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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)

**(1) ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED
DECEMBER 31, 2024; AND
(2) RESIGNATION AND PROPOSED APPOINTMENT OF
NON-EXECUTIVE DIRECTOR**

ANNUAL FINANCIAL SUMMARY

Currency: RMB million

Items	2024	2023	Change in percentage
Total operating income	709.3	1,419.3	-50.0%
Gross profit	32.1	141.7	-77.3%
Total profit (Total losses are shown with “-”)	-151.1	-38.8	-289.4%
Net profit (Net losses are shown with “-”)	-115.2	-28.6	-302.8%
Net profit attributable to owners of the parent company (Net losses are shown with “-”)	-112.0	-30.1	-272.1%
Basic earnings per Share (RMB)	-0.25	-0.07	-257.1%

Note:

The audited consolidated financial statements and annual results of the Group for the year ended December 31, 2024 have been prepared in accordance with PRC ASBE, and the comparative figures relating to the year 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 results announcement are restated figures.

The Board announced the audited consolidated results of the Group for the year ended December 31, 2024, together with comparative figures for the year ended December 31, 2023, as follows:

CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2024

				<i>Currency: RMB</i>	
Items	<i>Note</i>	2024	2023		
			(Restated)		
I. Total operating income	4	709,259,794.79	1,419,345,838.56		
Including: Operating income	4	709,259,794.79	1,419,345,838.56		
II. Total operating costs		819,855,725.79	1,441,080,230.37		
Including: Operating costs		677,221,798.77	1,277,616,273.09		
Taxes and surcharges		5,367,692.52	9,926,298.88		
Selling expenses		19,029,117.12	22,259,434.20		
Administrative expenses		88,716,540.25	96,501,624.88		
Research and development expenses		8,403,858.93	17,116,561.51		
Financial expenses	5	21,116,718.20	17,660,037.81		
Including: Interest expenses		20,483,325.50	19,202,272.22		
Interest income		968,682.36	2,298,001.47		
Add: Other income	6	4,683,250.50	8,402,423.12		
Investment income (Losses are shown with “-”)		-8,598,459.04	-3,511,315.19		
Including: Income from investments in associates and joint ventures		-8,598,459.04	-3,511,315.19		
Gains on derecognition of financial assets measured at amortized cost		-8,598,459.04	-3,511,315.19		
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	-40,127,244.14	-9,445,532.19		
Impairment losses on assets (Losses are shown with “-”)	8	-273,820.69			
Gains on asset disposal (Losses are shown with “-”)	9	1,413,369.88	869,735.13		

Items	Note	2024	2023 (Restated)
III. Operating profit (Losses are shown with “-”)		-153,498,834.49	-25,419,080.94
Add: Non-operating income	10	5,355,344.41	4,040,919.42
Less: Non-operating expenses	11	2,978,225.66	17,433,869.20
IV. Total profit (Total losses are shown with “-”)		-151,121,715.74	-38,812,030.72
Less: Income tax expenses	12	-35,902,893.15	-10,176,655.71
V. Net profit (Net losses are shown with “-”)		-115,218,822.59	-28,635,375.01
1. Classified by the attribution of ownership		-115,218,822.59	-28,635,375.01
Net profit attributable to owners of the parent company (Net losses are shown with “-”)		-112,036,650.26	-30,129,003.58
Gains or losses on non-controlling interests (Net losses are shown with “-”)		-3,182,172.33	1,493,628.57
2. Classified by continuity of operations		-115,218,822.59	-28,635,375.01
Net profit from continuing operations (Net losses are shown with “-”)		-115,218,822.59	-28,635,375.01
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		-115,218,822.59	-28,635,375.01
Total comprehensive income attributable to owners of the parent company		-112,036,650.26	-30,129,003.58
Total comprehensive income attributable to non- controlling interests		-3,182,172.33	1,493,628.57
VIII. Earnings per share:			
1. Basic earnings per share	13	-0.25	-0.07
2. Diluted earnings per share	13	-0.25	-0.07

CONSOLIDATED BALANCE SHEET

AS AT DECEMBER 31, 2024

Currency: RMB

Items	Note	December 31, 2024	December 31, 2023 (Restated)
Current assets:			
Monetary funds		124,776,906.10	322,465,298.50
Financial assets held for trading			
Derivative financial assets			
Notes receivable		47,051,196.34	27,774,990.13
Accounts receivable	15	3,191,840,908.17	3,686,689,249.57
Receivables financing		4,985,731.37	7,288,317.02
Prepayments		16,735,470.67	11,870,667.77
Other receivables		36,888,228.69	19,683,070.15
Including: Interest receivable			
Dividends receivable			
Inventories		23,059,585.68	22,358,657.17
Contract assets			
Assets held for sale			
Non-current assets due within one year			
Other current assets		29,670,578.85	16,436,631.24
Total current assets		3,475,008,605.87	4,114,566,881.55

Items	<i>Note</i>	December 31, 2024	December 31, 2023 (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		242,572,648.47	219,924,809.43
Construction in progress		33,459,848.64	16,068,374.55
Productive biological assets			
Oil and gas assets			
Right-of-use assets		11,519,247.38	21,904,177.69
Intangible assets		40,271,331.68	41,347,835.23
Development expenses			
Goodwill			
Long-term deferred expenses		2,030,243.57	
Deferred tax assets		77,455,741.55	40,819,283.38
Other non-current assets		1,085,663.72	1,122,800.00
Total non-current assets		408,394,725.01	341,187,280.28
Total assets		3,883,403,330.88	4,455,754,161.83

Items	<i>Note</i>	December 31, 2024	December 31, 2023 (Restated)
Current liabilities:			
Short-term borrowings		559,864,798.56	384,405,074.51
Financial liabilities held for trading			
Derivative financial liabilities			
Notes payable		109,379,014.35	406,620,384.55
Accounts payable	<i>16</i>	1,629,288,555.59	1,878,323,338.46
Advances from customers			
Contract liabilities		5,147,903.43	9,093,770.02
Employee benefits payable		134,576,994.52	97,811,086.61
Taxes and dues payable		4,280,558.83	6,775,131.68
Other payables		168,183,725.42	270,417,078.13
Including: Interest payable			
Dividends payable		11,820,291.10	15,134,758.09
Liabilities held for sale			
Non-current liabilities due within one year		65,738,069.05	21,680,854.71
Other current liabilities		669,193.46	
Total current liabilities		2,677,128,813.21	3,075,126,718.67

