

雲建綠砼
— **GHPC** —

雲南建投綠色高性能混凝土股份有限公司 YCIH Green High-Performance Concrete Company Limited

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

(於中華人民共和國註冊成立的股份有限公司)

Stock code 股份代號: 1847

2019

Annual Report 年度報告

Contents

目錄

Definitions 釋義	1
Corporate Information 公司資料	8
Chairman's Statement 董事長致辭	12
Financial Highlights 財務摘要	15
Management Discussion and Analysis 管理層討論與分析	19
Profiles of Directors, Supervisors and Senior Management 董事、監事及高級管理人員簡介	32
Directors' Report 董事會報告	46
Corporate Governance Report 企業管治報告	71
Supervisory Committee's Report 監事會報告	93
Environment, Social and Governance (ESG) Report 環境、社會及管治(ESG)報告	97
Independent Auditor's Report 獨立核數師報告	128
Consolidated Income Statement 合併利潤表	135
Consolidated Statement of Comprehensive Income 合併綜合收益表	136
Consolidated Statement of Financial Position 合併財務狀況表	137
Consolidated Statement of Changes in Equity 合併權益變動表	140
Consolidated Statement of Cash Flows 合併現金流量表	141
Notes to the Consolidated Financial Statements 合併財務報表附註	142

Definitions

釋義

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

於本年報內，除文義另有所指外，下列詞語具有以下涵義：

“13th Five-Year Plan”		the 13th Five-Plan of China’s Five-Year Plans, a set of goals designed to strengthen China’s economy between 2016 and 2020
「十三五規劃」	指	「十三五」規劃，為於2016年至2020年增強中國經濟而制定的一系列目標
“14th Metallurgical New Material Company”		YCIH 14th Metallurgical Green New Material Co., Ltd.*, a subsidiary of our Company
「十四冶新材料公司」	指	雲南建投十四冶綠色新材料有限公司，為本公司之附屬公司
“2019 AGM”		our Company’s 2019 annual general meeting or any adjournment thereof to be held on June 29, 2020 or any other date determined by the Board
「2019年度股東週年大會」	指	本公司將於2020年6月29日或任何其他董事會確定的日期召開的2019年度股東週年大會或其任何續會
“Aggregate Company”		YCIH Aggregate Co., Ltd.*, a subsidiary of our Company
「砂石料公司」	指	雲南建投砂石料有限公司，為本公司之附屬公司
“Articles of Association”		the articles of association of our Company
「《公司章程》」	指	本公司之《公司章程》
“associate(s)”		has the meaning ascribed to it under the Hong Kong Listing Rules
「聯繫人」	指	具有香港上市規則所賦予的涵義
“Baoshan Building Material”		YCIH Baoshan Yongchang Building Material Co., Ltd.*, a subsidiary of our Company
「保山建材」	指	雲南建投保山永昌建材有限公司，為本公司之附屬公司
“Board”		the board of Directors of our Company
「董事會」	指	本公司董事會
“business day(s)”		any day (other than a Saturday, Sunday or public holiday in Hong Kong) on which banks in Hong Kong are generally open for normal banking business
「營業日」	指	香港銀行一般開門營業辦理正常銀行業務的任何日子(不包括星期六、星期日或香港公眾假期)
“CBIRC”		the China Banking and Insurance Regulatory Commission
「中國銀保監會」	指	中國銀行保險監督管理委員會

“China” or “PRC”		the People’s Republic of China, for the purpose of this annual report only, excluding Hong Kong, Macau and Taiwan
「中國」、「我國」、「全國」、「境內」、「國內」	指	中華人民共和國，惟僅就本年報而言，不包括香港、澳門及台灣地區
“China Environmental Labeling Product Certification”		the certification of environmentally-friendly products that can meet the requirements of national environmental protection standards conducted by China Environmental United Certification Center as the sole certification body designated by the Ministry of Ecology and Environment of the People’s Republic of China, through three stages including the document review, on-site inspection and sample test
「中國環境標誌產品認證」	指	由中華人民共和國生態環境部指定的唯一認證機構中環聯合(北京)認證中心透過文件審核、現場檢查、樣品檢測三個階段作出的可以達到國家環境保護標準的要求的環保產品認證
“Companies Ordinance”		the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
「《公司條例》」	指	《公司條例》(香港法例第622章)，經不時修訂、補充或以其他方式修改
“Company Law”		the Company Law of the People’s Republic of China, as amended, supplemented or otherwise modified from time to time
「《公司法》」	指	《中華人民共和國公司法》，經不時修訂、補充或以其他方式修改
“Company” or “our Company”		YCIH Green High-Performance Concrete Company Limited
「公司」或「本公司」	指	雲南建投綠色高性能混凝土股份有限公司
“connected person(s)”		has the meaning ascribed to it under the Hong Kong Listing Rules
「關連人士」	指	具有香港上市規則所賦予的涵義
“construction of Five Networks”		a development strategy implemented by the Yunnan Provincial Government, including the construction of the networks of road, aviation, energy security, water and Internet
「五網建設」	指	雲南省政府實施的一項發展戰略，包括路網、航空網、能源保障網、水網及互聯網建設
“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)
「控股股東」	指	具有香港上市規則所賦予的涵義，且除文義另有所指外，指雲南建投及／或海外投資(視情況而定)
“Corporate Governance Code”		the Corporate Governance Code as set out in Appendix 14 to the Hong Kong Listing Rules
「企業管治守則」	指	香港上市規則附錄十四所載的企業管治守則
“Director(s)”		the director(s) of our Company
「董事」	指	本公司董事

Definitions

釋義

“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 Renminbi
「內資股」	指	本公司股本中每股面值人民幣1.00元的普通股，以人民幣認購及繳足
“Double Ten”		major infrastructure construction projects in Yunnan Province, including ten projects under construction and ten newly-commenced projects
「雙十」	指	雲南省基礎設施重大工程建設項目，包含十項在建項目，十項新開工項目
“Four Hundred”		four kinds of key projects in Yunnan Province for 2020, including 100 completed projects in operation, 100 projects under construction, 100 newly-commenced projects and 100 preliminary work projects
「四個一百」	指	雲南省2020年的四類重點項目，包含100項竣工投產項目、100項在建項目、100項新開工項目及100項前期工作項目
“Green Building Materials Star Rating”		the rating and labeling activities implemented by the Ministry of Housing and Urban-Rural Development of the PRC and the Ministry of Industry and Information Technology of the PRC, which evaluate building materials according to the green technical requirements
「綠色建材評價標識」	指	由中國住房和城鄉建設部及中國工業和信息化部所進行的評級及標籤活動，即依據綠色技術要求評價建材
“Group” or “we”		our Company and its subsidiaries
「本集團」或「我們」	指	本公司及其附屬公司
“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
「H股」	指	本公司股本中每股面值人民幣1.00元的境外上市外資普通股股份，於香港聯交所主板上市及買賣
“H Share Registrar”		Computershare Hong Kong Investor Services Limited
「H股證券登記處」	指	香港中央證券登記有限公司

“High-tech Enterprise(s)”		the knowledge-intensive and technology-intensive economic entity that continuously carries out research and development as well as transformation of technological achievements within the scope of the New and High Technology Areas with the Government’s Primary Support and forms core proprietary intellectual property rights of the enterprise as the basis for business operation
「高新技術企業」	指	在國家頒佈的《國家重點支持的高新技術領域》範圍內，持續進行研究開發與技術成果轉化，形成企業核心自主智慧財產權，並以此為基礎開展經營活動的知識密集及技術密集的經濟實體
“Hong Kong”		the Hong Kong Special Administrative Region of the PRC
「香港」	指	中國香港特別行政區
“Hong Kong dollars” or “HK\$”		Hong Kong dollars and Hong Kong cents, the lawful currency of Hong Kong
「港元」	指	港元及港仙，香港的法定貨幣
“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
「香港上市規則」	指	香港聯交所證券上市規則，經不時修訂、補充或以其他方式修改
“Hong Kong Stock Exchange”		The Stock Exchange of Hong Kong Limited
「香港聯交所」	指	香港聯合交易所有限公司
“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
「國際財務報告準則」	指	國際會計準則理事會（國際會計準則理事會）頒佈的國際財務報告準則及國際會計準則（國際會計準則），包括已頒佈之重列準則、修訂及詮釋
“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
「獨立第三方」	指	根據董事作出一切合理查詢後所深知、所盡悉及所確信，根據香港上市規則不被視為本公司之關連人士的人士或實體
“KMEIC”		Kunming Economic-Technological Development Zone Investment & Development (Group) Co., Ltd.*
「經投集團」	指	昆明經濟技術開發區投資開發（集團）有限公司

Definitions

釋義

“Listing”		the listing of the H Shares of our Company on the Main Board of the Hong Kong Stock Exchange
「上市」	指	本公司H股於香港聯交所主板上市
“Listing Date”		October 31, 2019, the date on which H Shares are listed on the Main Board and from which dealings therein are permitted to take place on the Hong Kong Stock Exchange
「上市日期」	指	H股於香港聯交所主板上市及獲准進行買賣的日期，即2019年10月31日
“m ³ ”		cubic meter
「m ³ 」	指	立方米
“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
「主板」	指	由香港聯交所營運的股票市場（不包括期權市場），獨立於香港聯交所GEM並與其並行運作
“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
「標準守則」	指	香港上市規則附錄十《上市發行人董事進行證券交易的標準守則》
“mu”		a Chinese unit of area, also spelled “mou”, approximately 0.066 hectares
「畝」	指	中國面積單位，約等於0.066公頃
“Polymer Company”		YCIH Polymer Material Co., Ltd.*, a subsidiary of our Company
「高分子公司」	指	雲南建投高分子材料有限公司，為本公司之附屬公司
“PricewaterhouseCoopers”		PricewaterhouseCoopers (Hong Kong Certified Public Accountants)
「羅兵咸永道」	指	羅兵咸永道會計師事務所（香港執業會計師）
“PricewaterhouseCoopers Zhong Tian”		PricewaterhouseCoopers Zhong Tian LLP
「普華永道中天」	指	普華永道中天會計師事務所（特殊普通合伙）
“Prospectus”		our Company’s prospectus dated October 21, 2019
「招股章程」	指	本公司日期為2019年10月21日之招股章程

“Qujing Building Material”	YCIH Qujing Building Material Co., Ltd. *, a subsidiary of our Company
「曲靖建材」	指 雲南建投曲靖建材有限公司，為本公司之附屬公司
“Reporting Period”	for the year ended December 31, 2019
「報告期」	指 截至2019年12月31日止年度
“RMB” or “Renminbi”	the lawful currency of China
「人民幣」	指 中國的法定貨幣
“SAT”	the State Taxation Administration of the People’s Republic of China
「國家稅務總局」	指 中華人民共和國國家稅務總局
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
「《證券及期貨條例》」	指 《證券及期貨條例》(香港法例第571章)，經不時修訂、補充或以其他方式修改
“Shares”	ordinary shares with a nominal value of RMB1.00 each in our Company’s share capital, including H Shares and Domestic Shares
「股份」	指 本公司股本中每股面值人民幣1.00元的普通股，包括H股及內資股
“Shareholders”	holders of Shares
「股東」	指 股份的持有人
“subsidiary(ies)”	has the meaning ascribed to it under the Hong Kong Listing Rules
「附屬公司」	指 具有香港上市規則所賦予的涵義
“Substantial Shareholder(s)”	has the meaning ascribed to it under the Hong Kong Listing Rules
「主要股東」	指 具有香港上市規則所賦予的涵義
“Supervisor(s)”	the supervisor(s) of our Company
「監事」	指 本公司監事
“Supervisory Committee”	the supervisory committee of our Company
「監事會」	指 本公司監事會

Definitions

釋義

“YCIH”		Yunnan Construction and Investment Holding Group Co., Ltd.*, a Controlling Shareholder of our Company
「雲南建投」	指	雲南省建設投資控股集團有限公司，為本公司之控股股東
“YCIH Financial Company”		Yunnan Construction and Investment Holding Group Financial Management Company Limited*
「雲南建投財務公司」	指	雲南建投集團財務有限公司
“YCIH Group”		YCIH and its subsidiaries
「雲南建投集團」	指	雲南建投及其附屬公司
“YOIC”		Yunnan Provincial Overseas Investment Co., Ltd.*, a Controlling Shareholder of our Company
「海外投資」	指	雲南省海外投資有限公司，為本公司之控股股東
“Yunnan Province”		Yunnan Province, China
「雲南省」	指	中國雲南省
“Yuxi Building Material”		YCIH Yuxi Building Material Co., Ltd.*, a subsidiary of our Company
「玉溪建材」	指	雲南建投玉溪建材有限公司，為本公司之附屬公司
“%”		per cent
「%」	指	百分比

Certain amounts and percentage figures included in this annual report 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.

本年報所載的若干金額及百分比數字已作四捨五入。因此，若干表格所示的總數未必為其之前數字的算術總和。任何圖表若有總計數與所列金額總和不符，均為四捨五入所致。

CORPORATE NAME

YCIH Green High-Performance Concrete Company Limited

STOCK CODE

Hong Kong Stock Exchange: 1847

REGISTERED OFFICE

YCIH Zhaotong Development Building
Zhaotong Avenue
Zhaoyang District, Zhaotong
Yunnan, PRC

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

5/F and 9/F, YCIH Development Building
188 Linxi Road
Information Industrial Base
Economic and Technological Development
Zone, Kunming
Yunnan, PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

31/F., Tower Two, Times Square
1 Matheson Street
Causeway Bay
Hong Kong

COMPANY'S WEBSITE

<https://www.ynhnt.com>

DIRECTORS

Executive Directors

Mr. Ma Minchao
Mr. Rao Ye
Mr. Lu Jianfeng
Ms. Hu Zhurong

Non-executive Directors

Mr. Liu Guangcan
Mr. He Jianqiang

公司名稱

雲南建投綠色高性能混凝土股份有限公司

股份代號

香港聯交所：1847

註冊辦事處

中國雲南省
昭通市昭陽區
昭通大道
雲南建投昭通發展大廈

中國總部及主要營業地點

中國雲南省
昆明市經濟技術開發區
信息產業基地
林溪路188號
雲南建投發展大廈5樓及9樓

香港主要營業地點

香港
銅鑼灣
勿地臣街1號
時代廣場二座31樓

公司網站

<https://www.ynhnt.com>

董事會

執行董事

馬敏超先生
饒燁先生
呂劍鋒先生
胡珠榮女士

非執行董事

劉光燦先生
何建強先生

Corporate Information

公司資料

Independent non-executive Directors

Mr. Wong Kai Yan Thomas
Mr. Yu Dingming
Mr. Li Hongkun

SUPERVISORS

Mr. Wu Xinhe
Ms. Li Yan
Mr. Chang Hongbing
Ms. Li Na
Mr. Guo Huan

AUDIT COMMITTEE

Mr. Li Hongkun (*Chairman*)
Mr. Liu Guangcan
Mr. Wong Kai Yan Thomas

REMUNERATION AND EVALUATION COMMITTEE

Mr. Yu Dingming (*Chairman*)
Mr. Rao Ye
Mr. Li Hongkun

NOMINATION COMMITTEE

Mr. Yu Dingming (*Chairman*)
Mr. Ma Minchao
Mr. Li Hongkun

STRATEGY COMMITTEE

Mr. Ma Minchao (*Chairman*)
Mr. Rao Ye
Mr. Lu Jianfeng
Mr. Liu Guangcan
Mr. Li Hongkun

RISK MANAGEMENT AND CONTROL COMMITTEE

Mr. Liu Guangcan (*Chairman*)
Mr. Ma Minchao
Ms. Hu Zhurong
Mr. He Jianqiang
Mr. Wong Kai Yan Thomas
Mr. Yu Dingming
Mr. Li Hongkun

獨立非執行董事

王佳欣先生
于定明先生
李紅琨先生

監事

吳新河先生
李燕女士
常紅兵先生
李娜女士
郭歡先生

審計委員會

李紅琨先生(*主席*)
劉光燦先生
王佳欣先生

薪酬與考核委員會

于定明先生(*主席*)
饒燁先生
李紅琨先生

提名委員會

于定明先生(*主席*)
馬敏超先生
李紅琨先生

戰略委員會

馬敏超先生(*主席*)
饒燁先生
呂劍鋒先生
劉光燦先生
李紅琨先生

風險管控委員會

劉光燦先生(*主席*)
馬敏超先生
胡珠榮女士
何建強先生
王佳欣先生
于定明先生
李紅琨先生

AUTHORIZED REPRESENTATIVES

Mr. Rao Ye
Ms. Wong Sau Ping

JOINT COMPANY SECRETARIES

Mr. Rao Ye
Ms. Wong Sau Ping (*FCIS; FCS*)

LEGAL ADVISERS

As to Hong Kong law

Baker & McKenzie
14th Floor, One Taikoo Place
979 King's Road
Quarry Bay
Hong Kong

As to PRC law

Commerce & Finance Law Offices
6/F, NCI Tower
A12 Jianguomenwai Avenue
Chaoyang District
Beijing, PRC

AUDITOR

PricewaterhouseCoopers
Certified Public Accountants
Registered Public Interest Entity Auditor
22/F, Prince's Building
Central
Hong Kong

H SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited
Shops 1712-1716
17th Floor, Hopewell Centre
183 Queen's Road East
Wan Chai
Hong Kong

授權代表

饒燁先生
黃秀萍女士

聯席公司秘書

饒燁先生
黃秀萍女士 (*FCIS; FCS*)

法律顧問

香港法律方面

貝克•麥堅時律師事務所
香港
鰂魚涌
英皇道979號
太古坊一座14樓

中國法律方面

北京市通商律師事務所
中國北京
朝陽區
建國門外大街甲12號
新華保險大廈6樓

核數師

羅兵咸永道會計師事務所
執業會計師
註冊公眾利益實體核數師
香港
中環
太子大廈22樓

H股證券登記處

香港中央證券登記有限公司
香港
灣仔
皇后大道東183號
合和中心17樓
1712-1716號舖

Corporate Information 公司資料

COMPLIANCE ADVISER

Alliance Capital Partners Limited
Room 1502-03A, 15/F
Wing On House
71 Des Voeux Road Central
Central
Hong Kong

PRINCIPAL BANKERS

Bank of China, Kunming, Panlong Branch
Huaxia Bank, Kunming, Dongfeng Branch
Bank of China, Kunming, Economic and Technological Development Zone Branch
Bank of Communications Co., Ltd. Hong Kong Branch

合規顧問

同人融資有限公司
香港
中環
德輔道中71號
永安集團大廈
15樓1502-03A室

主要往來銀行

中國銀行昆明市盤龍支行
華夏銀行昆明東風支行
中國銀行昆明市經濟技術開發區支行
交通銀行股份有限公司香港分行

Chairman's Statement

董事長致辭

Dear Shareholders,

In 2019, the Company continued to unswervingly embark on the road of safe production, intelligent manufacturing and green development, and continued to deepen reform and promote high-quality leap-forward development. While striving to ensure the stable and rapid development of the central task of production and operation, it was successfully listed on the Main Board of the Hong Kong Stock Exchange on October 31, 2019, becoming the first "Golden Seed" company listed in Hong Kong since the implementation of the Yunnan Province's Three-Year Action Plan for Doubling the Number of Listed Enterprises (2019–2021). This fully reflects the investors' and capital market's recognition of the Company's value and confidence in the future development prospects of the Company, and is also the driving force for the sustainable development of the Company.

DEVELOPMENT ENVIRONMENT

In 2019, facing the complex and severe international environment such as the Sino-US trade friction and the downward pressure of the domestic economy, the Chinese government has set the overall tone for making progress while maintaining stability and adhered to the new development concept and the main line of supply-side structural reform to solidly achieve the "six stabilities", namely the stability of employment, stability of finance, stability of foreign trade, stability of foreign investment, stability of investment, and stability of expectations. Overall, the economy of China operated steadily while making progress. According to data released by the National Bureau of Statistics of China, in 2019, the GDP of China grew at an annual rate of 6.1% to RMB99,086.5 billion, which was close to RMB100 trillion; the annual growth rate of investment in fixed assets (excluding agriculture) was 5.4%, amounting to RMB55,147.8 billion; the annual growth rate of the total production value of national construction industry was 5.7%, amounting to RMB24,844.6 billion; national infrastructure investment increased by 3.8%, and national real estate development investment increased by 9.9%.

In terms of regional economy, according to data released by the Statistics Bureau of Yunnan Province, in 2019, Yunnan Province's total GDP was RMB2,322.375 billion, representing a year-on-year increase of 8.1%, and the growth rate was 2.0 percentage points higher than that of the nation (6.1%); fixed asset investment (excluding agriculture) increased by 8.5% year-on-year, and the growth rate was 3.1 percentage points higher than that of the nation (5.4%); infrastructure investment of the whole province increased by 6.1% year-on-year, and the growth rate was 2.3 percentage points higher than that of the nation (3.8%); real estate development investment of the whole province increased by 27.8% year-on-year, and the growth rate was 27.9 percentage points higher than that of the nation (9.9%).

尊敬的各位股東：

2019年，公司繼續堅定不移走安全生產、智能製造、綠色發展之路，不斷深化改革、推進高質量跨越發展，在努力確保生產經營中心工作平穩較快發展的同時，於2019年10月31日在香港聯交所主板成功掛牌上市，成為《雲南省推進企業上市倍增三年行動方案（2019–2021年）》實施以來，第一家在香港上市的「金種子」企業。這充分體現了投資者和資本市場對公司價值的認同和未來發展前景的信心，也是公司持續發展的動力。

發展環境

2019年，面對中美貿易摩擦等複雜嚴峻的國際環境和國內經濟下行壓力，中國政府以穩中求進為工作總基調，堅持新發展理念，堅持以供給側結構性改革為主線，扎實做好「六穩」（穩就業、穩金融、穩外貿、穩外資、穩投資、穩預期）工作，全國經濟運行總體穩中有進。根據中國國家統計局公佈的數據，2019年，全國國內生產總值年增長率為6.1%，達到人民幣99,086.5億元，接近人民幣100萬億元；固定資產投資（不含農戶）年增長率為5.4%，達到人民幣55,147.8億元；全國建築業總產值年增長率為5.7%，達到人民幣24,844.6億元；全國基礎設施投資增長3.8%，全國房地產開發投資增長9.9%。

地區經濟方面，根據雲南省統計局公佈的數據，2019年，雲南省全省實現生產總值人民幣2,322.375億元，同比增長8.1%，增速比全國（6.1%）高2.0個百分點；固定資產投資（不含農戶）同比增長8.5%，增速比全國（5.4%）高3.1個百分點；全省基礎設施投資同比增長6.1%，增速比全國（3.8%）高2.3個百分點；全省房地產開發投資同比增長27.8%，增速比全國（9.9%）高27.9個百分點。

Chairman's Statement 董事長致辭

We can see that in 2019, both the national macro economy and the regional economy of Yunnan Province achieved favorable results, in which infrastructure construction and real estate development investment continued to grow. At the same time, under the "One Belt and One Road" Initiative and the development strategy of building a radiation center facing South Asia and Southeast Asia, Yunnan Province is giving full play to its latecomer advantages, and the regional economy is showing a vigorous development trend.

PERFORMANCE REVIEW

In 2019, we adhered to the original intention of "being professional, refined, superior, strong and bigger", and conducted concrete production and operation around key projects, including Shangri-la-Lijiang Highway, Yuanman Highway, Dakaimen-Gasa Highway, and Mengzi-Pingbian Highway. We provided a solid concrete supply guarantee for the opening of a number of highways under "All Connected Wherever Possible" project on schedule. At the same time, we also completed the construction and commencement of operation of the batching plant for the Qiaojia relocation project, laying a solid foundation for advancing the project in 2020.

In 2019, we paid close attention to the cutting-edge technology of the industry, continued to increase investment in technology research and development, and have achieved fruitful results: Polymer Company, a wholly-owned subsidiary of the Company, passed the national High-tech Enterprise certification with its research and development strength in the field of concrete admixtures. In the year, the Company was granted 2 invention patents and 17 utility model patents, applied for 4 invention patents and 1 utility model patent, led the efforts to formulate 1 local standard, participated in formulating 1 local association standard, and won multiple industry honors or awards.

FUTURE PROSPECTS

2020 is the final year of the 13th Five-Year Plan and building a moderately well-off society in all aspects. The Chinese government will adhere to the new development concept and adhere to the supply-side structural reform as the main line to ensure a reasonable growth in the volume of economy and a steady improvement of the quality of economy. The trend of stable economic growth and long-term improvement remains unchanged.

