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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)

2023 INTERIM RESULTS ANNOUNCEMENT; AND CHANGE IN USE OF PROCEEDS FROM THE GLOBAL OFFERING

FINANCIAL HIGHLIGHTS:

For the six months ended June 30, 2023, the Group recorded:

revenue of approximately RMB734.5 million, representing a decrease of 8.9% from the corresponding period of 2022;

gross profit of approximately RMB67.1 million, representing a decrease of 25.9% from the corresponding period of 2022;

profit before income tax of approximately RMB-15.1 million, representing a decrease of 155.5% from the corresponding period of 2022; and

earnings per share of approximately RMB-0.03, representing a decrease of 175.0% from the corresponding period of 2022.

The Board is pleased to announce the unaudited consolidated results of the Group for the six months ended June 30, 2023, together with the comparative data for the corresponding period in 2022, as follows:

INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT

FOR THE SIX MONTHS ENDED JUNE 30, 2023

		Unaudited Six months ended June 30,	
	Note	**2023**	2022
		RMB'000	*RMB'000*
Revenue	*4*	**734,499**	806,297
Cost of sales		**(667,378)**	(715,675)
Gross profit		**67,121**	90,622
Selling expenses		**(9,170)**	(6,867)
Administrative expenses		**(49,729)**	(42,193)
Net impairment losses on financial assets		**(9,725)**	(10,755)
Other income	*4*	**1,750**	2,289
Other losses – net	*4*	**(7,409)**	(1,687)
Operating (loss)/profit		**(7,162)**	31,409
Finance income		**1,500**	3,176
Finance costs		**(9,464)**	(7,402)
Finance costs – net		**(7,964)**	(4,226)
(Loss)/Profit before income tax		**(15,126)**	27,183
Income tax expense	*5*	**3,633**	(6,480)
(Loss)/Profit for the period		**(11,493)**	20,703
(Loss)/Profit attributable to:			
– The equity holders of the Company		**(13,811)**	18,753
– Non-controlling interests		**2,318**	1,950
		(11,493)	20,703
Earnings per share for (loss)/profit attributable to the equity holders of the Company during the period (expressed in RMB per share)			
– Basic and diluted earnings per share	*6*	**(0.03)**	0.04

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED JUNE 30, 2023

		Unaudited	
		Six months ended June 30,	
	Note	**2023**	2022
		RMB'000	*RMB'000*
(Loss)/Profit for the period		**(11,493)**	20,703
Other comprehensive income			
Items that may be reclassified to profit or loss			
– Changes in the fair value of debt instruments at fair value through other comprehensive income		**–**	840
– Income tax relating to the item		**–**	(165)
Other comprehensive income for the period, net of tax		**–**	675
Total comprehensive (loss)/income for the period		**(11,493)**	21,378
Total comprehensive (loss)/income attributable to:			
– The equity holders of the Company		**(13,811)**	19,415
– Non-controlling interests		**2,318**	1,963

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2023

	Note	**Unaudited As at June 30, 2023** *RMB'000*	Audited As at December 31, 2022 *RMB'000*
ASSETS			
Non-current assets			
Land use rights		**41,210**	41,702
Property, plant and equipment		**216,185**	202,329
Investment properties		**60**	63
Intangible assets		**642**	676
Deferred income tax assets		**33,706**	27,255
Other non-current assets		**6,026**	5,828
		297,829	277,853
Current assets			
Inventories		**23,061**	24,148
Financial assets at fair value through other comprehensive income		**7,517**	6,064
Trade and notes receivables	*7*	**3,943,726**	4,018,816
Prepayments and other receivables	*8*	**28,515**	32,786
Restricted cash		**339,323**	336,509
Cash and bank deposits		**156,544**	134,661
		4,498,686	4,552,984
Total assets		**4,796,515**	4,830,837
EQUITY			
Share capital		**446,272**	446,272
Reserves		**483,170**	483,170
Retained earnings		**330,491**	359,087
Total equity attributable to equity holders of the Company		**1,259,933**	1,288,529
Non-controlling interests		**83,394**	81,076
Total equity		**1,343,327**	1,369,605

	Note	Unaudited As at June 30, 2023 RMB'000	Audited As at December 31, 2022 RMB'000
LIABILITIES			
Non-current liabilities			
Lease liabilities		**12,928**	19,097
Provision for close down, restoration and environmental cost		**717**	1,467
Borrowings		**34,770**	2,700
		48,415	23,264
Current liabilities			
Trade and other payables	*9*	**3,066,130**	3,089,434
Lease liabilities		**19,073**	25,867
Provision for close down, restoration and environmental cost and law suits		**3,403**	5,297
Contract liabilities		**2,756**	3,000
Current income tax liabilities		**2,410**	5,133
Borrowings		**311,001**	309,237
		3,404,773	3,437,968
Total liabilities		**3,453,188**	3,461,232
Total equity and liabilities		**4,796,515**	4,830,837

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED JUNE 30, 2023

1 GENERAL INFORMATION

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

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

The Company and its subsidiaries (together, the "**Group**") are principally engaged in the research, development, production, sales, transportation and pumping of ready-mixed concrete in the PRC.

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

The condensed consolidated financial information are presented in Renminbi thousand ("**RMB'000**"), unless otherwise stated. These condensed consolidated financial information have been approved for issue by the Board of Directors on August 28, 2023.

This condensed consolidated interim financial information has not been audited.

2 BASIS OF PREPARATION

This condensed consolidated interim financial information for the six months ended June 30, 2023 has been prepared in accordance with International Accounting Standard ("**IAS**") 34, 'Interim financial reporting'. The condensed consolidated interim financial information does not include all the notes of the type normally included in an annual financial report. Accordingly, this condensed consolidated interim financial information should be read in conjunction with the annual consolidated financial statements for the year ended December 31, 2022, which have been prepared in accordance with International Financial Reporting Standard ("**IFRS**") and any public announcements made by the Company during the interim reporting period.

3 ACCOUNTING POLICIES

The accounting policies adopted are consistent with those of the annual financial statements for the year ended December 31, 2022, except for the estimate of income tax and the adoption of new and amended standards as set out below.

Taxes on income in the interim financial statements are accrued using the tax rate that would be applicable to expected total annual earnings.

3.1 New and amended standards adopted by the Group

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

IFRS 17	Insurance contracts
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to IAS 8	Definition of Accounting Estimates
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction

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

		Effective for annual periods beginning on or after
Amendments to IAS 1	Classification of Liabilities as Current or Non-current	January 1, 2024
Amendments to IAS 1	Non-current liabilities with covenants	January 1, 2024
Amendments to IFRS 16	Lease liability in sale and leaseback	January 1, 2024
Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause (Int 5 (2020))	Interpretation 5 (2020) Presentation of Financial Statements	January 1, 2024
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

The Group is assessing the full impact of these new standards and amendments. According to the preliminary assessment, these standards and amendments are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions. The Group expects to adopt relevant new standards, amendments to standards and conceptual framework when they become effective.

