the green and low-carbon development plans of the PRC and Yunnan Province, the Group will take “leading the transformation and upgrading of traditional industries to green and low-carbon” as the main investment direction. This aims to optimize the industrial layout and structure, enhance comprehensive competitiveness, and seize the economic development opportunities in Yunnan Province’s industrial parks. **Firstly**, the Group plans to continuously deploy and optimize its regional green and low-carbon system. This involves promoting the planning, investment and construction of key projects such as the Zhaotong and Dehong green new material production bases, and coordinating the planning, investment and construction of other regional industrial solid waste green recycling and low-carbon building materials industrial parks, such as comprehensive utilization of phosphogypsum. **Secondly**, the Group will engage in the acquisition of new energy equipment and facilities, green and low-carbon upgrading and transformation, and related equipment procurement. Examples include procuring pure electric transporters, pure electric aggregate transporters, and establishing distributed photovoltaic power stations and other green new energy equipment and facilities. If the aforementioned investment projects are undertaken within the next year, their source of funding will mainly come from the proceeds from the Global Offering of the Company or the Company’s working capital.

XI. OUTLOOK

Despite the economic recovery after stabilizing transition of the prevention and control of epidemic could be a process of wave-like development and tortuous advance, the fundamentals of China's long-term economic improvement has no change. In recent years, the State is implementing the strategy of the construction of China into a powerhouse with science and technology, manufacturing and transportation, advocating green and low-carbon development, supporting the real economy by financial service, driving the enormous infrastructure and transportation system construction, metropolitan area and urban agglomeration development under "two new-types and one major development" (namely new-type infrastructure construction, new-type urbanization and construction of major engineering projects for transportation and water conservancy), which will bring along huge market demand for the concrete industry.

(I) Strengthen policy research and judgement, and seize development opportunities

In 2024, we will further improve our policy research and judgment ability, earnestly study and profoundly comprehend the spirit of the economic work conference of the central government and Yunnan Province and other relevant meetings, and pay close attention to and keep abreast of industry development policies. In particular, the "2024 Policies and Measures to Further Promote Economic Stabilization and Quality Improvement" (《2024年進一步推動經濟穩進提質政策措施》) issued by the People's Government of Yunnan Province in February 2024 reminded us to focus on seizing policy opportunities such as accelerating the promotion of industrial quality and efficiency improvement, continuously expanding effective investment, and expanding high-level opening-up in Yunnan Province. Yunnan Province has made it clear: it will take advantage of RMB600 million of special funds for the high-quality development of the manufacturing industry at the provincial level, focusing on supporting the construction of major projects in the manufacturing industry, the comprehensive utilization of phosphogypsum, etc.; it will issue the list of provincial major projects for the year 2024 as soon as possible together with the list of projects of the "top priority", and strive for all kinds of funds of more than RMB120 billion to support the construction of major projects in the province throughout the year; it will issue the overall implementation plan of the industrial park along the border, as well as the development plan for the construction of two parks for undertaking the transfer of industries in Kunming and Qujing and the construction of three industrial parks along the border in Mohan, Hekou, and Ruili, and push forward the construction of infrastructure in the aforesaid five parks. In addition, in terms of green and low-carbon development, we will firmly grasp the policies of the Ministry of Industry and Information Technology of the PRC, the Ministry of Housing and Urban-Rural Development of the PRC and other departments to vigorously implement government procurement to support the utilization of green building materials and bulk solid waste, as well as the policy-driven opportunities provided by Yunnan Provincial Government, Kunming Municipal Government and other government departments at all levels on the comprehensive utilization of phosphogypsum to embrace with the in-depth integration into the development of a circular economy, with a view to promoting the comprehensive utilization of phosphogypsum and other industrial solid wastes, and so on.

(II) Enhance the market access and improve quality and efficiency of operations

We will continue to reinforce our leading position in the operation and strengthen our operational management. **Firstly**, we will focus on expanding business channels, extending connections with project general contractors and owner units, continuously obtaining front-end business information, and achieving a transformation from operating projects to managing customer resources. **Secondly**, we will concentrate our efforts to strengthen quotation planning and review management, ensuring that every project is profitable despite the sharp decline in market prices of traditional concrete products. **Thirdly**, we will attach importance to safeguard the production and supply of major projects, and perform marketing on site. We will further coordinate resources, improve service awareness and level, actively cooperate with the construction progress of major projects, and promote the stability of business fundamentals through major projects. **Fourthly**, we will be dedicated to fully tap into the potential of emerging regional markets, with a focus on exploring regional markets such as Lijiang and Chuxiong, and further penetrating the key regional markets such as Kunming, Baoshan, Dehong, Yuxi, and Qujing. **Fifthly**, we will be committed to promote new products and businesses such as phosphogypsum building materials, RPC cover plates, UHPC products, commercial mortar, powder materials, etc., so as to comprehensively improve the operation quality and efficiency of the Company.

(III) Strengthen scientific research and make cutting-edge innovation

We will adhere to the core strategy of innovation-driven development, regard the technological innovation evaluation system as the key to coordinate technological innovation, and leverage on the leading functions of resource allocation. We will consummate the medium- and long-term incentive mechanism, encourage scientific researchers to focus on innovation and creation without distractions, continuously increase the guarantee of technological research and development, improve the quality of scientific and technological talents, promote the sustainable development of scientific research forces, and practically take the optimization of the technological innovation system and mechanism as the starting point, effectively break the investment constraints and solve the problem of achievement transformation. **On the one hand**, we will bolster the breakthrough in key core technologies, further increase the R&D and promotion of new products and businesses such as phosphogypsum building materials products, RPC cover plates, UHPC products, commercial mortar, powder materials, etc., especially in the comprehensive utilization of phosphogypsum resources to accelerate the use of phosphogypsum to produce new products such as curbstones, phosphogypsum aggregates, and phosphogypsum aggregate permeable bricks. **On the other hand**, we will also continuously amplify the advantages of digital empowerment, positioning “digitalization” as an emerging momentum for development. The construction and promotion of the digital supply chain financial platform for concrete information will be unceasingly intensified to continuously digitize business and assets, and lay a robust foundation for supply chain management.

OTHER INFORMATION

I. Final Dividend for 2023

In accordance with the Board's resolution passed on March 28, 2024, because of the failure of fulfillment of the agreed profit distribution conditions under the Articles of Association due to the operating losses of the Company in 2023, the Board did not recommend to distribute a final dividend for the year ended December 31, 2023 to the Shareholders.

II. Corporate Governance Code

The Company has been committed to improving its corporate governance standards since its establishment. Pursuant to the code provisions of the Corporate Governance Code, it has established a modern corporate governance structure under which the general meeting, the Board, the Supervisory Committee and senior management of the Company effectively exercise checks and balances on each other and operate independently. The Company has adopted the principles and all applicable code provisions as set out in Part 2 of the Corporate Governance Code as its corporate governance practice.

For the year ended December 31, 2023, the Company has complied with the principles and all applicable code provisions as set out in Part 2 of the Corporate Governance Code. Details of the Company's corporate governance are set out in the 2023 annual report to be published in due course.

III. Model Code for Securities Transactions

The Company has adopted the Model Code as the code of conduct for all the Directors, Supervisors and relevant employees (as defined in the Corporate Governance Code) of the Company to conduct securities transactions of the Company. Upon specific enquiries with all the Directors and Supervisors, the Directors and Supervisors confirmed that they have strictly complied with the required standards set out in the Model Code in a continuous manner for the year ended December 31, 2023.

IV. Purchase, Sale or Redemption of Listed Securities

For the year ended December 31, 2023, the Company or any of its subsidiaries have not purchased, sold or redeemed any of the Company's listed securities.

V. Audit Committee

As at the date of this announcement, the audit committee of the Company (the “**Audit Committee**”) comprises five members and is chaired by Mr. Li Hongkun as an independent non-executive Director, which includes Mr. Wong Kai Yan Thomas and Mr. Yu Dingming as independent non-executive Directors, Ms. Yang Jia and Mr. Yang Jie (both of whom served as the member since November 10, 2023) as non-executive Directors.