In 2020, we will continue to fully integrate into the development strategies of China and Yunnan Province. According to the 2020 Doing Business Report issued by the World Bank, China's business environment will be significantly improved in 2020, ranking 31st and rising 15 places from 2019, and was among the ten economies with the most notable improvement in business environment for two consecutive years. Therefore, in the future, more and more foreign companies will come to China to invest and start businesses to share China's opportunities. At the same time, with the comprehensive advancement of the "One Belt and One Road" construction, South Asia and Southeast Asia present enormous development

我們可以看到，2019年，國家宏觀經濟和雲南省地區經濟都取得了良好的成果，基礎設施建設、房地產開發投資繼續保持增長。同時，在國家「一帶一路」倡議及建設面向南亞東南亞輻射中心的發展戰略下，雲南省正在充分發揮後發優勢，地區經濟呈現出蓬勃發展的態勢。

業績回顧

2019年，我們秉持「做專、做精、做優、做強、做大」的初心，圍繞重點項目組織開展混凝土生產經營工作，包括香麗高速、元蔓高速、大戛高速、蒙屏高速等，為多條「能通全通」項目高速公路如期通車提供了堅實的混凝土供應保障。同時，我們還完成了巧家易地搬遷項目攪拌站建設和投產，為2020年繼續推進該項目打下了良好基礎。

2019年，我們時刻關注行業前沿技術，並持續加大技術研發工作的投入，取得了豐碩的成果：公司全資子公司—高分子公司憑藉在混凝土外加劑領域的研發實力，通過了國家高新技術企業認定；公司全年獲授權發明專利2項、實用新型專利17項，申請發明專利4項、實用新型專利1項，主編地方標準1項、參編地方協會標準1項，獲得了多項行業榮譽或獎項。

未來展望

2020年是全面建成小康社會和十三五規劃收官之年，中國政府將堅持新發展理念，堅持以供給側結構性改革為主線，確保經濟實現量的合理增長和質的穩步提升，經濟穩中向好、長期向好的趨勢沒有改變。

2020年，我們將繼續全面融入國家和雲南省發展戰略。根據世界銀行發佈的《2020年全球營商環境報告》，我國2020年營商環境將顯著改善，排名躍升至第31位，比2019年上升15位，連續兩年入列全球優化營商環境改善幅度最大的十大經濟體。因此，未來將有越來越多的外國企業來華投資興業，共享中國機遇。與此同時，隨着「一帶一路」建設的全面推進，對於中國企業來說，南亞、東南亞發展潛力巨大，市場前景廣闊。依託於得天獨

Chairman's Statement 董事長致辭

potential and broad market prospects for Chinese companies. Capitalizing on its unique geographical advantages, Yunnan Province will closely focus on the green development of “green energy, green food and health lifestyle destination” in 2020, speed up the implementation of a series of major strategic measures such as complementing the shortcomings of infrastructure and advancing the management of plateau and lakes to promote the economic development of Yunnan Province.

In 2020, we will adhere to the general principle of making progress while maintaining stability, adhere to the new development concept, and unswervingly embark on the road of safe production, intelligent manufacturing and green development, and focus on the requirements of “the year for improvement on production, management and service” to further standardize the formulation of management and control systems for the listed company. We will further strengthen basic management, further prevent and control major risks, further promote technological innovation, further strengthen human resource management, promote the formation of a new situation for the development of the listed company, and make every effort to build the Company into an industry leader and domestically renowned company.

In 2020, the Company will consolidate its business in Yunnan Province, expand the market in Southeast Asia and fully promote the Zhaotong Qiaojia County Jinsha River Baihetan Hydropower Station immigrant relocation project. We will closely follow the Double Ten major infrastructure project in Yunnan Province and the Vientiane-Vang Vieng Expressway and Vientiane Saysettha Comprehensive Development Zone in Laos, and focus on increasing market share and reward Shareholders with better returns.

APPRECIATION

On behalf of the Board, I would like to express my sincere gratitude to the Shareholders, investors and business partners for their enduring trust and support. I would also like to express my sincere thanks to all the employees for their hard work and efforts.

YCIH Green High-Performance Concrete Company Limited

Ma Minchao

Chairman

March 27, 2020

厚的區位優勢，雲南省2020年將緊緊圍繞綠色發展「三張牌」，加快補齊基礎設施短板，推進高原湖泊治理等一系列重大戰略舉措的實施，推動雲南省經濟的發展。

2020年，我們將堅持穩中求進工作總基調，堅持新發展理念，堅持走安全生產、智能製造、綠色發展之路，圍繞「生產管理服務提升年」要求，進一步規範上市公司管控制度建設，進一步加強基礎管理，進一步防控重大風險，進一步推動科技創新，進一步加強人力資源管理，推動形成上市公司發展新局面，為公司成為行業一流、國內知名企業而努力奮鬥。

2020年，公司將根植雲南省，面向東南亞，全力推進昭通巧家金沙江白鶴灘水電站移民搬遷項目，緊密跟蹤雲南省基礎設施雙十重大工程及老撾萬萬高速公路、萬象賽色塔綜合開發區等項目，著力提高市場佔有率，以較好的營收回饋股東。

致謝

在此，本人謹代表董事會，對各股東、廣大投資者及業務合作夥伴長期給予本公司的信任和支持，表示由衷的感謝！同時，對本公司全體員工的辛勤工作和努力付出，表示誠摯的感謝！

雲南建投綠色高性能混凝土股份有限公司

董事長

馬敏超

2020年3月27日

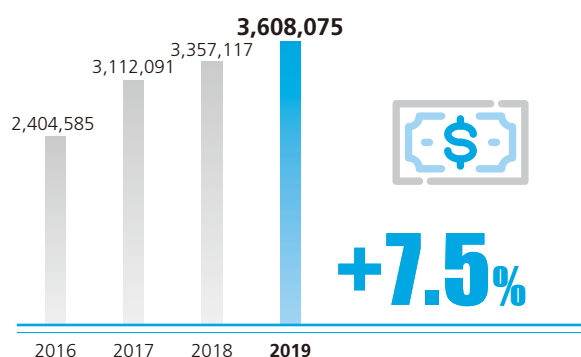
Financial Highlights

財務摘要

Revenue

收入

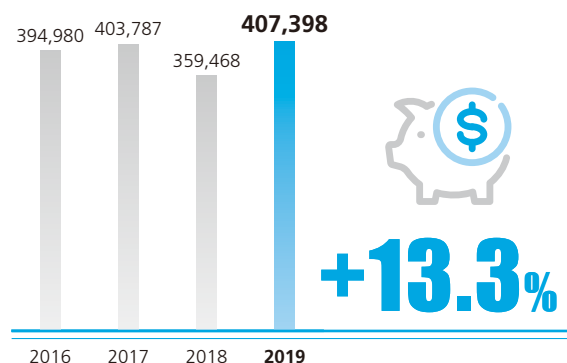
RMB'000 (人民幣千元)



Gross profit

毛利

RMB'000 (人民幣千元)



Profit before income tax

除所得稅前利潤

RMB'000 (人民幣千元)

+12.5%



EBITDA

除利息、稅項、折舊及攤銷前盈利

RMB'000 (人民幣千元)

+4.7%



Profit for the year

年度利潤

RMB'000 (人民幣千元)

+20.2%



Return on shareholders' equity

股東回報率

19.9%



Basic earnings per Share (RMB)

每股基本盈利(人民幣)

+17.3%

SUMMARY OF CONSOLIDATED INCOME
STATEMENTS

合併利潤表概要

		Year ended December 31, 截至12月31日止年度			
		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元	2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Revenue	收入	3,608,075	3,357,117	3,112,091	2,404,585
Cost of sales	銷售成本	(3,200,677)	(2,997,649)	(2,708,304)	(2,009,605)
Gross profit	毛利	407,398	359,468	403,787	394,980
Selling expenses	分銷費用	(13,136)	(14,407)	(15,368)	(7,975)
Administrative expenses	行政費用	(133,981)	(114,553)	(108,287)	(90,025)
Net impairment losses on financial assets	金融資產減值損失淨額	(8,129)	(11,870)	(4,303)	(16,356)
Other income	其他收益	2,257	5,221	2,604	9,401
Other (losses)/gains — net	其他(損失)/利得 — 淨額	(1,210)	814	(1,821)	(3,683)
Operating profit	經營利潤	253,199	224,673	276,612	286,342
Finance income	財務收益	1,354	1,147	1,130	623
Finance costs	財務費用	(10,358)	(8,738)	(6,269)	(24,213)
Finance costs — net	財務費用 — 淨額	(9,004)	(7,591)	(5,139)	(23,590)
Profit before income tax	除所得稅前利潤	244,195	217,082	271,473	262,752
Income tax expense	所得稅費用	(28,509)	(37,633)	(52,379)	(66,935)
Profit for the year	年度利潤	215,686	179,449	219,094	195,817

Financial Highlights

財務摘要

SUMMARY OF CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

合併財務狀況表概要

		As at December 31, 於12月31日			
		2019	2018	2017	2016
		2019年	2018年	2017年	2016年
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
ASSETS	資產				
Non-current assets	非流動資產	241,096	294,277	332,665	333,945
Current assets	流動資產	3,300,694	2,865,083	2,461,938	1,907,475
Total assets	總資產	3,541,790	3,159,360	2,794,603	2,241,420
EQUITY	權益				
Total equity	總權益	1,228,348	954,997	808,538	638,898
LIABILITIES	負債				
Non-current liabilities	非流動負債	21,012	23,984	36,420	30,861
Current liabilities	流動負債	2,292,430	2,180,379	1,949,645	1,571,661
Total liabilities	總負債	2,313,442	2,204,363	1,986,065	1,602,522
Total equity and liabilities	權益及負債總額	3,541,790	3,159,360	2,794,603	2,241,420

SUMMARY OF CONSOLIDATED STATEMENTS OF
CASH FLOWS

合併現金流量表概要

		Year ended December 31, 截至12月31日止年度			
		2019	2018	2017	2016
		2019年	2018年	2017年	2016年
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
Net cash generated from operating activities	經營活動產生淨現金	376,978	96,525	27,130	246,300
Net cash used in investing activities	投資活動所用淨現金	(31,147)	(44,247)	(34,296)	(45,243)
Net cash generated from/(used in) financing activities	融資活動產生/(所用)淨現金	55,877	(144,053)	38,652	66,521
Net increase/(decrease) in cash and cash equivalents	現金及現金等價物淨增加/(減少)	401,708	(91,775)	31,486	267,578
Cash and cash equivalents at beginning of the year	年初現金及現金等價物	240,026	331,801	300,315	32,737
Exchange losses on cash and cash equivalents	現金及現金等價物匯兌損失	(1,725)	—	—	—
Cash and cash equivalents at the end of the year	年終現金及現金等價物	640,009	240,026	331,801	300,315

Management Discussion and Analysis

管理層討論與分析

INDUSTRY OVERVIEW

As the economy continues to grow, China will continue to promote the construction of a modernized infrastructure network and construction of the Five Networks in Yunnan Province, accelerate urbanization construction and continue to increase investment in infrastructure construction and real estate fixed assets in the coming few years. Such growth will continue to serve as the driving force for the stable development of the engineering and construction industry, which will in turn bring about continuous increasing demands for ready-mixed concrete. The Double Ten key infrastructure construction projects and Four Hundred key construction projects initiated by the Yunnan Provincial Government in 2020 will greatly stimulate the demands for concrete in the region.

BUSINESS OVERVIEW

Overview

The Company is a ready-mixed concrete producer located in Yunnan Province. We boast powerful research and development capabilities and have introduced modernized, scientific and environment-friendly manufacturing concepts into our production. In 2019, the Company was again awarded the title of “China’s Top Ten Ready-mixed Concrete Enterprise (中國預拌混凝土十強企業)” (ranking sixth for two consecutive years). The Group has a stable customer base in Yunnan Province and has built an extensive production and sales network covering the vast majority of prefectures and cities in Yunnan Province which can ensure a massive and stable supply of products. Our principal businesses include production and sales of ready-mixed concrete, polycarboxylic admixtures and aggregates, and provision of concrete-related quality and technology management services.

In 2019, the Group recorded a revenue of RMB3,608 million, representing a year-on-year increase of 7.5%; a profit before tax of RMB244 million, representing a year-on-year increase of 12.5%; a net profit of RMB216 million, representing a year-on-year increase of 20.2%; and net profit attributable to equity holders of the Company of RMB204 million, representing a year-on-year increase of 24.4%.

As at December 31, 2019, the Group had 55 concrete mixing plants and 93 production lines with an annual capacity of 22.3545 million m³. The Group also had 158 concrete transport vehicles, 2 pump trucks and 277 sets of test equipment.

行業概覽

隨着經濟持續增長，中國持續推進構築現代化基礎設施網絡以及雲南省內五網建設持續推進、城鎮化建設加速，未來幾年間基礎設施建設和房地產業固定資產投資額將繼續保持增長態勢，相關增長將持續拉動工程建築業穩定發展，促使預拌混凝土需求保持持續增長。2020年，雲南省政府推出基礎設施建設雙十重大工程及四個一百重點建設項目，極大程度激發地區對混凝土的需求。

業務概覽

概覽

本公司為一家位於雲南省的預拌混凝土生產商。我們擁有強大的研發實力並在生產中引入現代化、科學化及綠色環保生產理念。2019年，本公司再次榮獲「中國預拌混凝土十強企業」稱號（連續兩年排名第六位）。本集團在雲南省擁有穩定的客戶基礎，在雲南省絕大多數州市建立了廣闊的生產及銷售網絡，能夠保證產品大批量及穩定的供應。我們的主要業務包括預拌混凝土、聚羧酸外加劑及砂石料的生產和銷售，並提供與混凝土相關的質量與技術管理服務。

2019年，本集團實現收入人民幣3,608百萬元，同比增長7.5%；實現除稅前利潤人民幣244百萬元，同比增長12.5%；實現淨利潤人民幣216百萬元，同比增長20.2%，及實現歸屬於本公司所有者淨利潤人民幣204百萬元，同比增長24.4%。

於2019年12月31日，本集團擁有55座混凝土攪拌站，93條生產線，年產能為2,235.45萬立方米；本集團亦擁有混凝土運輸車158輛、泵車2台、試驗設備277套／台。

Management Discussion and Analysis

管理層討論與分析

Results of Operation

The following table sets forth revenue, cost of sales, gross margin and percentage change by business category for the years ended December 31, 2018 and 2019.

經營業績

下表載列按照業務類別截至2018年12月31日止年度及2019年12月31日止年度的收入、銷售成本及毛利率以及變動百分比。

		Year ended December 31, 截至12月31日止年度								
		2019 (in RMB million) 2019年(人民幣百萬元)			2018 (in RMB million) 2018年(人民幣百萬元)			Percentage change (%)/ percentage points 變動百分比(%) / 百分點		
Business 業務		2019 (in RMB million) 2019年(人民幣百萬元)			2018 (in RMB million) 2018年(人民幣百萬元)			Percentage change (%)/ percentage points 變動百分比(%) / 百分點		
		Revenue 收入	Cost of sales 銷售成本	Gross margin 毛利率	Revenue 收入	Cost of sales 銷售成本	Gross margin (%) 毛利率(%)	Revenue 收入	Cost of sales 銷售成本	Gross margin 毛利率
Ready-mixed concrete	預拌混凝土	3,542	3,157	10.9%	3,294	2,949	10.5%	7.5%	7.1%	3.8%
Polycarboxylic admixtures	聚羧酸外加劑	36	32	13.0%	38	34	11.9%	-5.4%	-6.5%	9.2%
Aggregates	砂石料	13	9	36.0%	15	12	21.3%	-10.6%	-27.2%	69.0%
Quality and technology management services	質量和技術 管理服務	16	3	80.6%	9	3	64.5%	68.6%	-8.0%	25.0%
Total	總計	3,608	3,201	11.3%	3,357	2,998	10.7%	7.5%	6.8%	5.6%

For the year ended December 31, 2019, the majority of the Group's revenue derived from the production and sales of ready-mixed concrete. In 2019, the Group's revenue generated from production and sales of ready-mixed concrete was RMB3,542 million, accounting for 98.2% of the total revenue.

截至2019年12月31日止年度，本集團的收入絕大部分來自預拌混凝土生產和銷售業務。2019年，本集團來自預拌混凝土生產和銷售業務的收入為人民幣3,542百萬元，佔總收入的98.2%。

During the Reporting Period, the gross profit of the Group's operation was RMB407 million (2018: RMB359 million), and the overall gross margins in 2019 and 2018 were 11.3% and 10.7%, respectively, which represents stable improvement, of which, the gross margin was 10.9% for the production and sales of ready-mixed concrete, 13.0% for the production and sales of polycarboxylic admixtures, 36.0% for the production and sales of aggregates and 80.6% for the provision of concrete-related quality and technology management services.

於報告期內，本集團經營產生毛利為人民幣407百萬元(2018年：人民幣359百萬元)，2019年及2018年的整體毛利率分別為11.3%和10.7%，基本維持穩中求進的態勢。其中預拌混凝土生產和銷售毛利率為10.9%，聚羧酸外加劑生產和銷售毛利率為13.0%，砂石料生產和銷售毛利率為36.0%，與混凝土相關的質量和技術管理服務毛利率為80.6%。

Management Discussion and Analysis

管理層討論與分析

Long-term business model

The Group's existing businesses include the production and sales of ready-mixed concrete, polycarboxylic admixtures and aggregates and the provision of concrete-related quality and technology management services. In terms of the production and sales of ready-mixed concrete, we are focusing on the development of ultra-high performance concrete and related products. We plan to break the bottleneck of the production and application of ultra-high performance concrete and establish a complete ultra-high performance concrete industry chain. Therefore, we plan to use the proceeds from the global offering to build a development center for ultra-high performance concrete and related products and production bases for new materials of recycled solid waste in the Kunming area, as well as production bases for green and environmentally friendly new materials in Zhaotong and Yuxi. In terms of the production of aggregates, we plan to obtain mining concessions of aggregates with substantial reserves, long mining life and good quality aggregates through public bidding and acquiring existing aggregates producers. We also plan to participate in aggregates mine exploitation projects around Zhaotong, Kunming and Yuxi as soon as possible, in order to speed up the integration of upstream raw materials resources, thereby reducing the upstream raw material purchasing cost.

BUSINESS STRATEGY AND MAJOR OPERATIONAL MEASURES

Strengthen the Group's leading market position by expansion and optimization of production capacity

Our concrete production network covers the vast majority of prefectures and cities in Yunnan Province. In order to enhance our market penetration in Yunnan Province, we established concrete production lines in markets with considerable demand and continued to extend our production network from prefecture-level cities to county-level regions in Yunnan in 2019. We continuously participated in the construction of large-scale infrastructure and projects connected to people's livelihood, such as highway and relocation projects, which continued to optimize the layout of our production network and strengthened the Group's leading position in Southwest China through leveraging the efficiency of our large-scale operations.

Enhancement of sales and marketing capabilities and expansion of sales network

In 2019, the Group adopted a number of measures to continuously expand our sales network, thereby enhancing our market position and market share. Such measures included market research, customer visits and collection of clients' feedback, analysis of competitors' products and pricing models, establishment of professional sales teams in each branch and subsidiary, improvement in the technical training for sales personnel and appropriate assignment of sales personnel in accordance with the particular circumstances of potential clients in different regions. Furthermore, we have established a marketing department in the Group's headquarters to specifically serve the large-scale and high-end projects.

長遠的業務模式

本集團現有業務包括預拌混凝土、聚羧酸外加劑及砂石料的生產和銷售，並提供與混凝土相關的質量與技術管理服務。預拌混凝土生產和銷售方面，我們正專注於開發超高性能混凝土及相關產品，計劃打破生產及應用超高性能混凝土的瓶頸，建立完整的超高性能混凝土產業鏈。因此，我們計劃利用全球發售所得款項在昆明地區興建超高性能混凝土及相關產品開發中心及回收固體廢棄物新材料生產基地，並在昭通及玉溪興建綠色環保新材料生產基地；砂石料生產方面，我們計劃通過公開競標及收購已有砂石料生產企業的方式，獲得儲量大、可開採周期長、砂石料質量較好的砂石料礦山的開採權，並計劃盡快參與昭通、昆明及玉溪周邊的砂石料礦山開採項目，以加快上游原材料資源的整合速度，從而降低上游原材料採購成本。

業務策略及主要的經營措施

擴大及優化產能以鞏固本集團的市場領導地位

我們的混凝土生產網絡覆蓋雲南省絕大多數州市。2019年，我們在有大量需求的市場建設混凝土生產線，並將生產網絡由雲南省各州市不斷向縣級區域覆蓋，以提高在雲南省內的市場滲透力。我們不斷參與大規模基礎設施及民生項目建設，例如高速、易地搬遷安置等項目，持續優化生產網絡的佈局，通過享受規模化營運帶來的效率優化，以強化本集團在中國西南地區的領先地位。

增強銷售及營銷能力並擴大銷售網絡

2019年，本集團採取多項措施，以不斷擴大銷售網絡，進而提升市場地位及市場份額。這些措施包括市場研究、拜訪客戶及收集客戶意見、分析競爭對手的產品及定價模式，在各分公司及附屬公司打造專業銷售隊伍，加強銷售人員技能培訓，並根據不同地區潛在客戶的具體情況合理配置銷售人員。此外，本集團總部設立的市場經營部，專注服務於大型及高端項目。

Further reduction of production cost and optimization of operational efficiency

In 2019, the Group made efforts to reduce the procurement costs of raw materials such as aggregates and cement and adopted a centralized procurement model by means of tendering and bidding, competitive negotiation and price inquiries. The Group leveraged the efficiency created under its large-scale operations through mass procurement and standardized procurement procedures to enhance its bargaining power and further exert its influence on the prices offered by its suppliers. At the same time, the Group vigorously promoted research on the reuse of concrete waste and solid waste to further lower production costs and promote resource saving and green development.

FINANCIAL REVIEW

Revenue

For the year ended December 31, 2019, the Group realized a revenue of RMB3,608 million, which represents an increase of 7.5% as compared with 2018. The increase in revenue was mainly attributable to our continuous efforts to develop the market, as well as a favorable market environment and major operating measures adopted by the Group. In the total revenue generated by the Group in 2019, the total revenue from sales of concrete products was RMB3,542 million, representing an increase of 7.5% as compared with 2018. In addition to the sales revenue of concrete products, the total revenue of the Group during the Reporting Period also came from sales of polycarboxylic admixtures, aggregates, and from provision of quality and technology management services. The following table sets forth the breakdown of revenue of the Group for the years ended December 31, 2018 and 2019:

進一步降低生產成本並優化經營效益

2019年，本集團實行集中採購模式，通過使用招投標、競爭性談判和詢比價等方式努力降低我們的砂石料、水泥等原材料採購成本。本集團利用大規模採購和規範的採購程序帶來的規模化高效運作，提升議價能力，以進一步增強對供應商的報價的影響力。同時，本集團大力推進廢棄混凝土及固體廢棄物再利用的研究，進一步降低生產成本，倡導資源節約和綠色發展。

財務回顧

收入

截至2019年12月31日止年度，本集團實現收入人民幣3,608百萬元，較2018年增長7.5%，收入增長主要得益於我們不斷加大市場開拓力度，以及良好的市場環境和本集團的主要經營措施。本集團2019年實現的總收入中混凝土產品銷售收入總額為人民幣3,542百萬元，較2018年增長7.5%。除混凝土產品銷售收入外，於報告期內，我們的收入亦來自銷售聚羧酸外加劑、砂石料及提供質量和技術管理服務。下表載列本集團截至2019年12月31日止年度及截至2018年12月31日止年度的收入明細：

		Year ended December 31, 2019		Year ended December 31, 2018	
		截至2019年12月31日止年度		截至2018年12月31日止年度	
		In millions of RMB 人民幣百萬元	Percentage of revenue 佔收入比重	In millions of RMB 人民幣百萬元	Percentage of revenue 佔收入比重
Ready-mixed concrete	預拌混凝土	3,542	98.2%	3,294	98.2%
Polycarboxylic admixtures	聚羧酸外加劑	36	1.0%	38	1.1%
Aggregates	砂石料	13	0.4%	15	0.4%
Revenue from sales of products	產品銷售收入	3,592	99.6%	3,348	99.7%
Revenue from quality and technology management services	質量和技術管理服務收入	16	0.4%	9	0.3%
Total	合計	3,608	100.0%	3,357	100.0%

Management Discussion and Analysis

管理層討論與分析

Operating Expenses

In 2019, the Company continuously strengthened cost control and improved operational efficiency to promote cost reduction and efficiency. For the year ended December 31, 2019, operating expenses were RMB3,356 million, which represents an increase of 6.9% from the year ended December 31, 2018. Operating expenses accounted for 93.0% of revenue, which represents a decrease of 0.5 percentage point from 2018.

Gross profit and gross margin

During the Reporting Period, the gross profit generated from operations of the Group was RMB407 million (2018: RMB359 million). The overall gross margins for 2019 and 2018 were 11.3% and 10.7%, respectively, which represents stable improvement. The gross margin was 10.9% for production and sales of ready-mixed concrete, 13.0% for production and sales of polycarboxylic admixtures, 36.0% for production and sales of aggregates, and 80.6% for provision of concrete-related quality and technology management services.

Gross margin for production and sales of ready-mixed concrete increased slightly as compared with 2018, which was mainly attributable to price adjustment of certain projects and relocation projects with high gross profit. Gross margin for production and sales of polycarboxylic admixtures increased slightly as compared with 2018, mainly due to the continuous increase in the price of raw materials between 2016 and 2018 followed by a decline of the same in 2019. Gross margin for production and sales of aggregates increased significantly as compared with 2018. This was because with the improved market conditions in 2019, freight was borne by the buyers as stipulated in sales terms.

Profitability

Profit before income tax

Benefiting from the good revenue growth and cost control, the Group recorded a profit before income tax of RMB244 million for the year ended December 31, 2019, representing an increase of 12.5% as compared with that for the year ended December 31, 2018.

Income tax

For the year ended December 31, 2019, the income tax was RMB28 million.

Profit for the year

For the year ended December 31, 2019, the Group realized a profit for the year of RMB216 million, representing an increase of 20.2% as compared with that for the year ended December 31, 2018. The basic earnings per Share was RMB0.61.

