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雲建綠砼
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YCIH Green High-Performance Concrete Company Limited

雲南建投綠色高性能混凝土股份有限公司

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

(Stock Code: 1847)

**DISCLOSEABLE TRANSACTION
ENTERING INTO FACTORING AGREEMENTS**

The Board hereby announces that on December 16, 2022, Aggregate Company and Polymer Company entered into Factoring Agreement A and Factoring Agreement B with the Factoring Bank, respectively. According to Factoring Agreement A, the Factoring Bank agreed to provide recourse factoring services of RMB10 million to Aggregate Company, while Aggregate Company agreed to transfer Accounts Receivables A to the Factoring Bank for obtaining the facility amount from the Factoring Bank. According to Factoring Agreement B, the Factoring Bank agreed to provide recourse factoring services of RMB4 million to Polymer Company, while Polymer Company agreed to transfer Accounts Receivables B to the Factoring Bank for obtaining the facility amount from the Factoring Bank.

Before entering into Factoring Agreement A and Factoring Agreement B, the Factoring Bank had entered into Existing Factoring Agreements with 14th Metallurgical Company and Polymer Company on June 10, 2022, respectively. According to Existing Factoring Agreements: (i) 14th Metallurgical Company agreed to transfer accounts receivables of RMB9.5 million to the Factoring Bank, pursuant to which the Factoring Bank agreed to provide recourse factoring facility services to 14th Metallurgical Company for such receivables; and (ii) Polymer Company agreed to transfer accounts receivables of RMB5 million to the Factoring Bank, pursuant to which the Factoring Bank agreed to provide recourse factoring facility services to Polymer Company for such receivables. As none of the applicable percentage ratios (as defined in the Listing Rules) in respect of the Existing Factoring Agreements, whether on a standalone basis or on an aggregate basis, exceeds 5%, the entering into of the Existing Factoring Agreements did not constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules.

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

BACKGROUNDS

The Board hereby announces that on December 16, 2022, Aggregate Company and Polymer Company entered into Factoring Agreement A and Factoring Agreement B with the Factoring Bank, respectively. According to Factoring Agreement A, the Factoring Bank agreed to provide recourse factoring services of RMB10 million to Aggregate Company, while Aggregate Company agreed to transfer Accounts Receivables A to the Factoring Bank for obtaining the facility amount from the Factoring Bank. According to Factoring Agreement B, the Factoring Bank agreed to provide recourse factoring services of RMB4 million to Polymer Company, while Polymer Company agreed to transfer Accounts Receivables B to the Factoring Bank for obtaining the facility amount from the Factoring Bank.

Before entering into Factoring Agreement A and Factoring Agreement B, the Factoring Bank had entered into Existing Factoring Agreements with 14th Metallurgical Company and Polymer Company on June 10, 2022, respectively. According to Existing Factoring Agreements: (i) 14th Metallurgical Company agreed to transfer accounts receivables of RMB9.5 million to the Factoring Bank, pursuant to which the Factoring Bank agreed to provide recourse factoring facility services to 14th Metallurgical Company for such receivables; and (ii) Polymer Company agreed to transfer accounts receivables of RMB5 million to the Factoring Bank, pursuant to which the Factoring Bank agreed to provide recourse factoring facility services to Polymer Company for such receivables. As none of the applicable percentage ratios (as defined in the Listing Rules) in respect of the Existing Factoring Agreements, whether on a standalone basis or on an aggregate basis, exceeds 5%, the entering into of the Existing Factoring Agreements did not constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules.

Factoring Agreement A

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

Date: December 16, 2022

Parties: Aggregate Company; and

the Factoring Bank

Factoring Facility Amount: According to Factoring Agreement A, the Factoring Bank agreed to provide recourse factoring facility amount of RMB10 million (same amount as the book value of Accounts Receivables A) to Aggregate Company, while Aggregate Company agreed to transfer Accounts Receivables A to the Factoring Bank for obtaining the facility from the Factoring Bank. Given that the factoring facility amount under Factoring Agreement A is the same as the book value of Accounts Receivables A, the Group expects that no gain or loss will be recorded upon completion of the transactions under Factoring Agreement A. The purpose of the factoring facility amount is to supplement the working capital of Aggregate Company.

Factoring Term: 1 year from the date of entering of the Factoring Agreement A.

Factoring Type: The factoring has the right of recourse. If the payment obligor of the Accounts Receivables A fails to pay the receivables in full within the agreed period, the Factoring Bank has the right to reclaim the outstanding amounts from Aggregate Company.

Transfer of Accounts Receivables: The Aggregate Company agreed to transfer Accounts Receivables A to the Factoring Bank at RMB10 million (same amount as the book value of Accounts Receivables A and the factoring facility amount under Factoring Agreement A) and the Factoring Bank agreed to receive Accounts Receivables A and provide factoring services to Aggregate Company. Aggregate Company does not separately account for the pre-tax and after-tax profits of such accounts receivables.

Factoring Fees and Interest Rate: The fees for the factoring facility services under Factoring Agreement A are approximately 0.1% and the interest rate applicable to the factoring facility services is 3.8%.