The Audit Committee has adopted terms of reference consistent with that in the Corporate Governance Code. The primary duties of the Audit Committee include reviewing and supervising the Group’s financial monitoring, risk management and internal control systems and procedures, reviewing the Group’s financial data and reviewing the Company’s relationship with its external auditors. The annual results and the audited financial statements for the year ended December 31, 2023 of the Group have been reviewed by the Audit Committee.

VI. Scope of Work of the Group’s Auditor

The figures in respect of the Group’s consolidated statement of financial position, consolidated income statement, consolidated statement of comprehensive income and the related notes thereto for the year ended December 31, 2023 as set out in the preliminary results announcement for the year ended December 31, 2023 have been agreed by the Group’s auditor, PwC, to the amounts set out in the Group’s audited consolidated financial statements for the year. The work performed by PwC in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by PwC on the preliminary results announcement.

VII. Events after the Reporting Period

The term of the second session of the Board and the Supervisory Committee of the Company has expired, and the Company will hold general election at the 2023 AGM to form the third session of the Board and the Supervisory Committee. Details of the adjustments to the Company’s Directors and Supervisors are set out in the “Proposed Election of Non-employee Directors of the Third Session of the Board” and the “Proposed Election of Non-employee Representative Supervisors of the Third Session of the Supervisory Committee” sections of this announcement.

VIII. Publication of 2023 Annual Results Announcement and 2023 Annual Report on the Websites of the Hong Kong Stock Exchange and The Company

This results announcement is published on the websites of the Hong Kong Stock Exchange (www.hkexnews.hk) and the Company (<https://www.ynhnt.com>). The 2023 annual report containing all the information required under the Hong Kong Listing Rules will be published on the websites of the Hong Kong Stock Exchange and the Company in due course.

RESIGNATIONS OF EXECUTIVE DIRECTORS

Due to work rearrangement, each of Mr. Lu Jianfeng, an executive Director and Ms. Hu Zhurong, an executive Director (employee Director) of the second session of the Board, submitted written resignations to the Board on March 28, 2024, resigning from their respective positions as the executive Directors and the members of the special committees of the Board respectively. In accordance with the Company Law and the Articles of Association, the relevant resignations shall become effective from the date of the delivery of the written resignations to the Board. After his resignation becomes effective, Mr. Lu Jianfeng will also cease to serve as the authorized representative of the Company in accordance with Rule 3.05 of the Hong Kong Listing Rules. After the abovementioned resignations become effective, the number of the Board members will be reduced from 9 to 7, which will not fall below the statutory minimum number of the Board members stipulated in the Company Law, and the composition of each special committee of the Board still complies with the Hong Kong Listing Rules and the Company's working rules on relevant special committees. The resignations of Mr. Lu Jianfeng and Ms. Hu Zhurong will not have any impact on the normal operation of the Company.

Each of Mr. Lu Jianfeng and Ms. Hu Zhurong has confirmed that they have no disagreement with the Company and the Board, and there are no other matters in relation to their resignations that need to be brought to the attention of the Shareholders or the Hong Kong Stock Exchange. The Company hereby expresses its sincere gratitude to Mr. Lu Jianfeng and Ms. Hu Zhurong for their contributions to the development of the Company during their terms of office.

CHANGE OF AUTHORIZED REPRESENTATIVE

The Board announces that, following the resignation of Mr. Lu Jianfeng, Mr. Zhang Long, an executive Director, has been appointed as the authorized representative of the Company pursuant to Rule 3.05 of the Hong Kong Listing Rules, to fill the vacant position with effect from March 28, 2024.

PROPOSED ELECTION OF NON-EMPLOYEE DIRECTORS OF THE THIRD SESSION OF THE BOARD

Considering the expiry of the term of all incumbent Directors of the second session of the Board of the Company, the Board proposes to re-elect Mr. Li Zhangjian and Mr. Zhang Long as executive Directors of the third session of the Board, Ms. Yang Jia and Mr. Yang Jie as non-executive Directors of the third session of the Board, and Mr. Wong Kai Yan Thomas, Mr. Yu Dingming and Mr. Li Hongkun as independent non-executive Directors of the third session of the Board according to the Company Law, the Articles of Association and the nomination of the Shareholders. The Board also proposes to elect Mr. Liu Zhen as an executive Director of the third session of the Board.

According to the Articles of Association, the proposed election of the non-employee Directors are subject to approval by the Shareholders at the general meeting. Such proposals will be submitted to the 2023 AGM of the Company by way of ordinary resolution for consideration and approval by the Shareholders.

In addition, Ms. Wang Fang has been elected as the executive Director (employee Director) of the third session of the Board by the joint meeting of the employee representative delegations (group) leaders of the Company, and she will form the third session of the Board together with the non-employee Directors elected at the 2023 AGM. The terms of office of the members of the third session of the Board will be three years commencing from the date of approval of their election at the 2023 AGM.

The biographical details of Ms. Wang Fang are set out below:

Ms. Wang Fang, aged 45, is an executive Director (employee Director) and a member of the Party Committee of the Company and a chairwoman of the Labor Union. Ms. Wang Fang joined the Company in December 2023.

Prior to joining the Company, Ms. Wang Fang worked at Yunnan Engineering Construction General Contracting Company (雲南工程建設總承包公司) from July 1998 to December 2010, serving as the deputy secretary of the Communist Youth League (團委副書記), the director of the Female Worker Committee (女工主任), the director of the Labor Union Office (工會辦公室), and the head of the Work Department of the Party Committee (黨委工作部). From December 2010 to August 2014, Ms. Wang worked at Yunnan Construction Engineering Group Co., Ltd. (雲南建工集團有限公司) and successively served as the business executive of the general office, an assistant senior business executive, and the deputy director of the general office. From August 2014 to April 2017, she served as a deputy general manager of Yunnan Dianzhong Construction Investment Co., Ltd. (雲南滇中建設投資有限公司). From April 2017 to December 2023, she successively served as the deputy secretary of the Party Branch, a director, the deputy secretary of the General Party Branch, a chairwoman of the Labor Union and a member of the Party Committee in YCIH Pavement Engineering Co., Ltd. (雲南建投路面工程有限公司).

From July 1994 to July 1998, Ms. Wang Fang studied at a secondary specialized school of Yunnan Construction Engineering School (雲南省建築工程學校), majoring in industrial and civil architecture; from July 2001 to July 2004 and from March 2005 to January 2008, she studied at Adult Education College of Yunnan University (雲南大學成人教育學院), majoring in computer information management through night-school diploma and bachelor course. Ms. Wang Fang was awarded the title of electrical engineer and the title of senior engineer by the Department of Human Resources and Social Security of Yunnan Province (雲南省人力資源和社會保障廳) in August 2009 and October 2016; the practising certificate of class 2 constructor (mechatronics) by the Department of Human Resources and Social Security of Yunnan Province in June 2018; the professional qualification certificate (Level 4) for childcare workers by the Ministry of Human Resources and Social Security in December 2019.

Ms. Wang Fang has long been engaged in in the work of party mass and labor unions, committed to improving the quality and efficiency of group work services, and have been unanimously recognised by the Company and the organisation. She won the title of “**Outstanding Cadre of Communist Youth League of Yunnan Province**” by the Yunnan Provincial Committee of the Communist Youth League in May 2005; the title of “**Outstanding Contributor**” in the “**Spring City Cup**” award for excellent project in Kunming of 2023 by Kunming Construction Industry Association (昆明市建築業協會) in December 2023, and was recognized as a “**Excellent Worker of Labor Union**” by the Labor Union of Yunnan Construction and Investment Holding Group Co., Ltd. in December 2023 on the basis of the title of “**Outstanding Party Affairs Worker** (優秀黨務工作者)” in July 2018 .

The biographical details of the candidates for non-employee Directors (the “**Candidates for Non-employee Directors**”) are set out below:

Mr. Li Zhangjian, aged 46, is the the chairman, the executive Director and the secretary of the Party Committee of the Company. From January 2011 to April 2017, Mr. Li Zhangjian served as the deputy general manager and the chief engineer of the Company. In November 2021, Mr. Li Zhangjian joined the Company again.