營業開支

2019年，本集團持續加強成本管控，提升運營服務效率，促進降本增效。截至2019年12月31日止年度，營業開支為人民幣3,356百萬元，較截至2018年12月31日止年度增長6.9%；營業開支佔收入的比重為93.0%，較2018年下降0.5個百分點。

毛利及毛利率

於報告期內，本集團經營產生毛利為人民幣407百萬元（2018年：人民幣359百萬元），2019年及2018年的整體毛利率分別為11.3%和10.7%，基本維持穩中求進的態勢。其中預拌混凝土生產和銷售毛利率為10.9%，聚羧酸外加劑生產和銷售毛利率為13.0%，砂石料生產和銷售毛利率為36.0%，與混凝土相關的質量和技術管理服務毛利率為80.6%。

預拌混凝土生產和銷售毛利率較2018年相比略有上升，主要受個別項目調價及高毛利的易地搬遷安置項目影響。聚羧酸外加劑生產和銷售毛利率較2018年相比略有上升，主要是由於原材料價格於2016至2018年持續上升，2019年有所回落。砂石料生產和銷售毛利率較2018年相比大幅上升，主要是由於2019年市場情況轉好，銷售條款約定運費由購買方自行承擔。

盈利水平

除所得稅前利潤

得益於良好的收入增長和成本管控，截至2019年12月31日止年度，實現除所得稅前利潤人民幣244百萬元，較截至2018年12月31日止年度增長12.5%。

所得稅

截至2019年12月31日止年度，所得稅為人民幣28百萬元。

年度利潤

截至2019年12月31日止年度，實現年度利潤人民幣216百萬元，較截至2018年12月31日止年度增長20.2%。每股基本盈利為人民幣0.61元。

Administration Expenses

For the year ended December 31, 2019, the administration expenses were RMB134 million (2018: RMB115 million), representing a year-on-year increase of 17.0%, which was mainly attributable to the increase in staff remuneration and labor costs as a result of business expansion after the Listing and partially expensed Listing fees.

General Information of Assets and Liabilities

As at December 31, 2019, the total assets were RMB3,542 million (December 31, 2018: RMB3,159 million), representing an increase of 12.1% as compared with the end of 2018. The assets were mainly trade receivables, cash and cash equivalents, and property, plant and equipment. Such assets accounted for 91.8% of the total assets, of which trade receivables and other assets accounted for 68.2% and 23.6% of the total assets, respectively.

As at December 31, 2019, the total liabilities were RMB2,313 million (December 31, 2018: RMB2,204 million), representing an increase of 4.9% as compared with the end of 2018.

Borrowings and Solvency

As at December 31, 2019, the total liabilities were RMB2,313 million (December 31, 2018: RMB2,204 million), of which 5.0% (December 31, 2018: 3.6%) were bank borrowings and 83.0% (December 31, 2018: 73.3%) were trade payables.

As at December 31, 2019, the total borrowings were RMB115 million (December 31, 2018: RMB80 million), all of which were bank borrowings and must be repaid within one year.

As at December 31, 2019, the weighted average effective interest rate for bank borrowings was 5.655%.

For the year ended December 31, 2019, the total finance costs were RMB10 million (2018: RMB9 million), earnings before interest and tax were RMB255 million (2018: RMB226 million), and the interest coverage ratio (earnings before interest and tax divided by interest expenses) was 24.6 (2018: 25.8).

As at December 31, 2019, the gearing ratio (i.e. total liabilities divided by total assets) was 65.3% (December 31, 2018: 69.8%).

行政費用

截至2019年12月31日止年度，行政費用為人民幣134百萬元(2018年：人民幣115百萬元)，同比增長17.0%，主要由於上市後業務擴張導致職工薪酬及人員成本上升及部分費用化的上市費用所致。

資產負債總體情況

於2019年12月31日，總資產為人民幣3,542百萬元(2018年12月31日：人民幣3,159百萬元)，較2018年末增長12.1%。資產以應收賬款、現金及現金等價物及不動產、工廠及設備為主，上述資產佔總資產的91.8%，其中應收賬款與其他資產分別佔總資產的68.2%及23.6%。

於2019年12月31日，總負債為人民幣2,313百萬元(2018年12月31日：人民幣2,204百萬元)，較2018年末增長4.9%。

借貸及償債能力

於2019年12月31日，總負債為人民幣2,313百萬元(2018年12月31日：人民幣2,204百萬元)。其中，5.0%(2018年12月31日：3.6%)為銀行借款，83.0%(2018年12月31日：73.3%)為應付賬款。

於2019年12月31日，借款總額為人民幣115百萬元(2018年12月31日：人民幣80百萬元)，均為銀行借款，須於一年內償還。

於2019年12月31日，銀行借款的加權平均實際利率為5.655%。

截至2019年12月31日止年度，財務費用總額為人民幣10百萬元(2018年：人民幣9百萬元)，息稅前盈利為人民幣255百萬元(2018年：人民幣226百萬元)，故盈利對利息倍數(息稅前盈利除以利息開支)為24.6(2018年：25.8)。

於2019年12月31日，資產負債率(即總負債除以總資產)為65.3%(2018年12月31日：69.8%)。

Management Discussion and Analysis

管理層討論與分析

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.

As at December 31, 2019, total current assets were RMB3,301 million (December 31, 2018: RMB2,865 million), including: (i) cash and cash equivalents of RMB640 million (December 31, 2018: RMB240 million), which accounted for 19.4% of current assets (December 31, 2018: 8.4%); (ii) trade receivables of RMB2,417 million (December 31, 2018: RMB2,448 million), which accounted for 73.2% of current assets (December 31, 2018: 85.5%); and (iii) prepayments and other receivables of RMB39 million (December 31, 2018: RMB60 million), which accounted for 1.2% of current assets (December 31, 2018: 2.1%).

As at December 31, 2019, the current ratio (current assets divided by current liabilities) was 144.0% (December 31, 2018: 131.4%). The increase was mainly due to the increase in cash and cash equivalents caused by fundraising through the Listing.

During the Reporting Period, the net cash flow generated from operating activities was approximately RMB377 million (2018: approximately RMB97 million), representing a year-on-year increase of 290.5%. The significant increase was mainly due to better collection from the Group's business activities in 2019, as well as the increase in the Group's revenue as compared to 2018 due to business expansion.

流動性及資本資源

本集團注重維持合理的資本結構和不斷提升盈利能力，以保持良好的信用和穩健的財務狀況。

於2019年12月31日，流動資產共計人民幣3,301百萬元(2018年12月31日：人民幣2,865百萬元)，其中：(i)現金及現金等價物為人民幣640百萬元(2018年12月31日：人民幣240百萬元)，佔流動資產的19.4%(2018年12月31日：8.4%)；(ii)應收賬款為人民幣2,417百萬元(2018年12月31日：人民幣2,448百萬元)，佔流動資產的73.2%(2018年12月31日：85.5%)；及(iii)預付款項及其他應收款項為人民幣39百萬元(2018年12月31日：人民幣60百萬元)，佔流動資產的1.2%(2018年12月31日：2.1%)。

於2019年12月31日，流動比率(流動資產除以流動負債)為144.0%(2018年12月31日：131.4%)，比率有所上升主要是因為上市募集資金導致現金及現金等價物增加。

報告期內，經營活動產生的現金流量淨額約為人民幣377百萬元(2018年：約人民幣97百萬元)，同比上升290.5%，比例大幅上升主要是由於本集團2019年經營活動收款較好，同時本集團業務規模擴大，收入較2018年增加。

Management Discussion and Analysis

管理層討論與分析

Human Resources

As at December 31, 2019, we employed a total of 1,175 employees (December 31, 2018: 1,059). The table below sets out a breakdown of the number of our employees by role as at December 31, 2019:

Role	職能	Number 人數
Management	管理	128
Production management	生產管理	306
Quality and technology	質量技術	356
Procurement	採購	114
Marketing	市場推廣	86
Administration and finance	行政財務	181
Others	其他	4
Total	合計	1,175

We recruit employees in the open market. The remuneration of employees mainly includes fixed salary, statutory 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 years ended December 31, 2018 and 2019, employee benefits and labor expenses were RMB253.9 million and RMB274.4 million, respectively.

We consider employees to be our most valuable resource for our success. To ensure the quality of employees at all levels, we set up in-house training programs to provide training for employees.

The Company's labor union represents the interests of employees and communicates closely with management in relation to labor matters. During the Reporting Period, we did not have any operation interruption due to major labor disputes, nor did we have 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.

人力資源

於2019年12月31日，我們共有1,175名僱員（2018年12月31日：1,059名）。下表載列我們於2019年12月31日按職能劃分的僱員人數詳情：

我們在公開市場上招募僱員。僱員的薪酬主要包括崗位固定工資、法定津貼、補貼、績效工資和效益工資。根據中國法律，本集團亦為僱員繳納養老保險、醫療保險、失業保險、工傷保險、生育保險及住房公積金。截至2018年及2019年12月31日止年度，僱員福利及勞務開支分別為人民幣253.9百萬元及人民幣274.4百萬元。

我們認為僱員是我們獲得成功的最寶貴資源。為確保各級僱員的素質，我們開設公司內部的培訓計劃為僱員提供培訓。

本公司的工會代表員工的利益，就有關勞工事宜與管理層密切溝通。報告期內，我們並無因重大勞務糾紛引起的運營中斷，亦無對我們的業務嚴重不利的員工投訴與索債。董事認為我們與僱員的關係良好，報告期內，本集團無任何重大勞務糾紛對本集團正常業務管理產生重大影響。

Management Discussion and Analysis

管理層討論與分析

Use of Proceeds from Global Offering

The Company received net proceeds of approximately HK\$366.11 million from the global offering, which will be gradually allocated for use in accordance with the purposes set out in the Prospectus. From the Listing Date to December 31, 2019, the details of use of the aforementioned net proceeds are set out as follows:

全球發售所得款項用途

本公司自全球發售收取所得款項淨額約366.11百萬港元，該等款項將按照於招股章程所載之用途分配逐步使用。自上市日期起至2019年12月31日，前述所得款項淨額使用詳情如下：

		Percentage of the net proceeds from the global offering 佔全球 發售所得 款項淨額 之百分比	Net proceeds from the global offering and their use 全球發售所得款項淨額及使用情況					
			Available 可供動用	Utilised 已動用	Unutilised 未動用	Future use plan (HK\$ million) 未來使用計劃(百萬港元)		
					Remaining years of 2020			
		HK\$ million 百萬港元	HK\$ million 百萬港元	HK\$ million 百萬港元	2020年 剩餘年度	2021 2021年	2022 2022年	
Construction of new materials production bases and project batching plants	新材料生產基地及項目攪拌站的建設	35%	128.14	—	128.14	70.62	40.37	1.98
Integration of upstream raw material resources to further consolidate industry chain of concrete production	整合上游原材料資源，進一步鞏固混凝土生產產業鏈	35%	128.14	—	128.14	77.90	50.24	—
Improvement, integration and expansion of existing concrete production lines	改善、整合及擴建已有的混凝土生產線	20%	73.22	—	73.22	24.26	48.96	—
For working capital and general corporate purposes	用作營運資金及一般公司用途	10%	36.61	36.61	—	—	—	—
Total	合計	100%	366.11	36.61	329.50	172.78	139.57	1.98

Material Acquisition, Disposal and Investments

For the year ended December 31, 2019, the Company did not make any material acquisitions and disposals of subsidiaries, associates or joint ventures. As at December 31, 2019, the Group did not hold any significant investments.

Charge on the Group's Assets

As at December 31, 2019, no property, plant and equipment had been provided as bank collaterals.

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 net proceeds of approximately HK\$366.11 million (less the underwriting commission and other estimated expenses paid and payable by the Company for the global offering). Exchange rate fluctuations have certain influence on the foreign currency that we hold. The Group has currently not entered into any hedging arrangement against foreign exchange exposure.

Contingent Liabilities

As at December 31, 2019, the Group had no material contingent liabilities.

Material Investment Plan

The Company plans to accelerate the integration of upstream raw material resources, including investment in the construction of aggregates mines exploitation projects around Zhaotong, Kunming and Yuxi and obtaining the mining concessions of aggregates with substantial reserves, long mining life and good quality aggregates through public bidding and acquiring existing aggregates producers that have high-quality mine resources, sound management, good financial condition, relevant aggregates mining and production qualifications, and good expected future earnings, so as to continuously improve and finally complete the industry chain structure of the Company. If such investment projects are carried out in 2020, their source of funding will be primarily from proceeds from the global offering.

重大收購、出售及投資

截至2019年12月31日止年度，本公司未進行有關附屬公司、聯營公司及合營企業的重大收購及出售。於2019年12月31日，本集團概無持有任何重大投資。

本集團資產抵押

於2019年12月31日，概無物業、廠房及設備已用作銀行抵押。

外匯風險

儘管本公司於中國境內開展業務，並以人民幣收取收入及支付成本／費用，但本公司於香港聯交所上市，並募得以港元計值的資金約366.11百萬港元（經扣除承銷佣金及本公司就全球發售已付及應付的其他估計開支）。匯率的波動對我們持有的外幣資金有一定影響，截至目前本集團並未訂立任何對沖安排以對沖外匯風險。

或然負債

於2019年12月31日，本集團並無任何重大或然負債。

重大投資計劃

本公司計劃加快上游原材料資源的整合速度，包括投資建設昭通、昆明及玉溪周邊的砂石料礦山開採項目，通過公開競標及收購已經擁有優質礦山資源、管理完善、財務狀況良好、擁有相關砂石開採及生產資質、預計未來收益良好的砂石料生產企業，獲得儲量大、可開採週期長、砂石料質量較好的砂石料礦山的開採權，從而不斷完善本公司產業鏈結構，最終實現閉合。若該投資項目將於2020年內開展，其資金主要來自於全球發售所得款項。

Management Discussion and Analysis

管理層討論與分析

OUTLOOK

According to the decisions made by Shareholders and the Board, the Company will consider the Listing as a new starting point and rely on the international capital markets to strengthen the listing platform structure and market capitalization management. At the same time, the Company will make full use of the proceeds from the Listing to accelerate the upgrading and transformation of the batching plants and improve the production efficiency and standards of the batching plants. The Company will continuously develop the market and ensure improvement of the Company's profitability to achieve business objectives, reward Shareholders earnestly and demonstrate development vitality and a good capital market image.

Industry Outlook

In a complex and constantly changing international environment, China plans to promote stable growth and reform, adjust economic structure, promote people's livelihood and risk prevention. China has introduced a package of measures for steady growth and it is hoped that there will continue to be stable development in its economic operation. As there continues to be stable economic growth, China will continue to promote the construction of a modernized infrastructure network and optimize the housing supply structure, in hopes that investments in infrastructure construction and real estate in China will continue to grow. Looking back on 2019, China's ready-mixed concrete industry has achieved steady growth and change, with production achieving steady growth and prices reaching high and stable levels. In the future, stable growth in investment in infrastructure construction and real estate will continue to propel the steady development of the engineering and construction industry in China and support and ensure a stable growth in demand for ready-mixed concrete.

Market Prospects

Broad market prospects in Yunnan Province. Driven by the rapid economic development in Yunnan Province, the size of investment in infrastructure construction and real estate fixed assets in Yunnan Province has increased rapidly. In the future, as the potential of economic development continues to be realized, the construction of Five Networks in Yunnan Province will continue to advance, urbanization construction will accelerate and maintain strong growth momentum, which will promote rapid increase in the demand for ready-mixed concrete in Yunnan Province. Recently, Yunnan Province has made it clear that it will continue to promote the Double Ten key projects. In addition, Yunnan Province plans to launch 525 key projects under the Four Hundred key projects in 2020. The proportion of large-scale infrastructure projects (including several expressways and railways) in these key projects will increase significantly as compared to previous years. As a concrete producer with leading technology and the strongest and most stable supply capability in Yunnan Province, the Company has extensive experience in concrete supply for large-scale projects. Therefore, we will take advantage of the opportunities to heavily participate in infrastructure construction projects in Yunnan Province so as to continuously increase market share and profitability and further consolidate our leading position.

展望

根據股東及董事會就此作出的決策，本公司將視上市為新起點，並依託國際資本市場，加強上市平台構建及市場資本化管理。同時充分利用上市所得款項，加快攪拌站升級改造，提高攪拌站生產效率和水平。不斷開拓市場，確保提升本公司盈利能力，實現經營目標，切實回報廣大股東，展現本公司發展活力及良好資本市場形象。

行業展望

複雜多變的國際環境中，中國統籌推進穩增長、促改革、調結構、惠民生、防風險，出台了穩增長一攬子舉措，經濟運行有望將繼續延續總體平穩的發展態勢。隨着經濟持續平穩增長，中國持續推進構建現代化基礎設施網絡，優化住房供給結構，中國的基礎設施建設和房地產業投資將有望繼續保持增長。回顧2019年，中國預拌混凝土行業實現了穩中有增、穩中有變的良好走勢：產量實現穩定增長，價格實現高位穩定。未來，穩定增長的基礎設施建設和房地產業投資將繼續拉動中國工程建築業的穩定發展，持續支撐和保障穩定的預拌混凝土需求增長。

市場前景

雲南省內市場前景廣闊。在雲南省快速發展的經濟推動下，雲南省基礎設施建設和房地產業固定資產投資額快速增長。未來隨着經濟發展潛力不斷釋放，雲南省五網建設持續推進，城鎮化建設加速，維持強勁增長勢頭，從而推動雲南省預拌混凝土需求快速增加。近期，雲南省已明確將不斷推進基礎設施雙十重大項目進程，且雲南省2020年的四個一百重點項目計劃推出525個重點項目。此部分項目中的大型基建項目佔比較往年將大幅提升，包括多條高速公路和鐵路等。本公司作為雲南省技術領先且保障供應能力最強的混凝土企業，具有非常豐富的大型項目混凝土供應經驗，因此我們將抓住機遇，極大程度地參與到雲南省基礎設施建設項目中去，從而不斷提升市場佔有率及盈利能力，進一步鞏固我們的領導地位。

Good market prospects in Southeast Asia. The infrastructure construction in Southeast Asian countries such as Laos and Cambodia are relatively backward and the “One Belt and One Road” Initiative and the domestic needs of those countries have promoted the upgrading of their infrastructure construction. We will seize this important opportunity and take maximum advantage of our geographical advantage in this respect. We plan to expand our market coverage to neighboring Southeast Asian countries such as Laos, Cambodia, Malaysia and Indonesia as soon as possible. In the future, with the intensive promotion of projects such as expressways, railways and airports, etc., Southeast Asian countries will continue to increase their investments in infrastructure construction. Such infrastructure investments and real estate construction will bring about good development opportunities for the concrete industry and good market prospects for the concrete market. For the year ended December 31, 2019, we actively participated in the preparation for key projects of cooperation between China and Laos, such as the “Laos-China Expressway Phase II” and “Saysettha Development Zone”.

Future Focus

Continuously extend the concrete industry chain and strengthen technology research and development and technological innovation

The Group will participate in sand and gravel mining projects in Zhaotong, Kunming and Yuxi and surrounding areas in which expressways will be built as soon as possible to accelerate the integration of upstream raw material resources, reduce procurement costs of upstream raw materials and continuously optimize the Group’s operating benefits.

The Group also focuses on the development of ultra-high performance concrete and related products, with the aim to break the bottleneck in the production and application of ultra-high performance concrete and establish a complete ultra-high performance concrete industry chain covering research and development, production and engineering application, with a special focus on the research and development of carbon nanotube reinforced cement-based composite materials and related products. We plan to use the proceeds from the global offering to build a development center for ultra-high performance concrete and related products and production bases for new materials of recycled solid waste in the Kunming area, as well as production bases for green and environmentally friendly new materials in Zhaotong and Yuxi. We will also continue to maintain close cooperation with Chinese colleges and universities (research institutes), make full use of the Group’s existing provincial research platform and continuously improve our research and development and technological innovation capabilities.

東南亞市場前景良好。老撾、柬埔寨等東南亞國家基礎設施建設較為落後，「一帶一路」倡議及其國家的內部需求，推動了其基礎設施建設的升級。我們將抓住此次重大機遇及最大程度利用我們的地理優勢，我們計劃盡快將市場覆蓋面擴大至老撾、柬埔寨、馬來西亞及印度尼西亞等鄰近東南亞國家。未來，隨着高速公路、鐵路、機場等項目的深入推進，東南亞國家在基礎設施建設方面的投資將持續增加，其基礎設施投資及房地產建設將為混凝土行業帶來較好發展機遇，混凝土市場前景較好。截至2019年12月31日止年度，我們正積極參與「老中高速二期」、「賽色塔綜合開發區」等中國和老撾合作的重點項目的籌備工作。

未來重點工作

不斷延伸混凝土產業鏈，持續加強科技研發和技術創新

本集團將盡快參與昭通、昆明、玉溪以及一些將要建設的高速公路周邊地區的砂石料開採項目，以加快上游原材料資源的整合速度，從而降低上游原材料採購成本，不斷優化本集團經營效益。

本集團還專注於開發超高性能混凝土及相關產品。通過打破生產及應用超高性能混凝土的瓶頸，制定涵蓋研發、生產及工程應用的完整超高性能混凝土產業鏈，尤其是專注於碳納米管水泥基複合材料及相關產品的研發。我們計劃利用全球發售所得款項在昆明地區興建超高性能混凝土及相關產品開發中心及回收固體廢棄物新材料生產基地，並在昭通及玉溪興建綠色環保新材料生產基地。我們還將持續與中國高等院校(科研院所)保持密切合作，充分利用本集團現有的省級科研平台，不斷提升科技研發和技術創新能力。

Management Discussion and Analysis

管理層討論與分析

Continuously develop the market and strengthen listed company management

We will take advantage of the good market opportunities and broad market prospects to establish our position in Yunnan Province and enter the Southeast Asian market as soon as possible, so as to continuously expand the marketing network, develop the market and strengthen our leading market position. At the same time, we will further strengthen internal management of the Company to safeguard our objectives of continuous market development and realizing business operation goals, which mainly include: (i) attaching greater importance to safety in production, increasing safety education and training, implementing the concept of safe production into the entire process of production, operation and management, and continuously enhancing the Company's risk prevention and control capabilities; (ii) continuously and systematically promoting the construction of the Company's talent team, reforming and improving the salary incentive mechanism, strengthening performance appraisal management and stimulating the enthusiasm of employees; (iii) continuously assessing the operational procedures and endeavoring to optimize our production processes, promoting the upgrade of facilities and equipment, accelerating informatization upgrades, continuously improving the efficiency of our production and delivery appliances, and ensuring smooth coordination between all personnel and production equipment, thus further improving operational and management efficiency; and (iv) continuously improving the internal control management system, fully realizing the importance of the internal control system in ensuring the overall operation of the Company, fully developing and utilizing the Company's information technology, improving the efficiency and effectiveness of internal control related business processes and ensuring that data is timely, complete and reliable, thus promoting the standardization and effectiveness of the entire business process and continuously improving the Company's management standards.

持續開拓市場，不斷強化上市公司管理

我們將抓住良好的市場機遇，把握廣闊的市場前景，立足雲南省並盡快進入東南亞市場，從而不斷擴大營銷網絡，持續開拓市場，強化市場領導地位。同時，進一步強化本公司內部管理，為本公司持續開拓市場、實現經營目標保駕護航，主要包括：(i)抓牢安全生產，加大安全教育培訓力度，將安全生產理念落實到生產、經營、管理的全過程，不斷增強本公司的風險防控能力；(ii)持續且系統性地推進本公司人才隊伍建設，改革和完善薪酬激勵機制，強化績效考核管理，激發廣大僱員的工作熱情；(iii)我們將持續評估營運程序，致力優化生產流程，促進設施設備升級改造，加快信息化升級，不斷提升生產設備及運輸設備的效率，及確保所有人員及生產設施協同工作，進一步提高經營管理效率；(iv)持續健全內部控制管理體系，充分體現內部控制體系對保障本公司整體運營所起到的重要作用。充分開發和利用本公司信息技術，提高內部控制相關業務流程的效率、效果，確保數據信息的及時、完整和可靠，促進全業務流程規範有效，不斷提升本公司管理水平。

Profiles of Directors, Supervisors and Senior Management

董事、監事及高級管理人員簡介

As at the date of this report, the profiles of the Directors, Supervisors and senior management of the Company are as follows:

DIRECTORS

(1) Executive Directors

Mr. Ma Minchao, aged 54, has been serving as the executive Director since June 2007 when the Company was incorporated. Since December 2016, he has been serving as the chairman and deputy secretary of the Party Committee of the Company. Chairman Ma also serves as a director or chairman in various subsidiaries of the Company: he has been serving as a director of Aggregate Company since March 2007, as the chairman of Polymer Company since September 2013, as a director of Qujing Building Material since November 2014, as a director of Baoshan Building Material since January 2015, and as the chairman of Baoshan Building Material since May 2019, as the director of Yuxi Building Material since July 2015 and as a director of 14th Metallurgical New Material Company since January 2018. Chairman Ma previously served as the general manager of the Company from June 2007 to April 2019.