4 SEGMENT INFORMATION, REVENUE AND OTHER INCOME

4.1 Operating segment information

Entity-wide disclosures

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

Geographical information

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

4.2 Revenue

	Unaudited Six months ended June 30,	
	2023	2022
	RMB'000	*RMB'000*
Sales of ready-mixed concrete	**703,476**	744,048
Sales of polycarboxylic admixtures	**21,995**	26,510
Sales of aggregates	**4,579**	8,964
Sales of cement	**3,542**	26,775
Sales of mortar	**907**	–
	734,499	806,297

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

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

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

	Unaudited	
	Six months ended June 30,	
	2023	2022
	RMB'000	*RMB'000*
Group A	**527,885**	541,093
Group B	**17,185**	15,054
Group C	**10,921**	12,766
Group D	**8,150**	–
Group E	**–**	12,877
	564,141	581,790

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

4.3 Other income

	Unaudited	
	Six months ended June 30,	
	2023	2022
	RMB'000	*RMB'000*
Government grants *(Note (a))*	**1,635**	2,215
Rental income	**115**	74
	1,750	2,289

(a) Government grants mainly represent grants for subsidising the employment and the Group's general operation and research and development activities received from PRC government authorities for the six months ended June 30, 2023. Government grants mainly represent refund of unemployment insurance and grants for subsidising the Group's general operation and research and development activities received from PRC government authorities for the six months ended June 30, 2022. There are no unfulfilled conditions or other contingencies attaching to these grants. The Group did not benefit directly from any other forms of government assistance.

4.4 Other losses – net

	Unaudited Six months ended June 30,	
	2023	2022
	RMB'000	*RMB'000*
Losses of law suits	**(7,300)**	(1,079)
Gains/(Losses) on disposal of property, plant and equipment	**145**	(112)
Others	**(254)**	(496)
	(7,409)	(1,687)

5 INCOME TAX EXPENSE

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

	Unaudited Six months ended June 30,	
	2023	2022
	RMB'000	*RMB'000*
Current income tax	**2,818**	5,929
Deferred income tax	**(6,451)**	551
Income tax expense	**(3,633)**	6,480

(a) Under the Law of the PRC on Corporate Income Tax (the "**CIT Law**") and implementation regulations of the CIT Law, the tax rate of the Group is 25% from January 1, 2008. The income tax rate of 25% is applicable to the Group, except for i) The Company and two subsidiaries including YCIH Polymer Material Co., Ltd. ("**Polymer Company**") and YCIH Qujing Building Material Co., Ltd. ("**Qujing Building Material**") are qualified as High-tech Enterprises and enjoy a preferential income tax rate of 15% for the six months ended June 30, 2023 and 2022; ii) YCIH Yuxi Building Material Co., Ltd. ("**Yuxi Building Material**") , a subsidiary of the Company is qualified as a High-tech Enterprise and enjoys a preferential income tax rate of 15% for the six months ended June 30, 2023; iii) YCIH Baoshan Yongchang Building Material Co., Ltd. ("**Baoshan Building Material**") , a subsidiary of the Company enjoys a preferential income tax rate of 15% according to the policies of Western Area Development for the six months ended June 30, 2023 and 2022.

(b) Income tax expense is recognised based on management's estimate of the weighted average effective annual income tax rate expected for the full financial year. The estimated average annual tax rate used for the six months ended 30 June, 2023 is 24.0%, compared to 23.9% for the six months ended 30 June, 2022.

6 EARNINGS PER SHARE

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

	Unaudited Six months ended June 30,	
	2023	2022
(Loss)/Profit attributable to equity holders of the Company *(RMB'000)*	**(13,811)**	18,753
Weighted average number of ordinary shares in issue in thousands	**446,272**	446,272
Basic earnings per share *(RMB)*	**(0.03)**	0.04

(b) The diluted earnings per share was the same as the basic earnings per share as there was no potential dilutive share issued during the six months ended June 30, 2023 and 2022.

7 TRADE AND NOTES RECEIVABLES

	Unaudited As at June 30, 2023 *RMB'000*	Audited As at December 31, 2022 *RMB'000*
Trade receivables – related parties	**3,008,664**	2,952,216
Trade receivables – third parties	**961,339**	1,040,243
	3,970,003	3,992,459
Less: Provision for impairment of trade receivables *(Note (b))*	**(120,270)**	(112,504)
	3,849,733	3,879,955
Notes receivable – related parties	**93,365**	96,782
Notes receivable – third parties	**1,151**	43,653
	94,516	140,435
Less: Net impairment losses on notes receivable	**(523)**	(1,574)
	93,993	138,861
Trade and notes receivables – net	**3,943,726**	4,018,816

As at June 30, 2023 and December 31, 2022, the fair values of trade and notes receivables of the Group approximated their carrying amounts.

As at June 30, 2023 and December 31, 2022, all the carrying amounts of trade and notes receivables were denominated in RMB.

As at June 30, 2023, no notes receivable (December 31, 2022: RMB23,845,000) were pledged to the bank as a guarantee of the Group for borrowings (December 31, 2022: RMB23,845,000).

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

	Unaudited As at June 30, 2023	Audited As at December 31, 2022
	RMB'000	*RMB'000*
– Within one year	**1,750,399**	1,815,647
– One to two years	**958,573**	1,042,125
– Two to three years	**909,023**	1,119,159
– Three to four years	**394,840**	115,941
– Four to five years	**29,184**	17,445
– Over five years	**22,501**	22,577
	4,064,519	4,132,894

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

(b) The Group applies the simplified approach to provide for expected credit losses prescribed by IFRS 9, which permits the use of the life time expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected credit losses also incorporate forward-looking information. As at June 30, 2023, provision of approximately RMB120,270,000 was made against trade receivables (December 31, 2022: RMB112,504,000).

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

	Unaudited Six months ended June 30,	
	2023	2022
	RMB'000	*RMB'000*
Beginning of the period	**112,504**	94,215
Provision for impairment on trade receivables	**7,766**	10,270
End of the period	**120,270**	104,485

8 PREPAYMENTS AND OTHER RECEIVABLES

	Unaudited As at June 30, 2023 *RMB'000*	Audited As at December 31, 2022 *RMB'000*
Other receivables – related parties	**7,623**	4,122
Other receivables – third parties	**21,560**	21,270
	29,183	25,392
Less: Provision for impairment of other receivables *(Note (b))*	**(9,699)**	(6,690)
Other receivables – net	**19,484**	18,702
Prepayments	**6,535**	12,311
Other current assets	**2,496**	1,773
Prepayments and other receivables – net	**28,515**	32,786

As at June 30, 2023 and December 31, 2022, the fair values of other receivables of the Group approximated their carrying amounts.

