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雲建綠砼
— **GHPC** —

YCIH Green High-Performance Concrete Company Limited

雲南建投綠色高性能混凝土股份有限公司

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

(Stock Code: 1847)

2024 INTERIM RESULTS ANNOUNCEMENT

FINANCIAL HIGHLIGHTS:

Currency: RMB million

Items	January- June 2024 (Unaudited)	January- June 2023 (Unaudited) (Restated)	Change in percentage
Total operating income	354.2	739.8	-52.1%
Gross profit	27.2	74.2	-63.3%
Total profit (Total losses are shown with “-”)	-24.5	-14.3	-71.3%
Net profit (Net losses are shown with “-”)	-27.9	-10.6	-163.2%
Net profit attributable to owners of the parent company (Net losses are shown with “-”)	-25.5	-13.0	-96.2%
Basic earnings per share (RMB)	-0.06	-0.03	-100.0%

Note:

The unaudited consolidated financial statements and interim results of the Group for the six months ended June 30, 2024 have been prepared in accordance with PRC Accounting Standards for Business Enterprises (“PRC ASBE”), and the comparative figures relating to the same period in 2023 have been appropriately adjusted in accordance with PRC ASBE.

The comparative figures for the corresponding period in 2023 used in the “Management Discussion and Analysis” section of this announcement are restated figures.

The Board announced the unaudited consolidated interim results of the Group for the six months ended June 30, 2024, together with comparative figures for the same period in 2023, as follows:

1. CONSOLIDATED INCOME STATEMENT

For the six months ended June 30, 2024

Currency: RMB

Items	Note	January-June 2024 (Unaudited)	January-June 2023 (Unaudited) (Restated)
I. Total operating income	4	354,163,146.97	739,816,289.33
Including: Operating income		354,163,146.97	739,816,289.33
II. Total operating costs		391,730,562.30	738,585,251.50
Including: Operating costs		327,021,052.10	665,636,337.20
Taxes and surcharges		2,888,009.47	6,085,797.95
Selling expenses		9,501,283.92	9,169,941.34
Administrative expenses		32,995,808.87	40,217,145.91
Research and development expenses		6,046,256.07	8,943,930.96
Financial expenses	5	13,278,151.87	8,532,098.14
Including: Interest expenses		12,500,818.50	9,396,127.11
Interest income		615,919.37	1,160,820.83
Add: Other income	6	1,414,176.39	1,635,471.45
Investment income (Losses are shown with “-”)		-3,001,601.53	-986,255.89
Including: Income from investments in associates and joint ventures			
Gains on derecognition of financial assets measured at amortized cost			
Net exposure hedge gains (Losses are shown with “-”)			
Gains on changes in fair value (Losses are shown with “-”)			
Credit impairment losses (Losses are shown with “-”)	7	14,108,982.38	-9,724,747.61
Impairment losses on assets (Losses are shown with “-”)			
Gains on asset disposal (Losses are shown with “-”)	8	1,521,307.08	144,686.97
III. Operating profit (Losses are shown with “-”)		-23,524,551.01	-7,699,807.25
Add: Non-operating income	9	2,882,052.85	888,508.62
Less: Non-operating expenses	10	3,868,632.12	7,456,360.69

Items	Note	January-June 2024 (Unaudited)	January-June 2023 (Unaudited) (Restated)
IV. Total profit (Total losses are shown with “-”)		-24,511,130.28	-14,267,659.32
Less: Income tax expenses	11	3,434,327.55	-3,633,281.59
V. Net profit (Net losses are shown with “-”)		-27,945,457.83	-10,634,377.73
1. Classified by the attribution of ownership			
Net profit attributable to owners of the parent company (Net losses are shown with “-”)		-25,485,659.24	-12,978,353.76
Gains or losses on non-controlling interests (Net losses are shown with “-”)		-2,459,798.59	2,343,976.03
2. Classified by continuity of operations			
Net profit from continuing operations (Net losses are shown with “-”)		-27,945,457.83	-10,634,377.73
Net profit from discontinued operations (Net losses are shown with “-”)			
VI. Net other comprehensive income after tax			
Net after-tax amount of other comprehensive income attributable to owners of the parent company			
1. Other comprehensive income that cannot be reclassified to profit or loss			
2. Other comprehensive income to be reclassified to profit or loss			
Net after-tax amount of other comprehensive income attributable to non-controlling interests			
VII. Total comprehensive income		-27,945,457.83	-10,634,377.73
Total comprehensive income attributable to owners of the parent company		-25,485,659.24	-12,978,353.76
Total comprehensive income attributable to non-controlling interests		-2,459,798.59	2,343,976.03
VIII. Earnings per share:			
1. Basic earnings per share	12	-0.06	-0.03
2. Diluted earnings per share	12	-0.06	-0.03

2. CONSOLIDATED BALANCE SHEET

As at June 30, 2024

		<i>Currency: RMB</i>	
Items	<i>Note</i>	June 30, 2024 (Unaudited)	December 31, 2023 (Audited) (Restated)
Current assets:			
Monetary funds		235,232,226.55	322,465,298.50
Financial assets held for trading			
Derivative financial assets			
Notes receivable		57,523,181.67	27,774,990.13
Accounts receivable	<i>14</i>	3,508,940,332.05	3,686,689,249.57
Receivables financing		3,999,830.71	7,288,317.02
Prepayments		13,398,929.85	11,870,667.77
Other receivables		22,581,155.26	19,683,070.15
Including: Interest receivable			
Dividends receivable			
Inventories		20,208,118.98	22,358,657.17
Contract assets			
Assets held for sale			
Non-current assets due within one year			
Other current assets		20,144,232.32	16,436,631.24
Total current assets		3,882,028,007.39	4,114,566,881.55

Items	<i>Note</i>	June 30, 2024 (Unaudited)	December 31, 2023 (Audited) (Restated)
Non-current assets:			
Debt investments			
Other debt investments			
Long-term receivables			
Long-term equity investments			
Investments in other equity instruments			
Other non-current financial assets			
Investment properties			
Fixed assets		217,062,696.87	219,924,809.43
Construction in progress		21,228,768.07	16,068,374.55
Productive biological assets			
Oil and gas assets			
Right-of-use assets		9,480,286.85	21,904,177.69
Intangible assets		40,776,961.27	41,347,835.23
Development expenses			
Goodwill			
Long-term deferred expenses			
Deferred tax assets		37,821,946.99	40,819,283.38
Other non-current assets		1,085,663.72	1,122,800.00
Total non-current assets		327,456,323.77	341,187,280.28
Total assets		4,209,484,331.16	4,455,754,161.83