From May 2005 to May 2010, Chairman Ma served successively as the deputy general manager and general manager of Yunnan Construction Engineering Concrete Co., Ltd. From May 2010 to February 2017, he served as the general manager of the Commercial Concrete Division of Yunnan Construction Engineering Group Co., Ltd. From November 2014 to February 2017, he served as the general manager of Qujing Building Material. From November 2014 to May 2019, he served as the chairman of Qujing Building Material. From July 2015 to September 2019, he served as the chairman of Yuxi Building Material. From January 2018 to May 2019, he served as the chairman of 14th Metallurgical New Material Company. Since January 2013, Chairman Ma has also been serving as the chairman of YNJC Yunling Cement Co., Ltd.

Prior to joining the Company, Chairman Ma served successively as the deputy manager of the Development and Operation Department, business manager of Zhaotong Resources Department (昭通物資部) and deputy general manager of Yunnan Building Materials Supply Company (雲南省建築材料供應公司) during the periods of February 1993 to March 1994, July 1994 to November 1995 and February 2004 to February 2006.

In December 2014, Chairman Ma was appointed as the managing director and vice chairman of the Yunnan Concrete Association, as well as an expert of the Yunnan Concrete Industry Expert Committee. In August 2017, he was appointed

於本報告日期，董事、監事及本公司高級管理人員簡歷如下：

董事

(1) 執行董事

馬敏超先生，54歲，於2007年6月本公司註冊成立時開始擔任執行董事，自2016年12月至今擔任本公司董事長及黨委副書記。馬董事長亦於本公司多家附屬公司擔任董事或董事長職位：彼自2007年3月至今擔任砂石料公司董事；自2013年9月至今擔任高分子公司董事長；自2014年11月至今擔任曲靖建材董事；自2015年1月至今擔任保山建材董事；自2019年5月至今擔任保山建材董事長；自2015年7月至今擔任玉溪建材董事；自2018年1月至今擔任十四冶新材料公司董事。馬董事長曾於2007年6月至2019年4月擔任本公司總經理。

馬董事長自2005年5月至2010年5月在雲南建工混凝土有限公司先後擔任副總經理及總經理；自2010年5月至2017年2月在雲南建工集團有限公司擔任商品混凝土部總經理。自2014年11月至2017年2月，彼曾擔任曲靖建材總經理。自2014年11月至2019年5月，彼曾擔任曲靖建材董事長。自2015年7月至2019年9月，彼曾擔任玉溪建材董事長。自2018年1月至2019年5月，彼曾擔任十四冶新材料公司董事長。馬董事長亦自2013年1月至今擔任雲南建工雲嶺水泥有限公司董事長。

加入本公司前，馬董事長自1993年2月至1994年3月、1994年7月至1995年11月及2004年2月至2006年2月期間在雲南省建築材料供應公司先後擔任開發經營部副經理、昭通物資部業務經理及副總經理。

馬董事長於2014年12月被委任為雲南省混凝土協會常務理事、副會長以及雲南省混凝土行業專家委員會專家；於2017年8月被委任為

Profiles of Directors, Supervisors and Senior Management 董事、監事及高級管理人員簡介

as a standing member of the Concrete Quality Professional Committee of the Concrete and Prestressed Concrete Branch of China Civil Engineering Society (中國土木工程學會混凝土及預應力混凝土分會混凝土質量專業委員會). In December 2018, he was appointed as the vice president of the Ready-Mixed Concrete Branch of China Concrete and Cement-based Products Association (中國混凝土與水泥製品協會預拌混凝土分會).

Chairman Ma graduated from the Materials Department of Shaanxi University of Finance and Economics (陝西財經學院) in July 1989, majoring in economic management. In June 2006, he obtained a Postgraduate Certificate in business administration from the Postgraduate School of Chinese Academy of Sciences (中國科學院). He also obtained a master's degree in project management jointly offered by the University of Management and Technology in the United States and Kunming University of Science and Technology (昆明理工大學) in December 2006. In September 2012, Chairman Ma was also appraised as a senior engineer by the Urban Construction Environmental Engineering Senior Engineer Review Committee of Yunnan Province (雲南省城建環保工程高級工程師評審委員會). In December 2018, he was appraised as a professorate senior engineer by the Professorate Senior Engineer Review Committee of Yunnan Province (雲南省正高級工程師評審委員會).

Mr. Rao Ye, aged 33, is the vice chairman, executive Director, deputy general manager, secretary of the Board, joint company secretary, and secretary of the Party Committee of the Company. Mr. Rao also serves as a director or chairman in various subsidiaries of the Company: he has been serving as a director of 14th Metallurgical New Material Company since January 2018, as a director of Qujing Building Material since March 2018 and as the chairman of Qujing Building Material since May 2019, as a director of Polymer Company since October 2018, as a director of Baoshan Building Material since May 2019, and as a director of Yuxi Building Material since June 2019. Mr. Rao joined the Company in December 2016.

Prior to joining the Company, Mr. Rao successively served as a staff and the deputy manager of the Legal Affairs Division (法律事務科) and a member of Administrative Party Branch (行政黨支部委員) of Yunnan Construction Engineering Concrete Co., Ltd. from July 2009 to May 2012. From May 2012 to February 2017, he served successively as the manager of the Reform and Development Division (改革發展科), deputy manager of the Legal Affairs Division, the assistant general manager and the deputy general manager of the Commercial Concrete Division of Yunnan Construction Engineering Group Co., Ltd. From February 2015 to April 2019, he served as the general manager of Polymer Company. From January 2015 to May 2017, he served as the general manager of Aggregate Company.

中國土木工程學會混凝土及預應力混凝土分會混凝土質量專業委員會常務委員；於2018年12月被委任為中國混凝土與水泥製品協會預拌混凝土分會副理事長。

馬董事長於1989年7月畢業於陝西財經學院物資系經濟管理專業，於2006年6月取得中國科學院研究生院工商管理研究生結業證，於2006年12月取得美國管理科技大學與昆明理工大學合作開設的項目管理碩士學位。馬董事長亦於2012年9月獲得雲南省城建環保工程高級工程師評審委員會評審認定的高級工程師職稱；於2018年12月獲得雲南省正高級工程師評審委員會評審認定的正高級工程師職稱。

饒燁先生，33歲，本公司副董事長、執行董事、副總經理、董事會秘書、聯席公司秘書及黨委書記。饒先生亦於本公司多家附屬公司擔任董事或董事長職務：彼自2018年1月至今擔任十四冶新材料公司董事；自2018年3月至今擔任曲靖建材董事及自2019年5月至今擔任曲靖建材董事長；自2018年10月至今擔任高分子公司董事；自2019年5月至今擔任保山建材董事；及自2019年6月至今擔任玉溪建材董事。饒先生於2016年12月加入本公司。

加入本公司前，饒先生自2009年7月至2012年5月在雲南建工混凝土有限公司先後擔任法律事務科科員和副經理、行政黨支部委員；自2012年5月至2017年2月在雲南建工集團有限公司商品混凝土部先後擔任改革發展科經理、法律事務科副經理、總經理助理及副總經理；自2015年2月至2019年4月在高分子公司擔任總經理；自2015年1月至2017年5月在砂石料公司擔任總經理。

Profiles of Directors, Supervisors and Senior Management 董事、監事及高級管理人員簡介

Mr. Rao obtained a bachelor of laws degree from Yunnan University of Finance and Economics (雲南財經大學) in July 2009 and a master's degree in law from Yunnan University (雲南大學) in June 2012. In January 2019, he obtained a graduation certificate in engineering management (online education) from Sichuan University. Mr. Rao also obtained the qualification certificate for secretary to the board of directors granted by the Shanghai Stock Exchange in July 2018 and obtained the qualification certificate of independent directors granted by the Shanghai Stock Exchange in November 2018. In August 2019, Mr. Rao was granted the qualification for professional position of engineer by YCIH.

Mr. Lu Jianfeng, aged 45, is an executive Director, general manager and deputy secretary of the Party Committee of the Company. Mr. Lu also serves as a director or chairman in various subsidiaries of the Company: he has been serving as a director of Polymer Company since September 2013, as a director of 14th Metallurgical New Material Company since January 2018 and as the chairman of 14th Metallurgical New Material Company since May 2019, as a director of Baoshan Building Material since May 2018, and as a director of Qujing Building Material since May 2019. Mr. Lu joined the Company in July 2013, and previously served as the Director, deputy general manager and executive deputy general manager of the Company.

Prior to joining the Company, Mr. Lu served successively as chief engineer of East Batching Plant (東攪拌站), manager of the 2nd West Batching Plant (西二攪拌站), manager of the 1st West Batching Plant (西一攪拌站), manager of Chenggong Batching Plant (呈貢攪拌站), deputy manager of the New Airport Project Management Department (新機場項目管理部), manager of the New Airport Project Management Department, manager of the New Airport Batching Plant (新機場攪拌站), and assistant general manager of Yunnan Construction Engineering Concrete Co., Ltd. from August 1998 to January 2011. From January 2011 to December 2016, he served successively as the assistant general manager and the deputy general manager of the Commercial Concrete Division of Yunnan Construction Engineering Group Co., Ltd.

Mr. Lu obtained a bachelor of engineering degree in construction materials from Southeast University (東南大學) in June 1996 and a master's degree in business administration from Yunnan University in December 2016. In August 2007, Mr. Lu was appraised as a senior engineer by the Urban Construction Environmental Engineering Senior Engineer Review Committee of Yunnan Province (雲南省城建環保工程高級工程師評審委員會).

Ms. Hu Zhurong, aged 46, is an executive Director and employee Director. Since joining the Company in August 2017, Ms. Hu has also been serving as the deputy secretary of the Party Committee (黨委副書記) as well as the chairwoman of the Labor Union.

饒先生於2009年7月取得雲南財經大學法學專業法學學士學位；於2012年6月取得雲南大學法學專業碩士學位；於2019年1月取得四川大學工程管理專業(網絡教育)畢業證書。饒先生亦於2018年7月取得上海證券交易所授予的董事會秘書資格證書；於2018年11月取得上海證券交易所授予的獨立董事資格證書。於2019年8月，饒先生取得雲南建投授予的工程師專業技術職務任職資格。

呂劍鋒先生，45歲，執行董事、本公司總經理及黨委副書記。呂先生亦於本公司多家附屬公司擔任董事或董事長職務：彼自2013年9月至今擔任高分子公司董事；自2018年1月至今擔任十四冶新材料公司董事及自2019年5月至今擔任十四冶新材料公司董事長；自2018年5月至今擔任保山建材董事；及自2019年5月至今擔任曲靖建材董事。呂先生自2013年7月加入本公司，曾擔任董事、本公司副總經理及常務副總經理。

加入本公司前，呂先生自1998年8月至2011年1月在雲南建工混凝土有限公司先後擔任東攪拌站主任工程師、西二攪拌站經理、西一攪拌站經理、呈貢攪拌站經理、新機場項目管理部副經理、新機場項目管理部經理、新機場攪拌站經理及總經理助理；自2011年1月至2016年12月在雲南建工集團有限公司商品混凝土部先後擔任總經理助理及副總經理。

呂先生於1996年6月取得東南大學建築工程材料專業工學學士學位；於2016年12月取得雲南大學工商管理專業碩士學位。呂先生亦於2007年8月獲得雲南省城建環保工程高級工程師評審委員會評審認定的高級工程師職稱。

胡珠榮女士，46歲，執行董事、職工董事。自2017年8月加入本公司以來，胡女士亦在本公司擔任黨委副書記及工會主席。

Profiles of Directors, Supervisors and Senior Management

董事、監事及高級管理人員簡介

Prior to joining the Company, Ms. Hu was appointed as the director of the Kunming Office (駐昆辦主任) of Fourth Construction and Installation Engineering Company of Fourteenth Metallurgical Group of China Nonferrous Metal (中國有色十四冶集團第四建築安裝工程公司) in July 2002. From April 2008 to September 2016, she served successively as the deputy director of the Party Office (黨辦副主任) as well as the secretary of the Communist Youth League (團委書記), deputy director of the Women Worker Committee (女工副主任) as well as the secretary of the Communist Youth League, and vice chairwoman of the Labor Union (工會副主席) as well as the director of the Women Worker Committee (女工主任) of the Fourteenth Metallurgical Construction Group Co., Ltd. (十四冶建設集團有限公司). From September 2016 to August 2017, she served as the vice chairwoman of the Labor Union of YCIH.

Ms. Hu graduated from Guangzhou Nonferrous Metals Technical School (廣州有色金屬工業學校) in July 1992, majoring in automobile application and repair. In July 2002, she graduated from Adult Education College of Yunnan University (雲南大學成人教育學院), majoring in economics management. In December 2003, she graduated from Yunnan Provincial Party School (雲南省委黨校) majoring in accounting and auditing. In September 2012, Ms. Hu was also appraised as a senior engineer by the Urban Construction Environmental Engineering Senior Engineer Review Committee of Yunnan Province (雲南省城建環保高級工程師評審委員會).

(2) Non-executive Directors

Mr. Liu Guangcan, aged 48, is a non-executive Director. Mr. Liu served successively as the Supervisor and Director of the Company from June 2007 to July 2013, and rejoined the Company in December 2017.

Mr. Liu currently serves as a director of YNJC Urban Construction Investment and Development Co., Ltd. (雲南建工城建投資開發有限公司). He has been serving as a director of YOIC since August 2012, and as the secretary of the Party Committee (黨委書記) of the company since July 2016 and as the vice chairman of the company since January 2018. Since January 2013, he has been serving as the chairman of North Nongchan Complex Development Co., Ltd. (北隆贊湖綜合發展有限公司). Since June 2017, he has been serving as the chairman of Ruili Cross-border Economic Cooperation Zone Investment and Development Co., Ltd. (瑞麗跨境經濟合作區投資開發有限公司).

From March 1997 to June 2001, Mr. Liu served as the deputy manager of the Finance Department of Yunnan Building Materials Supply Company (雲南省建築材料供應公司). From June 2001 to December 2011, he served successively as a deputy manager of the Finance Department, manager of the Finance Department, deputy chief accountant, chief accountant, deputy secretary of the general Party branch (黨總支副書記) and secretary of the Party branch (黨總支書記) in Yunnan Construction Engineering Concrete Co., Ltd. From December 2011 to January

加入本公司前，胡女士於2002年7月獲委任為中國有色十四冶集團第四建築安裝工程公司駐昆辦主任；自2008年4月至2016年9月在十四冶建設集團有限公司先後擔任黨辦副主任兼團委書記、女工副主任兼團委書記、工會副主席兼女工主任；自2016年9月至2017年8月在雲南建投擔任工會副主席。

胡女士於1992年7月畢業於廣州有色金屬工業學校汽車運用與修理專業；於2002年7月畢業於雲南大學成人教育學院經濟管理專業；於2003年12月畢業於雲南省委黨校會計與審計專業。胡女士亦於2012年9月獲得雲南省城建環保高級工程師評審委員會評審認定的高級工程師職稱。

(2) 非執行董事

劉光燦先生，48歲，非執行董事。劉先生曾於2007年6月至2013年7月於本公司先後擔任監事及董事，後於2017年12月再次加入本公司。

劉先生現今在雲南建工城建投資開發有限公司擔任董事；自2012年8月至今，在海外投資擔任董事，並自2016年7月至今擔任該公司黨委書記，自2018年1月至今擔任該公司副董事長；自2013年1月至今，在北隆贊湖綜合發展有限公司擔任董事長；自2017年6月至今，在瑞麗跨境經濟合作區投資開發有限公司擔任董事長。

劉先生自1997年3月至2001年6月在雲南省建築材料供應公司擔任財務部副經理；自2001年6月至2011年12月，在雲南建工混凝土有限公司先後擔任財務部副經理、財務部經理、副總會計師、總會計師、黨總支副書記及黨總支書記；自2011年12月至2018年1月，在海外投資先後擔任黨總支書記及副總經理；

Profiles of Directors, Supervisors and Senior Management 董事、監事及高級管理人員簡介

2018, he served successively as the secretary of the general Party branch and deputy general manager of YOIC. From July 2014 to September 2017, he served as the chairman of Laos-China Joint Venture Investment Co., Ltd. (老中聯合投資有限公司).

Mr. Liu obtained a bachelor of economics degree in economics from Nanjing Institute of Economics (南京經濟學院) in July 1994 and a master's degree in business administration for senior management from Yunnan University in December 2015. Mr. Liu was also granted the qualification of certified public accountant by the Certified Public Accountant Examination Committee of the Ministry of Finance (財政部註冊會計師考試委員會) of the PRC in December 2006, and was appraised as a senior accountant 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 March 2010.

Mr. He Jianqiang, aged 47, is a non-executive Director. Mr. He joined the Company in December 2009 and served as the deputy general manager of the Company.

Mr. He has served successively as the deputy general manager, general manager and chairman of Kunming Jingbai Industrial Co., Ltd. (昆明經百實業有限公司) from January 2014. Since December 2016, he has been serving as the chairman of Kunming Daguanshan Investment Development Co., Ltd. (昆明大觀山投資開發有限責任公司), Kunming Tengbang Real Estate Co., Ltd. (昆明騰邦置業有限公司) and Kunming Tongfu Real Estate Development Co., Ltd. (昆明同富房地產開發有限公司), as a director of Kunming Tongtai Real Estate Co., Ltd. (昆明通泰置業有限公司), and successively as the deputy general manager and director of KMEIC. Since November 2018, he has been serving as the deputy general manager of Yunnan Nengtou New Energy Investment Development Co., Ltd. (雲南能投新能源產業園區投資開發有限公司).

From September 2009 to December 2016, Mr. He served as the assistant general manager of KMEIC. From April 2014 to June 2018, he served as a director in Kunming Puzhao Water Purification Management Co., Ltd. (昆明普照水質淨化管理有限公司).

Mr. He obtained a bachelor of engineering degree in environmental engineering from Tongji University (同濟大學) in July 1998. In September 2014, Mr. He was appraised as a senior engineer by the Urban Construction Environmental Engineering Senior Engineer Review Committee of Yunnan Province (雲南省城建環保工程高級工程師評審委員會). In May 2016, he obtained the qualification for associate constructor (construction engineering) approved by the Bureau of Human Resources and Social Security and Bureau of Housing and Urban-Rural Development of Yunnan Province.

自2014年7月至2017年9月在老中聯合投資有限公司擔任董事長。

劉先生於1994年7月取得南京經濟學院會計學專業經濟學學士學位；於2015年12月取得雲南大學高級管理人員工商管理專業碩士學位。劉先生亦於2006年12月獲得中國財政部註冊會計師考試委員會評審認定的註冊會計師資格，並於2010年3月獲得雲南省人力資源和社會保障廳評審認定的高級會計師職稱。

何建強先生，47歲，非執行董事。何先生於2009年12月加入本公司，曾擔任本公司副總經理。

何先生自2014年1月至今，在昆明經百實業有限公司先後擔任副總經理、總經理及董事長；自2016年12月至今，在昆明大觀山投資開發有限責任公司、昆明騰邦置業有限公司、昆明同富房地產開發有限公司擔任董事長，在昆明通泰置業有限公司擔任董事，以及在經投集團先後擔任副總經理及董事；自2018年11月至今，在雲南能投新能源產業園區投資開發有限公司擔任副總經理。

何先生自2009年9月至2016年12月在經投集團擔任總經理助理；自2014年4月至2018年6月在昆明普照水質淨化管理有限公司擔任董事。

何先生於1998年7月取得同濟大學環境工程專業工學學士學位。何先生亦於2014年9月獲得雲南省城建環保工程高級工程師評審委員會評審認定的高級工程師職稱；於2016年5月獲得雲南省人力資源和社會保障廳、雲南省住房和城鄉建設廳批准的二級建造師(建築工程)職稱。

Profiles of Directors, Supervisors and Senior Management 董事、監事及高級管理人員簡介

(3) Independent non-executive Directors

Mr. Wong Kai Yan Thomas, aged 49, is an independent non-executive Director. Mr. Wong joined the Company in September 2019.

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

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

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

Mr. Yu Dingming, aged 44, is an independent non-executive Director. Mr. Yu joined the Company in December 2017.

Since July 2003, Mr. Yu has been teaching at Yunnan University of Finance and Economics (雲南財經大學), where he currently serves as a professor. Since November 2011, he has been a part-time lawyer in Yunnan Yunyu Law Firm (雲南雲譽律師事務所). Since July 2017, he has been serving as an independent director in Yunnan Xiyi Industrial Co., Ltd. (雲南西儀工業股份有限公司) (listed on the Shenzhen Stock Exchange, stock code: 002265). Since June 2019, he has been serving as an independent director in Yunnan Copper Co., Ltd. (雲南銅業股份有限公司) (listed on the Shenzhen Stock Exchange, stock code: 000878).

Mr. Yu was appointed as an invited expert of the Civil Execution Professional Judges Meeting of the Higher People's Court of Yunnan Province (雲南省高級人民法院民事執行專業法官會議) in April 2017. Since June 2018, he has been serving as one of the first batch of experts in the expert bank for the construction of the law-based government in Yunnan Province (雲南省法治政府建設專家庫首批專家) and as a member of sixth council (第六屆理事會理事) of the Institute of Ethnic Law of China Law Society (中國法學會民族法學研究會).

(3) 獨立非執行董事

王佳欣先生，49歲，獨立非執行董事。王先生於2019年9月加入本公司。

王先生自2018年3月至今在偉能集團國際控股有限公司(於香港聯交所上市，股份代號：01608)擔任資產管理部董事總經理。自2019年3月至今，彼在長沙遠大住宅工業集團股份有限公司(於香港聯交所上市，股份代號：02163)擔任獨立非執行董事。

加入本公司前，王先生自1995年6月至1997年5月在德勤•關黃陳方會計師行擔任審計師；自1997年7月至2004年1月在江山控股有限公司(於香港聯交所上市，股份代號：00295)擔任財務總監；自2004年3月至2008年4月在駿升國際企業有限公司擔任顧問；自2008年7月至2017年12月在中國中車股份有限公司(於香港聯交所上市，股份代號：01766)擔任聯席授權代表兼聯席公司秘書；自2015年11月至2017年12月在中國中車(香港)有限公司擔任董事、副總經理兼財務總監。

王先生於1995年5月取得澳大利亞伍倫貢大學會計學專業商學士學位；於2011年5月取得香港科技大學金融分析專業理學碩士學位。王先生於1999年3月成為澳洲會計師公會會員，並於1999年7月成為香港會計師公會會員。

于定明先生，44歲，獨立非執行董事。于先生於2017年12月加入本公司。

于先生自2003年7月至今，在雲南財經大學任教，目前擔任教授；自2011年11月至今，在雲南雲譽律師事務所擔任兼職律師；自2017年7月至今，在雲南西儀工業股份有限公司(於深圳證券交易所上市，股份代號：002265)擔任獨立董事；自2019年6月至今，在雲南銅業股份有限公司(於深圳證券交易所上市，股份代號：000878)擔任獨立董事。

于先生於2017年4月被聘任為雲南省高級人民法院民事執行專業法官會議特邀專家；自2018年6月至今擔任雲南省法治政府建設專家庫首批專家以及中國法學會民族法學研究會第六屆理事會理事。

Profiles of Directors, Supervisors and Senior Management

董事、監事及高級管理人員簡介

From January 2013 to August 2018, Mr. Yu served as an independent director of Kunming Jida Pharmaceutical Co., Ltd. (昆明積大製藥股份有限公司).

Mr. Yu obtained a bachelor's degree in international economic law from Yunnan University in July 2000, a master's degree in economic law from Yunnan University in July 2003, and a doctor's degree in economic law from China University of Political Science and Law (中國政法大學) in June 2010. Mr. Yu also obtained the certificate of legal professional qualification granted by the Ministry of Justice of the People's Republic of China (中華人民共和國司法部) in September 2002 and was appraised as a professor by Yunnan College Teachers, Professors and Associate Professors Review Committee (雲南省高校教師教授副教授評審委員會) in October 2014.

Mr. Li Hongkun, aged 51, is an independent non-executive Director. Mr. Li joined the Company in September 2019.

Since March 1995, Mr. Li has been teaching at Yunnan University of Finance and Economics (雲南財經大學), where he currently serves as a professor and master tutor.

Mr. Li obtained a bachelor of economics degree in accounting from Yunnan Finance and Trade College (雲南財貿學院) in July 1990; a master of economics degree in accounting from Southwestern University of Finance and Economics (西南財經大學) in June 1994; and a doctor of management degree in financial management from Southwestern University of Finance and Economics in July 2009. In October 2013, Mr. Li was appraised as a professor by Yunnan College Teachers, Professors and Associate Professors Review Committee.

SUPERVISORS

(1) Chairman of the Supervisory Committee and non-employee representative Supervisor

Mr. Wu Xinhe, aged 47, is the chairman of the Supervisory Committee and a non-employee representative Supervisor. Mr. Wu joined the Company in March 2019.

Since September 2013, Mr. Wu has been serving as a director and general manager of Kunming Guoshun Asset Operation and Management Co., Ltd. (昆明國順資產經營管理有限公司). Since January 2017, he has been serving as a director and general manager of Yunnan State-owned Asset Kunming Economic and Technological Development Zone Industry Development Co., Ltd. (雲南國資昆明經開區產業開發有限公司). Since April 2017, he has been serving as a deputy general manager of KMEIC. From October 2018 to February 2020, he has been serving as a director of Hong Kong Kunjing Capital Holdings Limited (香港昆經資本控股有限公司). Since February 2020, he has been serving as the chairman of Hong Kong Kunjing Capital Holdings Limited.