As at June 30, 2023 and December 31, 2022, all the carrying amounts of prepayments and other receivables were denominated in RMB.

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

	Unaudited As at June 30, 2023	Audited As at December 31, 2022
	RMB'000	*RMB'000*
– Within one year	**13,686**	8,903
– One to two years	**3,114**	5,000
– Two to three years	**1,702**	1,592
– Three to four years	**1,815**	1,770
– Four to five years	**2,808**	2,188
– Over five years	**6,058**	5,939
	29,183	25,392

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

(b) To measure the expected credit losses, other receivables have been grouped based on shared credit risk characteristics and the ageing days. The expected credit losses also incorporate forward-looking information. As at June 30, 2023, provisions for impairment of approximately RMB9,699,000 were made against other receivables (December 31, 2022: RMB6,690,000).

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

	Unaudited Six months ended June 30,	
	2023	2022
	RMB'000	*RMB'000*
Beginning of the period	**6,690**	5,370
Provision for impairment on other receivables	**3,009**	485
End of the period	**9,699**	5,855

9 TRADE AND OTHER PAYABLES

	Unaudited As at June 30, 2023 *RMB'000*	Audited As at December 31, 2022 *RMB'000*
Notes payable	**514,809**	555,151
Trade payables – related parties	**156,778**	97,959
Trade payables – third parties	**2,128,510**	2,206,640
Other payables – related parties	**37,190**	23,597
Other payables – third parties	**121,524**	95,021
Staff salaries and welfare payable	**76,400**	62,933
Dividends payable	**29,014**	16,089
Accrued taxes other than income tax	**1,905**	32,044
	3,066,130	3,089,434

(a) As at June 30, 2023 and December 31, 2022, all trade and other payables of the Group were non-interest bearing, and their fair values, except for the staff salaries and welfare payables and accrued taxes other than income tax which are not financial liabilities, approximated their carrying amounts due to their short maturities.

(b) At each of the end of the reporting periods, the Group's trade and other payables are denominated in RMB.

(c) The ageing analysis of trade payables at the respective statement of financial position dates, based on the transaction recognised dates, are as follows:

	Unaudited As at June 30, 2023 *RMB'000*	Audited As at December 31, 2022 *RMB'000*
– Within one year	**1,197,541**	942,960
– One to two years	**340,577**	733,746
– Two to three years	**557,710**	467,384
– Three to four years	**82,287**	83,869
– Four to five years	**50,905**	42,949
– Over five years	**56,268**	33,691
	2,285,288	2,304,599

10 DIVIDENDS

On March 29, 2022 and August 26, 2022, the Board of Directors has not recommended any payment of final dividend for the year ended December 31, 2021 nor any payment of interim dividend for the six months ended June 30, 2022.

On March 31, 2023, the Board of Directors recommended a final dividend of RMB0.0331 each share for the year ended December 31, 2022, amounting to a total amount of RMB14,785,000 calculated based on the total number of shares in issue of 446,272,000. On May 30, 2023, the final dividend had been approved by the shareholders at the annual general meeting.

On August 28, 2023, the Board of Directors has not recommended any payment of interim dividend for the six months ended June 30, 2023.

MANAGEMENT DISCUSSION AND ANALYSIS

I. INDUSTRY OVERVIEW

Since 2023, despite the steady transition in the prevention and control of the COVID-19 pandemic, the overall situation of the national concrete industry is not optimistic, influenced by the real estate market and the macroeconomic fluctuations. The investment and construction growth in Yunnan Province has also slowed down. According to statistics from the China Concrete & Cement-based Products Association, the cumulative output of ready-mixed concrete for large-scale enterprises decreased by 1.3% period-on-period from January to May 2023. According to the Yunnan Provincial Bureau of Statistics (雲南省統計局), in the first half of 2023, the province's fixed asset investment (excluding rural households) decreased by 5% period-on-period. The real estate development investment decreased by 33%, and transportation investment decreased by 16%. All of these factors have had a certain impact on the operations of the Group, posing serious challenges to exploring new markets and undergoing transformation and upgrades.

However, under the new development pattern, challenges and opportunities coexist. Only by accurately understanding changes, scientifically responding to changes, and proactively seeking changes can we seize opportunities. The "14th Five-Year" Development Guideline for the Concrete and Cement-based Products Industry released by the China Concrete & Cement-based Products Association clearly puts forward to accelerate the development and application of green, low-carbon and high-performance new materials, new technologies, new equipment and new products, expedite the development progress of green, low-carbon and high-end intelligent manufacturing, and accelerate the high-quality development of "The Belt and Road", providing a solid support for the implementation of China's strategy to become a strong manufacturing and construction nation.

II. BUSINESS OVERVIEW

(I) Overview

The Company is a ready-mixed concrete producer located in Yunnan Province and also a national High-Tech Enterprise. We have a team with extensive management experience and robust technical capabilities, and have powerful research and development capabilities with an integration of technical research and development, results promotion and application and technical services. We have introduced modernized, scientific and green and environmentally-friendly manufacturing concepts into our production, and lead and drive the technological progress and green and low-carbon development in the concrete industry of Yunnan Province. In recent years, the Company has continued to carry out transformation and upgrading, and established a diversified business landscape focusing on the production of ready-mixed concrete, including ultra-high performance concrete ("**UHPC**") and related products, and supplemented with the production of cement, aggregates, polycarboxylic admixtures 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 prefecture-level 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 completed industrial chain of "technical research and development, resource processing, production and sales".

As at June 30, 2023, the Group had 45 concrete batching plants and 85 production lines with an annual capacity of 19.74 million m^3. The Group also had 164 concrete transporters (including 13 electric mixer trucks and 151 fossil-fuelled mixer trucks), 19 electric loaders, 10 electric self-dumping aggregate transport trucks, 10 electric heavy-duty truck tractors, 10 bulk material transport semi-trailers, along with 1 power swapping station, 1 photovoltaic power station, and 2 pump trucks.

(II) Results of operation

For the six months ended June 30, 2023, the Group produced and sold the ready-mixed concrete of 2.33 million m^3, representing a period-on-period increase of 6.9%. The Group recorded a revenue of RMB734.5 million, representing a period-on-period decrease of 8.9%; a profit before income tax of RMB-15.1 million, representing a period-on-period decrease of 155.5%; a net profit of RMB-11.5 million, representing a period-on-period decrease of 155.6%; and a net profit attributable to the owners of the company of RMB-13.8 million, representing a period-on-period decrease of 173.4%.