From April 2017 to November 2021, Mr. Li Zhangjian has successively served as the deputy chairman, general manager, secretary of the Party Branch, chairman and deputy secretary of the General Party Branch of YCIH Building Materials Technology Co., Ltd. (雲南建投建材科技有限責任公司) (“**Building Materials Technology Company**”); from May 2017 to November 2021, Mr. Li Zhangjian has served as the chairman of Yunnan Kebao Formwork Co., Ltd. (雲南科保模架有限責任公司).

Mr. Li Zhangjian has been working for Yunnan Construction Engineering Concrete Co., Ltd. (雲南建工混凝土有限公司) (“**YNJG Concrete**”, the predecessor of the Company) since July 2000; and has successively served as the director of the central laboratory, deputy manager and manager of Quality Technology Department, deputy chief engineer, acting chief engineer, chief engineer, and chief engineer of some important project management departments of YNJG Concrete from March 2003 to July 2012; from July 2012 to January 2017, Mr. Li Zhangjian served as the deputy general manager and chief engineer of the Commercial Concrete Division of Yunnan Construction Engineering Group Co., Ltd. (雲南建工集團有限公司) (“**YNJG**”); from October 2013 to September 2016, Mr. Li Zhangjian served as the deputy chief engineer of YNJG.

Mr. Li Zhangjian graduated from Chongqing University with a major in inorganic non-metallic materials in July 2000, and was awarded the title of senior engineer by the Department of Human Resources and Social Security of Yunnan Province (雲南省人力資源和社會保障廳) in February 2015.

Mr. Li Zhangjian has devoted himself to the field of construction materials for many years and has made considerable achievements.

Since 2004, Mr. Li Zhangjian has presided over and concluded more than 20 scientific and technological projects from the Yunnan Provincial Science and Technology Department, Committee of Industry and Information Technology of Yunnan Province and other government departments. Since 2000, Mr. Li Zhangjian has compiled or participated in the compilation of 19 sets of national standards, industrial standards, institutional standards and local standards in Yunnan Province; obtained 5 invention patents and 10 utility model patents; and published more than 20 essays of high quality. Mr. Li Zhangjian also won 3 second prizes and 4 third prizes of Yunnan Science and Technology Awards, 1 third prize of National Green Architecture Innovation Award, 2 prizes for Patents of High Promotion Value in Engineering and Construction Industry under China Association of Construction Enterprise Management, as well as 1 second prize of Scientific and Technological Progress and 1 third prize of Technical Innovation by China Concrete & Cement-based Products Association.

In 2014, Mr. Li Zhangjian was awarded the title of “Outstanding Engineer of National Construction Enterprise” (全國建築業企業優秀工程師) by China Construction Industry Association (中國建築業協會). In addition, Mr. Li Zhangjian was engaged as the chairman of the China Commercial Concrete Industry Enterprise Expert Committee (中國商品混凝土行業企業專家委員會) in October 2013 and was engaged as a member of the National Concrete Standardization Technology Committee (全國混凝土標準化技術委員會) by the State Standardization Administration (國家標準化管理委員會) in June 2015. Since February 2014, he has been employed as an expert member of the “Technical Steering Group for the Promotion and Application of High-Performance Concrete” (高性能混凝土推廣應用技術指導組) jointly appointed by the Standard Rating Department of the Ministry of Housing and Urban-Rural Development (住房和城鄉建設部標準定額司) and the Raw Material Industry Department of the Ministry of Industry and Information Technology (工業和信息化部原材料工業司). Since July 2014, he has been employed as a tutor for master students majoring in materials science at Xi’an University of Architecture and Technology, and since June 2022, he has been employed as an off-campus tutor for master students majoring in civil and hydraulic engineering at Yunnan University. From April 2017 until joining the Company again in November 2021, Mr. Li Zhangjian focused on the research and promotion of aluminium alloy formworks and its accessory systems, aluminium alloy doors and windows with high-performance, which promoted the development of Building Materials Technology Company.

In 2010, Mr. Li Zhangjian was awarded the title of “Yunnan Province Outstanding Professional and Technical Talent with Outstanding Contribution” (雲南省有突出貢獻優秀專業技術人才) by the People’s Government of Yunnan Province and was selected as a visiting scholar of “Light of the West” (西部之光) jointly implemented by the Organization Department of the Central Committee of the CPC and other departments in 2012, and received the first-class merit in the construction of Kunming Changshui Airport awarded by Yunnan Provincial Committee of the CPC and the People’s Government of Yunnan Province. In 2013, he was awarded the title of “Youth Science and Technology Award in Kunming” (昆明市青年科技獎) jointly granted by the Organization Department of CPC Kunming Municipal Committee and other departments. In 2014, he was awarded the title of “Technological Innovation Talent in Yunnan Province” (雲南省技術創新人才) by the People’s Government of Yunnan Province and the title of “Yunling Industrial Technology Leader” (雲嶺產業技術領軍人才) jointly granted by the Yunnan Development and Reform Commission and other government departments, and in 2023, he was awarded the title of “Outstanding Contributor” (突出貢獻人物) to the Green Development of Ready-Mixed Concrete Industry in 2022 by the Ready-Mixed Concrete Branch of China Concrete & Cement-based Products Association.

Mr. Zhang Long, aged 38, is the vice chairman, the executive Director, the general manager and the deputy secretary of the Party Committee of the Company. Since joining the Company in January 2017, Mr. Zhang Long has successively worked as the assistant to the general manager of the Company, manager of Yuanjiang-Manhao Highway (元蔓高速公路) project and Guangna Highway (廣那高速公路) project in Wenshan and the deputy general manager of the Company.

Prior to joining the Company, Mr. Zhang Long served successively as a senior staff member, person in charge and deputy manager of the new airport batching plant (新機場攪拌站) of YNJG Concrete from July 2008 to February 2012; from February 2012 to February 2017, he worked for YNJG and successively served as the deputy manager of the Konggang Area Project Department (空港區項目部) and manager of the Konggang Area Central Batching Plant (空港區中心攪拌站) of Commercial Concrete Division, deputy manager and batching plant manager of Pu'er Branch, security director of the branch company (分公司安全總監), manager of the East Batching Plant (東攪拌站), manager of the Jinning Branch (晉寧分公司經理), manager and assistant of the general manager of Honghe Autonomous Prefecture Highway and Rail Transportation Department (紅河州高速及軌道交通項目部).

Mr. Zhang Long obtained a bachelor of engineering degree in mechanical engineering and automation from Kunming University of Science and Technology in July 2008. Mr. Zhang Long was awarded the title of senior engineer by the Department of Human Resources and Social Security of Yunnan Province (雲南省人力資源和社會保障廳) in February 2021.

Since 2008, Mr. Zhang Long has been engaged in the production, sales and management of ready-mixed commercial concrete for a long time, and has accumulated rich experience especially in airports, highways, rail transit and other special projects, accumulatively obtaining 2 utility model patents and has participated in the relevant industry associations. In 2012, Mr. Zhang Long has been awarded as an advanced worker of the Bulk Cement and Commercial Concrete Association (散裝水泥商品混凝土協會) of Kunming; in 2021, Mr. Zhang Long won 1 second prize for Technical Innovation Award by China Concrete & Cement-based Products Association.

Mr. Liu Zhen, aged 37, is the chief financial officer and a member of the Discipline Inspection Commission of the Company and concurrently served as a member of the Labor Union and the chief of the Labor Funding Review Committee. Mr. Liu Zhen joined the Company in January 2017. He served successively as the deputy manager and chief of the Finance Department of the Company.