于先生自2013年1月至2018年8月在昆明積大製藥股份有限公司擔任獨立董事。

于先生於2000年7月取得雲南大學國際經濟法學專業法學學士學位；於2003年7月取得雲南大學經濟法學專業碩士學位；於2010年6月取得中國政法大學經濟法學專業博士學位。于先生亦於2002年9月獲得中華人民共和國司法部授予的法律職業資格證書，並於2014年10月獲得雲南省高校教師教授副教授評審委員會評審認定的教授職稱。

李紅琨先生，51歲，獨立非執行董事。李先生於2019年9月加入本公司。

李先生自1995年3月至今，在雲南財經大學任教，目前擔任教授及碩士生導師。

李先生於1990年7月取得雲南財貿學院會計學專業經濟學學士學位；於1994年6月取得西南財經大學會計學專業經濟學碩士學位；於2009年7月取得西南財經大學財務管理專業管理學博士學位。李先生於2013年10月獲得雲南省高校教師教授副教授評審委員會授予的教授職稱。

監事

(1) 監事會主席及非職工代表監事

吳新河先生，47歲，監事會主席及非職工代表監事。吳先生於2019年3月加入本公司。

吳先生自2013年9月至今，在昆明國順資產經營管理有限公司擔任董事及總經理；自2017年1月至今，在雲南國資昆明經開區產業開發有限公司擔任董事及總經理；自2017年4月至今，在經投集團擔任副總經理；自2018年10月至2020年2月，在香港昆經資本控股有限公司擔任董事；自2020年2月至今，在香港昆經資本控股有限公司擔任董事長。

Profiles of Directors, Supervisors and Senior Management 董事、監事及高級管理人員簡介

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

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

(2) Non-employee representative Supervisors

Ms. Li Yan, aged 37, is a non-employee representative Supervisor. Ms. Li joined the Company in December 2016.

Since January 2015, she has been serving as a supervisor in YCIH Development and Investment Co., Ltd. (雲南建投開發投資有限公司). Since July 2017, she has been serving as deputy secretary of the Discipline Inspection Commission (紀委副書記), director of the Discipline Inspection and Supervision Office (紀檢監察室主任), and director of the Inspection Office (巡察辦公室主任) of YCIH. Since August 2017, she has been serving as the chairwoman of the supervisory committee of Yunnan Immigration Industry Investment and Financing Co., Ltd. (雲南移民產業投資有限公司).

From August 2006 to July 2016, Ms. Li served successively as the deputy director of the Legal Consultant Office (法律顧問處副處長), director of Legal Consultant Department (法律顧問部部長) (previously known as Legal Affairs Department (法律事務部)), and director of Discipline Inspection and Supervision Office (紀檢監察室主任) of Southwest Communications Construction Group Co., Ltd. (西南交通建設集團股份有限公司). From December 2014 to July 2018, Ms. Li has served as a supervisor of Yunnan Haohan Mine Engineering Construction Co., Ltd. (雲南浩瀚礦山工程建設有限公司). From July 2016 to July 2017, she served successively as a member of the Commission for Discipline Inspection (紀委委員), director of the Discipline Inspection and Supervision Office (紀檢監察室主任) of YCIH.

Ms. Li obtained a bachelor of laws degree from Yunnan Finance and Trade College (雲南財貿學院) in July 2004. Ms. Li also obtained the qualification certificate for the board secretary granted by the Shanghai Stock Exchange in May 2014.

吳先生自2004年4月至2019年2月在昆明創新園科技發展有限公司先後擔任行政部副經理、項目部經理、招商部經理、副總經理、總經理及董事長。

吳先生於1995年7月取得雲南大學應用化學專業理學學士學位；於2007年6月取得昆明理工大學工業工程專業工程碩士學位。吳先生亦於2000年11月獲得中國人事部(現已更名為中國人力資源和社會保障部)授予的房地產經濟(中級)專業技術資格證書；於2011年4月獲得雲南省人力資源和社會保障廳頒發的高級經濟師職稱。

(2) 非職工代表監事

李燕女士, 37歲, 非職工代表監事。李女士於2016年12月加入本公司。

李女士自2015年1月至今, 在雲南建投開發投資有限公司擔任監事；自2017年7月至今, 在雲南建投擔任紀委副書記、紀檢監察室主任及巡察辦公室主任；自2017年8月至今, 在雲南移民產業投資有限公司擔任監事會主席。

李女士自2006年8月至2016年7月在西南交通建設集團股份有限公司先後擔任法律顧問處副處長、法律顧問部(曾稱為法律事務部)部長及紀檢監察室主任；自2014年12月至2018年7月在雲南浩瀚礦山工程建設有限公司擔任監事；自2016年7月至2017年7月在雲南建投先後擔任紀委委員、紀檢監察室主任。

李女士於2004年7月取得雲南財貿學院法學學士學位。李女士亦於2014年5月獲得上海證券交易所授予的董事會秘書資格證書。

Profiles of Directors, Supervisors and Senior Management 董事、監事及高級管理人員簡介

Mr. Chang Hongbing, aged 40, is a non-employee representative Supervisor. Mr. Chang joined the Company in December 2016 and has previously served as a Director.

Since September 2015, Mr. Chang has been serving as the chief financial officer of YOIC. and as the assistant senior business head (助理高級業務主管) of YCIH. Since December 2016, he has been serving as a director of the Malaysian Company of YCIH. Since March 2019, he has been serving as a director of Yunnan Sanlian Real Estate Co., Ltd. (雲南三聯置業有限公司).

From March 2007 to February 2011, Mr. Chang served successively as the chief accountant of the Seventh Engineering Division (第七工程處主辦會計) and the assistant chief accountant of the Third Division of the Financial Engineering Center (財務工程核算中心三組助理主任會計師), and the deputy director of the Audit Department (審計部副主任) of Yunnan Engineering Construction General Contracting Company (雲南工程建設總承包公司). From February 2011 to September 2015, he served successively as deputy manager and manager of the finance department of YOIC.

Mr. Chang graduated from Yunnan Finance and Trade College (雲南財貿學院) in July 2001, majoring in financial management. Mr. Chang also obtained the qualification of senior accountant granted by the Department of Human Resources and Social Security of Yunnan Province in December 2016.

(3) Employee representative Supervisors

Ms. Li Na, aged 40, is the employee representative Supervisor and the vice chairwoman of the Labor Union of the Company. Since April 2019, Ms. Li has been serving as the executive supervisor of Polymer Company. Ms. Li joined the Company in January 2017.

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

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

常紅兵先生，40歲，非職工代表監事。常先生於2016年12月加入本公司，曾擔任董事。

常先生自2015年9月至今，在海外投資擔任財務總監，並在雲南建投擔任助理高級業務主管；自2016年12月至今，在雲南建投馬來西亞公司擔任董事；自2019年3月至今，在雲南三聯置業有限公司擔任董事。

常先生自2007年3月至2011年2月期間在雲南工程建設總承包公司先後擔任第七工程處主辦會計、財務部工程核算中心三組助理主任會計師及審計部副主任；自2011年2月至2015年9月在海外投資先後擔任財務部副經理及財務部經理。

常先生於2001年7月畢業於雲南財貿學院財務管理專業。常先生亦於2016年12月獲得雲南省人力資源和社會保障廳授予的高級會計師資格。

(3) 職工代表監事

李娜女士，40歲，職工代表監事及本公司工會副主席。自2019年4月至今，李女士擔任高分子公司執行監事。李女士於2017年1月加入本公司。

加入本公司前，李女士自2008年9月至2016年1月在雲南建工混凝土有限公司先後擔任黨總支辦公室副主任、團總支書記、行政黨支部書記、女工主任及工會副主席；自2016年1月至2017年1月在雲南建工集團有限公司商品混凝土部擔任工會副主席。

李女士於2004年7月畢業於昆明理工大學計算機信息管理專業(大專)；於2008年1月畢業於昆明理工大學法學專業。

Profiles of Directors, Supervisors and Senior Management 董事、監事及高級管理人員簡介

Mr. Guo Huan, aged 31, is an employee representative Supervisor, assistant general manager and director of the Corporate Management Department (企業管理部部長) of the Company. Mr. Guo joined the Company in January 2017.

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

Mr. Guo obtained a bachelor of engineering degree in software engineering from Yunnan University in July 2010 and a master of engineering degree in software engineering from Yunnan University in June 2014. Mr. Guo was appraised as a software designer (intermediate) issued by the Department of Human Resources and Social Security of Yunnan Province in May 2009. He obtained the Qualification Certificate of Specialty and Technology in Business Management (Intermediate) issued by the Department of Human Resources and Social Security of Yunnan Province in June 2017, and the Qualification Certificate of Constructor issued by the Department of Human Resources and Social Security and the Department of Housing and Urban-Rural Development of the PRC in September 2018.

SENIOR MANAGEMENT

Mr. Rao Ye is an executive Director, senior management and joint company secretary of the Company, for biographical details please refer to "Directors" above.

Mr. Lu Jianfeng is an executive Director and senior management of the Company, for biographical details please refer to "Directors" above.

Ms. Ge Ting, aged 44, is a deputy general manager of the Company. Ms. Ge joined the Company in December 2016 and has previously served as an employee Director and the chairwoman of the Labor Union of the Company.

Prior to joining the Company, Ms. Ge served successively as deputy director of the General Office (綜合辦公室副主任), director of the General Office (綜合辦公室主任), manager of the Corporate Development Department (企業發展部), director of the Administrative Affair Department (行政事務部主任), manager of the General Management Department (綜合管理部), manager of the General Management Office (綜合管理辦公室), manager of the Human Resources Division (人力資源科) and deputy general manager of Yunnan Construction Engineering Concrete Co., Ltd. from November 2002 to May 2012. From May 2012 to December 2016, she served as the deputy general manager and manager of the Human Resources Division of the Commercial Concrete Division of Yunnan Construction Engineering Group Co., Ltd. From December 2016 to February 2017, she served as a member of the Party Committee (黨委委員) and deputy general manager of the Commercial Concrete Division of Yunnan Construction Engineering Group Co., Ltd.

郭歡先生，31歲，職工代表監事、總經理助理及本公司企業管理部部長。郭先生自2017年1月加入本公司。

加入本公司前，郭先生自2010年8月至2017年1月在雲南建工集團有限公司商品混凝土部先後擔任企業管理科科員、副經理及經理。

郭先生於2010年7月取得雲南大學軟件工程專業工學學士學位；於2014年6月取得雲南大學軟件工程專業工程碩士學位。郭先生於2009年5月獲得雲南省人力資源和社會保障廳簽發的中級軟件設計師職稱。彼於2017年6月獲得雲南省人力資源和社會保障廳簽發的工商管理(中級)專業技術資格證書；及於2018年9月獲得中國人力資源和社會保障部、中國住房和城鄉建設部簽發的一級建造師資格證書。

高級管理人員

饒燁先生為執行董事、本公司高級管理人員及聯席公司秘書，其履歷請參閱上文「董事」。

呂劍鋒先生為執行董事及本公司高級管理人員，其履歷請參閱上文「董事」。

葛婷女士，44歲，本公司副總經理。葛女士於2016年12月加入本公司，曾擔任本公司職工董事及工會主席。

加入本公司前，葛女士自2002年11月至2012年5月在雲南建工混凝土有限公司先後擔任綜合辦公室副主任、綜合辦公室主任、企業發展部經理、行政事務部主任、綜合管理部經理、綜合管理辦公室經理、人力資源科經理及副總經理；自2012年5月至2016年12月在雲南建工集團有限公司商品混凝土部擔任副總經理及人力資源科經理；自2016年12月至2017年2月擔任雲南建工集團有限公司商品混凝土部黨委委員及副總經理。

Profiles of Directors, Supervisors and Senior Management 董事、監事及高級管理人員簡介

Ms. Ge obtained a bachelor of engineering degree in inorganic non-metallic materials from Wuhan University of Technology (武漢工業大學) in June 1997 and a master of engineering degree in materials engineering from Wuhan University of Technology in July 2003. In August 2007, Ms. Ge was appraised as a senior engineer by the Urban Construction Environmental Engineering Senior Engineer Review Committee of Yunnan Province (雲南省城建環保工程高級工程師評審委員會). In July 2009, she was appraised as a level-1 corporate human resource specialist by the Occupational Skill Testing Center of Ministry of Human Resources and Social Security (人力資源與社會保障部職業技能鑑定中心).

Mr. Wu Kun, aged 50, is a deputy general manager of the Company. Mr. Wu joined the Company in December 2016.

Prior to joining the Company, Mr. Wu served successively as deputy manager of the Quality and Technology Department, deputy chief engineer, assistant general manager and deputy general manager of Yunnan Construction Engineering Concrete Co., Ltd. from May 2000 to November 2010. From November 2010 to December 2016, he served as deputy general manager of the Commercial Concrete Division of Yunnan Construction Engineering Group Co., Ltd.

Mr. Wu obtained a bachelor of engineering degree in industrial automation instrument from Kunming Engineering Institute (昆明工學院) in July 1991 and obtained a master's degree from Yunnan University in December 2013, majoring in senior management business administration. In August 2003, Mr. Wu was also appraised as a senior engineer by the Urban Construction Environmental Engineering Senior Engineer Review Committee of Yunnan Province (雲南省城建環保工程高級工程師評審委員會).

Mr. Zhang Wenhua, aged 52, is a deputy general manager of the Company. Mr. Zhang joined the Company in December 2009.

Mr. Zhang served as the deputy manager of the Production and Operation Department (生產經營部) of Yunnan Construction Engineering Concrete Co., Ltd. from July 2008 to January 2011. From January 2011 to December 2016, he served successively in the Commercial Concrete Division of Yunnan Construction Engineering Group Co., Ltd. as the assistant general manager, chief economist and deputy general manager. From August 2013 to February 2015, he served as the general manager of Polymer Company. From August 2013 to April 2019, he served as the director of Polymer Company. From January 2015 to May 2018, he served as the director of Baoshan Building Material.

Mr. Zhang graduated from Yunnan Materials School (雲南省物資學校) in July 1987, majoring in materials operation and management. In December 1989, he graduated from Yunnan University majoring in business and economic management. In August 2005, Mr. Zhang obtained the qualification of Professional Manager (Class II) granted by Yunnan Provincial Department of Labor and Social Security.

葛女士於1997年6月取得武漢工業大學無機非金屬材料專業工學學士學位；於2003年7月取得武漢理工大學材料工程專業工程碩士學位。葛女士亦於2007年8月獲得雲南省城建環保工程高級工程師評審委員會授予的高級工程師職稱；於2009年7月獲得人力資源與社會保障部職業技能鑑定中心授予的一級企業人力資源管理師職稱。

吳坤先生，50歲，本公司副總經理。吳先生於2016年12月加入本公司。

加入本公司前，吳先生自2000年5月至2010年11月在雲南建工混凝土有限公司先後擔任質量技術部副經理、副總工程師、總經理助理及副總經理；自2010年11月至2016年12月在雲南建工集團有限公司商品混凝土部擔任副總經理。

吳先生於1991年7月取得昆明工學院工業自動化儀錶專業工學學士學位；於2013年12月取得雲南大學高級管理人員工商管理專業碩士學位。吳先生亦於2003年8月獲得雲南省城建環保工程高級工程師評審委員會授予的高級工程師職稱。

張文華先生，52歲，本公司副總經理。張先生於2009年12月加入本公司。

張先生自2008年7月至2011年1月在雲南建工混凝土有限公司擔任生產經營部副經理；自2011年1月至2016年12月在雲南建工集團有限公司商品混凝土部先後擔任總經理助理、總經濟師及副總經理；自2013年8月至2015年2月在高分子公司擔任總經理。自2013年8月至2019年4月，彼曾擔任高分子公司董事。自2015年1月至2018年5月，彼曾擔任保山建材的董事。

張先生於1987年7月畢業於雲南省物資學校物資經營管理專業；於1989年12月畢業於雲南大學工經管專業。張先生於2005年8月獲得雲南省勞動和社會保障廳授予的職業經理(二級)資格。

Profiles of Directors, Supervisors and Senior Management 董事、監事及高級管理人員簡介

Mr. Zhang Long, aged 34, is a deputy general manager of the Company. Mr. Zhang joined the Company in January 2017 and has worked as the assistant to the general manager of the Company and manager of Yuanman Highway project and Guangna Highway (廣那高速公路) project in Wenshan.

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

Mr. Zhang obtained a bachelor of engineering degree in mechanical engineering and automation from Kunming University of Science and Technology in July 2008.

Mr. Li Xiang, aged 38, is a deputy general manager of the Company. Mr. Li joined the Company in January 2017 and worked as an assistant general manager and deputy chief engineer of the Company as well as the chief engineer of the Kunming branch.

Prior to joining the Company, Mr. Li served successively as the chief engineer of Chenggong Batching Plant, the chief engineer of the Airport Project Department (機場項目部主任工程師), deputy manager of the Quality and Technology Department (質量技術部) as well as chief engineer of the New Airport Batching Plant, and deputy manager of Project Management Department of Kunming New Airport Project (昆明新機場項目管理部) as well as deputy chief engineer from February 2007 to February 2012. From February 2012 to January 2017, he served successively in the Commercial Concrete Division of Yunnan Construction Engineering Group Co., Ltd. as the deputy chief engineer as well as the director of the Central Lab (中心試驗室主任), deputy general manager, assistant general manager and deputy chief engineer.

Mr. Li has been a member of the Concrete Quality Professional Committee of the Concrete and Prestressed Concrete Branch of China Civil Engineering Society (中國土木工程學會混凝土及預應力混凝土分會混凝土質量專業委員會) since August 2017.

Mr. Li obtained a bachelor of engineering degree in civil engineering from Kunming University of Science and Technology in July 2004. In August 2015, Mr. Li was also appraised as a senior engineer by the Construction Engineering Senior Engineer Review Committee of Yunnan Province (雲南省建築工程高級工程師評審委員會).

張龍先生，34歲，本公司副總經理。張先生於2017年1月加入本公司，曾擔任本公司總經理助理，兼任元蔓高速公路項目部經理、文山廣那高速公路項目部經理。

加入本公司前，張先生自2008年7月至2012年2月在雲南建工混凝土有限公司先後擔任新機場攪拌站科員、主管及副經理；自2012年2月至2017年2月在雲南建工集團有限公司商品混凝土部先後擔任空港區項目部副經理兼空港區中心攪拌站經理、雲南建工集團有限公司商品混凝土部普洱分公司副經理兼攪拌站經理、分公司安全總監、東攪拌站經理、晉寧分公司經理、紅河州高速及軌道交通項目部經理及總經理助理。

張先生於2008年7月取得昆明理工大學機械工程及自動化專業工學學士學位。

李翔先生，38歲，本公司副總經理。李先生自2017年1月加入本公司，曾擔任本公司總經理助理及副總工程師兼任昆明分公司總工程師。

加入本公司前，李先生自2007年2月至2012年2月先後擔任呈貢攪拌站主任工程師、機場項目部主任工程師、質量技術部副經理兼任新機場攪拌站主任工程師及昆明新機場項目管理部副經理及副總工程師；自2012年2月至2017年1月在雲南建工集團有限公司商品混凝土部先後擔任副總工程師兼中心試驗室主任、副總經理、總經理助理及副總工程師。

李先生自2017年8月至今在中國土木工程學會混凝土及預應力混凝土分會混凝土質量專業委員會擔任委員。

李先生於2004年7月取得昆明理工大學土木工程專業工學學士學位。李先生亦於2015年8月獲得雲南省建築工程高級工程師評審委員會評審認定的高級工程師職稱。

Profiles of Directors, Supervisors and Senior Management 董事、監事及高級管理人員簡介

Mr. Liu Renzhi, aged 44, is the chief economist of the Company. Mr. Liu has also been serving as a director of Yuxi Building Material since July 2015 and as the chairman of Yuxi Building Material since September 2019. Mr. Liu joined the Company in February 2017.

Prior to joining the Company, Mr. Liu served as the deputy manager and manager of the Operation Department of Yunnan Construction Engineering Concrete Co., Ltd. from January 2011 to February 2012. From February 2012 to February 2017, he served successively in the Commercial Concrete Division of Yunnan Construction Engineering Group Co., Ltd. as the manager of the Operation Department, assistant general manager as well as manager of the Operation Department, and chief economist. From July 2015 to July 2017, he served as the general manager of Yuxi Building Material.

Mr. Liu was appointed as the vice chief supervisor (副監事長) of Kunming Bulk Cement and Commercial Concrete Association (昆明市散裝水泥商品混凝土協會) in July 2017.

Mr. Liu graduated from Yunnan Construction Engineering School (雲南省建築工程學校) in July 1996, majoring in industrial and civil architecture. He graduated from Yunnan University in July 2007, majoring in marketing and e-commerce (junior college). In January 2017, he graduated from Yunnan University majoring in business administration. Mr. Liu obtained the Qualification Certificate of Specialty and Technology in Business Management (Intermediate) issued by the Department of Human Resources and Social Security of Yunnan Province in May 2014.

Ms. Liang Limin, aged 44, is the chief engineer of the Company. Ms. Liang joined the Company in January 2017 and has previously served as deputy chief engineer and director of the Technical Innovation Center of the Company.

Prior to joining the Company, Ms. Liang served successively in the Commercial Concrete Division of Yunnan Construction Engineering Group Co., Ltd. as the deputy director and director of the Technical Innovation Center, and deputy chief engineer from January 2011 to January 2017.

Since August 2017, Ms. Liang has served as a member of the Concrete Quality Professional Committee of the Concrete and Prestressed Concrete Branch of China Civil Engineering Society (中國土木工程學會混凝土及預壓力混凝土分會混凝土質量專業委員會).

Ms. Liang obtained a bachelor of engineering degree in inorganic non-metallic materials from Shenyang Institute of Civil Engineering (瀋陽建築工程學院) in July 2000, a master of engineering degree in materials science from Shenyang Architecture University (瀋陽建築大學) in March 2005, and a doctor's degree in highway and railway engineering from Nanjing University of Aeronautics and

劉仁智先生，44歲，本公司總經濟師。自2015年7月至今，劉先生亦擔任玉溪建材董事，並自2019年9月至今擔任玉溪建材董事長。劉先生於2017年2月加入本公司。

加入本公司前，劉先生自2011年1月至2012年2月在雲南建工混凝土有限公司先後擔任經營部副經理及經營部經理；自2012年2月至2017年2月在雲南建工集團有限公司商品混凝土部先後擔任經營部經理、總經理助理兼經營部經理及總經濟師。自2015年7月至2017年7月，彼曾擔任玉溪建材總經理。

劉先生於2017年7月被委任為昆明市散裝水泥商品混凝土協會副監事長。

劉先生於1996年7月畢業於雲南省建築工程學校工業與民用建築專業；於2007年7月畢業於雲南大學市場營銷與電子商務專業(大專)；於2017年1月畢業於雲南大學工商管理專業。劉先生於2014年5月取得雲南省人力資源和社會保障廳簽發的工商管理(中級)專業技術資格證書。

梁麗敏女士，44歲，本公司總工程師。梁女士自2017年1月加入本公司，曾擔任本公司副總工程師兼技術創新中心主任。

加入本公司前，梁女士自2011年1月至2017年1月在雲南建工集團有限公司商品混凝土部先後擔任技術創新中心副主任、主任及副總工程師。

梁女士自2017年8月至今在中國土木工程學會混凝土及預壓力混凝土分會混凝土質量專業委員會擔任委員。

梁女士於2000年7月取得瀋陽建築工程學院無機非金屬材料專業工學學士學位；於2005年3月取得瀋陽建築大學材料學專業工學碩士學位；於2011年6月取得南京航空航天大學道路與鐵道工程專業工學博士學位。梁女士亦於

Profiles of Directors, Supervisors and Senior Management 董事、監事及高級管理人員簡介

Astronautics (南京航空航天大學) in June 2011. In November 2017, Ms. Liang was also appraised as a professorate senior engineer (正高級工程師) by the Professorate Senior Engineer Review Committee of Yunnan Province.

Ms. Xu Airong, aged 49, is the chief financial officer of the Company. Ms. Xu joined the Company in December 2016 and had served as a Director.

Prior to joining the Company, Ms. Xu served successively as director of the finance division of the Testing and Detection Center (試驗檢測中心財務科科長), accountant in charge of the Electrical Instrument Branch, accountant in charge of the third branch (第三分公司) and director of the Audit Department in YNJG Installation Co., Ltd. (雲南建工安裝股份有限公司) from April 2002 to February 2013. From February 2013 to February 2017, she served successively in the Commercial Concrete Division of Yunnan Construction Engineering Group Co., Ltd. as the deputy chief accountant, deputy financial director, senior business director and chief accountant.

Ms. Xu graduated from Yunnan Radio and Television University (雲南廣播電視大學) in July 1992, majoring in financial accounting. In December 2013, Ms. Xu also was appraised as a senior accountant by the Accounting Profession Senior Accountant Review Committee of Yunnan Province (雲南省會計專業高級會計師評審委員會).

JOINT COMPANY SECRETARIES

Mr. Rao Ye is an executive Director, senior management and joint company secretary of the Company, whose biographical details are set out in "Directors" above.

Ms. Wong Sau Ping is a joint company secretary of the Company. Ms. Wong currently serves as an associate director of the listing services department of TMF Hong Kong Limited (a global corporate services provider). Ms. Wong has over 19 years of experience in the field of company secretary. She is currently a fellow member of The Hong Kong Institute of Chartered Secretaries and The Chartered Governance Institute in the United Kingdom.