Items	<i>Note</i>	June 30, 2024 (Unaudited)	December 31, 2023 (Audited) (Restated)
Current liabilities:			
Short-term borrowings		461,310,656.62	384,405,074.51
Financial liabilities held for trading			
Derivative financial liabilities			
Notes payable		214,004,698.88	406,620,384.55
Accounts payable	15	1,768,295,147.01	1,878,323,338.46
Advances from customers			
Contract liabilities		7,274,228.82	9,093,770.02
Employee benefits payable		118,446,973.03	97,811,086.61
Taxes and dues payable		4,781,497.71	6,775,131.68
Other payables		267,678,667.89	270,417,078.13
Including: Interest payable			
Dividends payable		12,516,288.09	15,134,758.09
Liabilities held for sale			
Non-current liabilities due within one year		56,668,360.32	21,680,854.71
Other current liabilities		921,467.42	
Total current liabilities		2,899,381,697.70	3,075,126,718.67

Items	<i>Note</i>	June 30, 2024 (Unaudited)	December 31, 2023 (Audited) (Restated)
Non-current liabilities:			
Long-term borrowings		12,271,402.52	51,027,735.85
Bonds payable			
Including: Preferred shares			
Perpetual bonds			
Lease liabilities		4,061,882.84	8,306,624.37
Long-term payables			
Long-term employee benefits payable			
Provisions		1,504,480.24	1,105,112.04
Deferred income			
Deferred tax liabilities			
Other non-current liabilities			
Total non-current liabilities		17,837,765.60	60,439,472.26
Total liabilities		2,917,219,463.30	3,135,566,190.93
Shareholders' equity:			
Share capital		446,272,000.00	446,272,000.00
Other equity instruments			
Including: Preferred shares			
Perpetual bonds			
Capital reserve		303,383,982.18	303,383,982.18
Less: Treasury stock			
Other comprehensive income			
Special reserve		9,019,609.20	9,013,952.98
Surplus reserve		94,909,590.28	94,909,590.28
Undistributed profit		360,598,056.28	386,083,715.52
Total shareholders' equity attributable to the Parent Company		1,214,183,237.94	1,239,663,240.96
Non-controlling interests		78,081,629.92	80,524,729.94
Total shareholders' equity		1,292,264,867.86	1,320,187,970.90
Total liabilities and shareholders' equity		4,209,484,331.16	4,455,754,161.83

NOTES TO THE FINANCIAL STATEMENTS

For the six months ended June 30, 2024

1. BASIC INFORMATION OF THE COMPANY

YCIH Green High-Performance Concrete Company Limited (hereinafter referred to as the “**Company**”, and collectively as the “**Group**” when including subsidiaries) is a limited liability company incorporated in Yunnan Province, People’s Republic of China on June 19, 2007 by YNJG Green High-Performance Concrete Co., Ltd. As at June 30, 2024, the registered capital of the Company was RMB446,272,000.00. The registered address is beside Zhaotong Avenue, Zhaoyang District, Zhaotong City, Yunnan Province (Yunnan Construction Investment Zhaotong Development Building).

The H Shares issued by the Company have been listed on the Main Board of the Hong Kong Stock Exchange from October 31, 2019 onwards.

The Group is in the construction industry and is principally engaged in the research and development, production and sale of commercial concrete, concrete admixtures, aggregates, and cement.

The parent company of the Company is Yunnan Construction and Investment Holding Group Co., Ltd. and the ultimate controlling party is the State-owned Assets Supervision and Administration Commission of Yunnan Provincial People’s Government.

Save as otherwise specified, these notes to the financial statements are presented in RMB.

2. BASIS FOR THE PREPARATION OF FINANCIAL STATEMENTS

The Group’s financial statements have been prepared on a going concern basis, based on transactions and events that have actually occurred, in accordance with the PRC ASBE issued by the Ministry of Finance and related regulations, and the relevant disclosures required by the *Hong Kong Companies Ordinance* and the Hong Kong Listing Rules, and based on the accounting policies and estimates described in “Significant accounting policies and accounting estimates”.

According to the *Consultation Conclusions on the Acceptance of Mainland Accounting and Auditing Standards and the Engagement of Mainland Accounting Firms for Mainland Incorporated Companies Listed in Hong Kong* issued by the Hong Kong Stock Exchange in December 2010 and the corresponding amendments to the Hong Kong Listing Rules, as well as the relevant documents of the Ministry of Finance and the China Securities Regulatory Commission, with the consideration and approval of the annual general meeting of the Company held on May 30, 2024, the Company has adopted the PRC ASBE for the preparation of the financial statements starting from the year 2024 and has taken into account the disclosure requirements of the *Hong Kong Companies Ordinance* and the Hong Kong Listing Rules in the preparation of the financial statements herein. For details please refer to the announcement of the Company dated March 28, 2024 and the circular of the Company dated April 26, 2024.

Among the comparative financial data of the Group for the six months ended June 30, 2023 prepared in accordance with the PRC ASBE and the International Financial Reporting Standards (“**IFRS**”), respectively, there is no difference in the amount of net assets; the amount of net profit prepared in accordance with PRC ASBE increased by RMB858,873.13 as compared to IFRS, which was due to differences in the accounting of production safety expenses.

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

Specific accounting policies and accounting estimates formulated by the Group in accordance with the actual production and operation characteristics include the operating cycle, recognition and measurement of bad debt provision for accounts receivables, classification of fixed assets and depreciation methods, amortization of intangible assets, recognition of provisions, and recognition and measurement of income.

4. SEGMENT INFORMATION AND TOTAL OPERATING INCOME

4.1 Operating segment information

The Group's income and contribution to consolidated results primarily arise from the research and development, production and sales of ready-mixed concrete and related products, which are treated as a single operating segment in a manner consistent with the utilization of information as a basis for resource management and performance appraisal to be reported internally to the Group's senior management. In addition, all assets used by the Group are located in Mainland China. Therefore, there is no segment information presented by profit, assets and liabilities other than the disclosure of the entity as a whole.

4.2 Total operating income

The Group is principally engaged in the research and development, production and sales of ready-mixed concrete and related products. Total operating income comprises main operating income and income from other operations. The Group's operating income is analyzed as follows:

Items	January-June 2024 (Unaudited)	January-June 2023 (Unaudited)
Sales of ready-mixed concrete and related products	317,698,942.68	704,383,662.82
Sales of admixtures	17,803,853.33	21,994,714.05
Sales of aggregates		4,578,765.87
Sales of cements and admixtures	6,365,214.94	3,541,956.05
Quality and technology services	880,326.67	
Other businesses	11,414,809.35	5,317,190.54
Total	<u>354,163,146.97</u>	<u>739,816,289.33</u>

5. FINANCIAL EXPENSES

Items	January-June 2024 (Unaudited)	January-June 2023 (Unaudited)
Interest expenses	12,500,818.50	9,396,127.11
Less: Interest income	615,919.37	1,160,820.83
Net gain on exchange	8,302.01	339,059.83
Add: Net loss on exchange		
Other expenses	1,401,554.75	635,851.69
Total	<u>13,278,151.87</u>	<u>8,532,098.14</u>

6. OTHER INCOME

Sources of other income	January-June 2024 (Unaudited)	January-June 2023 (Unaudited)
Additional deduction for value-added tax	795,502.76	
Personal tax handling fee refund	48,673.63	18,242.16
Government grants	570,000.00	1,617,229.29
Total	1,414,176.39	1,635,471.45