Prior to joining the Company, Mr. Liu Zhen worked at Yunnan Construction Engineering Concrete Co., Ltd. from July 2009 to February 2012 and served as the accounting head of the Finance Division since May 2011; served successively as the deputy manager of the Finance Division of the Commercial Concrete Department of YNJG from February 2012 to January 2017, of which; concurrently served as the manager of the Finance Department and a member of Party Branch of Zhaotong Project Department of Zhaotong Commercial Concrete Branch of YNJG from February 2013 to June 2013; and concurrently served as the manager of the Finance Department of YNJG Yunling Cement Co., Ltd. (雲南建工雲嶺水泥有限公司) from June 2013 to August 2017.

Mr. Liu Zhen obtained a bachelor's degree of management in accounting (computerized accounting) from Yunnan University of Finance and Economics in July 2009. Furthermore, Mr. Liu Zhen obtained the title of Senior Accountant issued by the Department of Human Resources and Social Security of Yunnan Province (雲南省人力資源和社會保障廳) in July 2023.

Ms. Yang Jia, aged 37, is a non-executive Director. Ms. Yang Jia joined the Company in November 2023.

Ms. Yang Jia worked for Yunnan Zhongjian Engineering Company (雲南中建工程公司) from March 2010 to October 2010; Yunnan Construction Engineering Group Co., Ltd. (雲南建工集團有限公司) from October 2010 to January 2011; Yunnan Provincial Overseas Investment Co., Ltd. (雲南省海外投資有限公司) from January 2011 to date and served as the deputy director and director of the general office successively from April 2017 to January 2023, and has served as the assistant to the general manager since December 2020. She has served as the chairman of the board of directors (legal representative) of Hong Kong Yuntong International Investment Company Limited (香港雲通國際投資有限公司) since October 2022; and served as a director of the board of directors and the chairman of the board of directors (legal representative) of Yunhai (Hong Kong) Port Investment Company Limited (雲海(香港)港口投資有限公司) from March 2023 to date. Ms. Yang Jia was awarded “Advanced Worker” and “Outstanding Communist Party Member” of Yunnan Provincial Overseas Investment Co., Ltd. and “Outstanding Communist Party Member” of Yunnan Construction and Investment Holding Group Co., Ltd. (雲南省建設投資控股集團有限公司) respectively in 2017.

Ms. Yang Jia graduated from Hanoi National University of Education (越南河內師範大學) in March 2010, majoring in Vietnamese Language and Literature.

Mr. Yang Jie, aged 54, is a non-executive Director. Mr. Yang Jie joined the Company in November 2023.

Mr. Yang Jie worked at the Bureau of Commerce of Guandu District, Kunming (昆明市官渡區商業局) from October 1990 to November 2008; from November 2008 to September 2016, he worked at Kunming Dingsheng Economic and Trade Limited Liability Company (昆明鼎盛經貿有限責任公司); from September 2016 to present, he worked at Kunming Economic-Technological Development Zone Investment and Development (Group) Co., Ltd. (昆明經濟技術開發區投資開發(集團)有限公司), successively served as the manager of the finance department, the manager of the general management department and the assistant to the president, has held the post of vice president since June 2023 and has been serving as a member of the party committee. Mr. Yang Jie was awarded the 2019 “Outstanding Contribution Award” and the 2021 “Outstanding Manager” respectively in Kunming Economic-Technological Development Zone Investment and Development (Group) Co., Ltd.

Mr. Yang Jie graduated from Yunnan Radio and Television University (雲南廣播電視大學) (now renamed as Yunnan Open University (雲南開放大學)) majoring in auditing in July 1990; and graduated from Yunnan University majoring in economics (economics, management and capital operations) in July 2005.

Mr. Wong Kai Yan Thomas, aged 53, is an independent non-executive Director. Mr. Wong Kai Yan Thomas joined the Company in September 2019.

Since March 2018, Mr. Wong Kai Yan Thomas has been serving as the managing director of Asset Management Department of VPower Group International Holdings Limited (listed on the Hong Kong Stock Exchange, stock code: 01608); since March 2019, he has been serving as an independent non-executive director of Changsha Broad Homes Industrial Group Co., Ltd. (listed on the Hong Kong Stock Exchange, stock code: 02163).

Prior to joining the Company, Mr. Wong Kai Yan Thomas served as an auditor at Deloitte Touche Tohmatsu Certified Public Accountants (德勤 • 關黃陳方會計師行) from June 1995 to May 1997; from July 1997 to January 2004, he served as the chief financial officer of Kong Sun Holdings Limited (listed on the Hong Kong Stock Exchange, stock code: 00295); from March 2004 to April 2008, he served as a consultant at Pioneer International Enterprise Limited; from July 2008 to December 2017, he served as a joint authorized representative and joint company secretary of CRRC Corporation Limited (listed on the Hong Kong Stock Exchange, stock code: 01766); from November 2015 to December 2017, he served as a director, the deputy general manager and the chief financial officer of CRRC (Hong Kong) Co. Limited.

Mr. Wong Kai Yan Thomas obtained a bachelor of commerce degree in accounting from the University of Wollongong in Australia in May 1995; and obtained a master's degree of science in financial analysis from the Hong Kong University of Science and Technology in May 2011. Mr. Wong Kai Yan Thomas became a member of the CPA Australia in March 1999 and a member of the Hong Kong Institute of Certified Public Accountants in July 1999.

Mr. Yu Dingming, aged 48, is an independent non-executive Director. Mr. Yu Dingming joined the Company in December 2017.

Since July 2003, Mr. Yu Dingming has been teaching at Yunnan University of Finance and Economics (雲南財經大學), where he currently serves as the director of Social Stability Risk Assessment Research Center, professor of Law and Political School, master tutor and chief officer of Professor Committee of Yunnan University of Finance and Economics (雲南財經大學); from November 2011 to December 2022, he served as a part-time lawyer in Yunnan Yunyu Law Firm (雲南雲譽律師事務所); since January 2023, he has been serving as a part-time lawyer in Shanghai Hui Ye (Kunming) Law Firm (上海市匯業(昆明)律師事務所). From July 2017 to July 2023, Mr. Yu Dingming also has been serving as an independent director of Construction Industry Group (Yunnan) Co., Ltd. (建設工業集團(雲南)股份有限公司) (listed on the Shenzhen Stock Exchange, stock code: 002265); since June 2019, he has been serving as an independent director of Yunnan Copper Co., Ltd. (雲南銅業股份有限公司) (listed on the Shenzhen Stock Exchange, stock code: 000878); since February 2023, he has been serving as an independent director of Yunnan Tin Company Limited (雲南錫業股份有限公司) (listed on the Shenzhen Stock Exchange, stock code: 000960).

Mr. Yu Dingming was appointed as an invited expert of the Civil Execution Professional Judges Meeting of the Higher People's Court of Yunnan Province (雲南省高級人民法院民事執行專業法官會議) in April 2017; since June 2018, he has been serving as one of the first batch of experts in the expert bank for the construction of the law-based government in Yunnan Province (雲南省法治政府建設專家庫首批專家) and as a member of sixth council (第六屆理事會理事) of the Institute of Ethnic Law of China Law Society (中國法學會民族法學研究會); since September 2021, he has been serving as an arbitrator of the Fourth Committee of Kunming Arbitration Commission (第四屆昆明仲裁委員會); since August 2022, he has been serving as a member of the Civil Prosecution Professional Consultant Committee of the People's Procuratorate in Yunnan Province.

From January 2013 to August 2018, Mr. Yu Dingming served as an independent director of Kunming Jida Pharmaceutical Co., Ltd.

Mr. Yu Dingming obtained a bachelor's degree in international economic law from Yunnan University in July 2000; a master's degree in economic law from Yunnan University in July 2003; and a doctor's degree in economic law from China University of Political Science and Law (中國政法大學) in June 2010; and exited from post-doctoral workstations of the Law School of Nanjing University in October 2017. Mr. Yu Dingming also obtained the certificate of legal professional qualification granted by the Ministry of Justice of the PRC in September 2002 and was appraised as a professor by Yunnan College Teachers, Professors and Associate Professors Review Committee (雲南省高校教師教授副教授評審委員會) in October 2014.

Mr. Li Hongkun, aged 55, is an independent non-executive Director. Mr. Li Hongkun joined the Company in September 2019.