2017年11月獲得雲南省正高級工程師評審委員會評審認定的正高級工程師職稱。

徐愛蓉女士，49歲，本公司財務總監。徐女士於2016年12月加入本公司，曾擔任董事。

加入本公司前，徐女士自2002年4月至2013年2月在雲南建工安裝股份有限公司先後擔任試驗檢測中心財務科科長、電氣儀表分公司主任會計師、第三分公司主任會計師及審計部部長；自2013年2月至2017年2月在雲南建工集團有限公司商品混凝土部先後擔任副總會計師、財務副總監及高級業務主管兼商品混凝土部總會計師。

徐女士於1992年7月畢業於雲南廣播電視大學財務會計專業。徐女士亦於2013年12月獲得雲南省會計專業高級會計師評審委員會評審認定的高級會計師職稱。

聯席公司秘書

饒燁先生為執行董事、本公司的高級管理人員及聯席公司秘書，其履歷請參閱上文「董事」。

黃秀萍女士為本公司的聯席公司秘書。黃女士現為達盟香港有限公司(一家全球企業服務供應商)上市公司服務部的副董事。黃女士於公司秘書領域擁有逾19年的經驗。其現為香港特許秘書公會及英國特許管治公會資深會員。

The Board hereby presents the report of the Board and the audited consolidated financial statements of the Group for the year ended December 31, 2019.

GLOBAL OFFERING

The Company was listed on the Hong Kong Stock Exchange on October 31, 2019, and issued 133,882,000 H Shares with a par value of RMB1.00 at HK\$3.36 per Share. After completion of initial public offering, the Company had a total of 133,882,000 H Shares. As at December 31, 2019, the Company issued 446,272,000 Shares in total, including 312,390,000 Domestic Shares and 133,882,000 H Shares. The Company raised a total of approximately HK\$449.84 million, with net proceeds of approximately HK\$366.11 million (net of underwriting commission and other issuance and listing expenses). As of December 31, 2019, the unutilised funds raised by the Company amounted to HK\$329.50 million.

Details about the purpose and use of the proceeds from the Global Offering are set out in the section "Management Discussion and Analysis" of this annual report.

MAIN BUSINESSES

The Group's main businesses include production and sale of ready-mixed concrete, polycarboxylic admixtures and aggregates and provision of concrete-related quality and technology management services. The analysis of the Group's main businesses for the year ended December 31, 2019 is set out in the section "Management Discussion and Analysis" and Note 5 to the consolidated financial statements of this annual report.

RESULTS

The Group's results for the year ended December 31, 2019 are set out in the consolidated income statement and consolidated statement of comprehensive income of the consolidated financial statements pages 135 to 136 of this annual report.

DIVIDEND

Dividend policy

The Company's dividend policy is set out in the section "Corporate Governance Report" of this annual report.

Proposed distribution of final dividend for 2019

In accordance with the Board resolution passed on March 27, 2020, the Board proposed to pay a final dividend for the year ended December 31, 2019 to the Shareholders in cash at RMB0.1355 (including tax) for each Share (the "Proposed Final Dividend for 2019"), based on the current total number of Shares of 446,272,000 Shares, which came to a total amount of approximately RMB60.4728 million (including tax). If the Shareholders approve the proposal at the 2019 AGM, the Proposed Final Dividend for 2019 is expected to be distributed on or before August 26, 2020. The Proposed Final Dividend for 2019 to be distributed will be

董事會謹此提呈本集團截至2019年12月31日止年度之董事會報告及經審核合併財務報表。

全球發售

本公司於2019年10月31日於香港聯交所上市，並以每股3.36港元的價格發行133,882,000股面值人民幣1.00元的H股，首次公開發售完成後，本公司H股總數為133,882,000股。於2019年12月31日，本公司合共發行446,272,000股股份，其中，312,390,000股為內資股，133,882,000股為H股。本公司募集資金合共約為449.84百萬港元，募集資金淨額約為366.11百萬港元（扣除承銷佣金及其他發行和上市費用）。截至2019年12月31日，本公司尚未使用的募集資金金額為329.50百萬港元。

全球發售所得款項的用途及使用詳情載列於本年報「管理層討論與分析」章節。

主要業務

本集團的主要業務包括預拌混凝土、聚羧酸外加劑及砂石料的生產和銷售，並提供與混凝土相關的質量技術管理服務。有關本集團於截至2019年12月31日止年度的主要業務的分析載列於本年報「管理層討論與分析」章節及合併財務報表附註5。

業績

本集團截至2019年12月31日止年度的業績載於本年報合併財務報表第135至136頁之合併利潤表及合併綜合收益表。

股息

股息政策

本公司股息政策載於本年報「企業管治報告」章節。

建議派發2019年度末期股息

根據於2020年3月27日通過的董事會決議，董事會建議派發截至2019年12月31日止年度的末期股息，以現金向股東派發每股人民幣0.1355元（含稅）（「建議2019年度末期股息」），按本公司目前總股數446,272,000股設計，合計約人民幣6,047.28萬元（含稅）。如股東於2019年度股東週年大會上批准該建議，建議2019年度末期股息預計將於2020年8月

Directors' Report 董事會報告

calculated and declared in RMB. In particular, the dividend on Domestic Shares will be paid in RMB and the dividend on H Shares will be paid in Hong Kong dollars (the exchange rate for conversion between RMB and HK\$ will be the average of the exchange rates announced by the People's Bank of China for the five working days before the date of the 2019 AGM).

To determine the list of Shareholders entitled to attend the 2019 AGM, the Company will close the register of members from May 30, 2020 to June 29, 2020 (both days inclusive), during which no transfer of Shares will be affected. To be eligible to attend and vote at the 2019 AGM, all transfer documents shall be delivered, no later than 4:30 p.m. on May 29, 2020, to the Company's H Share Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (for holders of H Shares), or to the Board office of the Company, on the 5/F and 9/F, YCIH Development Building, 188 Linxi Road, Information Industrial Base, Economic and Technological Development Zone, Kunming, Yunnan, the PRC (for holders of Domestic Shares).

Dividend tax

Relevant tax arrangements concerning the distribution of dividend on H Shares are as follows:

According to the Enterprise Income Tax Law of the People's Republic of China and implementation regulations thereof, the applicable tax rate for the enterprise income tax paid by non-resident enterprises on their income acquired within the PRC is 10%. Therefore, any H Shares registered under the names of HKSCC Nominees Limited, other agents or trustees, or other organizations and groups shall be deemed as Shares held by non-resident enterprise Shareholders, and the Company shall pay final dividend to such non-resident enterprise Shareholders after withholding 10% of the dividend as the enterprise income tax on behalf of such Shareholders.

According to the relevant provisions of the Notice on the Issues Concerning the Administration of Individual Income Tax Collection after the Annulment of Document Guo Shui Fa [1993] No. 045 (Guo Shui Han [2011] No. 348): (1) For individual holders of H Shares who are Hong Kong or Macau residents or persons domiciled in a country or region which has entered into a tax treaty with the PRC stipulating a tax rate of 10%, the Company will withhold and pay individual income tax at the rate of 10% on behalf of such individual holders of H Shares; (2) For individual holders of H Shares domiciled in a country or region which has entered into a tax treaty with the PRC stipulating a tax rate of less than 10%, the Company will withhold and pay individual income tax at the rate of 10% on behalf of such individual holders of H Shares. If such Shareholders require a refund of the amount in excess of the individual income tax payable under the tax treaty, the Company may, on behalf of such Shareholder, apply for the

26日或之前派發。待派發的建議2019年度末期股息將以人民幣計算並宣派，其中內資股股息將以人民幣支付，H股股息將以港元支付（人民幣兌港元的匯率將為於2019年度股東週年大會日期前五個工作日中國人民銀行公佈匯率的平均值）。

為確定有權出席2019年度股東週年大會的股東名單，本公司將於2020年5月30日至2020年6月29日（包括首尾兩日）期間暫停辦理股東登記手續，期間不會進行任何股份的過戶登記。為符合資格出席2019年度股東週年大會及於會上投票，所有股份過戶文件最遲須於2020年5月29日下午四時三十分前送達本公司的H股證券登記處香港中央證券登記有限公司，地址為香港灣仔皇后大道東183號合和中心17樓1712-1716號舖（就H股持有人而言）或本公司的董事會辦公室，地址為中國雲南省昆明市經濟技術開發區信息產業基地林溪路188號雲南建投發展大廈5樓及9樓（就內資股持有人而言）。

股息稅項

有關派發H股股息相關的稅務安排如下：

根據《中華人民共和國企業所得稅法》及其實施條例，非居民企業就其來源於中國境內的所得繳納企業所得稅的適用稅率為10%。因此，任何以香港中央結算（代理人）有限公司、其他代理人或受託人、其他組織及團體名義登記的H股股份，均被視為由非居民企業股東所持有的股份，本公司將在代扣代繳10%企業所得稅後，向該等非居民企業股東派發末期股息。

根據《關於國稅發[1993]045號文件廢止後有關個人所得稅徵管問題的通知》（國稅函[2011]348號）的相關規定：(1)H股個人股東為香港、澳門居民及其他與中國訂立10%稅率稅收協議的國家或地區的居民，本公司將按10%的稅率為其代扣代繳個人所得稅；(2) H股個人股東為與中國訂立低於10%稅率稅收協議的國家或地區的居民，本公司將按10%的稅率為其代扣代繳個人所得稅。若該等股東要求退還超出稅收協議項下應繳個人所得稅的金額，本公司可根據相關稅收協議代為辦理享受有關稅收協議待遇的申請，但股東須及時根據《非居民納稅人享受稅收協議待遇管

preferential tax benefits pursuant to the relevant tax treaty, provided that the Shareholder shall provide relevant documents and information in time according to the Administrative Measures for Tax Convention Treatment for Non-resident Taxpayers (SAT Announcement 2019 No. 35) and requirements of the relevant tax treaty. Upon the approval of the aforesaid application by the competent tax authority, the Company shall refund the excess amount withheld and paid on behalf of the Shareholder; (3) For individual holders of H Shares domiciled in a country or region which has entered into a tax treaty with the PRC stipulating a tax rate of more than 10% but less than 20%, the Company will withhold and pay individual income tax at the applicable tax rate specified in the said tax treaty on behalf of such individual holder of H Shares; and (4) For individual holders of H Shares domiciled in a country or region which has entered into a tax treaty with the PRC stipulating a tax rate of 20% or which has not entered into any tax treaty with the PRC or in other circumstances, the Company will withhold and pay individual income tax at the rate of 20% on behalf of such individual holders of H Shares.

Shareholders should consult their tax advisers regarding the PRC, Hong Kong and other tax implications arising from their holding and disposal of H Shares.

BUSINESS REVIEW

A fair review of the Group's business, discussions and analysis of the Group's performance for the year, material factors related to performance and financial position, and the future development of the Group's business are set out in the chapters headed "Financial Highlights", "Chairman's Statement" and "Management Discussion and Analysis" of this annual report, respectively.

MAJOR RISKS

Although the Group has established a risk management system to identify, analyze, evaluate and address risks, our business remains exposed to a certain number of risks which may affect the Group's strategy, operation, compliance and financial position. Major risks and uncertainties facing the Group are as follows:

Macro-environmental risk

The Group's business and future growth may be affected by the macroeconomic situation and the performance of the construction industry in the PRC and Yunnan Province. Any slowdown or recession in the Chinese economy and/or the construction industry may adversely affect the concrete industry, which will in turn adversely impact the Group's business, operating results and financial position. In addition, the Group's business is susceptible to adverse changes in government policies related to the construction industry in the PRC and Yunnan Province, including regulations affecting land supply for real estate development, project financing and taxation, as well as local government budgets.

理辦法》(國家稅務總局公告2019年第35號)及相關稅收協定的要求提供相關文件和信息。上述申請經主管稅務機關審核批准後，公司退還代扣代繳超出部分；(3) H股個人股東為與中國訂立高於10%但低於20%稅率稅收協議的國家或地區的居民，本公司將按該等稅收協議規定的適用稅率為其代扣代繳個人所得稅；及(4)H股個人股東為與中國訂立20%稅率稅收協議或未與中國訂立任何稅收協議的國家、地區及其他情況的居民，本公司將按20%的稅率為其代扣代繳個人所得稅。

股東務必須向其稅務顧問諮詢有關擁有及處置H股所涉及的中國、香港及其他稅務影響的意見。

業務審視

有關對本集團業務的中肯審視、對本集團於本年度之表現的討論和分析、與業績和財務相關之重大因素及本集團業務的未來發展分別載列於本年報的「財務摘要」、「董事長致辭」和「管理層討論與分析」章節。

主要風險

儘管本集團建立了風險管理體系來識別、分析、評價和應對風險，但我們的業務仍涉及若干風險，這些風險可能會給本集團的戰略、運營、合規和財務狀況帶來影響。本集團面對的主要風險及不明朗因素如下：

宏觀環境風險

本集團的業務及未來增長可能受中國及雲南省的宏觀經濟形勢以及建築行業表現的影響。倘中國經濟及／或建築行業的增長放緩或衰退，均可能對混凝土行業造成不利影響，繼而對本集團的業務、經營業績和財務狀況造成不利影響。此外，本集團的業務易受與中國及雲南省建築行業有關的政府政策的不利變動所影響，包括影響房地產開發供地、項目融資及稅務，以及地方政府預算的法規。

Operational cost risk

The Group's operations and growth prospects will be affected by transportation costs, production capacity constraints and labor costs. The Group's operations depend on the capability to effectively optimize the allocation of raw materials, human resources and equipment, improve management efficiency and reduce management costs. If the Group fails to effectively control transportation costs, labor costs or management costs, the Group's business, operating results and financial position may be adversely affected.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash. The Group fulfills due obligations and maintains flexibility in funding mainly through committed credit facilities to maintain sufficient cash. The management monitors rolling forecasts for the Group's liquidity reserves (including undrawn bank credit) and cash and cash equivalents on the basis of expected cash flows. All borrowings are in compliance with the relevant contractual terms (if any), and the Group expects to be able to meet future cash flow requirements through internally generated operating cash flows and borrowings from financial institutions.

The undrawn bank credit available to the Group is set out in Note 32 to the consolidated financial statements of this annual report.

In addition to the major risk categories above, there may be other risks and uncertainties. Please refer to the section headed "Risk Factors" of the Prospectus for the relevant content.

ENVIRONMENTAL AND SOCIAL POLICIES AND PERFORMANCE

The Group considers environmental protection as an important corporate responsibility and attaches great importance to implementing environmental protection measures in its daily operations. The Group chooses mixing, transportation and testing equipment featuring advanced technology, low carbon and energy saving, low noise, low emissions, and high production efficiency. It adopts fully closed production lines, closed silos, spray systems and powder recycling devices. Its dust control for production and noise control within the factory boundary comply with the relevant requirements. The Group adopts sand and gravel separation technology and recycling treatment equipment for waste slurry and water to achieve zero discharge. The Group's advanced ERP concrete production control system is used to realize automatic control and data management in the concrete production process, and the production energy consumption quota and the comprehensive energy consumption quota have reached advanced levels. The Group has assigned senior management personnel responsible for safety, health and environmental protection, and set up a safety, health and environmental protection monitoring department. The Group has formulated the Administrative Measures for Environmental Factors, Administrative Measures for Environmental and Occupational Health and Safety, Administrative Measures for Solid Waste, Administrative Measures for Energy Conservation and Resource Control and other systems to regulate the management of environmental

運營成本風險

本集團的營運及增長前景會因運輸成本、產能限制及勞工成本而受到影響。本集團的營運依賴於能夠有效優化原材料、人力資源及設備的配置，提高管理效率，降低管理成本。倘本集團不能有效控制運輸成本、勞工成本或管理成本，本集團的業務、經營業績及財務狀況或面臨不利影響。

流動性風險

謹慎的流動性風險管理意味着維持足夠的現金，本集團主要通過足額的承諾信用額度提供可使用的資金以履行到期義務及保證資金來源的靈活性。管理層以預期現金流量為基準監察本集團流動資金儲備（包括未提取的銀行信貸額）、現金及現金等價物的滾動預測。所有借款均符合相關契約條款（如有），且本集團預期能夠通過內部產生的經營現金流量及金融機構的借款滿足未來的現金流量需求。

本集團可使用未提取的銀行授信額度，載於本年報合併財務報表附註32。

除以上主要範疇外，亦可能存在其他風險及不明朗因素，就相關內容請參閱招股章程中的「風險因素」章節。

環境及社會政策和表現

本集團將環境保護視為一項重要的企業責任，且非常重視在日常運營中實施環保措施。本集團選用技術先進、低碳節能、低噪音、低排放、生產效率高的攪拌、運輸和試驗設備，採用全封閉生產線、封閉料倉、噴霧系統、粉料回收裝置，廠界生產性粉塵控制及噪聲控制符合有關規定；本集團採用砂石分離技術、廢漿廢水回收利用設備處理，實現零排放；本集團採用先進的ERP混凝土生產控制系統實現混凝土生產過程的自動化控制和數據管理功能，產品生產耗能限額和綜合能耗限額達到先進水平。本集團設置有負責安全健康環保工作的高級管理人員，並設置安全健康環保監管部。本集團制定了《環境因素管理辦法》、《環境與職業健康安全辦法》、《固體廢棄物管理辦法》及《節約能源、資源控制管理辦法》等制度，對本集團生產經營涉及的環境因素管理以及本集團環境與職業健康安

factors involved in the production and operation of the Group as well as the environmental and occupational health and safety management of the Group. Although the Group's main business does not belong to pollution-intensive or hazardous industries, its production activities will still generate certain noise, waste water and waste, for which the Group has taken control measures such as installation of pollution prevention and control equipment.

Details of the Group's environmental and social policies and performance are discussed and disclosed in the "Environment, Social and Governance (ESG) Report" of this annual report.

COMPLIANCE WITH LAWS AND REGULATIONS

The Group shall comply with a number of laws and regulations, including the Company Law, the Contract Law of the People's Republic of China, the Labor Law of the People's Republic of China, the Product Quality Law of the People's Republic of China, and the Construction Law of the People's Republic of China, the Environmental Protection Law of the People's Republic of China, the Enterprise Income Tax Law of the People's Republic of China and other laws and regulations.

The Group ensures its compliance with applicable laws, regulations, and standardization legal documents through multiple measures including internal control, compliance management, business approval procedures and employee training. The Group will notify relevant departments and employees from time to time of any change in applicable laws, regulations, and standardization legal documents related to the main business.

During the Reporting Period, the Group has never failed to comply with relevant laws and regulations that have a significant impact on it.

RELATIONSHIPS WITH EMPLOYEES, CUSTOMERS AND SUPPLIERS

The Group believes that its employees, customers and business partners are crucial for its continuous development. The Group has been committed to maintaining close relationships with employees and providing customers with high-quality products and services, and strengthening cooperation with business partners.

The Group provides employees with a good working environment to protect their health and safety, and competitive remuneration and benefits and fair competition and development opportunities based on their merits and performance. The Group also makes constant efforts to provide employees with adequate training and development resources to keep them up to date with the latest developments in the market and industry, and improve their work performance and promote their self-actualization at the same time.

The Group adheres to the path of safe production, intelligent manufacturing and green development, puts a premium on the environmental protection of its products, is committed to providing customers with high-quality products, and

全管理進行了規範。雖然本集團的主要業務不屬於高污染或危險行業，但本集團的生產活動仍然會產生一定噪聲、廢水和廢棄物，本集團採用安裝污染防控設備等方式進行了管控。

有關本集團的環境及社會政策和表現的詳情，於本年報的「環境、社會及管治(ESG)報告」中討論和披露。

遵守法律及法規情況

本集團須遵守多項法律法規，主要包括《公司法》、《中華人民共和國合同法》、《中華人民共和國勞動法》、《中華人民共和國產品質量法》、《中華人民共和國建築法》、《中華人民共和國環境保護法》及《中華人民共和國企業所得稅法》等法律法規。

本集團通過內部控制、合規管理、業務審批程序、員工培訓等多項措施，確保遵守適用法律、法規和規範性法律文件；若有關主營業務的適用法律、法規和規範性法律文件有任何變動，本集團將不時通知相關部門及員工。

報告期內，本集團並無不遵守任何對本集團有重大影響的相關法律法規的情況。

與員工、客戶和供應商的關係

本集團認為其僱員、客戶及業務夥伴是其可持續發展的關鍵。本集團一向致力與僱員保持密切關係、為客戶提供優質的產品與高品質服務，並不斷加強與業務夥伴的合作。

本集團為員工提供良好的工作環境，保障其健康與安全；根據其優點及表現提供有競爭力的薪酬福利及公平的競爭與發展機遇；本集團亦不斷努力為員工提供充足的培訓及發展資源，使彼等能夠掌握市場及業界的最新發展，同時改善彼等在職位上的表現及自我實現。

本集團堅持走安全生產、智能製造、綠色發展之路，注重產品的綠色環保，致力於為客戶提供高品質產品，並不斷優化服務體系，

Directors' Report

董事會報告

continuously optimizes its service system to provide the best quality service for customers. The Group has built multiple communication channels to learn about the needs and opinions of customers, with an aim to fully protect their rights and interests.

The Group maintains good business relationships with, and manages suppliers in a fair, just and open manner, and achieves a win-win situation with them through honest operation and timely performance of contracts.

FINANCIAL SUMMARY

The financial summary of the Group for the previous 4 financial years (i.e. 2016 to 2019) is set out in the section "Financial Highlights" of this annual report. This summary does not constitute a part of the audited consolidated financial statements.

MAJOR CUSTOMERS AND SUPPLIERS

Major customers

For the year ended December 31, 2019, the volume of transactions with the Group's top five customers accounted for 82.8% of the Group's total revenue (for the year ended December 31, 2018: 83.4%), and the volume of transactions with the Group's largest single customer (YCIH Group) accounted for 69.9% of the Group's total revenue (for the year ended December 31, 2018: 73.3%).

Major suppliers

For the year ended December 31, 2019, the volume of transactions with the Group's top five suppliers accounted for 14.2% of the Group's total purchase amount (for the year ended December 31, 2018: 13.3%), and the volume of transactions with the Group's largest single supplier (YCIH Group) accounted for 5.3% of the Group's total purchase amount (for the year ended December 31, 2018: 6.1%).

During the Reporting Period, to the knowledge of the Board, save for YCIH Group (being a holder of more than 5% of the issued Shares of the Company), none of the Directors, any of their close associates or any of the Shareholders (which to the knowledge of the Directors owns more than 5% of the issued Shares of the Company) had any interest in any of the Group's top five customers or suppliers.

IMMOVABLE PROPERTY, PLANT AND EQUIPMENT

Details of the movements in the property, plant and equipment of the Group for the year ended December 31, 2019 are set out in Note 14 to the consolidated financial statements of this annual report.

SHARE CAPITAL

Details of the movements in share capital of the Company during the Reporting Period are set out in Note 26 to the consolidated financial statements of this annual report.

竭誠為客戶提供最優質的服務：本集團設置多種溝通渠道了解客戶需求及意見，致力於充分保障客戶權益。

本集團與供應商保持良好的業務往來，對供應商進行公平、公正、公開的管理，誠信經營、按時履約，與供應商互助互利，合作共贏。

財務概要

本集團過去四個財政年度（即2016–2019年）財務概要載列於本年報「財務摘要」章節。本概要並不構成經審核合併財務報表的一部分。

主要客戶及供應商

主要客戶

截至2019年12月31日止年度，本集團前五名客戶的交易額佔本集團總收入的82.8%（截至2018年12月31日止年度：83.4%），而本集團之單一最大客戶（為雲南建投集團）的交易額佔本集團總收入的69.9%（截至2018年12月31日止年度：73.3%）。

主要供應商

截至2019年12月31日止年度，本集團前五名供應商的交易額佔本集團總購貨額的14.2%（截至2018年12月31日止年度：13.3%），而本集團之單一最大供應商（為雲南建投集團）的交易額佔本集團總購貨額的5.3%（截至2018年12月31日止年度：6.1%）。

於報告期內，據董事會所知，除雲南建投集團（為擁有本公司已發行股份數目5%以上的股東）之外，概無董事、任何彼等的緊密聯繫人或任何股東（據董事所知擁有本公司的已發行股份數目的5%以上）於本集團五大客戶或供應商中擁有權益。

不動產、工廠及設備

本集團於截至2019年12月31日止年度的物業、廠房及設備變動詳情載於本年報合併財務報表附註14。

股本

本公司之股本於報告期內的變動詳情載於本年報合併財務報表附註26。

RESERVES

Details of the movements in reserves of the Company and the Group for the year ended December 31, 2019 are set out in Note 39(a) to the financial statements on page 247 and in the consolidated statement of changes in equity on page 140 respectively to the consolidated financial statements of this annual report.

RETAINED EARNINGS

As at December 31, 2019, the distributable reserves of the Company amounted to approximately RMB154,033,000. As at December 31, 2018, the distributable reserves of the Company amounted to approximately RMB214,127,000.

BANK BORROWINGS AND OTHER BORROWINGS

Details of the bank borrowings and other borrowings of the Group for the year ended December 31, 2019 are set out in Note 32 to the consolidated financial statements of this annual report.