Factoring Agreement B

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

Date: December 16, 2022

Parties: Polymer Company; and
the Factoring Bank

Factoring Facility Amount:	According to Factoring Agreement B, the Factoring Bank agreed to provide recourse factoring facility amount of RMB4 million (same amount as the book value of Accounts Receivables B) to Polymer Company, while Polymer Company agreed to transfer Accounts Receivables B to the Factoring Bank for obtaining the facility from the Factoring Bank. Given that the factoring facility amount under Factoring Agreement B is the same as the the book value of Accounts Receivables B, the Group expects that no gain or loss will be recorded upon completion of the transactions under Factoring Agreement B. The purpose of the factoring facility amount is to supplement the working capital of Polymer Company.
Factoring Term:	1 year from the date of entering of the Factoring Agreement B.
Factoring Type:	The factoring has the right of recourse. If the payment obligor of the Accounts Receivables B fails to pay the receivables in full within the agreed period, the Factoring Bank has the right to reclaim the outstanding amounts from Polymer Company.
Transfer of Accounts Receivables:	The Polymer Company agreed to transfer Accounts Receivables B to the Factoring Bank at RMB4 million (same amount as the book value of Accounts Receivables B and the factoring facility amount under Factoring Agreement B) and the Factoring Bank agreed to receive Accounts Receivables B and provide factoring services to Polymer Company. Polymer Company does not separately account for the pre-tax and after-tax profits of such accounts receivables.
Factoring Fees and Interest Rate:	The fees for the factoring facility services under Factoring Agreement B are approximately 0.1% and the interest rate applicable to the factoring facility services is 3.8%.

REASONS AND BENEFITS FOR ENTERING INTO FACTORING AGREEMENT A AND FACTORING AGREEMENT B

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

INFORMATION ON THE PARTIES

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

Aggregate Company is a limited liability company incorporated in the PRC and primarily engaged in the production and sales of aggregates and related products, which is a wholly-owned subsidiary of the Company.

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

The Factoring Bank is a state-controlled commercial bank in the PRC whose shares are listed on the Stock Exchange (stock code: 0939.HK) and the Shanghai Stock Exchange (stock code: 601939.SSE), and is primarily engaged in banking and related financial services. The controlling shareholder of the Factoring Bank is Central Huijin Investment Ltd., a state-owned investment company incorporated in the PRC and exercises the rights and the obligations as an investor in major state-owned financial enterprises in accordance with the PRC laws. To the best knowledge, information and belief of the Directors, having made all reasonable inquiries, the Factoring Bank and Central Huijin Investment Ltd. are the third parties independent of the Company and its connected persons.

LISTING RULES IMPLICATIONS

As none of the applicable percentage ratios (as defined in the Listing Rules) in respect of the Existing Factoring Agreements, whether on a standalone basis or on an aggregate basis, exceeds 5%, the entering into of the Existing Factoring Agreements did not constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules.

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

DEFINITIONS

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

“14th Metallurgical Company”	YCIH 14th Metallurgical Green New Material Co., Ltd.* (雲南建投十四冶綠色新材料有限公司), a limited liability company incorporated in the PRC and primarily engaged in the research and development, production, sales, transport and pumping of commercial concrete, a wholly-owned subsidiary of the Company
“Aggregate Company”	YCIH Aggregate Co., Ltd.*, a limited liability company incorporated in the PRC and a wholly-owned subsidiary of the Company
“Accounts Receivables A”	accounts payable (RMB10 million in total) by the Company to Aggregate Company arising from the Company's procurements of aggregates from the Aggregate Company
“Accounts Receivables B”	accounts payable (RMB4 million in total) by the Company to Polymer Company arising from the Company's procurements of polycarboxylic acid high performance water reducers from the Polymer Company
“Board”	the board of Directors of the Company
“Company”	YCIH Green High-Performance Concrete Company Limited
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Controlling Shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company

“Existing Factoring Agreements”	(i) the Factoring Agreement dated June 10, 2022 entered into between 14th Metallurgical Company and the Factoring Bank in relation to the accounts receivables of RMB9.5 million which 14th Metallurgical Company agreed to transfer to Factoring Bank, pursuant to which the Factoring Bank agreed to provide the recourse factoring facility services to 14th Metallurgical Company in respect of such accounts receivables; and (ii) the Factoring Agreement dated June 10, 2022 entered into between Polymer Company and Factoring Bank, in relation to the accounts receivables of RMB5 million which Polymer Company agreed to transfer to the Factoring Bank, pursuant to which the Factoring Bank agreed to provide the recourse factoring facility services to Polymer Company in respect of such accounts receivables
“Factoring Agreement A”	Factoring Agreement dated December 16, 2022 entered into between Aggregate Company and the Factoring Bank in relation to transfer of the accounts receivables by Aggregate Company to the Factoring Bank for obtaining factoring facility provided by the Factoring Bank
“Factoring Agreement B”	Factoring Agreement dated December 16, 2022 entered into between Polymer Company and the Factoring Bank in relation to transfer of the accounts receivables by Polymer Company to the Factoring Bank for obtaining factoring facility provided by the Factoring Bank
“Factoring Bank”	China Construction Bank Corporation, a state-controlled commercial bank whose H shares and A shares are listed on the Stock Exchange (stock code: 0939.HK) and the Shanghai Stock Exchange (stock code: 601939.SSE), respectively
“Group”	the Company and its subsidiaries
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.
“Polymer Company”	YCIH Polymer Material Co., Ltd.*, a limited liability company incorporated in the PRC and a wholly-owned subsidiary of the Company
“Shareholder(s)”	holder of the shares of the Company
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules

“YCIH”

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

“%”

per cent

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

Kunming, China, December 16, 2022

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

* *For identification purpose only*