Since March 1995, Mr. Li Hongkun has been teaching at Yunnan University of Finance and Economics (雲南財經大學), where he currently serves as a professor and master tutor; since August 2021, he has been serving as an independent director in Yunnan Nantian Electronic Information Industry Co., Ltd. (雲南南天電子信息產業股份有限公司) (listed on the Shenzhen Stock Exchange, stock code: 000948); he has been serving as a part-time external director of Yunnan Aviation Industry Investment Group Co., Ltd. (雲南航空產業投資集團有限責任公司) since May 2023; since December 2023, he has been serving as an independent director of Yunnan Luoping Zinc & Electricity Co., Ltd. (雲南羅平鋅電股份有限公司) (listed on the Shenzhen Stock Exchange, stock code: 002114).

Mr. Li Hongkun obtained a bachelor of economics degree in accounting from Yunnan Finance and Trade College (雲南財貿學院) in July 1990; a master of economics degree in accounting from Southwestern University of Finance and Economics (西南財經大學) in June 1994; and a doctor of management degree in financial management from Southwestern University of Finance and Economics in July 2009. In October 2013, Mr. Li Hongkun was also appraised as a professor by Yunnan College Teachers, Professors and Associate Professors Review Committee; in November 2017, he obtained the Qualification Certificate of Independent Director of Listed Company (上市公司獨立董事資格證書) issued by the Shenzhen Stock Exchange.

The Candidates for Non-employee Directors have confirmed that, as at the date of this announcement, save as disclosed above, (i) they do not have any relationship with any Director, Supervisor, senior management, substantial Shareholder or controlling Shareholder (as defined in the Hong Kong Listing Rules) of the Company; (ii) before the official appointment comes into effect, they do not hold any position in the Company or any of its subsidiaries; (iii) they have not held any directorship in any listed companies whose securities are listed on any securities market in Hong Kong or overseas during the past three years; (iv) they do not hold any other major appointments and professional qualifications; and (v) they do not have any interest in the shares of the Company or its associated corporations as defined in Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “SFO”).

Mr. Wong Kai Yan Thomas, Mr. Yu Dingming and Mr. Li Hongkun have confirmed that they have met the independence criteria under Rule 3.13 of the Hong Kong Listing Rules. The Company has assessed their independence and believes that they have complied with the independence guidelines as set out in Rule 3.13 of the Hong Kong Listing Rules and are independent in accordance with the terms of the guidelines.

The Board and nomination committee of the Company have followed the process for re-election of Directors, the Director nomination policy, the Board diversity policy and the Company’s development strategy set out in the Articles of Association when proposing the re-election of Mr. Wong Kai Yan Thomas, Mr. Yu Dingming, and Mr. Li Hongkun as independent non-executive Directors of the third session of the Board, and considering various factors, including but not limited to age, cultural and education background, professional experience, skills, knowledge and service term. Based on the competence and experience shown in the resumes, the Board believes that Mr. Wong Kai Yan Thomas, Mr. Yu Dingming, and Mr. Li Hongkun will provide objective, independent and sufficient opinions and analysis for the business development of the Company, so as to promote the effective operation and diversification of the Board.

The Candidates for Non-employee Directors have confirmed that, as at the date of this announcement, save as disclosed above, there are no other matters related to their proposed election that need to be brought to the attention of the Shareholders or the Hong Kong Stock Exchange or need to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Hong Kong Listing Rules.

The Company will enter into a service contract with each of the Candidates for Non-employee Directors after their proposed election take effect. The remunerations of Mr. Li Zhangjian, Mr. Zhang Long, Mr. Liu Zhen and Ms. Wang Fang, as executive Directors, and Mr. Wong Kai Yan Thomas, Mr. Yu Dingming and Mr. Li Hongkun, as independent non-executive Directors, will be determined in accordance with the Company’s remuneration policies, applicable laws, regulations and regulatory requirements and with reference to industry market standards and operations of the Company. Ms. Yang Jia and Mr. Yang Jie, as non-executive Directors, will not receive any remuneration from the Company.

PROPOSED ELECTION OF NON-EMPLOYEE REPRESENTATIVE SUPERVISORS OF THE THIRD SESSION OF THE SUPERVISORY COMMITTEE

Considering the expiry of the term of the second session of the Supervisory Committee of the Company, the Supervisory Committee proposes to re-elect Mr. Wu Xinhe, Mr. Yang Guanglei and Mr. Gu Feng as non-employee representative Supervisors of the third session of the Supervisory Committee according to the Company Law, the Articles of Association and the nomination of the Shareholders.

According to the Articles of Association, the proposed election of non-employee representative Supervisors are subject to approval by the Shareholders at the general meeting. Such proposals will be submitted to the 2023 AGM of the Company by way of ordinary resolution for consideration and approval by the Shareholders.

Mr. Guo Huan and Ms. Li Na, the employee representatives of the second session of the Supervisory Committee, have been re-elected as employee representative Supervisors of the third session of the Supervisory Committee by the joint meeting of the employee representative delegation (group) leaders of the Company, and they will form the third session of the Supervisory Committee together with the non-employee representative Supervisors elected at the 2023 AGM. The terms of office of the members of the third session of the Supervisory Committee will be three years commencing from the date of approval of their election at the 2023 AGM.

The biographical details of Mr. Guo Huan and Ms. Li Na are set out below:

Mr. Guo Huan, aged 35, is an employee representative Supervisor, vice chief economist, assistant of the general manager of the Company, manager of the Corporate Management Department (企業管理部), and manager of Cost Control Center (成本費控中心). Mr. Guo Huan joined the Company in January 2017, and has previously served as the secretary of the Party Branch and the chairman of the Labor Union of the Tenth Direct Division of the Company. Mr. Guo Huan has also been serving as a director of Polymer Company since March 2022; a director of Yuxi Building Material since April 2022; and a director of Baoshan Building Material and Qujing Building Material since May 2022. Since April 2023, he has served as the chairman of Polymer Company.

Prior to joining the Company, Mr. Guo Huan served successively as a staff member, the deputy manager and the manager of the Corporate Management Division (企業管理科) of the Commercial Concrete Division of YNJG from August 2010 to January 2017.

Mr. Guo Huan obtained a bachelor of engineering degree in software engineering from Yunnan University in July 2010; and a master of engineering degree in software engineering from Yunnan University in June 2014. Mr. Guo Huan was also appraised as a software designer (intermediate) issued by the Department of Human Resources and Social Security of Yunnan Province (雲南省人力資源和社會保障廳) in May 2009. He obtained the Qualification Certificate of Specialty and Technology in Business Management (Intermediate) issued by the Department of Human Resources and Social Security of Yunnan Province in June 2017; and the Qualification Certificate of class 1 Constructor issued by the Department of Human Resources and Social Security and the Department of Housing and Urban-Rural Development of the PRC in September 2018.

Ms. Li Na, aged 44, is the employee representative Supervisor. Ms. Li Na joined the Company in January 2017, and has previously served as the vice chairwoman of the Labor Union, the director of Female Worker Committee (女工主任), the secretary of the First Party Branch, the secretary of the Second Party Branch, the secretary of the Retired Party Branch (退休黨支部書記) of the Company, and the secretary of the Party Branch and the chairwoman of the Labor Union of the Seventh Direct Division of the Company. From April 2019 to May 2021, Ms. Li Na has served as the supervisor of Polymer Company. Since March 2024, she has been serving as the secretary of the party branch and the chairman of the labor union of Baoshan Building Material.

Prior to joining the Company, Ms. Li Na served successively as the deputy director of the General Party Branch Office (黨總支辦公室副主任), secretary of general youth league branch (團總支書記), executive secretary of Party Branch (行政黨支部書記), the director of Female Worker Committee (女工主任), and the vice chairwoman of the Labor Union of YNJG Concrete from September 2008 to January 2016; from January 2016 to January 2017, she served as the vice chairwoman of the Labor Union of the Commercial Concrete Division of YNJG.

Ms. Li Na graduated from Kunming University of Science and Technology majoring in computer information management (junior college) in July 2004; and graduated from Kunming University of Science and Technology in January 2008, majoring in law.