Items	<i>Note</i>	December 31, 2024	December 31, 2023 (Restated)
Non-current liabilities:			
Long-term borrowings			51,027,735.85
Bonds payable			
Including: Preferred shares			
Perpetual bonds			
Lease liabilities		1,323,978.40	8,306,624.37
Long-term payables			
Long-term employee benefits payable			
Provisions		1,719,375.14	1,105,112.04
Deferred income			
Deferred tax liabilities			
Other non-current liabilities			
Total non-current liabilities		3,043,353.54	60,439,472.26
Total liabilities		2,680,172,166.75	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 shares			
Other comprehensive income			
Special reserve		8,441,158.75	9,013,952.98
Surplus reserve		94,909,590.28	94,909,590.28
Undistributed profit		274,047,065.26	386,083,715.52
Total shareholders' equity attributable to the Parent Company		1,127,053,796.47	1,239,663,240.96
Non-controlling interests		76,177,367.66	80,524,729.94
Total shareholders' equity		1,203,231,164.13	1,320,187,970.90
Total liabilities and shareholders' equity		3,883,403,330.88	4,455,754,161.83

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

1. BASIC INFORMATION

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 December 31, 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 consolidated financial statements are presented in RMB.

2. BASIS FOR THE PREPARATION OF FINANCIAL STATEMENTS

2.1 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 of the PRC 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 of the PRC 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 consolidated 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.

The net assets of the Group’s financial statements as at 31 December 2023 were consistent with the financial statements prepared in accordance with International Financial Reporting Standards for the previous year. The increase of RMB4,056,570.00 in the net profit for the year 2023 as compared with the financial statements prepared in accordance with International Financial Reporting Standards for the previous year was due to the difference in the accounting of the safety production fee.

2.2 Going concern

The Group incurred consecutive losses in 2023 and 2024, and RMB67.4986 million of funds were frozen as of December 31st, 2024, due to litigation and other matters. These matters or circumstances indicate material uncertainties that may cast significant doubt on the Group's ability to continue as a going concern. In response to the significant doubts regarding the Group's ability to continue as a going concern mentioned above, the Group intends to take the following measures to ameliorate the situation:

Firstly, to further reinforce market exploitation. While continuously signing new contracts for commercial concrete and various green building materials, the Group will constantly enhance the conversion efficiency of its existing contracts (as of the date of this announcement, the value of existing contracts reaches approximately RMB1.585 billion), thereby promoting steady growth in operating income.

Secondly, to further strengthen the management of debt. The Group will intensify its efforts to collect accounts receivables. On the basis of achieving a collection amount exceeding the annual operating income for three consecutive years (2022-2024), it will further refine the collection working mechanism and make every effort to reduce the balance of accounts receivables.

Thirdly, to further enhance communication and coordination. The Group will actively communicate with banks and other financial institutions to maintain a generally stable level of credit extension and continuously optimize the debt structure. It will also actively communicate with suppliers, and take multiple measures to resolve existing lawsuits on a contractual basis, ensuring a stable and orderly procurement and supply.

The Board of the Company believes the above improvement measures are feasible and effective. Accordingly, the financial statements of the Reporting Period have been prepared on a going concern basis.

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 receivable, 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	2024	2023 (Restated)
Sales of ready-mixed concrete and related products	634,011,566.93	1,314,634,268.81
Sales of admixtures	32,709,568.48	58,440,536.20
Sales of aggregates	815,231.81	4,480,100.87
Sales of cements and admixtures	15,212,963.29	22,380,864.77
Other businesses	26,510,464.28	19,410,067.91
Total	<u>709,259,794.79</u>	<u>1,419,345,838.56</u>

5. FINANCIAL EXPENSES

Items	2024	2023 (Restated)
Interest expenses	20,483,325.50	19,202,272.22
Less: Interest income	968,682.36	2,298,001.47
Net gain on exchange	23,505.11	259,161.10
Add: Net loss on exchange		
Other expenses	1,625,580.17	1,014,928.16
Total	<u>21,116,718.20</u>	<u>17,660,037.81</u>

6. OTHER INCOME

Sources of other income	2024	2023 (Restated)
Additional deduction for value-added tax	1,065,112.50	2,999,680.27
Personal tax handling fee refund	49,279.88	18,243.11
Government grants	3,568,858.12	5,384,499.74
Total	<u>4,683,250.50</u>	<u>8,402,423.12</u>

7. CREDIT IMPAIRMENT LOSSES

Items	2024	2023 (Restated)
Bad debt losses on notes receivable	-6,560.97	1,480,390.27
Bad debt losses on accounts receivable	-43,637,522.92	-7,615,928.79
Bad debt losses on other receivables	3,516,839.75	-3,309,993.67
Total	-40,127,244.14	-9,445,532.19

8. IMPAIRMENT LOSSES ON ASSETS

Items	2024	2023 (Restated)
Impairment losses on construction in progress	-273,820.69	—
Total	-273,820.69	—

9. GAINS ON ASSET DISPOSAL

Items	2024	2023 (Restated)
Gain on disposal of fixed assets	—	869,735.13
Gain on disposal of right-of-use assets	1,413,369.88	—
Total	1,413,369.88	869,735.13

10. NON-OPERATING INCOME

Items	2024	2023 (Restated)
Gain on destruction and scrapping of non-current assets	476,037.45	34,839.61
Litigation gains	—	18,976.45
Penalty income	36,152.66	2,437,814.70
Others	4,843,154.30	1,549,288.66
Total	5,355,344.41	4,040,919.42

11. NON-OPERATING EXPENSES

Items	2024	2023 (Restated)
Litigation losses	1,696,449.16	14,202,136.60
Losses on destruction and scrapping of non-current assets	214,808.55	2,296,585.49
Expenditures on fines	479,450.42	752,830.35
Others	587,517.53	182,316.76
Total	2,978,225.66	17,433,869.20

12. INCOME TAX EXPENSES

Items	2024	2023 (Restated)
Income tax expenses for the period	722,211.16	3,387,873.14
Deferred tax expenses	-36,625,104.31	-13,564,528.85
Total	-35,902,893.15	-10,176,655.71

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 2024 and 2023. Baoshan Building Material is subject to the policy for the development of the western region for 2024 and 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%.