7. CREDIT IMPAIRMENT LOSSES

Items	January-June 2024 (Unaudited)	January-June 2023 (Unaudited)
Bad debt losses on notes receivable	6,662.35	1,050,323.27
Bad debt losses on accounts receivable	12,322,181.96	-7,765,740.35
Bad debt losses on other receivables	1,780,138.07	-3,009,330.53
Total	14,108,982.38	-9,724,747.61

8. GAINS ON ASSET DISPOSAL

Items	January-June 2024 (Unaudited)	January-June 2023 (Unaudited)
Gain on disposal of fixed assets	-14,166.25	144,686.97
Gain on disposal of right-of-use assets	1,535,473.33	
Total	1,521,307.08	144,686.97

9. NON-OPERATING INCOME

Items	January-June 2024 (Unaudited)	January-June 2023 (Unaudited)
Gain on destruction and scrapping of non-current assets	16,652.48	34,839.61
Litigation gains	2,714,936.86	562,852.90
Others	150,463.51	290,816.11
Total	2,882,052.85	888,508.62

10. NON-OPERATING EXPENSES

Items	January-June 2024 (Unaudited)	January-June 2023 (Unaudited)
Litigation losses	3,330,263.27	4,370,131.04
Losses on destruction and scrapping of non-current assets	98,000.87	23,221.66
Expenditures on fines	424,504.91	2,929,377.50
Others	15,863.07	133,630.49
Total	3,868,632.12	7,456,360.69

11. INCOME TAX EXPENSES

Items	January-June 2024 (Unaudited)	January-June 2023 (Unaudited)
Income tax expenses for the period	436,991.16	2,818,128.93
Deferred tax expenses	2,997,336.39	-6,451,410.52
Total	3,434,327.55	-3,633,281.59

The Company and its subsidiaries, Polymer Company, Qujing Building Material and Yuxi Building Material have the qualification of High-tech Enterprises, and are subject to the preferential income tax rate of 15% for the period from January to June 2024 and the period from January to June 2023. Baoshan Building Material has the qualification of High-tech Enterprises for the period from January to June 2024 and is subject to the policy for the development of the western region for the period from January to June 2023, and therefore, it is entitled to the preferential income tax rate of 15%. Other subsidiaries are subject to an applicable income tax rate of 25%.

12. EARNINGS PER SHARE:

Items	January-June 2024 (Unaudited)	January-June 2023 (Unaudited)
Net profit attributable to owners of the parent company	-25,485,659.24	-12,978,353.76
Weighted average of the issued ordinary shares	446,272,000.00	446,272,000.00
Basic earnings per share	-0.06	-0.03
Diluted earnings per share	-0.06	-0.03

13. DIVIDEND

On March 31, 2023, the Board proposed the distribution of a final dividend of RMB0.0331 per share for the year 2022, amounting to a total amount of RMB14,784,560.29 calculated based on the total number of shares in issue of 446,272,000. The abovementioned dividend was approved by the shareholders at the annual general meeting held on May 30, 2023.

On August 28, 2023 and March 28, 2024, the Board did not propose the distribution of an interim dividend for the six months ended June 30, 2023 and a final dividend for the year 2023, respectively.

On August 27, 2024, the Board did not propose the distribution of an interim dividend for the six months ended June 30, 2024.

14. ACCOUNTS RECEIVABLE

Items	June 30, 2024 (Unaudited)	December 31, 2023 (Audited)
Accounts receivable	3,616,738,278.73	3,806,809,378.21
Less: Bad debt provision for accounts receivable	107,797,946.68	<u>120,120,128.64</u>
Total	<u>3,508,940,332.05</u>	<u>3,686,689,249.57</u>

The aging analysis of accounts receivable as of June 30, 2024 based on invoice dates is as follows:

Aging	June 30, 2024 (Unaudited)	December 31, 2023 (Audited)
Within 1 year (including 1 year)	1,051,444,387.12	1,410,585,147.34
1-2 years	884,836,028.78	792,495,297.26
2-3 years	687,793,631.60	732,801,306.60
3-4 years	885,132,286.93	790,262,782.63
4-5 years	67,192,544.74	48,439,369.15
Over 5 years	40,339,399.56	<u>32,225,475.23</u>
Total	<u>3,616,738,278.73</u>	<u>3,806,809,378.21</u>

15. ACCOUNTS PAYABLE

The aging analysis of accounts payable as of June 30, 2024 based on invoice dates is as follows:

Aging	June 30, 2024 (Unaudited)	December 31, 2023 (Audited)
Within 1 year (including 1 year)	860,992,105.31	911,001,866.85
1-2 years	311,971,168.33	239,709,185.92
2-3 years	174,582,548.02	336,068,951.93
Over 3 years	420,749,325.35	<u>391,543,333.76</u>
Total	<u>1,768,295,147.01</u>	<u>1,878,323,338.46</u>

MANAGEMENT DISCUSSION AND ANALYSIS

I. INDUSTRY OVERVIEW

Currently, the international environment is characterized by growing uncertainties, such as intensified local conflicts, stubbornly high inflation, etc., which have made the global economy struggle to move forward amidst turmoil. In the face of a generally sluggish external economic environment and shrinking domestic demand, the recovery process of China's macroeconomy still appears rather tortuous. The demand for ready-mixed concrete has persistently weakened due to various factors, including the ongoing contraction of real estate investment and the deceleration in infrastructure investment growth. According to the statistical data from the National Bureau of Statistics of China, from January to June 2024, China's fixed asset investment (excluding rural households) increased by 3.9% period-on-period, whereas the real estate development investment decreased by 10.1% period-on-period. According to the statistical data from the Yunnan Provincial Bureau of Statistics (雲南省統計局), in the first half of 2024, the province's fixed asset investment (excluding rural households) decreased by 6.9% period-on-period, whereas the real estate development investment decreased by 39.9%. According to the data analysis of the National Bureau of Statistics of China, the production of ready-mixed concrete in China decreased by 10.8% period-on-period from January to June 2024. On the whole, only Beijing and Hubei Provinces saw a growth in the cumulative output of commercial concrete, both of which recorded a single-digit increase. The cumulative output of the remaining 29 provinces, autonomous regions and municipalities declined to varying degrees, with Yunnan Province's output dropped by even more than double digits. According to the data analysis of the National Bureau of Statistics of China, during the first half of 2024, the average price among concrete markets in China exhibited an obvious downward trend, with prices falling by 11.5% period-on-period. All of these factors have had a certain impact on the business operations of the Group, posing serious challenges to the exploration of new markets and the transformation and upgrades of the Group.

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 June 30, 2024, the Group had 34 concrete batching plants and 68 production lines with an annual production capacity of 16.63 million m³. The Group also had 191 concrete transporters (including 73 electric mixer trucks and 118 fossil-fuelled mixer trucks), 13 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, and 2 photovoltaic power stations.