The biographical details of the candidates for non-employee representative Supervisors (the “**Candidates for Non-employee Representative Supervisors**”) are set out below:

Mr. Wu Xinhe, aged 51, is the chairman of the Supervisory Committee and a non-employee representative Supervisor. Mr. Wu Xinhe joined the Company in March 2019.

From September 2013 to September 2020, Mr. Wu Xinhe served as a general manager of Kunming Guoshun Asset Operation and Management Co., Ltd. (昆明國順資產經營管理有限公司); from September 2013 to October 2020, he served as a director of Kunming Guoshun Asset Operation and Management Co., Ltd.; from January 2017 to September 2020, he served as a general manager of Yunnan State-owned Asset Kunming Economic and Technological Development Zone Industry Development Co., Ltd. (雲南國資昆明經開區產業開發有限公司); from January 2017 to October 2020, he served as a director of Yunnan State-owned Asset Kunming Economic and Technological Development Zone Development Co., Ltd; from October 2018 to February 2020, he served as a director of Hong Kong Kunjing Capital Holdings Limited (香港昆經資本控股有限公司); from April 2017 to June 2023, he served as a vice president of Kunming Economic-Technological Development Zone Investment & Development (Group) Co., Ltd. (昆明經濟技術開發區投資開發(集團)有限公司); from February 2020 to July 2023, he served as the chairman of Hong Kong Kunjing Capital Holdings Limited (香港昆經資本控股有限公司); since July 2023, he has been serving as a director of Hong Kong Kunjing Capital Holdings Limited; since July 2023, he has been serving as a director of Kunming Economic Industrial Investment Co., Ltd. (昆明經投產業投資有限公司).

From April 2004 to February 2019, Mr. Wu Xinhe served successively as the deputy manager of Administration Department, the manager of Project Department, the manager of Business Solicitation Department, the deputy general manager, the general manager and the chairman of Kunming Innovation Park Science and Technology Development Co., Ltd. (昆明創新園科技發展有限公司).

Mr. Wu Xinhe obtained a bachelor of science degree in applied chemistry from Yunnan University in July 1995; and a master of engineering degree in industrial engineering from Kunming University of Science and Technology (昆明理工大學) in June 2007. Mr. Wu Xinhe also obtained the Professional Technical Qualification Certificate of Real Estate Economics (Intermediate) conferred by the Ministry of Personnel of the PRC (中國人事部) (currently known as the Ministry of Human Resources and Social Security of the PRC (中國人力資源和社會保障部)) in November 2000; and the qualification of senior economist granted by the Department of Human Resources and Social Security of Yunnan Province (雲南省人力資源和社會保障廳) in April 2011.

Mr. Yang Guanglei, aged 52, is a non-employee representative Supervisor. Mr. Yang Guanglei joined the Company in January 2021.

From October 2001 to June 2006, Mr. Yang Guanglei served successively as the chairman of labor union of the Second Engineering Department (第二工程處), the deputy director and the director of the Work Department of the Party Committee (黨委工作部) in Yunnan Eighth Building Engineering Company (雲南省第八建築工程公司); from June 2006 to February 2013, he served successively as the director of Work Department of the Party Committee, a member of the Party Committee, the deputy secretary of the Discipline Inspection Commission, the director of the Discipline Inspection and Supervision Office (紀檢監察室) and Legal Office in Yunnan Engineering Construction General Contracting Company (雲南工程建設總承包公司); from February 2013 to May 2017, he served successively as a member and the deputy secretary of Party Branch, the chairman of labor union and a member of the General Party Branch in the First Department of Direct General Contracting (直屬總承包一部) of YNJG; from May 2017 to March 2018, he served as a member and the deputy secretary of the General Party Branch in the First Department of General Contracting (總承包一部) of Yunnan Construction and Investment Holding Group Co., Ltd.; from March 2018 to September 2019, he served as the deputy secretary of the Party Committee and the vice chairman of the YCIH Sixth Construction Co., Ltd. (雲南建投第六建設有限公司); since September 2019, he has been serving successively as a member of the Discipline Inspection Commission, and the head of the Office for the Leading Group for Party Committee Inspection Work of Yunnan Construction and Investment Holding Group Co., Ltd..

Mr. Yang Guanglei graduated from Kunming Educational College (昆明師範高等專科學校) in July 1992, majoring in history education; and obtained a master's degree in business administration from Yunnan University in December 2014. Mr. Yang Guanglei was also appraised as a senior political engineer (高級政工師) in December 2007; and as a senior engineer in November 2016.

Mr. Gu Feng, aged 41, is a non-employee representative Supervisor. Mr. Gu Feng joined the Company in January 2021.

Mr. Gu Feng was engaged in financial management in YNJG Installation Co., Ltd. (雲南建工安裝股份有限公司) from July 2004 to March 2015; from March 2015 to April 2020, he served successively as the deputy manager and the manager of financial department and the financial director of Laos-China Joint Venture Investment Co., Ltd. (老中聯合投資有限公司); since April 2020, he has been serving as the deputy manager of the finance department of Yunnan Provincial Overseas Investment Co., Ltd.; since June 2020, he has been serving as the financial director in Ruili Hailong International Culture and Sport Development Company Limited (瑞麗市海隆國際文化體育發展有限責任公司). Mr. Gu Feng has over 16 years of experience in finance.

Mr. Gu Feng graduated from Yunnan Finance and Economics School (雲南省財經學校) in July 2002, majoring in computerized accounting (technical secondary school); and from Shanghai University of Finance and Economics (上海財經大學) in July 2004, majoring in accounting (junior college).

The Candidates for Non-employee Representative Supervisors have confirmed that, as at the date of this announcement, save as disclosed above, (i) they do not have any relationship with any Director, Supervisor, senior management, substantial Shareholder or controlling Shareholder (as defined in the Hong Kong Listing Rules) of the Company; (ii) before the official appointment comes into effect, they do not hold any position in the Company or any of its subsidiaries; (iii) they have not held any directorship in any listed companies whose securities are listed on any securities market in Hong Kong or overseas during the past three years; (iv) they do not hold any other major appointments and professional qualifications; and (v) they do not have any interest in the shares of the Company or its associated corporations as defined in Part XV of the SFO.

The Candidates for Non-employee Representative Supervisors have confirmed that, as at the date of this announcement, save as disclosed above, there are no other matters related to their proposed re-election that need to be brought to the attention of the Shareholders or the Hong Kong Stock Exchange or need to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Hong Kong Listing Rules.

The Company will enter into a service contract with each of the Candidates for Non-employee Representative Supervisors after their proposed election take effect. Mr. Wu Xinhe, Mr. Yang Guanglei and Mr. Gu Feng, as non-employee representative Supervisors, will not receive any remuneration from the Company.

According to the Articles of Association, except for Mr. Lu Jianfeng and Ms. Hu Zhurong who have submitted written resignation to the Board, each of the remaining members of the second session of the Board and all members of the second session of the Supervisory Committee shall continue to perform their duties in accordance with applicable laws and regulations and the Articles of Association until the election of the members of each of the third session of the Board and the third session of the Supervisory Committee become effective upon approval at the 2023 AGM.

PROPOSED ADOPTION OF THE CHINA ACCOUNTING STANDARDS FOR BUSINESS ENTERPRISES TO PREPARE FINANCIAL STATEMENTS

The Company has been preparing financial statements in accordance with the IFRSs and the China Accounting Standards for Business Enterprises, respectively, since the listing of its H shares on the Hong Kong Stock Exchange.

According to the “Consultation Conclusions on Acceptance of Mainland Accounting and Auditing Standards and Mainland Audit Firms for Mainland Incorporated Companies Listed in Hong Kong (《有關接受在香港上市的內地註冊成立公司採用內地的會計及審計準則以及聘用內地會計師事務所的諮詢總結》)” published by the Hong Kong Stock Exchange, and the Pilot Work Plan for Accounting Firms Engaged in Audit Business for H Share Enterprises (《會計師事務所從事H股企業審計業務試點工作方案》) issued by the Accounting Department of the Ministry of Finance of the PRC and the Accounting Department of the China Securities Regulatory Commission, the issuers incorporated in mainland China and listed in Hong Kong are approved to adopt the China Accounting Standards for Business Enterprises to prepare their financial statements, and China accounting firms recognised by the Ministry of Finance of the PRC and the China Securities Regulatory Commission are approved to adopt the China Accounting Standards for Business Enterprises to audit such financial statements.