1. By business category

The following table sets forth the revenue, cost of sales, gross margin and change in percentage by business category of the Group for the six months ended June 30, 2022 and the six months ended June 30, 2023.

	For the six months ended June 30,								
	2023 (in RMB'000,000)			2022 (in RMB'000,000)			Change in percentage (%)		
Business	**Revenue**	**Cost of sales**	**Gross margin (%)**	Revenue	Cost of sales	Gross margin (%)	Revenue	Cost of sales	Gross margin
Ready-mixed concrete	**703.5**	**641.9**	**8.8%**	744.0	659.5	11.4%	-5.4%	-2.7%	-22.8%
Polycarboxylic admixtures	**22.0**	**17.8**	**19.1%**	26.5	23.1	12.8%	-17.0%	-22.9%	49.2%
Aggregates	**4.6**	**3.6**	**21.7%**	9.0	7.7	14.4%	-48.9%	-53.2%	50.7%
Cements	**3.5**	**3.4**	**2.9%**	26.8	25.4	5.2%	-86.9%	-86.6%	-44.2%
Mortar	**0.9**	**0.7**	**22.2%**	–	–	–	–	–	–
Total	**734.5**	**667.4**	**9.1%**	806.3	715.7	11.2%	-8.9%	-6.7%	-18.8%

For the six months ended June 30, 2023, the majority of the Group's revenue derived from the production and sales of ready-mixed concrete, of which the Group's revenue generated from the production and sales of ready-mixed concrete was RMB703.5 million, accounting for 95.8% of the total revenue.

During the Reporting Period, the gross profit of the Group's operation was RMB67.1 million (the first half of 2022: RMB90.6 million), and the overall gross margin for the first half of 2023 was 9.1%, representing a decrease of 2.1 percentage points from 11.2% for the corresponding period of 2022. Such decreases of gross profit and gross profit margin were mainly due to the decrease in both revenue and cost of sales, with the decrease in revenue (approximately 8.9%) exceeding the decrease in cost of sales (approximately 6.7%). The decrease in revenue was mainly due to the 11.6% decrease in unit selling price of ready-mixed concrete, the main product, as a result of shrinking concrete market and increased competition in the construction industry; the decrease in cost of sales and the lower rate of decrease than in revenue was mainly due to the decrease in cost of materials and labor compared to the corresponding period of the previous year, but the increase in direct manufacturing expenses and tax costs compared to the corresponding period of the previous year. In the first half of 2023, the gross margin was 8.8% for the production and sales of ready-mixed concrete, 19.1% for the production and sales of polycarboxylic admixtures, 21.7% for the production and sales of aggregates, 2.9% for the sales of cements and 22.2% for the sales of mortar.

2. By customer category

For the six months ended June 30, 2023, the revenue generated by the Group from independent third-party customers was RMB204.9 million, representing a decrease of 22.5% compared to RMB264.5 million for the corresponding period in 2022; and its proportion to revenue for the first half of 2023 accounted for 27.9%, representing a decrease of 4.9 percentage points as compared with 32.8% for the corresponding period of 2022.

(III) Major operation and management measures

1. Seizing policy opportunities, vigorously expanding the market

In the first half of 2023, the Group continued to deepen its presence in the provincial market and expand its market layout. Firstly, we focused on propelling the operational activities for mature regional markets in prefectures and cities, and local markets. We insisted high-level promotion and combined with grassroots follow-up, establishing the operational philosophy of "customer-centric, comprehensive operation, promotion contracting through practice." This approach allowed us to ensure early involvement and forward-looking planning, keep nurturing new growth points, fully consolidate our operating leader position, and foster a collaborative force for intrinsic, high-quality development. As a result, we comprehensively enhanced the quality and effectiveness of the business operations. Secondly, leveraging the YCIH Group's platform, we strengthened connections with YCIH Group, ensuring timely acquisition of project information. We continued to manage project tracking within the Group, with a focus on key projects and those showing promising progress in terms of funding. We also engaged in ongoing tracking and dynamic analysis of various local markets. Thirdly, we seized development opportunities arising from Yunnan Province's expansion of the "Three Major Economies". We actively engaged in the construction of industrial parks along the border such as Mohan, Ruili, and Hekou. Concurrently, we closely monitored major projects, including airport reconstruction and expansion, highway projects, and the International Supply Chain Demonstration Center.

2. Strengthening debt recovery efforts, consolidating development foundation

In the first half of 2023, the Group intensified its debt collection efforts and established a coordinated and hierarchical debt recovery mechanism. We established a leadership group for debt recovery, a debt recovery office, and organized a dedicated debt recovery team, clearly defining debt recovery responsibilities at various levels. We encouraged the full participation of all employees in the debt recovery process, ensuring sustained and active promotion of debt recovery efforts. Simultaneously, we clarified the rule system for progress debt recovery, old debt recovery, and litigation-based debt recovery. With the foundation of ensuring no omission in the debt recovery scope, we increased remuneration incentive measures and reinforced debt recovery assessments.

3. Enhancing foundational management, elevating innovative efficiency

Faced with the challenging industry landscape and sluggish market conditions in the first half of the year, the Group continued to strengthen foundational management. Firstly, we intensified cost control to effectively manage various operation and management costs by combining cost quota management with performance-based compensation assessments, and regularly conducting economic operational analyses. Secondly, we bolstered the management of key engineering projects by advance planning and comprehensive coordination to safeguard the successful undertaking and progress of these projects. During the peak construction periods of large-scale projects, through methods such as on-site presence, field investigation and research, and direct supervision, multiple departments collaborated proactively, participated actively, and coordinated resources to provide all-round support. Thirdly, human resources management was reinforced. We continued to implement a comprehensive “Accountability of Manager”, enhancing the development of grassroots station managers. We conducted comprehensive assessments for station managers of batching plants and laboratory directors, and made role adjustments based on assessment results. Simultaneously, we reserved backup talents for these positions, enriching the Company’s talent pool and ensuring a strong, complete, and optimal lineup of grassroots management personnel, thereby further strengthening the construction of talent teams for key and large-scale projects. Fourthly, technological innovation led development. In the first half of 2023, the Group obtained 2 utility model patents and 1 authorized patent, published 3 technical papers, and collaborated with institutions such as Shenzhen University, Yunnan Institute of Building Research Co., Ltd, and Wuhan University of Technology through strong partnerships and university-industry cooperation to advance the development and application of green and low-carbon construction materials technology, providing technical support for engineering applications.