(II) Results of operation

For the six months ended June 30, 2024, the Group produced and sold the ready-mixed concrete of 1.079 million m³, representing a period-on-period decrease of 53.7%. The Group recorded a total operating income of approximately RMB354.2 million, representing a period-on-period decrease of approximately 52.1%; a total profit of approximately RMB-24.5 million, representing a period-on-period decrease of approximately 71.3%; a net profit of approximately RMB-27.9 million, representing a period-on-period decrease of approximately 163.2%; and a net profit attributable to owners of the parent company of approximately RMB-25.5 million, representing a period-on-period decrease of approximately 96.2%.

1. By business category

The following table sets forth the operating income, operating costs, gross margin and change in percentage by business category of the Group for the six months ended June 30, 2023 and the six months ended June 30, 2024.

Business	For the six months ended June 30,								
	2024 (in RMB'000,000)			2023 (in RMB'000,000)			Change in percentage (%)		
	Operating income	Operating costs	Gross margin (%)	Operating income	Operating costs	Gross margin (%)	Operating income	Operating costs	Gross margin
Ready-mixed concrete and related products	317.7	295.6	7.0%	704.4	636.5	9.6%	-54.9%	-53.6%	-27.1%
Admixtures	17.8	14.7	17.4%	22.0	17.8	19.1%	-19.1%	-17.4%	-8.9%
Aggregates	-	-	-	4.6	3.0	34.8%	-	-	-
Cements and admixtures	6.4	5.6	12.5%	3.5	3.1	11.4%	82.9%	80.6%	9.6%
Quality and technology services	0.9	0.5	44.4%	-	-	-	-	-	-
Other businesses	11.4	10.6	7.0%	5.3	5.2	1.9%	115.1%	103.8%	268.4%
Total	354.2	327.0	7.7%	739.8	665.6	10.0%	-52.1%	-50.9%	-23.0%

For the six months ended June 30, 2024, the majority of the Group's operating income was derived from the production and sales of ready-mixed concrete and related products, of which the Group's operating income generated from the production and sales of ready-mixed concrete and related products was approximately RMB317.7 million, accounting for approximately 89.7% of the total operating income.

During the Reporting Period, the Group recorded a gross profit of approximately RMB27.2 million (the first half of 2023: approximately RMB74.2 million), and the overall gross margin for the first half of 2024 was approximately 7.7%, representing a decrease of 2.3 percentage points from approximately 10.0% for the corresponding period of 2023. Such decreases of gross profit and gross margin were mainly due to the decrease in total operating income by approximately 52.1% compared to the corresponding period of 2023, whereas the operating costs decreased by approximately 50.9% compared to the corresponding period of 2023, which led to a higher decrease magnitude of total operating income than that of operating costs. For detailed reasons for the decreases in total operating income and operating costs, please refer to the section headed "FINANCIAL REVIEW" in this results announcement. In the first half of 2024, the gross margin was 7.0% for the production and sales of ready-mixed concrete and related products, 17.4% for the production and sales of admixtures, 12.5% for the sales of cements and admixtures, 44.4% for the business of quality and technology services and 7.0% for other businesses.

2. *By customer category*

For the six months ended June 30, 2024, the operating income generated by the Group from independent third-party customers was approximately RMB104.1 million, representing a decrease of approximately 50.4% compared with approximately RMB209.8 million for the corresponding period in 2023; and its proportion to the income for the first half of 2024 amounted to 29.4%, representing an increase of 1.0 percentage point as compared with 28.4% for the corresponding period of 2023.

(III) Major operation and management measures

1. *Carrying out market expansion in a smooth and orderly manner, and seeking progress while maintaining stability for operation quality*

In the first half of 2024, the Group firmly established rational business mindset and made progress in large-scale projects, external markets as well as new products and businesses. Firstly, the Group has made achievements in the exploration of large-scale projects within the province and successfully won the bid for the centralized production and supply tasks of concrete for the Kunming Changshui International Airport Reconstruction and Expansion Project (Phase II). The Group won the bid for the supply tasks of concrete and aggregates in the Yuanmou-Dayao Highway Project. For the Wenshan Guniangzhai Project, matters such as attending to mining procedures and formulating mine design proposals continued to move forward. Secondly, the Group achieved remarkable results in exploring the external market. Baoshan Building Material's operating income from external market accounted for more than 99% of its total operating income, while occupying a regional market share of 65%. For the first time, Polymer Company's share of contracts signed in respect of the external market accounted for more than half of the total amount of contracts signed by itself. Thirdly, the operation of new products and businesses has yielded positive results. Green Development Company proactively

explored the operation strategy of pursuing multiple green and low-carbon building materials businesses simultaneously, increased its market promotion effort on various new products and businesses such as the utilization of bulk solid waste, and signed multiple new material supply contracts. Polymer Company focused on “chain extension, replenishment and reinforcement” and vigorously laid out the production and operation of new green products such as waterborne coatings.

2. Intensifying reform and innovation, and steadily improving the quality of development

In the first half of 2024, the Group continued to promote reform and innovation. The Company has comprehensively improved its corporate governance level through the “eight actions” including the action to intensify the reform of state-owned enterprises, the action to create corporate governance demonstrations, and the special action to rectify mixed-ownership enterprises. Firstly, the Group has successfully completed the re-election of the Board and the Supervisory Committee, optimized and refined the composition of the special committees of the Board and continuously enhanced its significant rules and regulations such as the Articles of Association, thereby consistently enhancing its corporate governance structure and institutional framework. Secondly, the Group meticulously selected premium subsidiaries as its orientation and expedited the successful listing of its subsidiaries, Polymer Company and Yuxi Building Material, in the Yunnan Equity Exchange Center Co., Ltd. Not only did this facilitate the financing and intellectual integration of both subsidiaries, but it also further enhanced our reputation within the industry. Thirdly, the Company focused on implementing two major scientific and technological projects planned by the Yunnan Province Science and Technology Department in the first half of 2024. Through a large number of repeated tests, the Group has developed feasible solutions to the performance problems of the phosphogypsum-based cementitious materials that have been developed, and formed a systematic understanding in respect of the impact of the use of recycled aggregates including phosphogypsum fine aggregates and light fine aggregates on the performance of concrete, which laid a solid foundation for the practical application of phosphogypsum-based materials and the utilization of recycled aggregates. Fourthly, in the first half of 2024, the Group applied for 1 first prize and 1 second prize of Yunnan Provincial Science and Technology Progress Award, as well as the 2024 Engineering Construction Science and Technology Female Innovation Award (工程建設科學技術巾幗創新獎) granted by China Construction Association of Construction Enterprise Management. The Group has newly obtained the authorization for 17 utility model patents. The local standards “Technical Regulations for the Application of High-Strength Concrete in Yunnan Province” (《雲南省高強混凝土應用技術規程》) primarily edited by the Group has been released and will be implemented on November 1, 2024. Meanwhile, within the Group, on the basis of the 4 existing subject companies that have passed the certification for National High-Tech Enterprise, 3 additional subject companies have been certified as innovative small- and medium-sized enterprises, and 4 additional subject companies have been certified as Specialized, Refined, Featured and Original Small- and Medium-sized Enterprises.