In order to reduce the costs of information disclosure and improve work efficiency, the Board has passed a resolution as at the date of this announcement to recommend that from the year ending 31 December 2024 onward, the Company shall adopt the China Accounting Standards for Business Enterprises to prepare its financial statements and disclose financial information accordingly.

The Company believes that the preparation of financial statements in accordance with the China Accounting Standards for Business Enterprises will have no significant impact on the Company’s future financial status, operating results and cash flows, and is in the interest of the Company and the Shareholders as a whole.

The proposed adoption of the China Accounting Standards for Business Enterprises to prepare financial statements is subject to approval of such proposal as well as the relevant proposed amendments to the Articles of Association (please refer to the “Proposed Amendments to the Articles of Association” section below for details) by Shareholders at the 2023 AGM by way of an ordinary resolution.

PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Based on the proposed adoption of the China Accounting Standards for Business Enterprises to prepare financial statements, the Board recommends that the provisions of the Articles of Association regarding accounting standards and the preparation of financial reports be revised accordingly. In addition, the latest regulatory requirements of the Hong Kong Stock Exchange regarding the expansion of the paperless listing regime and the mandatory electronic dissemination of corporate communications by listed issuers have come into effect since December 31, 2023, pursuant to which the Company plans to make amendments to the Articles of Association for better aligning with these requirements and complying with the provisions of the revised Hong Kong Listing Rules.

In view of the above, the Board hereby announces that as of the date of this announcement, it has passed a resolution proposing to amend the relevant provisions of the Articles of Association*, the details of which are as follows:

No.	Original Provisions of the Articles of Association	Amended Provisions of the Articles of Association
1	<p>Article 74 When the Company is to hold an annual general meeting, it shall notify all the shareholders by means of public announcement at least 20 clear business days before the date of the meeting. When the Company is to hold an extraordinary general meeting, it shall notify all the shareholders by means of public announcement at least 10 clear business days or 15 days (whichever is longer) before the date of the meeting. Regarding the calculation of the notice period, the date of the meeting shall not be included. For notices given under this article, the date posted shall be the date of delivering the relevant notice to post office by the Company or the share registrar appointed by the Company.</p> <p>The above-mentioned business days refer to the days when the Hong Kong Stock Exchange opens for securities trading.</p>	<p>Article 74 When the Company is to hold an annual general meeting, it shall notify all the shareholders by means of public announcement at least 20 clear business days before the date of the meeting. When the Company is to hold an extraordinary general meeting, it shall notify all the shareholders by means of public announcement at least 10 clear business days or 15 days (whichever is longer) before the date of the meeting. Regarding the calculation of the notice period, the date of the meeting shall not be included. For notices given under this article, the date posted shall be the date of delivering the relevant notice to post office by the Company or the share registrar appointed by the Company.</p> <p>The above-mentioned business days refer to the days when the Hong Kong Stock Exchange opens for securities trading.</p>

No.	Original Provisions of the Articles of Association	Amended Provisions of the Articles of Association
2	<p>Article 79 Unless otherwise stipulated herein, notice of a general meeting shall be delivered to the shareholders (whether or not entitled to vote thereat) by hand or prepaid mail at the recipient’s address shown in the register of shareholders. For holders of domestic shares, notice of a general meeting may be given by way of a public announcement.</p> <p>The “public announcement” referred to in the preceding paragraph shall, for holders of domestic shares, be published on the Company’s website and the website of the stock exchange with reference to the notice period requirements for convening an annual general meeting and an extraordinary general meeting specified in the Article 74 hereof. Once the announcement is made, all holders of domestic shares shall be deemed to have received notice of the relevant general meeting.</p> <p>.....</p>	<p>Article 79 Unless otherwise stipulated herein, notice of a general meeting shall be delivered to the shareholders (whether or not entitled to vote thereat) <u>in the manner as specified in Article 262 of the Articles of Association. by hand or prepaid mail at the recipient’s address shown in the register of shareholders. For holders of domestic shares, notice of a general meeting may be given by way of a public announcement.</u></p> <p>The “public announcement” referred to in the preceding paragraph shall, fFor holders of domestic shares, <u>it shall</u> be published on the Company’s website and the website of the stock exchange with reference to the notice period requirements for convening an annual general meeting and an extraordinary general meeting specified in the Article 74 hereof. Once the announcement is made, all holders of domestic shares shall be deemed to have received notice of the relevant general meeting.</p> <p>.....</p>
3	<p>Article 219</p> <p>.....</p> <p>The Company shall send the above report or the report of the Board together with the balance sheet (including all annexes to the balance sheet as prescribed by the applicable laws), profit and loss account or income and expenditure statement, or summary financial report to each holder of overseas listed foreign shares by pre-paid mail at least 21 days before the convening of the annual general meeting. The address of the recipient shall be the registered address as shown on the register of shareholders. Subject to the laws, administrative regulations and the listing rules of the place where the Company’s shares are listed, the Company may do so by way of announcement (including publication on the Company’s website).</p>	<p>Article 219</p> <p>.....</p> <p>The Company shall send<u>provide</u> the above report or the report of the Board together with the balance sheet (including all annexes to the balance sheet as prescribed by the applicable laws), profit and loss account or income and expenditure statement, or summary financial report to each holder of overseas listed foreign shares by pre-paid mail at least 21 days before the convening of the annual general meeting. The address of the recipient shall be the registered address as shown on the register of shareholders. Subject to the laws, administrative regulations and the listing rules of the place where the Company’s shares are listed, the Company may do so by way of announcement (including publication on the Company’s website).</p>

No.	Original Provisions of the Articles of Association	Amended Provisions of the Articles of Association
4	<p>Article 220 The Company shall prepare its financial statements in accordance with the PRC accounting standards and regulations as well as the international accounting standards or the accounting standards of the place where the Company’s shares are listed overseas. In case of any material difference between the financial statements respectively in accordance with the two accounting standards, explanations shall be made in the notes to the financial statements. Distribution of the profit after tax for the relevant fiscal year shall be based on the lesser of the profit after tax as shown in the two sets of financial statements.</p>	<p>Article 220 <u>In addition to preparing The Company shall prepare</u> its financial statements in accordance with the PRC accounting standards and regulations, the Company may also select preparing the same pursuant to as well as the international accounting standards or the accounting standards of the place where the Company’s shares are listed overseas in the meantime. In case of any material difference between the financial statements respectively in accordance with the two accounting standards, explanations shall be made in the notes to the financial statements. Distribution of the profit after tax for the relevant fiscal year shall be based on the lesser of the profit after tax as shown in the two sets of financial statements. <u>If the relevant laws and/or listing rules of the place where the Company’s shares are listed overseas allow the financial statements prepared in accordance with the PRC accounting standards without mandatory requirements regarding preparing financial statements in accordance with the accounting standards of the place where the Company’s shares are listed overseas, it is not necessary for the Company to separately prepare its financial statements in accordance with international accounting standards or the accounting standards of the place where the Company’s shares are listed overseas.</u></p>