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

In the face of intense market competition, the Group persists in green and low-carbon development, adheres to transformation and upgrading, and consistently forges a benchmark for green and low-carbon development. On the basis of building the first green, new energy and low-carbon logistics system demonstration industrial park integrated with "photovoltaic power generation + energy station of charging, swapping and storing for heavy trucks + pure electric transportation equipment" in Yunnan Province we have further increased our investment efforts. As of the Latest Practicable Date, the Group possesses a total of 67 new energy vehicles with various types. The new energy vehicles (electric mixer transport trucks, electric heavy-duty truck tractors, electric self-dumping aggregate transport trucks) have been progressively put into operation, reaching a total operation mileage of approximately 610,000 kilometers, saving transportation costs of approximately RMB4.56 million and reducing carbon dioxide emissions by approximately 1,476 tons. Additionally, the distributed rooftop power station has cumulatively generated approximately 320,000 kilowatt-hours of electricity, saving approximately RMB230,000 in electricity fees and reducing carbon dioxide emissions by approximately 243 tons. The scaled effects of green and low-carbon development and the initial demonstration-driven effects are becoming evident, leading to significant improvements in both economic and social benefits.

(IV) Business update

1. Contract signing

As of July 20, 2023, the total amount of the Group's newly signed sales contracts was approximately RMB2.58 billion, representing an increase of approximately 9.6% as compared with the corresponding period in 2022. In particular, the amount of newly signed sales contracts with independent third parties accounted for approximately 60.9%, which was approximately 17 percentage points higher than that of the corresponding period in 2022.

In addition, the Group expects to sign certain sales contracts in the near future. According to preliminary estimates, it is expected that the amount of newly signed sales contracts is approximately RMB1.70 billion, among which, the expected amount of newly signed sales contracts for concrete business is approximately RMB1.34 billion, involving a demand for concrete of approximately 4.2 million m^3.

2. Major projects

In the first half of 2023, the Group fully engaged in concrete production and supply for various highway construction projects and other key construction projects within Yunnan Province, which included highway projects such as Yongren-Jinshuihe Highway, Nasa-Xingjie Highway, Eshan-Shiping-Honghe Highway, and Lijianggucheng-Ninglang Highway as well as several non-highway projects like the Yunnan Baoshan Tongwei Project and the Kunhua Hospital Project. In the second half of the year, while prioritizing the reliable supply for existing key projects, the Group will focus on closely monitoring several new large projects under newly signed contracts, which include, but not limited to, the Kunming third ring closure project, Dongchuan monocrystalline silicon plant construction project, and Yuxi granary construction project.

3. New product and new business

In the first half of 2023, the Group has made progress in new business and new product. The operation management model of the cement and mortar business has further matured, gradually expanding its market presence by securing multiple projects in Kunming and preparing to enter a phase of rapid development. The production of UHPC small prefabricated components has been steadily advancing, with production lines established and put into operation in Yuxi, Yuanjiang, and Lijiang. The daily production capacity has reached 2,000 pieces per day, providing a solid foundation for future market expansion. Breakthroughs have been achieved in the new energy charging pile and battery swapping station business, with the completion of 1 heavy-duty truck battery swapping station, 3 publicly accessible charging stations with fees, and 1 solar photovoltaic power station. This not only helps reduce transportation costs for the Group's main products and raw materials but also contributes to the Group's green and low-carbon transformation and upgrading, aligning with the concepts of green development.

III. FINANCIAL REVIEW

(I) Revenue

For the six months ended June 30, 2023, the Group realized a revenue of RMB734.5 million, representing a decrease of 8.9% from the corresponding period of 2022. In 2023, the sales volume of ready-mixed concrete, the main product of the Group, increased by 6.9% compared to the corresponding period in 2022, but due to the shrinking concrete market and increased competition in the construction industry, which led to a decrease of over 10% (approximately 11.6%) in the average unit selling price, resulting in a decrease in revenue. Among the total revenue generated by the Group in the first half of 2023, the total revenue from sales of concrete product amounted to RMB703.5 million, representing a decrease of RMB40.5 million from the corresponding period in 2022. In addition to the sales revenue of concrete, our revenue during the Reporting Period also included the sales of polycarboxylic admixtures, aggregates, cements, and mortar. The following table sets forth the breakdown of revenue of the Group for the six months ended June 30, 2023 and the six months ended June 30, 2022:

	For the six months ended June 30, 2023		For the six months ended June 30, 2022	
	RMB'000,000	***Percentage of revenue***	*RMB'000,000*	*Percentage of revenue*
Ready-mixed concrete	**703.5**	**95.8%**	744.0	92.3%
Polycarboxylic admixtures	**22.0**	**3.0%**	26.5	3.3%
Aggregates	**4.6**	**0.6%**	9.0	1.1%
Cements	**3.5**	**0.5%**	26.8	3.3%
Mortar	**0.9**	**0.1%**	–	–
Total	**734.5**	**100.0%**	806.3	100.0%

(II) Operating expenses

For the six months ended June 30, 2023, the total operating expenses amounted to RMB736.0 million, representing a decrease of 5.1% compared to RMB775.5 million for the corresponding period in 2022. The proportion of operating expenses to revenue stood at 100.2%, representing an increase of 4.0 percentage points compared to the corresponding period in 2022. The decrease in the amount of operating expenses was mainly due to a decrease in the costs of materials, labour costs and transportation expenses compared to the corresponding period of previous year.

(III) Profitability

1. Profit before income tax

The Group recorded a profit before income tax of RMB-15.1 million for the six months ended June 30, 2023, representing a decrease of 155.5% from the corresponding period of 2022. This was mainly due to the decrease in both revenue and operating expenses as compared to the corresponding period in 2022, with the decrease in revenue (RMB71.8 million, 8.9%) exceeding the decrease in operating expenses (RMB39.5 million, 5.1%).

2. Income tax expenses

For the six months ended June 30, 2023, the income tax expenses of the Group were RMB-3.6 million. It is estimated that the effective tax rate for the whole year is 23.8%.

3. Profit for the period

For the six months ended June 30, 2023, the Group realized profit for the Reporting Period of RMB-11.5 million, representing a decrease of 155.6% from the corresponding period of 2022. The basic earnings per share were RMB-0.03.

(IV) Administration expenses

For the six months ended June 30, 2023, the administration expenses of the Group were RMB49.7 million (for the six months ended June 30, 2022: RMB42.2 million), representing a period-on-period increase of 17.8%, primarily due to an increase of the research and development inputs during the Reporting Period as compared to the corresponding period in 2022.