3. Exerting a continuous impelling force in green and low-carbon development, and gathering vigorous momentum for green transformation

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. The new quality low-carbon logistics system consisting of “photovoltaic power generation system + intelligent charging, swapping and storing facilities + new-energy transportation equipment + unmanned driving equipment + intelligent monitoring platform” has embraced continuous improvement. As of the date of this results announcement, the Group’s new energy electric vehicles have travelled a total of approximately 2.30 million kilometers, reducing comprehensive freight costs by approximately RMB19.81 million and reducing carbon dioxide emissions by approximately 6,612 tons. In addition, the photovoltaic power generation system has fully covered the electricity purposes of production, office and household consumption in Jingkai green production base, generating a total of approximately 1.47 million kWh of electricity (of which approximately 460,000 kWh are grid-connected sales), saving electricity costs while generating a total of approximately RMB890,000 in income from electricity sales, and reducing carbon dioxide emissions by approximately 1,117 tons. Existing charging stations and swapping stations have charged and swapped a total of approximately 4.14 million kWh of electricity, of which approximately RMB1.15 million was generated from operating charging businesses for external customers. In addition, according to the “List of Green Manufacturers in Yunnan Province for 2024” (雲南省2024年度綠色製造名單) released by the Department of Industry and Information Technology of Yunnan Province (the “**Department of Industry and Information Technology of Yunnan Province**”) on July 18, 2024, Polymer Company was shortlisted on the recommendation list of green factories in the building materials industry. The scaled effects of green and low-carbon development and the demonstration-driven effects of the Group have preliminarily emerged, leading to significant improvements in both economic and social benefits.

4. Enhancing foundational management, elevating innovative momentum

Faced with the challenging industry landscape and sluggish market conditions during the first half of this year, the Group continued to strengthen its foundational management. Firstly, we continued to consolidate the management over indicators and costs, integrating “one profit and five rates” (一利五率) and “cost quota management” (成本定額管理) with the performance-linked compensation appraisal of each grassroots unit to establish a forewarning mechanism, while implementing timely rectification measures to production-operation units with cost deviations, which brought on outstanding correction effect. Secondly, we bolstered the management of key engineering projects by advance planning and comprehensive coordination to safeguard the successful undertaking and progress of these projects. During the peak construction periods of large-scale projects, multi-departmental collaboration, active participation, coordination of resources were achieved to provide all-around support through the means of on-site presence, on-site investigation and research, and on-site supervision. Thirdly, human resources management was reinforced. We continued to implement a comprehensive “Accountability of Station Managers”, 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 the 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 establishment of talent teams for key and large-scale projects.

(IV) Business update

1. Major projects

In the first half of 2024, 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 Eshan-Shiping-Honghe Highway and Chengjiang-Huaning Highway, as well as several non-highway projects like the Panxi Supporting Infrastructure Construction Project of Huaning Area in Yunnan Tonghai Industrial Park, and the Western Yunnan Grain Reserve Center Construction Project in Baoshan. In the second half of the year, while prioritizing the reliable supply for existing projects, the Group will focus on closely monitoring several large-scale projects under newly signed contracts, which include, but not limited to, the Kunming Changshui International Airport Reconstruction and Expansion Project.

2. New products and businesses

In the first half of 2024, the Group has made progress in new businesses and new products. The Group successfully signed contracts for prefabricated concrete components such as trench covers, rainwater grates, and spreader covers. The types of prefabricated components have been further diversified in addition to the existing RPC cover plates. Polymer Company has made substantive progress and breakthroughs in exploring the waterborne coatings business, including officially launching the “Haonaishi” (好耐施) waterborne green coatings brand and building a green production base of waterborne coatings in Nanhua County, Chuxiong Yi Autonomous Prefecture, which allows itself to successfully sign contracts and gradually realize independent production and delivery.

III. FINANCIAL REVIEW

(I) Total operating income

For the six months ended June 30, 2024, the Group realized a total operating income of approximately RMB354.2 million, representing a decrease of 52.1% compared to the corresponding period of 2023. Among them, the sales income of ready-mixed concrete, the main product of the Group, and related products amounted to approximately RMB317.7 million, representing a decrease of approximately RMB386.7 million or 54.9%, compared to the corresponding period in 2023. Such decreases were mainly attributable to the shrinking of the concrete market and intensified competition in the construction industry, leading to the decrease in both the sales volume and the average unit selling price of ready-mixed concrete by 53.7% and 2.6%, respectively. In addition to the sales income of ready-mixed concrete and related products, our operating income during the Reporting Period also came from the sales of admixtures, cements and admixtures, as well as related quality and technology services and other businesses. The following table sets forth the breakdown of the income of the Group for the six months ended June 30, 2024 and the six months ended June 30, 2023:

	For the six months ended June 30, 2024		For the six months ended June 30, 2023	
	<i>RMB in million</i>	<i>Percentage of income</i>	<i>RMB in million</i>	<i>Percentage of income</i>
Ready-mixed concrete and related products	317.7	89.7%	704.4	95.2%
Admixtures	17.8	5.0%	22.0	3.0%
Aggregates	–	–	4.6	0.6%
Cement and admixtures	6.4	1.8%	3.5	0.5%
Quality and technology services	0.9	0.3%	–	–
Other businesses	11.4	3.2%	5.3	0.7%
Total	354.2	100.0%	739.8	100.0%

(II) Total operating costs

For the six months ended June 30, 2024, the total operating costs generated by the Group amounted to approximately RMB391.7 million, representing a decrease of RMB346.9 million or 47.0%, as compared to approximately RMB738.6 million for the corresponding period in 2023. Among them, the operating costs amounted to approximately RMB327.0 million, representing a decrease of RMB338.6 million or 50.9%, as compared to approximately RMB665.6 million for the corresponding period in 2023. The decrease in operating costs was mainly due to the significant decrease in the sales volume of certain products during the Reporting Period, including ready-mixed concrete and related products, admixtures and aggregates.

(III) Profitability

1. Total profit

The Group recorded a total profit of approximately RMB-24.5 million for the six months ended June 30, 2024, representing a decrease of 71.3% compared to the corresponding period of 2023. This was mainly due to the decrease of approximately RMB385.6 million in the total operating income during the Reporting Period as compared to the corresponding period in 2023.

2. Income tax expense

For the six months ended June 30, 2024, the income tax expense of the Group was approximately RMB3.4 million. It is estimated that the effective tax rate for the whole year is 13.9%.

3. Net profit

For the six months ended June 30, 2024, the Group realized a net profit for the Reporting Period of approximately RMB-27.9 million, representing a decrease of 163.2% compared to the corresponding period of 2023. The basic earnings per share was RMB-0.06.

(IV) Administration expense

For the six months ended June 30, 2024, the administration expenses were approximately RMB33.0 million (for the six months ended June 30, 2023: approximately RMB40.2 million), representing a period-on-period decrease of 17.9%, mainly due to the decreases in litigation fees, rental fees and other expenses during the Reporting Period over the same period of last year.