13. EARNINGS PER SHARE:

Items	2024	2023 (Restated)
Net profit attributable to owners of the parent company	-112,036,650.26	-30,129,003.58
Weighted average of the issued ordinary shares	446,272,000.00	446,272,000.00
Basic earnings per share	-0.25	-0.07
Diluted earnings per share	-0.25	-0.07

14. DIVIDEND

For the year ended December 31, 2024, the Board did not propose the distribution of a final dividend for 2024 (2023: Nil).

15. ACCOUNTS RECEIVABLE

Items	December 31, 2024	December 31, 2023 (Restated)
Accounts receivable	3,355,598,559.73	3,806,809,378.21
Less: Bad debt provision for accounts receivable	<u>163,757,651.56</u>	<u>120,120,128.64</u>
Total	<u>3,191,840,908.17</u>	<u>3,686,689,249.57</u>

The aging analysis of accounts receivable as of December 31, 2024 based on invoice dates is as follows:

Aging	December 31, 2024	December 31, 2023 (Restated)
Within 1 year (including 1 year)	836,396,524.03	1,410,585,147.34
1-2 years	796,856,460.69	792,495,297.26
2-3 years	689,182,595.99	732,801,306.60
3-4 years	599,501,140.25	790,262,782.63
4-5 years	388,555,999.58	48,439,369.15
Over 5 years	<u>45,105,839.19</u>	<u>32,225,475.23</u>
Total	<u>3,355,598,559.73</u>	<u>3,806,809,378.21</u>

16. ACCOUNTS PAYABLE

The aging analysis of accounts payable as of December 31, 2024 based on invoice dates is as follows:

Aging	December 31, 2024	December 31, 2023 (Restated)
Within 1 year (including 1 year)	754,211,696.54	911,001,866.85
1-2 years	328,122,915.99	239,709,185.92
2-3 years	119,045,768.32	336,068,951.93
Over 3 years	<u>427,908,174.74</u>	<u>391,543,333.76</u>
Total	<u>1,629,288,555.59</u>	<u>1,878,323,338.46</u>

MANAGEMENT DISCUSSION AND ANALYSIS

I. INDUSTRY OVERVIEW

2024 not only marks the 75th anniversary of the founding of the PRC, but also is a critical year for achieving the goals and tasks of the “14th Five-Year Plan”. Although both the national GDP and Yunnan Province’s regional GDP increased throughout the year, according to the statistical data from the National Bureau of Statistics and the Yunnan Provincial Bureau of Statistics (雲南省統計局), in 2024, the national construction industry’s fixed asset investment (excluding rural households) experienced a year-on-year decrease of 1.9%, while the real estate sector witnessed a decline of 10.8% year-on-year, and Yunnan Province’s fixed asset investment (excluding rural households) decreased by 7.7% year-on-year. In addition, according to the statistics and analysis from the China Concrete & Cement-based Products Association, in 2024, the sales profit margin of the national concrete and cement-based products industry was only 2.59%, representing a year-on-year decrease of 0.82 percentage point and the largest drop in recent years. Overall, in 2024, the external environment for the development of the concrete industry in China and Yunnan Province remained exceptionally challenging, casting a significant impact on the Group’s business operations. The industry was experiencing an unprecedented downturn for development.

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 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, 2024, the Group had 32 concrete batching plants and 64 production lines with an annual production capacity of 16.04 million m³. The Group also had a total of 307 vehicles including concrete mixer trucks, loaders, aggregate transporters bulk material transporters, etc., among which 114 were electric vehicles (including 7 unmanned electric loaders), along with 1 rooftop distributed photovoltaic power station, 1 integrated energy station of charging, swapping and storing for heavy trucks, 3 mini power swapping stations and 21 charging stations.

(II) Results of operation

For the year ended December 31, 2024, the Group produced and sold 2.18 million m³ of ready-mixed concrete. Meanwhile, the Group continued to sell new green building materials such as polycarboxylic admixtures, aggregates, cement and admixtures, commercial mortar and prefabricated components. The Group recorded a total operating income of approximately RMB709.3 million, representing a year-on-year decrease of approximately 50.0%; a total profit of approximately RMB-151.1 million (2023: total profit approximately RMB-38.8 million); a net profit of approximately RMB-115.2 million (2023: net profit approximately RMB-28.6 million); and a net profit attributable to owners of the parent company of approximately RMB-112.0 million (2023: net profit attributable to owners of the parent company approximately RMB-30.1 million).

1. By business category

The following table sets forth the operating income, operating costs, gross margin and change in percentage by business categories for the years ended December 31, 2024 and 2023:

Business	For the year ended December 31,								
	2024 (RMB in million)			2023 (RMB in million)			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	634.0	610.9	3.6%	1,314.6	1,189.2	9.5%	-51.8%	-48.6%	-62.1%
Admixtures	32.7	26.5	19.0%	58.4	51.2	12.3%	-44.0%	-48.2%	54.5%
Aggregates	0.8	0.9	-12.5%	4.5	4.1	8.9%	-82.2%	-78.0%	-240.4%
Cements and admixtures	15.2	13.8	9.2%	22.4	20.2	9.8%	-32.1%	-31.7%	-6.1%
Other businesses	26.5	25.1	5.3%	19.4	12.9	33.5%	36.6%	94.6%	-84.2%
Total	709.3	677.2	4.5%	1,419.3	1,277.6	10.0%	-50.0%	-47.0%	-55.0%

For the year ended December 31, 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 RMB634.0 million, accounting for approximately 89.5% of the total operating income. In 2024, the Group recorded a gross profit of approximately RMB32.1 million (2023: approximately RMB141.7 million), and the overall gross margin for 2024 was approximately 4.5%, representing a decrease of 5.5 percentage points from approximately 10.0% for 2023. Such decreases of gross profit and gross margin were mainly due to the decrease in total operating income by approximately 50.0% compared to that of 2023, whereas the operating costs decreased by approximately 47.0% compared to that of 2023, which led to a higher decrease magnitude of total operating income than that of operating costs. For detailed reasons with respect to the decreases in total operating income and operating costs, please refer to the section headed "FINANCIAL REVIEW" of this results announcement. In 2024, the gross margin was 3.6% for the production and sales of ready-mixed concrete and related products, 19.0% for the production and sales of admixtures, -12.5% for the production and sales of aggregates, 9.2% for the sales of cements and admixtures, and 5.3% for other businesses.