(V) General information of assets and liabilities

As at June 30, 2023, the total assets of the Group were RMB4,797 million (December 31, 2022: RMB4,831 million), representing a decrease of 0.7% as compared with the end of 2022. The assets were mainly trade and notes receivables, cash and cash equivalents, and property, plant and equipment. Such assets accounted for 90.0% of the total assets, with trade and notes receivables and other assets accounting for 82.2% and 7.8% of the total assets, respectively.

As at June 30, 2023, the total liabilities of the Group were RMB3,453 million (December 31, 2022: RMB3,461 million), representing a decrease of 0.2% as compared with the end of 2022.

(VI) Borrowings and solvency

As at June 30, 2023, the total liabilities of the Group were RMB3,453 million (December 31, 2022: RMB3,461 million), of which 10.0% (December 31, 2022: 9.0%) were bank borrowings and 88.8% (December 31, 2022: 89.3%) were trade and other payables.

As at June 30, 2023, the total borrowings of the Group were RMB345.8 million (December 31, 2022: RMB311.9 million), all of which were bank borrowings, of which RMB311.0 million was repayable within one year; RMB0.3 million was repayable within one to two years; and RMB34.5 million was repayable within two to three years.

As at June 30, 2023, the weighted average effective interest rate for bank borrowings of the Group was 4.6%.

For the six months ended June 30, 2023, the total interest expenses of the Group were RMB9.5 million (for the six months ended June 30, 2022: RMB7.4 million). Earnings before interest and tax were RMB-5.7 million (for the six months ended June 30, 2022: RMB34.6 million), and the interest coverage ratio (earnings before interest and tax divided by interest expenses) was -0.6 (for the six months ended June 30, 2022: 4.7), which was mainly due to the losses in the first half of 2023.

As at June 30, 2023, the gearing ratio (i.e. total liabilities divided by total assets) of the Group was 72.0% (December 31, 2022: 71.6%).

(VII) Liquidity and capital resources

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

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

As at June 30, 2023, total current assets of the Group were RMB4,499 million (December 31, 2022: RMB4,553 million), including: (i) cash and cash equivalents of RMB157 million (December 31, 2022: RMB135 million), accounting for 3.5% of current assets (December 31, 2022: 3.0%); (ii) trade and notes receivables of RMB3,944 million (December 31, 2022: RMB4,019 million), accounting for 87.7% of current assets (December 31, 2022: 88.3%); and (iii) prepayments and other receivables of RMB29 million (December 31, 2022: RMB33 million), accounting for 0.6% of current assets (December 31, 2022: 0.7%).

As at June 30, 2023, the current ratio (current assets divided by current liabilities) of the Group was 132.1% (December 31, 2022: 132.4%). For the six months ended June 30, 2023, the net cash inflow from operating activities was approximately RMB19.5 million (for the six months ended June 30, 2022: net cash outflow of approximately RMB319.2 million). This was mainly due to a decrease of RMB129.0 million in cash payments for purchases of goods and acceptance of labor by the Group in 2023 compared to the corresponding period in 2022, and a decrease of RMB291.5 million in other cash payments related to operating activities compared to the corresponding repriod in 2022.

IV. HUMAN RESOURCES

As at June 30, 2023, we employed a total of 991 employees (June 30, 2022: 1,160). The table below sets out a breakdown of the number of our employees by role as at June 30, 2023:

Role	**Number**
Management	126
Production management	258
Quality and technology	210
Procurement (supply of material)	100
Marketing	116
Administration and finance	164
Others	17
Total	991

The Group has recruited the 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 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 six months ended June 30, 2022 and the six months ended June 30, 2023, employee benefits and labor expenses were RMB94.1 million and RMB83.1 million, respectively.

We consider employees to be our most valuable resource for our success. To ensure the quality of employees at all levels, we have set up in-house training programs to provide training for employees. In accordance with the Company's development goals and focusing on annual key tasks, key businesses, and talent development status, the Company continuously refines various training systems. It gradually achieves the scientific, standardized, and institutionalized management of training work. The 2023 annual training implementation plan has been formulated, with a focus on qualification certification training, key personnel training, fundamental management training, new employee training, comprehensive staff training, and specialized education on party ethics. In the first half of 2023, the Company successfully organized 168 employees to participate in training and examinations for entry and intermediate professional titles, while over 270 certificates related to job positions were also obtained or renewed. In the second half of the year, the Company will prioritize management training in areas such as quality technology, investment and financing, risk control, state-owned enterprise reform, archive management, and material management. This will involve approximately 713 attendances. Additionally, online courses covering the three standards (quality, safety, and production) will be launched for learning. Comprehensive staff training and examinations will also be conducted in the latter half of the year.

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. MATERIAL ACQUISITION, DISPOSAL AND INVESTMENTS

For the six months ended June 30, 2023, the Company did not make any material acquisitions or disposals of subsidiaries, associates or joint ventures. As at June 30, 2023, the Group did not hold any significant investments.

VI. 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 RMB12.08 million were pledged to the bank as collateral for borrowings of the Group.

VII. FOREIGN EXCHANGE RISK

Although the Company operates in China and collects revenues and pays costs/fees in RMB, the Company is listed on the Hong Kong Stock Exchange and has raised proceeds denominated in HKD of approximately HK$366.11 million (less the underwriting commission and other estimated expenses paid and payable by the Company for the global offering (the "**Global Offering**")). As at June 30, 2023, the balance of the Group's carrying cash and bank deposits denominated in HKD amounted to HK$10.89 million. As of August 28, 2023, the balances of bank deposit denominated in HKD of the Group was HK$1.98 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 hold by us.

VIII. CONTINGENT LIABILITIES

As at June 30, 2023, the Group had no material contingent liabilities.

IX. MATERIAL INVESTMENT PLAN

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

X. OUTLOOK

Despite the economic recovery after stabilizing transition of the prevention and control of epidemic could be a process of wave-like development and tortuous advance, the fundamentals of China’s long-term economic improvement has no change. In recent years, the State is implementing the strategy of the construction of China into a powerhouse with science and technology, manufacturing and transportation, advocating green and low-carbon development, supporting the real economy by financial service, driving the enormous infrastructure and transportation system construction, metropolitan area and urban agglomeration development under “two new-types and one major development” (namely new-type infrastructure construction, new-type urbanization and construction of major engineering projects for transportation and water conservancy), which will bring along huge market demand for the concrete industry. Meanwhile, Yunnan Province proactively implements the national strategy, formulating provincial strategies, goal and measures combined with the provincial situation, and economic stabilization and quality improvement policies continue to show results. Provincial GDP realized RMB1.4 trillion in the first half of 2023, representing an increase of 5.1% period-on-period, and the social economy development has continued to improve.