(V) General information of assets and liabilities

As at June 30, 2024, the total assets of the Group were approximately RMB4,209.5 million (December 31, 2023: approximately RMB4,455.8 million), representing a decrease of 5.5% as compared with that as at the end of 2023. The assets were mainly accounts receivables, monetary funds, and fixed assets. Such assets accounted for 94.1% of the total assets, with accounts receivables and other assets accounting for 83.4% and 10.7% of the total assets, respectively.

As at June 30, 2024, the total liabilities of the Group were approximately RMB2,917.2 million (December 31, 2023: approximately RMB3,135.6 million), representing a decrease of 7.0% as compared with that as at the end of 2023. Among them, 17.9% (December 31, 2023: 13.9%) were short-term borrowings, long-term borrowings and long-term borrowings due within one year, and 81.4% (December 31, 2023: 84.8%) were accounts payables, other payables, notes payable, employee benefits payable and taxes and dues payable.

(VI) Borrowings and solvency

As at June 30, 2024, the total borrowings of the Group were approximately RMB522.0 million (December 31, 2023: approximately RMB437.1 million), all of which were bank borrowings, of which approximately RMB509.7 million was repayable within one year; approximately RMB12.3 million was repayable within two to five years.

As at June 30, 2024, the weighted average effective interest rate for bank borrowings of the Group was 4.71%. And for the six months ended June 30, 2024, the total interest expenses of the Group were approximately RMB12.5 million (for the six months ended June 30, 2023: approximately RMB9.4 million) and the profit before interest and tax were approximately RMB-12.0 million (for the six months ended June 30, 2023: approximately RMB-4.9 million). Therefore, the interest coverage ratio (profit before interest and tax divided by interest expenses) was -1.0 (for the six months ended June 30, 2023: -0.5), mainly resulting from the losses during the first half of 2024.

As at June 30, 2024, the gearing ratio (i.e. total liabilities divided by total assets) of the Group was 69.3% (December 31, 2023: 70.4%).

(VII) 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 June 30, 2024, total current assets of the Group were approximately RMB3,882.0 million (December 31, 2023: approximately RMB4,114.6 million), including: (i) monetary funds of approximately RMB235.2 million (December 31, 2023: approximately RMB322.5 million), accounting for 6.1% of current assets (December 31, 2023: 7.8%); (ii) accounts receivable and notes receivables of approximately RMB3,566.4 million (December 31, 2023: approximately RMB3,714.5 million), accounting for 91.9% of current assets (December 31, 2023: 90.3%); and (iii) prepayments, other receivables and other current assets of approximately RMB56.1 million (December 31, 2023: approximately RMB48.0 million), accounting for 1.5% of current assets (December 31, 2023: 1.2%).

As at June 30, 2024, the current ratio (i.e. current assets divided by current liabilities) of the Group was 133.9% (December 31, 2023: 133.8%).

For the six months ended June 30, 2024, net cash outflow from operating activities was approximately RMB123.1 million (for the six months ended June 30, 2023: net cash inflow of approximately RMB27.6 million), of which cash inflow from operating activities amounted to approximately RMB663.6 million (for the six months ended June 30, 2023: approximately RMB371.2 million); cash outflow from operating activities stood at approximately RMB786.7 million (for the six months ended June 30, 2023: approximately RMB343.5 million). The change in cash inflow from operating activities was mainly due to an increase of approximately RMB199.1 million in cash received from the sale of commodities and provision of labour services during the Reporting Period compared to the corresponding period in 2023, coupled with an increase of approximately RMB93.4 million in other cash received from operating activities compared with the same period in 2023. The change in cash outflow from operating activities was mainly due to an increase of approximately RMB540.7 million in cash paid for commodities procurement and receipt of labour services during the Reporting Period compared with the same period in 2023.

IV. HUMAN RESOURCES

As at June 30, 2024, we employed a total of 929 employees (June 30, 2023: 991). The table below sets out a breakdown of the number of employees by role as at June 30, 2024:

Role	Number
Management	125
Production management	233
Quality and technology	183
Procurement (materials supply)	80
Marketing	120
Administration and finance	173
Others	<u>15</u>
Total	<u><u>929</u></u>

The Group recruits employees in the open market, and has 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 provident fund for employees. For the six months ended June 30, 2023 and the six months ended June 30, 2024, employee benefits and labor expenses were approximately RMB83.1 million and approximately RMB74.7 million, respectively.

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 internal 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 implementation plan of all-staff training and examinations has been formulated, with a focus on qualification and certification training, key personnel training, fundamental management training, new employee training, all-staff training, and specialized education and training on party ethics. In the first half of 2024, the Group organized 164 employees who were eligible for intermediate and senior professional titles of engineering series for 2024 to participate in training and theoretical examinations. In order to improve the ability of the Group's employees to perform their roles and duties in their job positions and comprehensively promote employees to hold certificates, 127 certificates related to job positions were also obtained or renewed. In the second half of the year, the Company will prioritize management training in areas such as quality technology, production safety, investment and financing, risk control, state-owned enterprise reform, and material management. The Company will continue to carry out the work of obtaining and renewing certificates, and organize comprehensive training and examinations for all employees. During the Reporting Period, we did not have any operation interruption attributable to major labor disputes nor 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. MATERIAL ACQUISITION, DISPOSAL AND INVESTMENTS

For the six months ended June 30, 2024, the Company did not make any material acquisitions or disposals of subsidiaries, associates or joint ventures. As at June 30, 2024, the Group did not hold any significant investments.

VI. CHARGE ON THE GROUP'S ASSETS

During the six months ended June 30, 2024, the Group's land use right of state-owned construction site with a cost of approximately RMB12.08 million was pledged to a bank as collateral for the borrowings of the Group. Save as disclosed in this results announcement, as at June 30, 2024, the Group did not have any other charge on its assets.

VII. 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 June 30, 2024, the balance of the Group's carrying cash and bank deposits denominated in HKD amounted to approximately HK\$1.14 million. As of August 27, 2024, the balance of bank deposits of the Group denominated in HKD was approximately HK\$1.14 million. We settled foreign exchange in a timely manner by paying attention to exchange rate changes to reduce the effect of exchange rate fluctuations on foreign currency held by us.

VIII. CONTINGENT LIABILITIES

As at June 30, 2024, the Group had no material contingent liabilities.

IX. 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 primary 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. Thirdly, the Group will actively participate in mine restoration and treatment in regional markets of Yunnan Province, promote relevant business development of aggregates, and strengthen the coordinated development of industrial chain. 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.