2. By customer categories

For the year ended December 31, 2024, the total operating income generated by the Group from independent third-party customers was approximately RMB249.0 million, representing a decrease of approximately 40.4% compared with approximately RMB418.1 million for 2023; and its proportion to the total operating income for 2024 amounted to 35.1%, representing an increase of 5.6 percentage points as compared with approximately 29.5% for 2023.

(III) Major operation and management measures

1. Performing continuous in-depth cultivation and refinement, and reinforcing the philosophy of operating leadership

In 2024, in terms of market operation, the Group performed continuous in-depth cultivation and refinement, and further reinforced its philosophy of operating leadership. Firstly, the projects upon which the Group had been concentrating made remarkable progress. Based on the exclusive supply of concrete for the Kunming Changshui International Airport Construction Project in the preliminary stage, in 2024, the Group once again won the bid for the centralized production and supply tasks of concrete for its phase II reconstruction and expansion project, and signed concrete supply contracts for projects such as Mangshi Hengning Phoenix City (芒市恒寧鳳凰城), and Yani River Reservoir Project (亞尼河水庫工程). Secondly, the Group vigorously developed non-concrete businesses with the percentage of income from non-concrete businesses in total operating income increasing from approximately 7.4% in 2023 to approximately 10.5% in 2024. While continuing to produce and sell polycarboxylic admixtures, the Group diversified its business portfolio to encompass accelerators and waterborne coatings. The Group actively participated in the preliminary work of the Comprehensive Governance Project of Panlong River Basin in Wenshan City (Wenshan City Guniangzhai-Tangzizhai Green Mine Construction Project) (文山市盤龍河流域綜合治理項目(文山市姑娘寨 – 塘子寨綠色礦山建設項目)) and explored new business models of aggregates. The Group aggressively explored other new businesses, with its product categories constantly broadened and its spectrum of application scenarios extended. Currently, our new products have covered highway trench covers, urban underground prefabricated culverts, a full range of municipal permeable pavements, as well as innovative gypsum materials for building partition. In 2024, the amount of newly signed non-concrete business sales contracts exceeded RMB350 million.

2. Exerting persistent efforts in debt clearance to facilitate the operation in production and supply

In 2024, the Group continued to intensify its efforts in debt clearance and further improved its debt clearance mechanism. It adopted certain measures such as formulating a debt collection plan for small claims, establishing a temporary collection task force for the Company's "100-day campaign", and strengthening the guidance of Party members and cadres to carry out debt collection, so as to further fortify the organizational system framework and target decomposition network for debt collection. In 2024, the Group achieved its third consecutive year of annual collections exceeding its income, with the total amount of accounts receivables decreasing from RMB3.88 billion at the end of 2022 to RMB3.19 billion at the end of 2024. In the meantime, the Group constantly strengthened the role of collection work in ensuring production and supply, and completed with high quality and efficiency the concrete pouring tasks for highway projects such as Lijianggucheng-Ninglang Highway, Yongren-Jinshuihe Highway and Eshan-Shiping-Honghe Highway in Yunnan Province, as well as non-highway projects such as Baoshan Wuyue Plaza and Yunnan Kunhua International Hospital. There were no significant or higher-level quality incidents throughout the year, during which the overall production safety situation remained stable and controllable.

3. Seeking sustainable transformation and upgrading to improve the effectiveness of green development

In 2024, the Group continued to carry out transformation and upgrading. In terms of green energy utilization, we have continued to make efforts in the construction of green, new energy and low-carbon logistics system by putting more than 30 new energy transportation vehicles into service, while constructing and operating new battery swapping stations and charging piles. This not only further improves our ability to use green energy vehicles to ensure production and transportation, reduces fuel consumption and carbon dioxide emissions, but also realizes the socialized operation of charging and swapping stations, which contributes to building a green and beautiful Yunnan. In terms of green production, on the premise of ensuring product performance, the Group sustainably made use of industrial solid wastes such as pulverised fuel ash, ground granulated blast furnace slag, and microsilica powder to produce concrete products. In 2024, about 200 tons of additional phosphogypsum was utilized, further promoting the disposal and utilization of bulk industrial solid wastes. In 2024, the Group was selected as one of the “2024 Sustainable Development Practice Cases in Green Industry” (2024綠色產業可持續發展實踐案例) by the All-China Environment Federation (中華環保聯合會), and was the only enterprise from Yunnan that mainly produces green and low-carbon building materials to be selected; completed for the first time the verifications of carbon footprint and the emission of greenhouse gas and passed the “carbon neutrality” certification and “zero-carbon factory” certification, becoming the first dual-certified enterprise of the ready-mixed concrete industry in the southwest region.

(IV) Business update

1. Contract signing

For the year ended December 31, 2024, the total amount of the Group’s newly signed sales contracts was approximately RMB1.47 billion. In particular, the external market once again surpassed the internal market, with the amount of newly signed sales contracts with independent third parties accounting for approximately 51.0%. The operation of large-scale projects has achieved remarkable results, among which the proportion of large-scale projects with contract amounts of more than RMB10 million accounted for approximately 57.0%.

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 2025 will be approximately RMB840 million, among which, the expected amount of newly signed sales contracts for concrete business will be approximately RMB810 million; 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 RMB33.0 million.

2. Major projects

In 2024, the Group fully engaged in concrete production and supply for various major infrastructure projects and housing construction projects within Yunnan Province, which included highway projects such as Lijianggucheng-Ninglang Highway, Yongren-Jinshuihe Highway and Eshan-Shiping-Honghe Highway, as well as housing construction projects such as Baoshan Wuyue Plaza and Yunnan Kunhua Hospital. Simultaneously, the Group actively promoted the planning and construction of batching plants for major projects such as the Kunming Changshui International Airport Reconstruction and Expansion Project (Phase II) and the Yunnan Yuanmou-Dayao Highway Project, making all necessary preparations for the subsequent production and supply of these projects.

3. New products and businesses

In 2024, the Group continued to make vigorous efforts in new products and businesses, achieving further improvement in its performance. The Group laid out an accelerator production line, with an annual production capacity of 5,000 tons of accelerator. As for waterborne coatings, the Group started from scratch and completed capacity construction, market promotion and product delivery, and have penetrated the markets in Chuxiong and Kunming. New green building materials such as PC prefabricated components and modified high-strength gypsum blocks have gained widespread adoption in projects such as the Kunhua Hospital Project, and the Dian Lake Greenway Construction & Coastal Villages' Rural Revitalization Project. From the perspective of newly signed sales contracts, in 2024, new products and businesses accounted for 24%.