(I) Seize market opportunities, strengthen leading position in the business

According to the List of Major Provincial Projects in Yunnan Province for 2023 and the List of "Top Priority" Projects in Yunnan Province for 2023 issued by Yunnan Development and Reform Commission in March 2023, there are a total of 1,500 provincial major projects, including industrial (park)/infrastructure projects, with a total investment of RMB3.3 trillion and annual investment plans of over RMB600 billion. In addition, according to the Work Report of the People's Government of Yunnan Province, Yunnan Province will comprehensively strengthen infrastructure construction, vigorously revitalize the park economy and accelerate the development of port economy for 2023, which is full of development opportunities. The Group will further strengthen its position as an operating leader and leverage on its technological, production capacity, talent and experience advantages to seize the opportunities and maximize its participation in the construction of the relevant projects, so as to continuously increase its market share and profitability and further consolidate our leading position in the regional market.

(II) Optimizing industrial layout, enhancing overall competitiveness

In the future, the Group will concentrate on optimizing its industrial layout and structure to enhance its overall competitiveness. On the one hand, we will seize the economic opportunities of parks in Yunnan Province to optimize the layout of production capacity. We will continue to promote the planning, investment and construction of green production bases and green and low-carbon industrial parks, focus on promoting the construction of Zhaotong green new material production base project (a fund-raising project) in phases, and co-ordinate the planning and construction of other regional green recycling low-carbon building materials industrial parks for municipal construction waste and industrial solid waste in Yunnan Province. On the other hand, we will continue to optimize our business structure, product structure and market structure, gradually and orderly increase the proportion of new business and new products such as UHPC, RPC, PC prefabricated components and functional environmental mortar with high performance, high value-added and green and low-carbon attributes, and increase the proportion of independent customers in the external market, so as to improve our ability to cope with market risks.

(III) Deepening the transformation and upgrade, creating green and low-carbon system

On the basis of the continuous transformation and upgrading that has been carried out in the past two years and achieved certain results, the Group will continue to deepen the reform to further build a green and low-carbon system and lead the industry toward green and low-carbon development. Firstly, we will accelerate the upgrading of information-based management, and build a system platform with automate production and operation process, intelligent transport and logistics, visual operations, elaborate business processes and integrated information and data, so as to continuously optimize the processes of production management and enhance the efficiency of production, transport and management. Secondly, we will continue to layout and optimize our green and low-carbon system, create green factories, green production, green products, green logistics and transportation systems, strengthen the management and use for new energy equipment and facilities, and further enhance economic and social benefits.

(IV) Consolidate foundation management, improving management effectiveness

The Group will further strengthen various foundation management and enhance cost reduction and efficiency improvement. We will continue to optimize our management structure and top-down design. The Group promotes precision management and strengthens the division of labour and synergy in the aspects of technological innovation management, production management, materials procurement management, quality management, safety management, cost management and human resources management. We give full play to the roles of internal audit, internal supervision and external audit and supervision, so as to implement risk prevention and control in practice and beforehand, continue to consolidate the foundation of development and improve management efficiency.

OTHER INFORMATION

I. PROCEEDS FROM THE GLOBAL OFFERING

(I) Details of use

1. Overall

As at October 31, 2019, the proceeds from the Global Offering of the Company was approximately HK$366.11 million (equivalent to approximately RMB329.50 million). The Company did not issue any equity securities thereafter. With regard to the proceeds from the Global Offering, the Board of Directors of the Company adjusted the use and amount from time to time in accordance with the national and industry policies, the Company's development strategy and development progress of projects, and made an announcement in accordance with the Hong Kong Listing Rules. By the resolution of the Board of Directors of the Company, the Company's remaining proceeds from the Global Offering amounted to approximately RMB106.22 million as of the last adjustment date of the proceeds from the Global Offering (being March 31, 2023), except for the portion that was decided upon but not yet utilized (for details, please see the 2022 annual results announcement dated March 31, 2023 published by the Company on the Hong Kong Stock Exchange and the Company's website). The uses of which were as follows: (a) approximately RMB20.00 million was used for acquisition and consolidation of aggregate mining resources and investments in related fixed assets; (b) approximately RMB70.57 million was used for upgrading and renovation of green and low-carbon concrete and purchases of new energy equipment and facilities, new concrete production lines and related equipment; and (c) approximately RMB15.65 million was used for research and development of new products and new technologies and related equipment purchases and investments in fixed assets.

2. *Purpose update*

During the period from March 31, 2023 to August 28, 2023, the actual use of the above proceeds from the Global Offering of approximately RMB106.22 million and the remaining amounts on June 30, 2023 and August 28, 2023, respectively, are stated in the following table:

New purpose table after change on March 31, 2023

Unit: RMB'000 000

	As at March 31, 2023	During the period from March 31, 2023 to June 30, 2023	As at June 30, 2023	During the period from March 31, 2023 to August 28, 2023		As at August 28, 2023		
	Allocation	Actual utilized	Not actual utilized	Decided and utilized	Actual utilized	Not actual utilized	Estimated balance in portion decided but not actual utilized	Available for further decision-making
	A	B	C=A-B	D	E	F=A-E	G	H=A-D+G
Acquisition and consolidation of aggregate mining resources and investments in related fixed assets	20.00	0	20.00	0	0	20.00	0	20.00
Upgrading and renovation of green and low-carbon concrete and purchases of new energy equipment and facilities, new concrete production lines and related equipment	70.57	0.42	70.15	70.57	0.99	69.58	15.00	15.00
Research and development of new products and new technologies and related equipment purchases and investments in fixed assets	15.65	0	15.56	0	0	15.65	0	15.65
Total	106.22	0.42	105.71	70.57	0.99	105.23	15.00	50.65

Saved as the above proceeds from the Global Offering of RMB106.22 million, as at March 31, 2023, the proceeds from the Global Offering which has decided to use but not utilized were also used for projects decided at that time according to the use when decisions were made. The balance of the proceeds from the Global Offering under such historical purposes was approximately RMB118.72 million as at December 31, 2022, with subsequent utilization as follows:

Table of updated uses of balances for which historical uses had been decided before March 31, 2023

Unit: RMB'000 000

	As at December 31, 2022	During the period from January 1, 2023 to June 30, 2023	As at June 30, 2023	During the period from January 1, 2023 to August 28, 2023	As at August 28, 2023	
	Remaining amount	Actual utilized	Not actual utilized	Actual utilized	Not actual utilized	Estimated balance/ Available for further decision-making
	A	B	C=A-B	D	E=A-D	F
Improvement, integration and expansion of the existing concrete production lines	0.40	0.07	0.33	0.29	0.11	0.10
Construction of new product manufacturing base	1.46	1.46	0	1.46	0	0
Acquisition and consolidation of aggregate mining resources and investments in related fixed assets Note 1	47.45	14.18	33.26	15.60	31.85	7.88
Technical renovation of concrete production and related equipment purchases and investments in fixed assets Note 2	51.37	13.25	38.13	14.54	36.84	7.03
Research and development of new products and new technologies and related equipment purchases and investments in fixed assets Note 3	18.04	3.60	14.44	7.27	10.76	3.11
Total	118.72	32.56	86.16	39.16	79.56	18.12

Note 1: There is no change in the name of this use before or after the change on March 31, 2023.