X. OUTLOOK

Despite the economic recovery after the stable 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 have not changed. In recent years, China has been strongly implementing the strategy of building a powerhouse which is dominant in science and technology, manufacturing and transportation, advocating green and low-carbon development, supporting the real economy by financial services, driving the construction of enormous infrastructure and transportation system, the development of metropolitan area and urban agglomeration etc. under “two new-types and one major development” (namely new-type infrastructure construction, new-type urbanization and construction of major engineering projects for transportation, water conservancy etc.), which will bring along new and huge market demand for the concrete industry. Meanwhile, Yunnan Province proactively implements the national strategy, formulating provincial strategies, goals and measures in accordance with the provincial situation, and economic stabilization and quality improvement policies continue to yield results. Provincial GDP realized approximately RMB1.46 trillion in the first half of 2024, representing an increase of 3.5% period-on-period, and the social economy development has continued to improve.

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

In the second half of the year, 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 provincial government and other relevant meetings, and pay close attention to and keep abreast of industry development policies. In particular, we will reinforce the research and analysis over 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, and the list of provincial major projects for the year 2024 together with the list of projects of the “top priority” published by the Development and Reform Commission of Yunnan Province in May 2024. In addition, as green and low-carbon development is widely promoted, there will be broad prospects and an enormous market in the recycling and utilization of industrial solid waste, especially the comprehensive utilization of phosphogypsum resources in the future. In December 2023, 13 departments and bureaus including the Department of Industry and Information Technology of Yunnan Province and the Development and Reform Commission of Yunnan Province jointly issued the “Work Plan for Comprehensively Promoting the Comprehensive Utilization of Phosphogypsum in Yunnan Province” (《雲南省全面推進磷石膏綜合利用工作方案》), proposing that by 2025, throughout the province, there will be an effective expansion of comprehensive utilization channels for phosphogypsum, leading to a significant enhancement in the level of comprehensive utilization. The aim is to achieve a 75% comprehensive utilization rate and establish dynamic equilibrium between comprehensive consumption (including both comprehensive utilization and harmless disposal) and production volume, while ensuring the orderly consumption of existing phosphogypsum. At present, the governments and relevant departments of Yunnan Province and Kunming City are actively promoting related work. On the basis of research and development investment and capacity construction in the comprehensive utilization of phosphogypsum resources in the early stage, the Company will firmly grasp this opportunity, to find breakthroughs for the development of the Company and create a profit growth pole.

(II) Establish robust operational system, and improve quality and efficiency of operations

We will continue to reinforce our leading position in operations and strengthen our operational management. Firstly, to establish robust operational system. We will strengthen top-level design, optimize resource allocation and element guarantee, give full play to the Company's advantages of integrated operation, and strengthen the demonstration and leading role of key projects and outstanding units. We will unlock the potential of prefectural subsidiaries to seize local markets and promote market penetration across all regions. By pushing forward Polymer Company, Aggregate Company, and Green Development Company as specialized companies to enhance our core competitiveness, we will increase our market share in the core regions in the province and earnestly "gaining presence". We will continue to strengthen internal and external collaboration, strengthen cooperation with diversified platforms such as the government, central enterprises, and large local private enterprises, explore innovative cooperation models, and maintain customer relationship and market cultivation. Secondly, to anchor at projects of high quality. We will actively connect with large proprietors and projects, penetrate into large markets, undertake large-scale projects, focus our operations on high-end projects, priority engineering and landmark engineering projects, and continue to expand the highland of market operations. At the same time, we are committed to establishing a leadership liaison system for major projects and a mechanism for tackling major projects, and concentrate our efforts to ensure the implementation of major projects. Attaching close importance to 22 industrial fields such as industry-prosperous province, development zones revitalization, and port construction, we will actively participate in key provincial projects such as hydropower stations, water conservancy projects, relocation of Deqin County, as well as reconstruction and expansion of Kunming-Yuxi Highway, and continue to consolidate the market fundamentals within the province. Thirdly, to amplify the high-quality promotion and implementation of new products and businesses. We will improve the internet model for marketing new products and businesses by forging the online + offline system, and increase the efforts in research and development and promotion of new products such as green building materials and comprehensive utilization of bulk solid waste. We will vigorously promote the demonstration application of phosphogypsum and new building materials products, expand the products application scenarios of phosphogypsum in terms of comprehensive utilization in depth and breadth, so as to achieve an increase in utilization. We will also actively introduce "small but exquisite" "small but aesthetic" and "small but specialized" prefabricated concrete and phosphogypsum products in the market to maximize the benefits of our existing resources while seizing new markets, exploring emerging demands, and creating new momentum.

(III) Pursue innovation-driven development, and vigorously develop new quality productive forces

We will adhere to the core strategy of innovation-driven development, as technological innovation is deemed as an important means of promoting the development of new quality productive forces in the traditional construction industry. We will be driven by scientific and technological innovation, take green and low-carbon elements as fundamental principles, and orient ourselves towards digital and intelligent technologies. We will focus on national priorities and emerging market demands, and promote the green transformation and upgrading of traditional industries through enhanced digitalization and intelligence standards, thereby fostering more application scenarios. On the one hand, we will bolster the breakthrough in key core technologies, further increase the research and development 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. PROCEEDS FROM THE GLOBAL OFFERING

As at October 31, 2019, the net proceeds from the Global Offering of the Company was 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 announcements in accordance with the Hong Kong Listing Rules.

During the Reporting Period, the Board changed the use of the proceeds from the Global Offering available for further decision-making at the time on February 7, 2024 and June 28, 2024, respectively. For details, please refer to the announcements of the Company dated February 7, 2024 and June 28, 2024. Accordingly, the actual usage of the proceeds from the Global Offering during the Reporting Period is as follows:

Table of usage of the proceeds from the Global Offering as of June 30, 2024

Unit: RMB'000 000

No.	Usage of Proceeds ^{Note}	Unutilized amount as at December 31, 2023	Amount of increase/decrease upon change of usage on February 7, 2024	Amount of increase/decrease upon change of usage on June 28, 2024	Utilized amount during the Reporting Period	Unutilized amount as at June 30, 2024
1	Improvement, integration and expansion of the existing concrete production lines	0.01	Reduced by 0.01	/	/	/
2	Construction of new product manufacturing base	0.00	/	/	/	/
3	Acquisition and consolidation of aggregate mining resources and investments in related fixed assets	19.54	Reduced by 15.00	Reduced by 0.31	0.88	3.35
4	Technical renovation of concrete production and related equipment purchases and investments in fixed assets	27.00	Reduced by 0.24	Reduced by 20.12	0.74	5.90
5	Research and development of new products and new technologies and related equipment purchases and investments in fixed assets	1.67	/	Reduced by 0.35	0.00	1.32
6	Upgrading and renovation of green and low-carbon concrete and purchases of new energy equipment and facilities, new concrete production lines and related equipment	28.76	Reduced by 13.00	/	10.32	5.44
7	Upgrading and renovation of green and low-carbon concrete, purchases of new energy equipment and facilities, new concrete production lines and related equipment and equity investment	65.52	Reduced by 9.00	Reduced by 19.75	2.83	33.94

Unit: RMB'000 000

No.	Usage of Proceeds ^{Note}	Unutilized amount as at December 31, 2023	Amount of increase/decrease upon change of usage on February 7, 2024	Amount of increase/decrease upon change of usage on June 28, 2024	Utilized amount during the Reporting Period	Unutilized amount as at June 30, 2024
8	Working capital and general corporate purposes	/	Increased by 37.25	Increased by 40.53	61.54	16.24
	Total	142.50			76.31	66.19

Note: There were no changes in all the names of the abovementioned uses during the Reporting Period.