III. FINANCIAL REVIEW

(I) Total operating income

For the year ended December 31, 2024, the Group realized a total operating income of approximately RMB709.3 million, representing a year-on-year decrease of approximately 50.0%. Among them, the sales income of ready-mixed concrete, the main product of the Group, and related products amounted to approximately RMB634.0 million, representing a decrease of approximately RMB680.6 million or 51.8%, compared to 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 approximately 49.6% and 4.3%, 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, aggregates, cements and admixtures, and other businesses. The following table sets forth the breakdown of the income for the year ended December 31, 2024 and the year ended December 31, 2023:

	2024		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	634.0	89.5%	1,314.6	92.6%
Admixtures	32.7	4.6%	58.4	4.1%
Aggregates	0.8	0.1%	4.5	0.3%
Cement and admixtures	15.2	2.1%	22.4	1.6%
Other businesses	26.5	3.7%	19.4	1.4%
Total	709.3	100.0%	1,419.3	100.0%

(II) Total operating costs

In 2024, the Group continued to strengthen cost control, improve operational service efficiency and promote cost reduction and efficiency enhancement. For the year ended December 31, 2024, the total operating costs incurred by the Group were approximately RMB819.9 million, representing a decrease of approximately RMB621.2 million or 43.1%, as compared to approximately RMB1,441.1 million for 2023. Among them, the operating costs amounted to approximately RMB677.2 million, representing a decrease of approximately RMB600.4 million or 47.0%, as compared to approximately RMB1,277.6 million for 2023. The decrease in operating costs was mainly due to the significant decrease in the sales volume of products, mainly ready-mixed concrete, during the Reporting Period.

(III) Gross profit and gross margin

During the Reporting Period, the gross profit generated from operations of the Group was approximately RMB32.1 million (2023: approximately RMB141.7 million). The overall gross margins for 2024 and 2023 were 4.5% and 10.0%, 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 margin for the production and sales of ready-mixed concrete and related products was 3.6%, for the production and sales of admixtures was 19.0%, for the production and sales of aggregates was -12.5%, for the sales of cement and admixtures was 9.2% and for other businesses was 5.3%.

(IV) Profitability

1. Total profit

The Group recorded a total profit of approximately RMB-151.1 million in 2024 (2023: total profit approximately RMB-38.8 million). Such changes were mainly due to the significant decrease in total operating income and the increase in provision for credit losses on receivables, of which total operating income decreased by approximately RMB710.0 million as compared with that of 2023, and the provision for credit losses on receivables amounted to approximately RMB40.1 million, representing an increase of approximately RMB30.7 million as compared with that of approximately RMB9.4 million in 2023.

2. Income tax expense

The income tax expense of the Group was approximately RMB-35.9 million in 2024.

3. Net profit

In 2024, the Group realized a net profit of approximately RMB-115.2 million, representing a decrease of approximately RMB86.6 million or 302.8% compared to 2023. The basic earnings per Share was approximately RMB-0.25.

(V) Administration expense

In 2024, the Group incurred administration expenses of approximately RMB88.7 million (2023: approximately RMB96.5 million), representing a year-on-year decrease of 8.1%, mainly due to the decreases in repair expenses, travel expenses and fees for engaging intermediaries during the Reporting Period as compared to 2023.

(VI) General information of assets and liabilities

As at December 31, 2024, the total assets of the Group were approximately RMB3,883.4 million (December 31, 2023: approximately RMB4,455.8 million), representing a decrease of 12.8% as compared with that as at the end of 2023. The assets were mainly accounts receivables, fixed assets, and monetary funds. Such assets accounted for 91.7% of the total assets, with accounts receivables and other assets accounting for 82.2% and 9.5% of the total assets, respectively.

As at December 31, 2024, the total liabilities of the Group were approximately RMB2,680.2 million (December 31, 2023: approximately RMB3,135.6 million). Among them, 23.0% (December 31, 2023: 13.9%) were bank borrowings, and 76.3% (December 31, 2023: 84.8%) were accounts payables, notes payable, other payables, taxes and dues payable, and employee benefits payable.

(VII) Borrowings and solvency

As at December 31, 2024, the total borrowings of the Group were approximately RMB616.8 million (December 31, 2023: approximately RMB437.2 million), all of which were bank borrowings, and were repayable within one year.

As at December 31, 2024, the weighted average effective interest rate for bank borrowings of the Group was 4.69%. During the Reporting Period, the total interest expenses of the Group were approximately RMB20.5 million (2023: approximately RMB19.2 million) and the profit before interest and tax was approximately RMB-130.6 million (2023: profit before interest and tax approximately RMB-19.6 million). Therefore, the interest coverage ratio (profit before interest and tax divided by interest expenses) was -6.4 (2023: interest coverage ratio -1.0), mainly resulting from the losses in 2024.

As at December 31, 2024, the gearing ratio (i.e. total liabilities divided by total assets) of the Group was 69.0% (December 31, 2023: 70.4%).

(VIII) Liquidity and capital resources

The Group attaches importance to financial management, focuses on maintaining a stable financial policy and a reasonable capital structure, and strictly manages its treasury affairs with safety as prerequisite.

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. For the year ended December 31, 2024, all of the Group's receipts were denominated in RMB and the majority of its payments were denominated in RMB. In addition, the Group deposited cash and cash equivalents with authorized financial institutions in the PRC and adopted conservative cash management and investment strategies for funds that were not earmarked for specific purposes in order to balance the liquidity of funds with the risk of interest rate fluctuations. No financial instruments were used by the Group for hedging purposes.

As at December 31, 2024, total current assets of the Group were approximately RMB3,475.0 million (December 31, 2023: approximately RMB4,114.6 million), including: (i) monetary funds of approximately RMB124.8 million (December 31, 2023: approximately RMB322.5 million), accounting for 3.6% of current assets (December 31, 2023: 7.8%); (ii) accounts receivable and notes receivables of approximately RMB3,238.9 million (December 31, 2023: approximately RMB3,714.5 million), accounting for 93.2% of current assets (December 31, 2023: 90.3%); and (iii) prepayments, other receivables and other current assets of approximately RMB83.3 million (December 31, 2023: approximately RMB48.0 million), accounting for 2.4% of current assets (December 31, 2023: 1.2%).