No.	Original Provisions of the Articles of Association	Amended Provisions of the Articles of Association
5	<p>Article 221 The interim results or financial information announced or disclosed by the Company shall be prepared in accordance with the PRC accounting standards and regulations as well as the international accounting standards or the accounting standards of the place where the Company's shares are listed overseas.</p>	<p>Article 221 The interim results or financial information announced or disclosed by the Company shall be prepared in accordance with the PRC accounting standards and regulations as well as and may be optional to be prepared pursuant to the international accounting standards or the accounting standards of the place where the Company's shares are listed overseas <u>in the meantime.</u> <u>If the relevant laws and/or listing rules of the place where the Company's shares are listed overseas allow the interim results or financial information prepared in accordance with the PRC accounting standards without mandatory requirements regarding preparing interim results or financial information in accordance with the accounting standards of the place where the Company's shares are listed overseas, it is not necessary for the Company to separately prepare its financial statements in accordance with international accounting standards or the accounting standards of the place where the Company's shares are listed overseas.</u></p>
6	<p>Article 243</p> <p>.....</p> <p>(II) Where a notice is deposited under the paragraph (I) of this Article, the Company shall within 14 days send a copy of the notice to the competent authority. If the notice contains a representation referred to in item (II) of paragraph 2 of Article 242, a copy of such representation shall be placed at the Company for shareholders' inspection. The Company shall also send a copy of such representation to every shareholder entitled to the Company's report of financial position by prepaid post, and it shall be sent to the addresses recorded in the register of shareholders.</p> <p>.....</p>	<p>Article 243</p> <p>.....</p> <p>(II) Where a notice is deposited under the paragraph (I) of this Article, the Company shall within 14 days send a copy of the notice to the competent authority. If the notice contains a representation referred to in item (II) of paragraph 2 of Article 242, a copy of such representation shall be placed at the Company for shareholders' inspection. The Company shall also send <u>provide</u> a copy of such representation to every shareholder entitled to the Company's report of financial position by prepaid post, and it shall be sent to the addresses recorded in the register of shareholders.</p> <p>.....</p>

No.	Original Provisions of the Articles of Association	Amended Provisions of the Articles of Association
7	<p>Article 262</p> <p>.....</p> <p>Unless otherwise specified in these Articles, if a notice is issued by the Company to the shareholders of overseas listed foreign shares by way of announcement, the Company shall on the same day submit an electronic version of such announcement to the Hong Kong Stock Exchange through the electronic publishing system of the Hong Kong Stock Exchange for immediate release on the website of the Hong Kong Stock Exchange in accordance with the requirements of the local listing rules. Such announcement shall also be published on the website of the Company at the same time. In addition, the notice shall be delivered to each of the registered addresses as set forth in the register of holders of overseas listed foreign shares by way of personal delivery or pre-paid mail so as to give the shareholders sufficient notice and time to exercise their rights or take any action in accordance with the terms of the notice.</p> <p>Holders of the Company's overseas listed foreign shares may elect in writing to receive corporate communication that the Company is required to deliver to shareholders either by electronic means or by post, and may also elect to receive either the Chinese or English version only, or both the Chinese and English versions. Such holders shall have the right to change their choices as to the manner of receiving and the language versions of the aforesaid information by giving a written notice to the Company in advance within a reasonable period in accordance with applicable procedures.</p>	<p>Article 262</p> <p>.....</p> <p>Unless otherwise specified in these Articles, if a notice is issued by the Company to the shareholders of overseas listed foreign shares by way of announcement, the Company shall on the same day submit an electronic version of such announcement to the Hong Kong Stock Exchange through the electronic publishing system of the Hong Kong Stock Exchange for immediate release on the website of the Hong Kong Stock Exchange in accordance with the requirements of the local listing rules. Such announcement shall also be published on the website of the Company at the same time. In addition, the notice shall be delivered to each of the registered addresses as set forth in the register of holders of overseas listed foreign shares by way of personal delivery or pre-paid mail so as to give the shareholders sufficient notice and time to exercise their rights or take any action in accordance with the terms of the notice.</p> <p>Holders of the Company's overseas listed foreign shares may elect in writing to receive corporate communication that the Company is required to deliver to shareholders either by electronic means or by post, and may also elect to receive either the Chinese or English version only, or both the Chinese and English versions. Such holders shall have the right to change their choices as to the manner of receiving and the language versions of the aforesaid information by giving a written notice to the Company in advance within a reasonable period in accordance with applicable procedures.</p>

* *The Articles of Association and the amendments thereto are written in Chinese and there is no official English version. Accordingly, any English translation is for reference only. In case of any inconsistency, the Chinese version shall prevail.*

Except for the above proposed amendments, the contents of the other articles of the Articles of Association remain unchanged.

The Board considers that the proposed amendments to the Articles of Association are in the interests of the Company and the Shareholders.

The proposed amendments to the Articles of Association are subject to the approval of the Shareholders by way of a special resolution at the 2023 AGM of the Company before formally coming into effect.

A circular of the 2023 AGM containing details (among other things) about the Candidates for Non-employee Directors and Candidates for Non-employee Representative Supervisors and the proposed amendments to the Articles of Association, a notice of the 2023 AGM and the proxy form will be published at the websites of the Hong Kong Stock Exchange and the Company as soon as practicable.

DEFINITIONS

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

“%”	percent
“2023 AGM”	the Company’s 2023 annual general meeting or any adjournment thereof to be held on May 16, 2024 or any other date fixed by the Board
“Articles of Association”	the Articles of Association of YCIH Green High-Performance Concrete Company Limited (as amended, modified or otherwise supplemented from time to time) of the Company
“Board”	the board of Directors of the Company
“China” or “PRC”	the People’s Republic of China, but for the purpose of this results announcement only, excluding Hong Kong, Macau Special Administrative Region of the People’s Republic of China and Taiwan region
“Company Law”	the Company Law of the People’s Republic of China, as amended, supplemented or otherwise modified from time to time
“Company”	YCIH Green High-Performance Concrete Company Limited (雲南建投綠色高性能混凝土有限公司), a joint stock company with limited liability incorporated in the PRC whose H Shares are listed on the Main Board of the Hong Kong Stock Exchange

“Corporate Governance Code”	the Corporate Governance Code as set out in Appendix C1 (formerly Appendix 14) to the Hong Kong Listing Rules
“Director(s)”	the director(s) of the Company
“Domestic Share(s)”	ordinary share(s) in the share capital of the Company, with a nominal value of RMB1.00 each, which are subscribed for and paid up in RMB
“Group”, “our”, “we” or “us”	the Company and its subsidiaries
“H Share(s)”	overseas listed foreign invested ordinary share(s) in the share capital of the Company, with a nominal value of RMB1.00 each, which are listed and traded on the Main Board of the Hong Kong Stock Exchange
“HKD” or “HK\$”	Hong Kong dollars and Hong Kong cents, the lawful currency of Hong Kong
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange, as amended, supplemented or otherwise modified from time to time
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“IFRSs”	International Financial Reporting Standards promulgated by the International Accounting Standard Board (IASB) and the International Accounting Standards (IAS) including restated standards, amendments and interpretations issued
“Listing”	the listing of the H shares on the Main Board of the Hong Kong Stock Exchange
“m ³ ”	cubic meter
“Main Board”	the stock market (excluding the option market) operated by the Hong Kong Stock Exchange which is independent from and operated in parallel with GEM of the Hong Kong Stock Exchange
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 (formerly Appendix 10) to the Hong Kong Listing Rules

“PwC”	PricewaterhouseCoopers (Hong Kong Certified Public Accountants)
“Reporting Period”	for the year ended December 31, 2023
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	the ordinary share(s) in the share capital of the Company with a nominal value of RMB1.00 each, comprising H Shares and Domestic Shares
“Shareholder(s)”	holder(s) of the Share(s)
“subsidiary(ies)”	has the meaning ascribed to it under the Hong Kong Listing Rules
“Supervisor(s)”	the supervisor(s) of the Company
“Supervisory Committee”	the supervisory committee of the Company
“Yunnan Province”	Yunnan Province of the PRC

Certain amounts and percentage figures included in this announcement have been subject to rounding. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them. Any discrepancies in any table or chart between the total shown and the sum of the amounts listed are due to rounding.

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

Kunming, China, March 28, 2024

As at the date of this announcement, the Board comprises Mr. Li Zhangjian and Mr. Zhang Long as executive Directors; Ms. Yang Jia and Mr. Yang Jie as non-executive Directors; and Mr. Wong Kai Yan Thomas, Mr. Yu Dingming and Mr. Li Hongkun as independent non-executive Directors.