As disclosed in the announcement of the Company dated June 28, 2024 in relation to the change in use of proceeds from the Global Offering, the Company's proceeds from the Global Offering available for further decision-making amounted to approximately RMB40.53 million as of the last adjustment date of the proceeds from the Global Offering (being June 28, 2024). On June 28, 2024, the Board resolved to use the remaining proceeds from the Global Offering available for decision-making of approximately RMB40.53 million for working capital and general corporate purposes.

During the period from June 28, 2024 to the date of this results announcement: under "working capital and general corporate purposes", the Company has actually utilized approximately RMB1.67 million, and the unutilized amount is approximately RMB14.57 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 2026.

II. INTERIM DIVIDEND

The Board does not recommend paying any interim dividend for the six months ended June 30, 2024.

III. CORPORATE GOVERNANCE CODE

The Company has been committed to improving corporate governance standards since its establishment. It has established a modern corporate governance structure comprising the general meeting, the Board, the Supervisory Committee and the senior management that effectively exercise checks and balances on each other and operate independently, which emphasizes the corporate governance principles of transparency, accountability and safeguarding the rights and interests of all Shareholders.

Code provision B.2.2 of the Corporate Governance Code stipulates that every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years. The Articles of Association also stipulate that the Directors and Supervisors shall be appointed for a term of three years. The term of the second session of the Board and the Supervisory Committee expired on January 28, 2024. As the nomination of candidates for directors and supervisors of the new session of the Board and the Supervisory Committee had not yet been completed at that time, and in order to maintain the continuity and stability of the work of the Board and the Supervisory Committee, the relevant re-election had been postponed. Meanwhile, the terms of office of the special board committees of the second session of the Board had also been correspondingly extended. The Company completed the re-election of the third session of the Board and the Supervisory Committee on May 30, 2024. The aforementioned postponement of the re-election resulted in the Company's temporary deviation from code provision B.2.2. All members of the second session of the Board and the Supervisory Committee had continued to fulfill their respective duties and responsibilities of Directors and Supervisors in accordance with the requirements of the laws, administrative regulations and the Articles of Association until the re-election work was completed. The postponed re-election of the Board and the Supervisory Committee did not affect the normal operation of the Company.

Save as disclosed above, for the six months ended June 30, 2024, the Company had complied with the principles and all applicable code provisions as set out in Part 2 of the Corporate Governance Code.

IV. MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as its code of conduct for all Directors, Supervisors and relevant employees of the Company (as defined in the Corporate Governance Code) to conduct transactions of the Company's securities. After specific inquiries made to all Directors and Supervisors, all Directors and Supervisors have confirmed that they have continued to strictly comply with the required standards set out in the Model Code for the six months ended June 30, 2024.

V. PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities for the six months ended June 30, 2024 (including the sale of any treasury shares (as defined under the Hong Kong Listing Rules)). The Company did not have any treasury shares as at June 30, 2024.

VI. AUDIT AND RISK COMMITTEE

The audit and risk committee of the Company (the "**Audit and Risk Committee**") consists of five members, including three independent non-executive Directors, namely Mr. Li Hongkun (chairman), Mr. Wong Kai Yan Thomas and Mr. Yu Dingming, and two non-executive Directors, namely Ms. Yang Jia and Mr. Yang Jie.

The Audit and Risk Committee has adopted terms of reference which are in line with the Corporate Governance Code. The Audit and Risk Committee has reviewed the Group's unaudited condensed consolidated interim results for the six months ended June 30, 2024.

VII. EVENTS AFTER THE REPORTING PERIOD

As at the date of this results announcement, the Group did not have any significant events after the Reporting Period.

VIII. PUBLICATION OF THE 2024 INTERIM RESULTS ANNOUNCEMENT AND THE 2024 INTERIM REPORT ON THE WEBSITES OF THE HONG KONG STOCK EXCHANGE AND THE COMPANY

This interim results announcement is published on the websites of the Hong Kong Stock Exchange (www.hkexnews.hk) and the Company (www.ynhnt.com), respectively. The 2024 interim 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, respectively, in due course.

DEFINITIONS

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

“Aggregate Company”	YCIH Aggregate Co., Ltd.* (雲南建投砂石料有限公司), a subsidiary of our Company
“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
“Baoshan Building Material”	YCIH Baoshan Yongchang Building Material Co., Ltd.* (雲南建投保山永昌建材有限公司), a subsidiary of our Company
“Board”	the board of Directors of our Company
“China”, “Mainland China”, “PRC” or “State”	the People’s Republic of China, for the purpose of this results announcement only, excluding Hong Kong, Macau Special Administrative Region and Taiwan region of the PRC
“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股份有限公司), a joint stock company incorporated in the PRC with limited liability, 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 our 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
“Green Development Company”	YCIH Green Development Co., Ltd.* (雲南建投綠色發展有限公司), a subsidiary of our Company
“Group” or “our” or “we” or “us”	the Company and its subsidiaries
“H Share(s)”	overseas listed foreign invested ordinary share(s) in the share capital of our Company, with a nominal value of RMB1.00 each, which are listed and traded on the Main Board of the Hong Kong Stock Exchange
“High-tech Enterprise(s)”	a knowledge-intensive and technology-intensive economic entity that continuously carries out research and development as well as transformation of technological achievements under the High and New Technology Areas with Key State Support issued by the State and forms independent core intellectual property rights and carries out business activities on this basis
“HKD” or “HK\$”	Hong Kong dollars and Hong Kong cents, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“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
“independent third party(ies)”	persons or entities which, to the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, are not considered as connected persons of the Company under the Hong Kong Listing Rules
“kWh”	kilowatt-hour, a unit of energy measurement
“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
“Polymer Company”	YCIH Polymer Material Co., Ltd.* (雲南建投高分子材料有限公司), a subsidiary of our Company
“Qujing Building Material”	YCIH Qujing Building Materials Co., Ltd.* (雲南建投曲靖建材有限公司), a subsidiary of our Company
“Reporting Period”	for the six months ended June 30, 2024
“RMB”	Renminbi, the lawful currency of China
“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 our Company
“Supervisory Committee”	the supervisory committee of our Company
“Yunnan Province”	Yunnan Province, China
“Yuxi Building Material”	YCIH Yuxi Building Material Co., Ltd.* (雲南建投玉溪建材有限公司), a subsidiary of our Company
“%”	per cent

* *For identification purpose only*

Certain amounts and percentage figures included in this results 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, August 27, 2024

As at the date of this announcement, the Board comprises Mr. Li Zhangjian, Mr. Zhang Long, Mr. Liu Zhen and Ms. Wang Fang (employee Director) 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.