As at December 31, 2024, the current ratio (i.e. current assets divided by current liabilities) of the Group was 129.8% (December 31, 2023: 133.8%), representing a decrease of 4.0 percentage points as compared with last year.

During the Reporting Period, net cash outflow from operating activities of the Group was approximately RMB99.1 million (2023: net cash outflow of approximately RMB73.1 million), of which cash inflow from operating activities amounted to approximately RMB1,342.7 million (2023: approximately RMB1,340.7 million); cash outflow from operating activities stood at approximately RMB1,441.8 million (2023: approximately RMB1,413.7 million).

IV. HUMAN RESOURCES

As at December 31, 2024, we employed a total of 886 employees (December 31, 2023: 972). The table below sets out a breakdown of the number of employees by role as at December 31, 2024:

Role	Number
Management	129
Production management	229
Quality and technology	193
Procurement (materials supply)	73
Marketing	83
Administration and finance	165
Others	<u>14</u>
Total	<u>886</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, 2024 and the year ended December 31, 2023, employee benefits and labor expenses were approximately RMB158 million and approximately RMB180 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. In accordance with the Employee Training and Development Management Measures, with a focus on qualification certification training, key personnel training, fundamental management training and new employee training. In 2024, the Company successfully organized 161 eligible employees to participate in training and examinations for junior, intermediate and senior professional titles, while over 430 certificates related to job positions were also obtained or renewed. A total of 433 employees received training at different levels and categories with specific focus based on the particular features of various work positions, including the business capabilities enhancement of internal audit, the business capabilities enhancement of legal affairs personnel, the competence advancement of the market operations personnel, the professional competence advancement of the human resources, the business ability reinforcement of the security director, the comprehensive ability improvement of the financial staff, 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 (the “**Global Offering**”) 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 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, June 28, 2024 and December 20, 2024, respectively. For details, please refer to the announcements of the Company dated February 27, 2024, June 28, 2024 and December 20, 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 during the year of 2024

Unit: RMB million

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	Amount of increase/decrease upon change of usage on December 20, 2024	Utilized amount during the Reporting Period	Unutilized amount as at December 31, 2024
1.	Improvement, integration and expansion of the existing concrete production lines	0.01	Reduced by 0.01	N/A	N/A	0	0
2.	Construction of new product manufacturing base	0	N/A	N/A	N/A	0	0
3.	Acquisition and consolidation of aggregate mining resources and investments in related fixed assets	19.54	Reduced by 15.00	Reduced by 0.31	Reduced by 2.80	1.43	0
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	Reduced by 2.42	4.22	0
5.	Research and development of new products and new technologies and related equipment purchases and investments in fixed assets	1.67	N/A	Reduced by 0.35	Reduced by 1.16	0.16	0
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	N/A	Reduced by 4.76	11.00	0
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	Reduced by 32.75	4.02	0
8.	Working capital and general corporate purposes	/	Increased by 37.25	Increased by 40.53	Increased by 43.89	78.92	42.75
	Total	<u>142.50</u>				<u>99.75</u>	<u>42.75</u>

Note: The description of usage No.1 to No. 7 did not change during the Reporting Period, and the increases for usage No. 8 was due to the fact that the Board changed the use of proceeds from the Global Offering during the Reporting Period.

During the period from January 1, 2025 to the date of this results announcement, under “working capital and general corporate purposes”, the Company has actually utilized approximately RMB6.33 million and the unutilized amount is approximately RMB36.42 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.

VI. MATERIAL ACQUISITION, DISPOSAL AND INVESTMENTS

For the year ended December 31, 2024, the Company did not make any material acquisitions and disposals of subsidiaries, associates or joint ventures. As at December 31, 2024, 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 approximately RMB12.08 million (carrying amount as at December 31, 2024: approximately RMB11.15 million) were pledged to the bank as collateral for borrowings of the Group. As of December 31, 2024, the pledge had not been released.

In addition, as at December 25, 2024, the Group’s real estate rights with a cost of approximately RMB57.35 million (carrying amount as at December 31, 2024: approximately RMB36.69 million) were pledged to banks as collateral for borrowings of the Group.

Save as disclosed in this results announcement, as at December 31, 2024, the Group did not have any other charge on its assets.

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). As at December 31, 2024, the balance of the Group’s carrying cash and bank deposits denominated in HKD amounted to approximately HK\$1.14 million. As at March 25, 2025, the balances of bank deposit denominated in HKD of the Group was approximately HK\$1.14 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, 2024, 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 “becoming a frontrunner in the green building materials field that integrates green and low-carbon building materials, comprehensive utilization of industrial solid waste and urban construction waste, commerce and new energy logistics systems” as the primary development direction. This aims to optimize the industrial layout and structure, expand related new businesses, promote the green and low-carbon transformation and upgrading of traditional businesses, enhance comprehensive competitiveness, and seize the development opportunities of industrial circular economy and industrial park economy in Yunnan Province.

Firstly, the Group plans to facilitate the comprehensive utilization project of phosphogypsum resources and promote the transformation and upgrading of the Company, playing an active role in improving the comprehensive utilization rate of phosphogypsum, resolutely fighting the tough battle of phosphogypsum governance in Yunnan Province, and improving the security and resilience of the industrial chain and supply chain. Secondly, 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. Thirdly, 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 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 Company’s working capital or multi-channel financing.

XI. OUTLOOK

Looking ahead, the Group still confront multifaceted risks, including those stemming from the macro-environment and its own operational management. Among them, in terms of the macro environment, the Group's business and future growth may be influenced by the political and economic conditions, the performance of the construction industry and real estate market, as well as policies and laws and regulations in China and within Yunnan Province. With regard to our own operational management, the Group may also experience constraints on future business performance to a certain extent due to working capital liquidity issues arising from losses. However, while analyzing the above risks and uncertainties, we are also actively paying attention to changes in the macro environment. The Third Plenary Session of the 20th CPC Central Committee held in July 2024 formulated systematic planning and deployment for further comprehensive deepening of reform in the future, which specified that economic system reform would serve as an engine to promote high-quality development. In January 2025, the People's Government of Yunnan Province put forward the goal of about 5% growth in regional GDP by 2025 in its work report, and made clear the key tasks in nine areas, including those closely associated with the construction and building materials industry, such as consolidating and expanding the growth momentum of industrial investment, paying close attention to the construction of key projects, steadily improving the quality and level of urbanization, continuously improving the living environment in both urban and rural areas, strengthening the ecological environment protection and governance in the upper reaches of the Yangtze River, vigorously promoting the green and low-carbon development, and promoting the construction of a new model of real estate development, among others. In addition, in the face of the complex and ever-changing international and domestic economic landscapes, the State, the governments of provincial and regional levels will also promote the implementation of more active and effective policies and measures tailored to specific sectors. Consequently, in general, the external development environment for the concrete industry is poised to progressively enhance. On this basis, we will focus on the following operational management work to seize development opportunities:

(I) Spare every effort to promote new measures for deepening reform

Focusing on the requirements of “management, development, extrication and reform”, in 2025, we will further advance the deepening of reforms, persistently optimize the corporate governance framework and systems, foster the establishment of an organization and management model that harmonizes with the actual development status of the Company, and continuously empower internal grass-roots units to enhance management efficiency. We will solidly push forward the reform of mixed-ownership enterprises, give full play to the resource and geographical advantages of external Shareholders, and jointly promote the quality improvement and efficiency enhancement of mixed-ownership enterprises. We will continuously consummate our internal management mechanism, persist in enhancing the level of information management, and promote a higher degree of dynamic equilibrium between decentralization and management standardization and efficiency.

(II) Endeavor to construct a new pattern for market operation

We will continuously reinforce our leading position in the operation by establishing an impeccable market operation work system, so as to carry out market operation work at a higher level, with greater intensity and in a more extensive manner. We will continuously revitalize operational resources, give full play to our inherent strengths, integrate management by legal entity, by product category and by geographical regions, and promote the market operation work to strengthen its advantages, make up for drawbacks and usher in new horizons. Adhering to the principle of “structural adjustment and directional transformation”, we will continue to expand our presence in markets outside the province and abroad, while deeply cultivating the provincial market; continue to develop new products and businesses such as new green and low-carbon building materials, while operating the traditional concrete business; and continue to explore external projects, while supporting and safeguarding the internal projects, thereby enhancing our ability to withstand market risks.

(III) Strive to forge cutting-edge highlights of competitive advantages

We will preempt the development opportunities of resource economy and circular economy, especially in the utilization of bulk industrial solid wastes such as phosphogypsum. We will persistently refine the scientific research and innovation work system, further intensify our commitment to fostering scientific research and innovation, strengthen the transformation and application of scientific research outcomes, and consolidate as well as broaden our core advantages in the field of scientific research and innovation. We will strengthen the quality and technology management and service provision, particularly in urgent, complex, dangerous and critical projects, and leverage nearly 30 years of professional experience to better serve the construction of major projects and regional socio-economic development, thereby establishing a more robust and influential brand advantage. We will continuously optimize the methods of human resource management, strengthen the incentives and constraints for compensation, especially in pivotal positions and for key personnel to achieve a combination of nurturing and capitalization, as well as a synthesis to development and observation, thereby continuously accumulating talent advantages. We will consistently practice green and low-carbon development strategies, deeply integrate ESG concepts into our daily management to further elevate the level of ESG management. We are committed to developing zero-carbon industrial parks, optimizing the green, new energy and low-carbon logistics system, and continuously promoting the transformation and upgrading of itself and even the industry to achieve sustainable development.

OTHER INFORMATION

I. Final Dividend for 2024

In view of the loss recorded by the Group for the year ended December 31, 2024, the Board recommended at the Board meeting held on March 25, 2025 not to distribute a final dividend for the year ended December 31, 2024 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, 2024, 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 2024 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, 2024.

IV. 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 year ended December 31, 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 December 31, 2024.

V. Audit and Risk Committee

As at the date of this announcement, the audit and risk committee of the Company (the “**Audit and Risk Committee**”) comprises four 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, and Ms. Yang Jia as non-executive Director. Mr. Yang Jie, who was a member of the Audit and Risk Committee, resigned as a non-executive Director and from his respective positions in the Board Committees as at the date of this announcement.

The Audit and Risk Committee has adopted terms of reference consistent with that in the Corporate Governance Code. The primary duties of the Audit and Risk 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, 2024 of the Group have been reviewed by the Audit and Risk Committee.

VI. Scope of Work of the Group’s Auditor

The figures in respect of the Group’s consolidated income statement, consolidated balance sheet and the related notes thereto for the year ended December 31, 2024 as set out in the preliminary results announcement for the year ended December 31, 2024 have been agreed by the Group’s auditor, ShineWing, to the amounts set out in the Group’s audited consolidated financial statements for the year. The work performed by ShineWing in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by ShineWing on the preliminary results announcement.

VII. Events after the Reporting Period

As at the date of this results announcement, there are no matters arising after the Reporting Period that need to be brought to the attention of Shareholders.

VIII. Excerpts of Opinions from the Auditors Report and the Group’s Response Measures

(I) Excerpts of opinions from the Auditors Report

The following is an excerpt from the Auditors Report of the Group’s auditor on the consolidated financial statements of the Group for the year ended December 31, 2024.

1. Opinions

We are of the opinion that the consolidated financial statements have been prepared in all material respects in accordance with the PRC ASBE and provide a fair presentation of the consolidated financial position of the Group as at December 31, 2024, as well as the consolidated operation results and cash flows for the year ended December 31, 2024.

2. Material uncertainties related to continue as a going concern

We remind users of the consolidated financial statements to note that as stated in the Note 2.2 to the consolidated financial statements, the Group has suffered losses for two consecutive years in 2023 and 2024, and as of December 31, 2024, RMB67.4986 million of funds were frozen due to litigation and other matters. These matters or circumstances indicate material uncertainties that may cast significant doubt on the Group's ability to continue as a going concern. This matter does not affect the issued audit opinion.

(II) The Group's Response Measures

In response to the significant doubts regarding the Group's ability to continue as a going concern mentioned above, the Group intends to take the following measures to ameliorate the situation:

Firstly, to further reinforce market exploitation. While continuously signing new contracts for commercial concrete and various green building materials, the Group will constantly enhance the conversion efficiency of its existing contracts (as at the date of this announcement, the value of existing contracts reaches approximately RMB1.585 billion), thereby promoting steady growth in operating income.

Secondly, to further strengthen the management of debt. The Group will intensify its efforts to collect accounts receivables. On the basis of achieving a collection amount exceeding the annual operating income for three consecutive years (2022-2024), it will further refine the collection working mechanism and make every effort to reduce the balance of accounts receivables.