Note 2: There is only a minor adjustment to the name of this use before and after the change on March 31, 2023.

Note 3: There is no change in the name of this use before or after the change on March 31, 2023.

(II) Further change of use of proceeds from the Global Offering

1. Amount of proceeds from the Global Offering available for change of use

As disclosed above, as of August 28, 2023, the proceeds of the Global Offering of the Company available for further decision-making under the new uses after the change of use as of March 31, 2023 were approximately RMB50.65 million, while the proceeds from the Global Offering available for further decision-making under the historical uses before the change of use as of March 31, 2023 were approximately RMB18.12 million. Accordingly, as of August 28, 2023, the amount of proceeds from the Global Offering of the Company available for change of use was approximately RMB50.65 million + RMB18.12 million = RMB68.77 million.

2. Reasons for the change and use and amount after the change

Combined with the national and industrial policies and development plan of the Company, there is no amount available for decision-making, taking into account the use under "upgrading and renovation of green and low-carbon concrete and purchases of new energy equipment and facilities, new concrete production lines and related equipment". However, the preliminary fruit has been achieved in new energy equipment and facilities which was purchased in previous period and had been put into operation, and it is expected that the investment will be increased and certain capital requirements will be incurred. In order to improve the the role of proceeds from the Global Offering to supporting transformation and upgrading and green and low-carbon development of the Group and better leverage on the value of funds to promote the high-quality of the Group, upon resolution of the board of directors, the remaining proceeds from the Global Offering available for decision-making of approximately RMB68.77 million will be used for "upgrading and renovation of green and low-carbon concrete and purchases of new energy equipment and facilities, new concrete production lines and related equipment". And in combination with the expected use of funds, the Company optimizes the name of this category and specify "equity investment" as one of the uses in which the category may or will be used to facilitate subsequent capital expenditure.

In summary, the use and amount of remaining proceeds from the Global Offering available for decision-making after changes are approximately RMB68.77 million which will be used for upgrading and renovation of green and low-carbon concrete and purchases of new energy equipment and facilities, new concrete production lines, related equipment and equity investment. Taking into account the information currently available, the Board of Directors of the Company reasonably estimates that all the unutilized proceeds from the Global Offering are expected to be utilized by the end of 2025.

II. INTERIM DIVIDEND

The Board does not recommend paying any interim dividend for the six months ended June 30, 2023.

III. CORPORATE GOVERNANCE CODE

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

For the six months ended June 30, 2023, the Company had complied with all applicable code provisions in the Part 2 of Corporate Governance Code.

IV. MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as its code of conduct for all Directors, Supervisors and relevant employees of the Company (as defined in the Corporate Governance Code) to conduct transactions of the Company's securities. After specific inquiries made to all Directors and Supervisors, the Directors and Supervisors have confirmed that they had strictly complied with the standards set out in the Model Code for the six months ended June 30, 2023.

V. PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities for the six months ended June 30, 2023.

VI. AUDIT COMMITTEE

The audit committee of the Company (the "**Audit Committee**") consists of five members, including three independent non-executive Directors, namely Mr. Li Hongkun (chairman), Mr. Wong Kai Yan Thomas and Mr. Yu Dingming, and two non-executive Directors, namely Mr. Jiang Qian and Mr. Liu Zhumin.

The Audit Committee has adopted terms of reference which are in line with the Corporate Governance Code. The Audit Committee has reviewed the Group's unaudited condensed consolidated interim results for the six months ended June 30, 2023.

VII. EVENTS AFTER THE REPORTING PERIOD

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

VIII. PUBLICATION OF THE 2023 INTERIM RESULTS ANNOUNCEMENT AND THE 2023 INTERIM REPORT ON THE WEBSITES OF THE HONG KONG STOCK EXCHANGE AND THE COMPANY

This interim results announcement is published on the websites of the Hong Kong Stock Exchange (www.hkexnews.hk) and the Company (www.ynhnt.com), respectively. The 2023 interim report containing all the information required under the Hong Kong Listing Rules will be despatched to the Shareholders and published on the websites of the Hong Kong Stock Exchange and the Company, respectively, in due course.

DEFINITIONS

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

"14th Five-Year"	the five-year period from 2021 to 2025 for the implementation of the "14th Five-Year Plan" of the People's Republic of China
"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 announcement only, excluding Hong Kong, Macau Special Administrative Region and Taiwan region
"Company" or "our Company"	YCIH Green High-Performance Concrete Company Limited
"controlling shareholder(s)"	has the meaning ascribed to it under the Hong Kong Listing Rules and unless the context requires otherwise, refers to YCIH and/or YOIC (as the case may be)
"Corporate Governance Code"	the Corporate Governance Code as set out in Appendix 14 to the Hong Kong Listing Rules
"Director(s)"	the director(s) of our Company
"Domestic Share(s)"	ordinary share(s) in the share capital of the Company, with a nominal value of RMB1.00 each, which are subscribed for and paid up in RMB
"Group" 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 People's Republic of China
"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
"IFRSs"	International Financial Reporting Standards promulgated by the International Accounting Standard Board (IASB) and the International Accounting Standards (IAS) including restated standards, amendments and interpretations issued
"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
"Latest Practicable Date"	August 28, 2023, being the latest practicable date prior to the publication of this interim results announcement for ascertaining certain information contained herein
"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 10 to the Hong Kong Listing Rules
"Reporting Period"	for the six months ended June 30, 2023
"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)"	shareholder(s) of the Company
"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
"YCIH"	Yunnan Construction and Investment Holding Group Co., Ltd.*, a controlling shareholder of our Company under the meaning of the Hong Kong Listing Rules
"YCIH Group"	YCIH and its subsidiaries
"YOIC"	Yunnan Provincial Overseas Investment Co., Ltd.*, a controlling shareholder of our Company under the meaning of the Hong Kong Listing Rules
"Yunnan Province"	Yunnan Province, China
"%"	per cent

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.

* *For identification purpose only*

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

Kunming, China, August 28, 2023

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