Thirdly, to further enhance communication and coordination. The Group will actively communicate with banks and other financial institutions to maintain a generally stable level of credit extension and continuously optimize the debt structure. It will also actively communicate with suppliers, and take multiple measures to resolve existing lawsuits on a contractual basis, ensuring a stable and orderly procurement and supply.

IX. Publication of the 2024 Annual Results Announcement and 2024 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 2024 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, respectively in due course.

RESIGNATION OF NON-EXECUTIVE DIRECTOR

Due to work rearrangement, Mr. Yang Jie, (“**Mr. Yang**”), a non-executive Director of the third session of the Board, submitted written resignation to the Board on March 25, 2025, resigning from his positions as a non-executive Director, a member of the Audit and Risk Committee and the strategy and investment committee of the Company (the “**Strategy and Investment Committee**”). 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 resignation to the Board. After the abovementioned resignations become effective, the number of Board members will be reduced from 9 to 8, which will not fall below the statutory minimum number of Board members stipulated in the Company Law, and the composition of the Audit and Risk Committee and the Strategy and Investment Committee still complies with the Hong Kong Listing Rules and the Company’s working rules on relevant special committees. The resignation of Mr. Yang will not have any impact on the normal operation of the Company.

Mr. Yang has confirmed that he has no disagreement with the Company and the Board, and there are no other matters in relation to his resignation 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. Yang for his contributions to the development of the Company during his terms of office.

PROPOSED APPOINTMENT OF NON-EXECUTIVE DIRECTOR

In accordance with the Company Law and the Articles of Association, the Board proposes to appoint Mr. Jin Ming (“**Mr. Jin**”) as a non-executive Director of the third session of the Board. His terms of office shall commence from the date of approval at the 2024 AGM to the date of expiry of the term of the third session of the Board.

The above proposed appointment of non-executive Director is subject to the Shareholder’s approval by way of ordinary resolution at the 2024 AGM.

The biographical details of Mr. Jin Ming are set out below:

Mr. Jin Ming, aged 52, has been serving as a full-time external director 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) since February 2025.

From July 1995 to October 2009, Mr. Jin worked in Yunnan Fourth Building Engineering Company (雲南省第四建築工程公司), where he successively served as a staff member, deputy section chief, deputy chief engineer, chief engineer and deputy general manager of the Technical Division (技術科); from April 2007 to October 2009, he served as the chairman of Qujing Yunjian Real Estate Development Co., Ltd. (曲靖市雲建房地產開發有限公司); from October 2009 to March 2014, he served as the general manager of Kunming Tongtai Properties Co., Ltd. (昆明通泰置業有限公司); from October 2009 to June 2015, he served as the deputy general manager and chief planner (總策劃師) of Yunnan Properties Development and Operation (Group) Co., Ltd. (雲南省房地產開發經營(集團)有限公司); from July 2015 to August 2016, he served as the deputy general manager of YCIH Real Estate Development and Operation Co., Ltd. (雲南建投房地產開發經營有限公司), and concurrently held the positions of chairman and general manager of Kunming Shangrui Real Estate Brokerage Co., Ltd. (昆明商銳房地產經紀有限公司); and from September 2016 to January 2025, he successively served as the deputy general manager, the deputy secretary of the Party Committee and the president of Kunming Economic-Technological Development Zone Investment & Development (Group) Co., Ltd.

Mr. Jin obtained a bachelor of engineering degree in architectural engineering (industrial and civil construction) from the School of Architectural Engineering, Nanjing Institute of Architectural Engineering (南京建築工程學院) in July 1995, and a master's degree in architecture and civil engineering from Chongqing University in December 2006. Mr. Jin was awarded the titles of senior economist and professorate senior engineer (正高級工程師) 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 October 2003 and November 2009, respectively.

As at the date of this announcement, save as disclosed above, Mr. Jin (i) does not have any relationships with any Director, Supervisor, senior management, substantial Shareholder or controlling Shareholder (as defined under the Hong Kong Listing Rules) of the Company; (ii) does not hold any positions in the Company or any of its subsidiaries prior to his appointment as a non-executive Director becoming effective; (iii) has 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) does not have any other major appointments and professional qualifications; and (v) does 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).

Save as disclosed above, there are no other matters related to Mr. Jin's proposed appointment that need to be brought to the attention of the Shareholders or the Hong Kong Stock Exchange and nor is there any information in relation to Mr. Jin that 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 Mr. Jin after his proposed appointment is approved at the 2024 AGM. The first general meeting of 2024 and the 2023 annual general meeting of the Company held on May 30, 2024 authorized the Board to determine the remuneration of the Directors of the third session of the Board. Pursuant to such authorization, after being studied by the fourth interim meeting of the remuneration and evaluation committee of the Board in 2024 and submitted to the eighth interim meeting of the third session of the Board in 2024 for consideration and approval, the non-executive Directors will not be remunerated by the Company. Accordingly, Mr. Jin, as a non-executive Director, will not receive any remuneration from the Company.

A circular of the 2024 AGM containing details (among other things) about the proposed appointment of non-executive Director, a notice of the 2024 AGM and the proxy form will be published on the websites of the Hong Kong Stock Exchange and the Company and, where applicable, dispatched to the Shareholders as soon as practicable.

DEFINITIONS

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

“2024 AGM”	the Company’s 2024 annual general meeting or any adjournment thereof to be held on the 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
“Baoshan Building Material”	YCIH Baoshan Yongchang Building Material Co., Ltd., 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”	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
“Company Law”	the Company Law of the People’s Republic of China, as amended, supplemented or otherwise modified from time to time
“Corporate Governance Code”	the Corporate Governance Code as set out in Appendix C1 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
“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
“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 to the Hong Kong Listing Rules
“Polymer Company”	YCIH Polymer Material Co., Ltd., a subsidiary of our Company
“PRC ASBE”	The Accounting Standards for Business Enterprises promulgated by the Ministry of Finance of the PRC and the related application guidance, interpretations and other related requirements subsequently issued
“Qujing Building Material”	YCIH Qujing Building Material Co., Ltd., a subsidiary of our Company

“Reporting Period”	for the year ended December 31, 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)
“ShineWing”	ShineWing Certified Public Accountants LLP
“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., a subsidiary of our Company
“%”	percent

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, March 25, 2025

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 as non-executive Director; and Mr. Wong Kai Yan Thomas, Mr. Yu Dingming and Mr. Li Hongkun as independent non-executive Directors.