DIRECTORS AND SUPERVISORS

During the Reporting Period and as of the Latest Practicable Date prior to the bulk printing of this annual report, the Directors and Supervisors are as follows:

Executive Directors:

Mr. Ma Minchao (*chairman*)
Mr. Rao Ye
Mr. Lu Jianfeng
Ms. Hu Zhurong

Non-executive Directors:

Mr. Liu Guangcan
Mr. He Jianqiang

Independent non-executive Directors:

Mr. Wong Kai Yan Thomas
Mr. Yu Dingming
Mr. Li Hongkun

Supervisors:

Mr. Wu Xinhe
Ms. Li Yan
Mr. Chang Hongbing
Ms. Li Na
Mr. Guo Huan

儲備

本公司及本集團之儲備於截至2019年12月31日止年度的變動詳情分別載於本年報合併財務報表第247頁的財務報表附註39(a)和第140頁的合併權益變動表。

留存收益

於2019年12月31日，本公司可供分派儲備為約人民幣154,033,000元；於2018年12月31日，本公司可供分派儲備為約人民幣214,127,000元。

銀行借款及其他借款

關於本集團於2019年12月31日之銀行借款及其他借款的詳情載於本年報合併財務報表附註32。

董事及監事

於報告期內及直至本年報大量印刷前之最後可行日期，董事及監事如下：

執行董事：

馬敏超先生(董事長)
饒燁先生
呂劍鋒先生
胡珠榮女士

非執行董事：

劉光燦先生
何建強先生

獨立非執行董事：

王佳欣先生
于定明先生
李紅琨先生

監事：

吳新河先生
李燕女士
常紅兵先生
李娜女士
郭歡先生

Directors' Report 董事會報告

CONFIRMATION OF INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

Details of the confirmation of independence of the independent non-executive Directors are discussed and disclosed in the "Corporate Governance Report" of this annual report.

SERVICE CONTRACTS WITH DIRECTORS AND SUPERVISORS

Each of the Directors and Supervisors has entered into a service contract with the Company. Such service contracts do not stipulate any compensation (other than statutory compensation) payable by the Company if it terminates such contracts within one year.

INTERESTS OF DIRECTORS AND SUPERVISORS IN SIGNIFICANT TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

For the year ended December 31, 2019 and as of the Latest Practicable Date prior to the bulk printing of this annual report, none of the Directors or Supervisors had any material interest, directly or indirectly, in any transactions, arrangements or contracts of significance to the Group's business to which the Company or any of its subsidiaries or fellow subsidiaries was a party.

INSURANCE FOR DIRECTORS

As at December 31, 2019, the Company had arranged appropriate liability insurance for each of the Directors.

MANAGEMENT CONTRACTS

During the Reporting Period and as of the Latest Practicable Date prior to the bulk printing of this annual report, the Company did not sign or enter into any contracts concerning the management and administration of the whole or any substantial part of the business of the Company.

REMUNERATION POLICIES

Directors, Supervisors and senior management members of the Company receive remunerations from the Company in the form of salaries, Director's fees, benefit schemes, discretionary bonuses and other interests (allowances, subsidies, etc.). Remunerations of Directors, Supervisors and senior management are determined with reference to the industry market standards and operations of the Company.

The Group's employees' remunerations mainly include fixed salary, statutory allowances and subsidies, performance-related pay and achievement-related pay. In accordance with PRC laws, the Group also makes contributions to pension insurance, medical insurance, unemployment insurance, work-related injury insurance, maternity insurance and housing provident fund for employees.

獨立非執行董事獨立性的確認

有關獨立非執行董事獨立性的確認詳情，於本年報的「企業管治報告」中討論和披露。

董事及監事之服務合約

各董事、監事均已與本公司訂立服務合同。該等服務合同並無任何一年內若由本公司終止合同時須作出賠償(除法定賠償外)的條款。

董事及監事於重大交易、安排或合約的權益

截至2019年12月31日止年度及直至本年報大量印刷前之最後可行日期，概無董事或監事於本公司、其任何附屬公司或同系附屬公司作為訂約方並對本集團業務而言屬重大交易、安排或合約中直接或間接擁有重大權益。

董事保險

於2019年12月31日，本公司已為各董事安排適當的責任保險。

管理合約

於報告期內及直至本年報大量印刷前之最後可行日期，本公司並無就有關整體全部或任何重要部份業務的管理及行政工作簽訂或訂有任何合約。

薪酬政策

董事、監事及本公司高級管理人員以薪金、袍金、福利計劃、酌情花紅及其他利益(如津貼、補貼等)的方式自本公司收取薪酬。董事、監事及高級管理人員的薪酬乃經參考同行業市場標準及本公司運營情況而釐定。

本集團僱員的薪酬主要包括崗位固定工資、法定津貼、補貼、績效工資和效益工資。根據中國法律，本集團亦為僱員繳納養老金、醫療保險、失業保險、工傷保險、生育保險及住房公積金。

RETIREMENT AND EMPLOYEE BENEFIT SCHEMES

Details about the Group's retirement and employee benefit schemes are set out in Note 8 to the consolidated financial statements of this annual report.

CHANGES IN INFORMATION OF DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVE OFFICER

Changes in information of the Directors and the Supervisors required to be disclosed under Rule 13.51B(1) of the Hong Kong Listing Rules are set out as follows:

Mr. Wu Xinhe has been serving as chairman of the board of directors of Hong Kong Kunjing Capital Holdings Limited (a wholly-owned subsidiary of KMEIC) since February 2020.

Mr. Wong Kai Yan Thomas has been serving as an independent non-executive director of Changsha Broad Homes Industrial Group Co., Ltd. (listed on the Hong Kong Stock Exchange, stock code: 02163) since March 2019.

Save for the disclosure above, as of the Latest Practicable Date prior to the bulk printing of this annual report, no other changes in the information of any Directors, Supervisors and chief executive officer are required to be disclosed according to paragraphs (a)–(e) and (g) of Rule 13.51(2) under the Hong Kong Listing Rules.

INTERESTS AND SHORT POSITIONS OF DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVE IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at December 31, 2019, none of the Directors, Supervisors or chief executive of the Company had any interests and short positions in the Shares, underlying Shares or debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO) which should be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which are taken or deemed to be held under such provisions of the SFO), or which would be required, pursuant to section 352 of the SFO, to be recorded in the register referred to therein, or which would be required, pursuant to the Model Code to be notified to the Company and the Hong Kong Stock Exchange.

RIGHTS OF DIRECTORS AND SUPERVISORS TO ACQUIRE SHARES OR DEBENTURES

At no time during the Reporting Period did the Company or its subsidiaries enter into any arrangement to enable the Directors or Supervisors to acquire benefits through acquisition of the Shares or debentures of the Company or any other corporation, nor had any Directors, Supervisors or their spouses or children aged under 18 been granted any rights to acquire Shares or debentures of the Company or any other corporation or exercised any of such rights.

退休及僱員福利計劃

本集團退休及僱員福利計劃詳情載於本年報合併財務報表附註8。

董事、監事及行政總裁資料之變動

根據香港上市規則第13.51B(1)條須予披露之董事及監事資料變更載列如下：

吳新河先生自2020年2月起在香港昆經資本控股有限公司(為經投集團之全資附屬公司)擔任董事長。

王佳欣先生自2019年3月起在長沙遠大住宅工業集團股份有限公司(於香港聯交所上市, 股份代號: 02163)擔任獨立非執行董事。

除上述披露外, 截至本年報大量印刷前之最後可行日期, 概無其他根據香港上市規則第13.51(2)條(a)至(e)段及(g)段須予披露有關任何董事、監事及行政總裁之資料變動。

董事、監事及最高行政人員於股份、相關股份及債權證中擁有的權益及淡倉

於2019年12月31日, 概無董事、監事或本公司最高行政人員於本公司或其相聯法團(定義見《證券及期貨條例》第XV部)的股份、相關股份或債權證中, 擁有根據《證券及期貨條例》第XV部第7及8分部須知會本公司及香港聯交所的股份、相關股份及債權證的權益及淡倉(包括根據《證券及期貨條例》的該等條文彼等被當作或視為擁有的權益及淡倉), 或須登記於根據《證券及期貨條例》第352條須予備存的登記冊內, 或根據標準守則須知會本公司及香港聯交所的任何權益或淡倉。

董事及監事購買股份或債權證的權利

本公司或其附屬公司於報告期內的任何時間概無訂立任何安排, 致使董事或監事可藉購買本公司或任何其他法人團體股份或債權證而獲益, 且並無董事、監事或彼等之配偶或18歲以下的子女獲授予任何權利以認購本公司或任何其他法人團體的股份或債權證, 或已行使任何該等權利。

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS IN THE SHARES AND UNDERLYING SHARES

As at December 31, 2019, to the knowledge of the Directors, the following parties (other than the Directors, Supervisors or chief executive of the Company) had an interest or short position in the Shares or underlying Shares, which is required to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO and has been entered in the register kept by the Company according to Section 336 of the SFO:

主要股東於股份及相關股份中的權益及淡倉

於2019年12月31日，就董事所知，下列人士（並非董事、監事及本公司最高行政人員）於股份或相關股份中擁有根據《證券及期貨條例》第XV部第2及3分部須向本公司披露並已登記於本公司根據《證券及期貨條例》第336條須予備存之登記冊內之權益或淡倉：

Name 姓名	Capacity/ Nature of interest 身份／權益性質	Class of Shares 股份類別	Number of Shares 股份數目	Long/ short position 好倉／ 淡倉	Approximate percentage of shareholding in the corresponding class of issued Shares 佔相應類別 已發行股份 數目之概約 百分比	Approximate percentage of shareholding in the total issued share capital 佔已發行 股本總額 股權之概約 百分比
YCIH ^(Note 1)	Beneficial owner	Domestic Shares	228,600,000	Long position	73.18%	51.22%
	Interest held by controlled corporations ^(Note 2)	Domestic Shares	51,450,000	Long position	16.47%	11.53%
		Total:	280,050,000	Long position	89.65%	62.75%
雲南建投 ^(附註1)	實益擁有人	內資股	228,600,000	好倉	73.18%	51.22%
	受控法團持有的 權益 ^(附註2)	內資股	51,450,000	好倉	16.47%	11.53%
		合計：	280,050,000	好倉	89.65%	62.75%
YOIC ^(Note 2)	Beneficial owner	Domestic Shares	51,450,000	Long position	16.47%	11.53%
海外投資 ^(附註2)	實益擁有人	內資股	51,450,000	好倉	16.47%	11.53%
KMEIC ^(Note 3)	Beneficial owner	Domestic Shares	32,340,000	Long position	10.35%	7.25%
經投集團 ^(附註3)	實益擁有人	內資股	32,340,000	好倉	10.35%	7.25%
Zoomlion Heavy Industry Science and Technology Co., Ltd. ^(Note 4)	Interest held by controlled corporations ^(Note 4)	H Shares	13,388,000	Long position	10.00%	3.0%
中聯重科股份有限公司 ^(附註4)	受控法團持有的 權益 ^(附註4)	H股	13,388,000	好倉	10.00%	3.0%
Zoomlion H.K. Holding Co., Limited ^(Note 4)	Interest held by controlled corporations ^(Note 4)	H Shares	13,388,000	Long position	10.00%	3.0%
中聯重科(香港)控股 有限公司 ^(附註4)	受控法團持有的 權益 ^(附註4)	H股	13,388,000	好倉	10.00%	3.0%

Directors' Report 董事會報告

Name 姓名	Capacity/ Nature of interest 身份／權益性質	Class of Shares 股份類別	Number of Shares 股份數目	Long/ short position 好倉／ 淡倉	Approximate percentage of shareholding in the corresponding class of issued Shares 佔相應類別 已發行股份 數目之概約 百分比	Approximate percentage of shareholding in the total issued share capital 佔已發行 股本總額 股權之概約 百分比
Zoomlion International Trading (H.K.) Co., Limited ^(Note 4)	Beneficial owner	H Shares	13,388,000	Long position	10.00%	3.0%
中聯重科國際貿易(香港) 有限公司 ^(附註4)	實益擁有人	H股	13,388,000	好倉	10.00%	3.0%
China Resources Company Limited ^(Note 5)	Interest held by controlled corporations ^(Note 5)	H Shares	40,164,000	Long position	30.00%	9.0%
中國華潤有限公司 ^(附註5)	受控法團持有的 權益 ^(附註5)	H股	40,164,000	好倉	30.00%	9.0%
China Resources Inc. ^(Note 5)	Interest held by controlled corporations ^(Note 5)	H Shares	40,164,000	Long position	30.00%	9.0%
華潤股份有限公司 ^(附註5)	受控法團持有的 權益 ^(附註5)	H股	40,164,000	好倉	30.00%	9.0%
CRC Bluesky Limited ^(Note 5)	Interest held by controlled corporations ^(Note 5)	H Shares	40,164,000	Long position	30.00%	9.0%
CRC Bluesky Limited ^(附註5)	受控法團持有的 權益 ^(附註5)	H股	40,164,000	好倉	30.00%	9.0%
China Resources (Holdings) Company Limited ^(Note 5)	Interest held by controlled corporations ^(Note 5)	H Shares	40,164,000	Long position	30.00%	9.0%
華潤(集團)有限公司 ^(附註5)	受控法團持有的 權益 ^(附註5)	H股	40,164,000	好倉	30.00%	9.0%
CRH (Cement) Limited ^(Note 5)	Interest held by controlled corporations ^(Note 5)	H Shares	40,164,000	Long position	30.00%	9.0%
華潤集團(水泥)有限公司 ^(附註5)	受控法團持有的 權益 ^(附註5)	H股	40,164,000	好倉	30.00%	9.0%

Directors' Report

董事會報告

Name 姓名	Capacity/ Nature of interest 身份/權益性質	Class of Shares 股份類別	Number of Shares 股份數目	Long/ short position 好倉/ 淡倉	Approximate percentage of shareholding in the corresponding class of issued Shares 佔相應類別 已發行股份 數目之概約 百分比	Approximate percentage of shareholding in the total issued share capital 佔已發行 股本總額 股權之概約 百分比
China Resources Cement Holdings Limited ^(Note 5)	Interest held by controlled corporations ^(Note 5)	H Shares	40,164,000	Long position	30.00%	9.0%
華潤水泥控股有限公司 ^(附註5)	受控法團持有的權益 ^(附註5)	H股	40,164,000	好倉	30.00%	9.0%
China Resources Cement Holdings (Hong Kong) Limited ^(Note 5)	Beneficial owner ^(Note 5)	H Shares	40,164,000	Long position	30.00%	9.0%
華潤水泥控股(香港)有限公司 ^(附註5)	實益擁有人 ^(附註5)	H股	40,164,000	好倉	30.00%	9.0%
Kunming Iron & Steel Holdings Co. Ltd.	Beneficial owner	H Shares	12,360,300	Long position	9.23%	2.77%
昆明鋼鐵控股有限公司	實益擁有人	H股	12,360,300	好倉	9.23%	2.77%
Hua An Fund Management Co., Ltd.	Others ^(Note 6)	H Shares	12,350,000	Long position	9.22%	2.77%
		H Shares	8,137,000	Long position	6.08%	1.82%
		Total:	20,487,000	Long position	15.30%	4.59%
華安基金管理有限公司	其他 ^(附註6)	H股	12,350,000	好倉	9.22%	2.77%
		H股	8,137,000	好倉	6.08%	1.82%
		合計:	20,487,000	好倉	15.30%	4.59%
Hua An Fund — QDII single asset management plan of YCIC Investment	Others ^(Note 7)	H Shares	8,137,000	Long position	6.08%	1.82%
華安基金 — 雲南交投投資 QDII單一資產管理計劃	其他 ^(附註7)	H股	8,137,000	好倉	6.08%	1.82%
Yunnan Communications Investment & Construction Group Co., Ltd. ^(Note 7)	Others ^(Note 7)	H Shares	8,137,000	Long position	6.08%	1.82%
雲南省交通投資建設集團有限公司 ^(附註7)	其他 ^(附註7)	H股	8,137,000	好倉	6.08%	1.82%

Directors' Report

董事會報告

Name 姓名	Capacity/ Nature of interest 身份/權益性質	Class of Shares 股份類別	Number of Shares 股份數目	Long/ short position 好倉/ 淡倉	Approximate percentage of shareholding in the corresponding class of issued Shares	Approximate percentage of shareholding in the total issued share capital
					佔相應類別 已發行股份 數目之概約 百分比	佔已發行 股本總額 股權之概約 百分比
YCIC Investment Co., Ltd. ^(Note 7)	Beneficial owner	H Shares	8,137,000	Long position	6.08%	1.82%
	Beneficial owner	H Shares	8,137,000	Loanable shares	6.08%	1.82%
雲南交投集團投資有限公司 ^(附註7)	實益擁有人	H股	8,137,000	好倉	6.08%	1.82%
	實益擁有人	H股	8,137,000	可供借出的 股份	6.08%	1.82%
Hua An Fund – QDII single asset management plan of Yunnan State Farms	Others ^(Note 8)	H Shares	12,350,000	Long position	9.22%	2.77%
華安基金 — 雲農墾QDII單 — 資產管理計劃	其他 ^(附註8)	H股	12,350,000	好倉	9.22%	2.77%
Yunnan State Farms Group Co., Ltd. ^(Note 8)	Beneficial owner	H Shares	12,350,000	Long position	9.22%	2.77%
雲南農墾集團有限責任公司 ^(附註8)	實益擁有人	H股	12,350,000	好倉	9.22%	2.77%
Yunnan Industrial Investment Holdings Group Co., Ltd.	Beneficial owner	H Shares	12,500,000	Long position	9.34%	2.80%
雲南省工業投資控股集團 有限責任公司	實益擁有人	H股	12,500,000	好倉	9.34%	2.80%
YUNNAN PROVINCIAL ENERGY INVESTMENT GROUP CO., LTD ^(Note 9)	Interest held by controlled corporations ^(Note 9)	H Shares	12,350,000	Long position	9.22%	2.77%
YUNNAN PROVINCIAL ENERGY INVESTMENT GROUP CO., LTD ^(附註9)	受控法團持有的 權益 ^(附註9)	H股	12,350,000	好倉	9.22%	2.77%
Yunnan Energy Investment (H K) Co. Limited ^(Note 9)	Beneficial owner	H Shares	12,350,000	Long position	9.22%	2.77%
Yunnan Energy Investment (H K) Co. Limited ^(附註9)	實益擁有人	H股	12,350,000	好倉	9.22%	2.77%
HWABAO TRUST CO., LTD ^(Note 10)	Trustee ^(Note 10)	H Shares	12,360,300	Long position	9.23%	2.77%
HWABAO TRUST CO., LTD ^(附註10)	受託人 ^(附註10)	H股	12,360,300	好倉	9.23%	2.77%

Directors' Report

董事會報告

Notes:

- (1) State-Owned Assets Supervision and Administration Commission of Yunnan Province holds 90.27% equity interest in YCIH and Yunnan Provincial Department of Finance (雲南省財政廳) holds 9.73% equity interest in YCIH.
- (2) YOIC is wholly owned by YCIH. By virtue of the SFO, YCIH is deemed to be interested in the 51,450,000 Domestic Shares held by YOIC.
- (3) KMEIC is wholly owned by State-owned Assets Administration Commission of Kunming Economic and Technological Development Zone (昆明經濟技術開發區國有資產管理委員會).
- (4) Zoomlion Heavy Industry Science and Technology Co., Ltd. (中聯重科股份有限公司) is the sole shareholder of Zoomlion H.K. Holding Co., Limited (中聯重科(香港)控股有限公司), which in turn is the sole shareholder of Zoomlion International Trading (H.K.) Co., Limited (中聯重科國際貿易(香港)有限公司).
- (5) China Resources Company Limited (中國華潤有限公司) is the beneficial owner of the entire issued share capital of China Resources Inc. (華潤股份有限公司), which in turn is the beneficial owner of the entire issued share capital of CRC Bluesky Limited, which in turn is the beneficial owner of the entire issued share capital of China Resources (Holdings) Company Limited (華潤(集團)有限公司), which in turn is the beneficial owner of the entire issued share capital of CRH (Cement) Limited (華潤集團(水泥)有限公司) and Commotra Company Limited (合貿有限公司). CRH (Cement) Limited (華潤集團(水泥)有限公司) directly held approximately 68.63% of the issued share capital of China Resources Cement Holdings Limited (華潤水泥控股有限公司), whereas Commotra Company Limited (合貿有限公司) directly held approximately 0.09% of the issued share capital of China Resources Cement Holdings Limited (華潤水泥控股有限公司), which in turn is the beneficial owner of the entire issued share capital of China Resources Cement Holdings (Hong Kong) Limited (華潤水泥控股(香港)有限公司).
- (6) Hua An Fund Management Co., Ltd. (華安基金管理有限公司) is the asset manager of (1) Hua An Fund — QDII single asset management plan of Yunnan State Farms; and (2) Hua An Fund — QDII single asset management plan of YCIC Investment.
- (7) YCIC Investment Co., Ltd. (雲南交投集團投資有限公司) is wholly owned by Yunnan Communications Investment & Construction Group Co., Ltd. (雲南省交通投資建設集團有限公司). YCIC Investment Co., Ltd. (雲南交投集團投資有限公司) invested in the underlying Shares issued by the Company as client through Hua An Fund — QDII single asset management plan of YCIC Investment. By virtue of the SFO, Yunnan Communications Investment & Construction Group Co., Ltd. (雲南省交通投資建設集團有限公司) is deemed to be interested in the 8,137,000 H Shares held in the Hua An Fund — QDII single asset management plan of YCIC Investment.
- (8) Yunnan State Farms Group Co., Ltd. (雲南農墾集團有限責任公司) invested in the underlying Shares issued by the Company as client through Hua An Fund — QDII single asset management plan of Yunnan State Farms.
- (9) Yunnan Energy Investment (H K) Co. Limited is wholly owned by YUNNAN PROVINCIAL ENERGY INVESTMENT GROUP CO., LTD. By virtue of the SFO, YUNNAN PROVINCIAL ENERGY INVESTMENT GROUP CO., LTD is deemed to be interested in the 12,350,000 H Shares held by Yunnan Energy Investment (H K) Co. Limited.
- (10) By virtue of the SFO, HWABAO TRUST CO., LTD, as trustee, is deemed to be interested in the 12,360,300 H Shares held by HWABAO OVERSEAS INVESTMENT SERIES 2 NO 42-8 QDII SINGLE MONEY TRUST.

附註：

- (1) 雲南省國有資產監督管理委員會持有雲南建投90.27%的股權，雲南省財政廳持有雲南建投9.73%的股權。
- (2) 海外投資由雲南建投全資擁有。根據《證券及期貨條例》，雲南建投被視為於海外投資持有的51,450,000股內資股中擁有權益。
- (3) 經投集團由昆明經濟技術開發區國有資產管理委員會全資擁有。
- (4) 中聯重科股份有限公司為中聯重科(香港)控股有限公司的唯一股東，而中聯重科(香港)控股有限公司為中聯重科國際貿易(香港)有限公司的唯一股東。
- (5) 中國華潤有限公司為華潤股份有限公司全部已發行股本的實益擁有人，而華潤股份有限公司為CRC Bluesky Limited全部已發行股本的實益擁有人，而後者為華潤(集團)有限公司全部已發行股本的實益擁有人，而華潤(集團)有限公司為華潤集團(水泥)有限公司及合貿有限公司全部已發行股本的實益擁有人。華潤集團(水泥)有限公司直接持有華潤水泥控股有限公司已發行股本的約68.63%，合貿有限公司則直接持有華潤水泥控股有限公司已發行股本的約0.09%，而華潤水泥控股有限公司為華潤水泥控股(香港)有限公司全部已發行股本的實益擁有人。
- (6) 華安基金管理有限公司為(1)華安基金—雲農墾QDII單一資產管理計劃；及(2)華安基金—雲南交投投資QDII單一資產管理計劃此兩項資產管理計劃產品之資產管理人。
- (7) 雲南交投集團投資有限公司由雲南省交通投資建設集團有限公司全資擁有，雲南交投集團投資有限公司以資產委託人身份通過華安基金—雲南交投投資QDII單一資產管理計劃投資本公司發行之相關股份。根據《證券及期貨條例》，雲南省交通投資建設集團有限公司被視為於華安基金—雲南交投投資QDII單一資產管理計劃持有的8,137,000股H股中持有權益。
- (8) 雲南農墾集團有限責任公司以資產委託人身份通過華安基金—雲農墾QDII單一資產管理計劃投資本公司發行之相關股份。
- (9) Yunnan Energy Investment (H K) Co. Limited 由YUNNAN PROVINCIAL ENERGY INVESTMENT GROUP CO., LTD全資擁有。根據《證券及期貨條例》，YUNNAN PROVINCIAL ENERGY INVESTMENT GROUP CO., LTD被視為於Yunnan Energy Investment (H K) Co. Limited持有的12,350,000股H股中擁有權益。
- (10) 根據《證券及期貨條例》，HWABAO TRUST CO., LTD作為受託人被視為於HWABAO OVERSEAS INVESTMENT SERIES 2 NO 42-8 QDII SINGLE MONEY TRUST持有的12,360,300股H股中擁有權益。

Save as disclosed above, as at December 31, 2019, the Directors were not aware of any other person (other than the Directors, Supervisors or chief executive of the Company) having any interests or short positions in the Shares or underlying Shares which are required to be disclosed under Divisions 2 and 3 of Part XV of the SFO or recorded in the register as specified in Section 336 of the SFO.

EQUITY-LINKED AGREEMENT

For the year ended December 31, 2019, the Company did not enter into any equity-linked agreement.

REPURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities from the Listing Date to December 31, 2019.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Articles of Association and PRC laws which would oblige the Company to offer new shares on a pro-rata basis to its existing Shareholders.

COMPLIANCE WITH NON-COMPETITION AGREEMENT

YCIH has entered into a non-competition agreement with our Company, which is dated September 25, 2019 (the "Non-Competition Agreement"), pursuant to which, YCIH has unconditionally and irrevocably undertaken to our Company (for the interests of our Company itself and other members of our Group) that YCIH shall not, and shall procure that its associates (excluding our Group) will not, directly or indirectly, whether on their own or jointly with another person or company, own, invest in, participate in, develop, operate or engage in any business or company which directly or indirectly competes or may compete with any business of our Company. Please refer to the Prospectus for details of the non-competition undertakings.

The Company has received the annual confirmation that YCIH has complied with the Non-Competition Agreement during the Reporting Period.

The independent non-executive Directors have reviewed the performance of the Non-Competition Agreement during the Reporting Period according to the information and confirmation provided or given by YCIH, and is satisfied that YCIH has complied with the Non-Competition Agreement.

除上文所披露者外，於2019年12月31日，就董事所知，概無任何其他人士（並非董事、監事及本公司最高行政人員）於股份或相關股份中擁有根據《證券及期貨條例》第XV部第2及3分部須予披露，或須登記於《證券及期貨條例》第336條所述的登記冊內之權益或淡倉。

股票掛鈎協議

截至2019年12月31日止年度，本公司未訂立股票掛鈎協議。

購買、贖回或出售上市證券

自上市日期起至2019年12月31日止，本公司或其任何附屬公司概無購買、出售或贖回任何本公司上市證券。

優先購買權

《公司章程》及中華人民共和國法律項下並無優先購買權條文，規定本公司須按比例基準向現有股東發售新股份。

不競爭協議遵守情況

雲南建投已與本公司訂立日期為2019年9月25日的不競爭協議（「不競爭協議」），據此，雲南建投已無條件及不可撤銷地向本公司承諾（為本公司本身及本集團其他成員公司的利益），雲南建投不會並將促使其聯繫人（本集團除外）不會直接或間接（無論單獨或聯同其他人士或公司）擁有、投資、參與、發展、經營或從事直接或間接與本公司任何業務競爭或可能競爭的任何業務或公司。關於不競爭承諾的詳情，請參見招股章程。

本公司已收到雲南建投就其於報告期內已遵守不競爭協議的年度確認書。

獨立非執行董事已根據雲南建投所提供或彼等給予的資料及確認，審閱不競爭協議於報告期內之履行情況，並滿意雲南建投已遵守不競爭協議。

DIRECTORS' INTERESTS IN COMPETING BUSINESS

As at December 31, 2019, none of the Directors nor any of their associates had any interest in any business which competes or may compete directly or indirectly with the business of the Group.

CONTINUING CONNECTED TRANSACTIONS

For the year ended December 31, 2019, our Group has entered into the following non-exempt continuing connected transactions. For details, please refer to the section headed "Connected Transactions — Non-exempt Continuing Connected Transactions" of the Prospectus.

Continuing connected transactions subject to the reporting, annual review and announcement requirements but exempt from strict compliance with the independent Shareholders' approval requirement

Land and Property Leasing Framework Agreement

Our Company entered into the land and property leasing framework agreement (the "Land and Property Leasing Framework Agreement") on September 25, 2019 with YCIH, pursuant to which the Company may lease land and property lawfully owned by YCIH and/or its associates. During the Reporting Period, the land and properties leased from YCIH and/or its associates included:

- (i) two pieces of land in Kunming where two batching plants of our Group are located to serve the regional market, covering an area of 16 mu and 42 mu, respectively;
- (ii) one property in Kunming leased for use as the Company's headquarters office, with an aggregate GFA of 4,179.61 m²;
- (iii) one property in Kunming leased for use as the Company's staff canteen, with an aggregate GFA of 565.84 m²; and
- (iv) one property in Zhaotong leased for use as the Company's office, with an aggregate GFA of 2,075.26 m².

The initial term of the Land and Property Leasing Framework Agreement commenced on the Listing Date and will end on December 31, 2021, subject to early termination by either party giving at least 30 business days' prior written notice to the other party.

董事於競爭業務的權益

於2019年12月31日，概無董事或彼等的聯繫人於任何與本集團業務直接或間接構成競爭或可能構成競爭的業務中擁有任何權益。

持續關連交易

截至2019年12月31日止年度，本集團已訂立下列非豁免持續關連交易，有關詳情請參見招股章程內「關連交易 — 非豁免持續關連交易」一節。

須遵守申報、年度審閱及公告規定但獲豁免嚴格遵守獨立股東批准規定的持續關連交易

土地及物業租賃框架協議

本公司與雲南建投於2019年9月25日訂立土地及物業租賃框架協議（「土地及物業租賃框架協議」），據此，本公司可租賃由雲南建投及／或其聯繫人合法擁有的土地及物業。報告期內，本公司自雲南建投及／或其聯繫人租賃的土地及物業包括：

- (i) 位於昆明的兩幅土地，本集團的兩個攪拌站位於此處，為區域市場提供服務，其佔地面積分別為16畝及42畝；
- (ii) 昆明一處租賃作本公司總部辦公用途的物業，總建築面積為4,179.61平方米；
- (iii) 昆明一處租賃作本公司員工餐廳用途的物業，總建築面積為565.84平方米；及
- (iv) 昭通市一處租賃作本公司辦公用途的物業，總建築面積為2,075.26平方米。

土地及物業租賃框架協議的初始期限為自上市日期起至2021年12月31日止，可由任何一方提前至少30個營業日向另一方發出事先書面通知而提前終止。

The main pricing principles stipulated in the Land and Property Leasing Framework Agreement are as follows:

- (i) both parties shall refer to the prevailing market rates of similar land and properties in the neighboring area of the relevant land and properties, and determine the rentals with reference to such market rates to ensure a fair and reasonable rental level on normal commercial terms;
- (ii) both parties shall review and adjust (if applicable) rentals upon the renewal of the Land and Property Leasing Framework Agreement by reference to the prevailing market conditions, including factors like the geographical location, the standard of construction and the surrounding area; and
- (iii) the Company shall bear all utility charges incurred in using the relevant properties during the term of the lease, and also be responsible for costs for maintenance and repair of the land and properties.

As of December 31, 2019, YCIH directly and indirectly held 62.75% of our Company's issued Shares and was the Controlling Shareholder of our Company. Therefore, YCIH and its associates were connected persons of our Company and the transactions under the Land and Property Leasing Framework Agreement constitute continuing connected transactions of the Company.

For the three years ended December 31, 2019, 2020 and 2021, the annual cap under the Land and Property Leasing Framework Agreement is RMB5.56 million. The actual amount incurred during the Reporting Period is RMB5.16 million.

Continuing connected transactions subject to the reporting, annual review, announcement and independent shareholders' approval requirements

Products Sales Framework Agreement

Our Company entered into the Products Sales Framework Agreement ("Products Sales Framework Agreement for 2019") on September 25, 2019 with YCIH, pursuant to which the Group will sell concrete, aggregates and other products to YCIH and its associates. The initial term of the Products Sales Framework Agreement for 2019 commenced on the Listing Date and will end on December 31, 2021, subject to early termination by either party giving at least 30 business days' prior written notice to the other party.

土地及物業租賃框架協議規定的主要定價原則如下：

- (i) 雙方將參照相關土地及物業附近區域的類似土地及物業的現行市價，並參照市場租金按正常商業條款釐定租金以確保租金維持在公平合理的水平；
- (ii) 雙方將於續訂土地及物業租賃框架協議時參照屆時市況（包括諸如地理位置、建設標準及周邊區域等因素）審閱及調整（如適用）租金；及
- (iii) 本公司將於租期內承擔因使用相關物業而產生的全部水電費，亦負責承擔土地及物業維護及維修所產生的成本。

截至2019年12月31日，雲南建投直接及間接持有本公司62.75%已發行股份，為本公司的控股股東，因此雲南建投及其聯繫人為本公司的關連人士，土地及物業租賃框架協議項下之交易構成本公司之持續關連交易。

截至2019年、2020年及2021年12月31日止三個年度，土地及物業租賃框架協議項下的年度上限均為人民幣5.56百萬元。報告期內發生的實際金額為人民幣5.16百萬元。

須遵守申報、年度審閱、公告及獨立股東批准規定的持續關連交易

產品銷售框架協議

本公司與雲南建投於2019年9月25日訂立產品銷售框架協議（「2019年產品銷售框架協議」），據此，本集團將向雲南建投及其聯繫人銷售混凝土、砂石料及其他產品。2019年產品銷售框架協議的初始期限為自上市日期起至2021年12月31日止，可由任何一方提前至少30個營業日向另一方發出事先書面通知而提前終止。

Directors' Report

董事會報告

Under the Products Sales Framework Agreement for 2019, the main pricing principles are as follows:

- (i) the price shall be determined in accordance with the pricing policy and guidelines adopted and regularly reviewed by our Company for sales of products to all customers with reference to upstream materials and products prices and other costs, and be generally in line with the relevant market prices at which the same type of products provided by our Company to an Independent Third Party on normal commercial terms; to determine the prevailing market prices, reference will be made to the price our Company offers to the Independent Third Party customers for the same type of products; the following factors will also be taken into account to determine the market prices: payment terms, the specific requirements of the parties, the quality of the products required and the geographical areas where our products are provided, etc., to ensure the prices will be no less favorable to our Company than those of same type of products our Company provides to the Independent Third Party customers; and
- (ii) in the unlikely event that no comparable market price can be taken, experts in our Group with sufficient industry experience could opine on the fairness and reasonableness of the price by reference to the comparable price and/or historical transaction price of the most similar items to ensure the price would be fair and reasonable to our Company and no less favorable to our Company than the price we offer to the Independent Third Party customers.

As of December 31, 2019, YCIH directly and indirectly held 62.75% of our Company's issued Shares and was the Controlling Shareholder of our Company. Therefore, YCIH and its associates were connected persons of our Company and the transactions under the Products Sales Framework Agreement for 2019 constituted continuing connected transactions of our Company.

For the three years ended December 31, 2019, 2020 and 2021, the annual caps under the Products Sales Framework Agreement for 2019 were RMB2,555 million, RMB2,706 million and RMB2,872 million, respectively. The actual amount incurred during the Reporting Period was RMB2,522 million.

In order to facilitate the management of existing non-exempt continuing connected transactions, our Company has streamlined the validity periods of the relevant framework agreements. Our Company and YCIH entered into a new products sales framework agreement on March 27, 2020 to replace the Products Sales Framework Agreement for 2019. For details, please refer to the continuing connected transaction announcement dated March 27, 2020 published by our Company on the websites of the Hong Kong Stock Exchange and our Company.

2019年產品銷售框架協議規定的主要定價原則如下：

- (i) 價格將根據本公司就向全體客戶銷售產品而採納及定期審閱的定價政策及指引，參照上游材料及產品價格及其他成本予以釐定，且通常與本公司向獨立第三方按正常商業條款提供的同類產品的相關市價相符；為釐定現行市價，將參照本公司就同類產品向獨立第三方客戶提供的價格，亦將考慮以下因素以釐定市價：付款期限、訂約方的特定要求、所需的產品質量及提供產品所在地理位置等，從而確保對本公司而言，價格不遜於本公司向獨立第三方客戶提供的同類產品價格；及
- (ii) 萬一沒有可資比較的市價，本集團具備豐富行業經驗的專家會參考最為相近項目的可資比較價格及／或歷史交易價格就價格的公平性及合理性提供意見，以確保價格對本公司而言屬公平合理，且不遜於本公司提供予獨立第三方客戶的價格。

截至2019年12月31日，雲南建投直接及間接持有本公司62.75%已發行股份，為本公司的控股股東，因此雲南建投及其聯繫人為本公司的關連人士，2019年產品銷售框架協議項下之交易構成本公司之持續關連交易。

截至2019年、2020年及2021年12月31日止三個年度，2019年產品銷售框架協議項下的年度上限分別為人民幣2,555百萬元、人民幣2,706百萬元及人民幣2,872百萬元。報告期內發生的實際金額為人民幣2,522百萬元。

為便於現有非豁免持續關連交易的管理，本公司將相關框架協議的有效期進行統一，本公司與雲南建投於2020年3月27日訂立新產品銷售框架協議，以取代2019年產品銷售框架協議，詳情參見本公司在香港聯交所及本公司網站刊發的日期為2020年3月27日的持續關連交易公告。

Raw Materials, Products and Services Procurement Framework Agreement

Our Company entered into the raw materials, products and services procurement framework agreement ("**Raw Materials, Products and Services Procurement Framework Agreement for 2019**") on September 25, 2019 with YCIH, pursuant to which the Group will procure raw materials, products and services from YCIH and its associates. The raw materials, products and services to be procured thereunder include, without limitation, the following:

- (i) raw materials: cement, aggregates and others;
- (ii) products: production equipment and other products used in our Company's production operations; and
- (iii) services: construction services, property management services and consultancy services, etc.

The initial term of the Raw Materials, Products and Services Procurement Framework Agreement for 2019 commenced on the Listing Date and will end on December 31, 2021, subject to early termination by either party giving at least 30 business days' prior written notice to the other party.

Under the Raw Materials, Products and Services Procurement Framework Agreement for 2019, the main pricing principles are as follows:

With respect to raw materials:

- (i) the price shall be generally in line with the relevant market price at which the same type of raw materials provided to our Company by Independent Third Party suppliers on normal commercial terms. The Group will conduct market research and regularly contact its suppliers (including both YCIH and/or its associates and Independent Third Party suppliers) to understand the market conditions and determine the prevailing market rate of the relevant type of raw materials; and
- (ii) where public tendering process is required for the procurement of the relevant raw materials, the price shall be determined based on the results of such process in accordance with our Company's internal regulations and rules applicable to all suppliers of the same type of raw materials. Pursuant to such regulations and rules, if YCIH and/or its associates win the bid, their terms offered, including the price quoted, shall be no less favorable than those offered by any Independent Third Party supplier that participates in the tendering process.

原材料、產品及服務採購框架協議

本公司與雲南建投於2019年9月25日訂立原材料、產品及服務採購框架協議(「**2019年原材料、產品及服務採購框架協議**」)，據此，本集團將向雲南建投及其聯繫人採購原材料、產品及服務。該協議項下所採購的原材料、產品及服務包括但不限於以下內容：

- (i) 原材料：水泥、砂石料及其他；
- (ii) 產品：生產設備及本公司生產營運中使用的其他產品；及
- (iii) 服務：建築服務、物業管理服務及諮詢服務等。

2019年原材料、產品及服務採購框架協議的初始期限為自上市日期起至2021年12月31日止，可由任何一方提前至少30個營業日向另一方發出事先書面通知而提前終止。

2019年原材料、產品及服務採購框架協議規定的主要定價原則如下：

原材料方面：

- (i) 價格應與獨立第三方供應商按一般商業條款提供予本公司的同類原材料的相關市價大體一致。本集團將進行市場調查，並定期聯絡其供應商(包括雲南建投及／或其聯繫人以及獨立第三方供應商)了解市況，並釐定相關類別原材料的當時市價；及
- (ii) 倘採購相關原材料時需要進行公開招標，則價格應根據本公司內部適用於全部同類原材料供應商的條例及規則，按招標結果釐定。根據該等條例及規則，若雲南建投及／或其聯繫人中標，其提供的條款(包括報價)應不遜於參與招標的任何獨立第三方供應商提供的條款。

Directors' Report 董事會報告

With respect to products:

- (i) the price shall be generally in line with the relevant market prices at which the same type of products provided to our Company by an Independent Third Party on normal commercial terms; to determine the prevailing market prices, reference will be made to the historical prices of the same type of products, where applicable, the guidance price published by authoritative organizations and institutions, and costs for relevant products learned through market research, to ensure the prices will be no less favorable to our Company than those of same type of products provided to our Company by the Independent Third Party suppliers; and
- (ii) where public tendering process is required for the procurement of the relevant product, the price shall be determined based on the results of such process in accordance with our Company's internal regulations and rules applicable to all suppliers of the same type of product. Pursuant to such regulations and rules, if YCIH and/or its associates win the bid, their terms offered, including the price quoted, shall be no less favorable than those offered by any Independent Third Party supplier that participates in the tendering process.

With respect to services:

- (i) the price of construction services shall be determined with reference to the pricing guideline and method as set out in the *Pricing Guidelines for Construction and Engineering of Yunnan Province (2013 Edition)* (《雲南省2013版建設工程造價計價依據》);
- (ii) the price of the property management services shall be determined with reference to the prevailing market rates and conditions in the neighboring area of the same type of property, including factors like the geographical location, the standard and quality of services and the condition of the property; and
- (iii) the price of consultancy services shall be determined with reference to the prevailing market rates at which the same type of services provided to our Company by an Independent Third Party on normal commercial terms.

As of December 31, 2019, YCIH directly and indirectly held 62.75% of our Company's issued Shares and was the Controlling Shareholder of our Company. Therefore, YCIH and its associates were connected persons of our Company and the transactions under the Raw Materials, Products and Services Procurement Framework Agreement for 2019 constituted continuing connected transactions of the Company.

產品方面：

- (i) 價格應與獨立第三方按一般商業條款提供予本公司的同類產品的相關市價大體一致；釐定現行市價時，本集團將參考同類產品的歷史價格（倘適用）、權威組織及機構公佈的指引價格及透過市場研究了解到的相關產品成本，以確保有關價格不遜於獨立第三方供應商提供予本公司同類產品的價格；及
- (ii) 倘採購相關產品時需要進行公開招標，則價格應根據本公司內部適用於全部同類產品供應商的條例及規則，按招標結果釐定。根據該等條例及規則，若雲南建投及／或其聯繫人中標，其提供的條款（包括報價）應不遜於參與招標的任何獨立第三方供應商提供的條款。

服務方面：

- (i) 建設服務的價格應參照《雲南省2013版建設工程造價計價依據》所載定價指引及方法釐定；
- (ii) 物業管理服務的價格應參照周邊地區同類物業管理服務的現行市價及市況釐定，包括地理位置、服務標準及質量及物業狀況等因素；及
- (iii) 諮詢服務價格應參照獨立第三方按一般商業條款提供予本公司的同類服務的現行市價釐定。

截至2019年12月31日，雲南建投直接及間接持有本公司62.75%已發行股份，為本公司的控股股東，因此雲南建投及其聯繫人為本公司的關連人士，2019年原材料、產品及服務採購框架協議項下之交易構成本公司之持續關連交易。

For the three years ended December 31, 2019, 2020 and 2021, the annual caps under the Raw Materials, Products and Services Procurement Framework Agreement for 2019 were RMB200 million, RMB249 million and RMB244 million, respectively. The actual amount incurred during the Reporting Period was RMB166 million.

In order to facilitate the management of existing non-exempt continuing connected transactions, our Company has streamlined the validity periods of the relevant framework agreements. Our Company and YCIH entered into a new raw materials, products and services procurement framework agreement on March 27, 2020 to replace the Raw Materials, Products and Services Procurement Framework Agreement for 2019. For details, please refer to the continuing connected transaction announcement dated March 27, 2020 published by our Company on the websites of the Hong Kong Stock Exchange and our Company.

Financial Services Framework Agreement

Our Company entered into the financial services framework agreement on October 15, 2019 (“**Financial Services Framework Agreement for 2019**”) with YCIH Financial Company, pursuant to which YCIH Financial Company has agreed to provide the following financial services and our Company has agreed to use some or all of such financial services depending on our own requirements:

- (i) deposits services;
- (ii) bills acceptance and discount;
- (iii) assistance in fund receipt and payment; and
- (iv) other business approved by the CBIRC.

The initial term (“**initial term**”) of the Financial Services Framework Agreement for 2019 commenced on the Listing Date and will end on the earlier of: (a) the day which is one year after the Listing Date; and (b) the day on which our Company holds its next annual general meeting, subject to early termination by either party giving at least 30 business days’ prior written notice to the other party.

Under the Financial Services Framework Agreement for 2019, the main pricing principles are as follows:

- (i) deposits services: the interest rates shall not be lower than the interest rates of the same type of deposits of major domestic commercial banks providing such services to our Company in the same period.

截至2019年、2020年及2021年12月31日止三個年度，2019年原材料、產品及服務採購框架協議項下的年度上限分別為人民幣200百萬元、人民幣249百萬元及人民幣244百萬元。報告期內發生的實際金額為人民幣166百萬元。

為便於現有非豁免持續關連交易的管理，本公司將相關框架協議的有效期進行統一，本公司與雲南建投於2020年3月27日訂立新原材料、產品及服務採購框架協議，以取代2019年原材料、產品及服務採購框架協議，詳情參見本公司在香港聯交所及本公司網站刊發的日期為2020年3月27日的持續關連交易公告。

金融服務框架協議

本公司與雲南建投財務公司於2019年10月15日訂立金融服務框架協議（「**2019年金融服務框架協議**」），據此，雲南建投財務公司同意提供以下金融服務且本公司同意根據其自身需求使用部分或全部該等金融服務：

- (i) 存款服務；
- (ii) 票據承兌及貼現；
- (iii) 協助資金收付；及
- (iv) 中國銀保監會批准的其他業務。

2019年金融服務框架協議的初始期限（「**初始期限**」）為自上市日期起至以下日期的較早者止：(a)上市日期後滿一年之日；及(b)本公司舉行其下屆股東週年大會之日，可由任何一方提前至少30個營業日向另一方發出事先書面通知而提前終止。

2019年金融服務框架協議規定的主要定價原則如下：

- (i) 存款服務：利率不得低於同期向本公司提供該等服務的國內主要商業銀行的同類存款的利率。

Directors' Report

董事會報告

- (ii) bills acceptance and discount services: the service fees or interest rates shall not be higher than those of the same type of services of major domestic commercial banks providing such services to our Company in the same period.
- (iii) other financial services (comprising assistance in fund receipt and payment and other business approved by the CBIRC): the fees payable by our Company to YCIH Financial Company shall not be higher than those of the same type of services of major domestic commercial banks providing such services to our Company in the same period.

As of December 31, 2019, YCIH directly and indirectly held 62.75% of our Company's issued Shares and was the Controlling Shareholder of our Company. YCIH Financial Company is a subsidiary of YCIH. Therefore, YCIH Financial Company was a connected person of our Company and the transactions under the Financial Services Framework Agreement for 2019 constituted continuing connected transactions of the Company.

The following table sets forth the transaction caps for the initial term and the actual amounts incurred for the year ended December 31, 2019 under the Financial Services Framework Agreement for 2019.

		Transaction cap for the initial term (RMB million) 初始期限內的 交易上限 (人民幣百萬元)	Actual amount incurred for the year ended December 31, 2019 (RMB million) 2019年度 發生的實際金額 (人民幣百萬元)
Deposits services	存款服務		
— maximum daily balance (including interest accrued thereon)	— 每日最高餘額(包括應計利息)	280	262
Bills acceptance and discount	票據承兌及貼現	100	23
Assistance in fund receipt and payment	協助資金收付	1.5	0.5
Other business approved by the CBIRC	中國銀保監會批准的其他業務	2.3	0.8

As the Financial Services Framework Agreement for 2019 will expire on the date of the 2019 AGM, and in order to continuously regulate related transactions, our Company and YCIH Financial Company entered into a new Financial Services Framework Agreement on March 27, 2020. For details, please refer to the continuing connected transaction announcement dated March 27, 2020 published by our Company on the websites of the Hong Kong Stock Exchange and our Company.

- (ii) 票據承兌及貼現服務：服務費或利率不得高於同期向本公司提供該等服務的國內主要商業銀行同類服務的服務費或利率。
- (iii) 其他財務服務(包括協助資金收付及中國銀保監會批准的其他業務)：本公司應付雲南建投財務公司的費用不得高於同期向本公司提供該等服務的國內主要商業銀行同類服務的費用。

截至2019年12月31日，雲南建投直接及間接持有本公司62.75%已發行股份，為本公司的控股股東，雲南建投財務公司為雲南建投的附屬公司，因此雲南建投財務公司為本公司的關連人士，2019年金融服務框架協議項下之交易構成本公司之持續關連交易。

下表載列2019年金融服務框架協議項下初始期限內的交易上限及2019年度發生的實際金額。

鑒於2019年金融服務框架協議將於2019年度股東週年大會之日到期，為持續規管相關交易，本公司與雲南建投財務公司於2020年3月27日訂立新金融服務框架協議，詳情參見本公司在香港聯交所及本公司網站刊發的日期為2020年3月27日的持續關連交易公告。

During the Reporting Period, the independent non-executive Directors have reviewed the above-mentioned continuing connected transactions and confirmed that these transactions have:

- (i) been entered into in the ordinary and usual course of business of the Group;
- (ii) been conducted on normal commercial terms or better; and
- (iii) been conducted in accordance with the relevant agreement governing them on the terms that are fair and reasonable and in the interests of the Shareholders as a whole.

PricewaterhouseCoopers, the auditor of the Company, has performed certain procedures and confirmed in writing to the Board with respect to the above continuing connected transactions for the year ended December 31, 2019 that:

- (i) nothing has come to the auditor's attention that causes the auditor to believe that the disclosed continuing connected transactions have not been approved by the Board;
- (ii) for the transactions involving the provision of goods or service by the Group, nothing has come to the auditor's attention that causes the auditor to believe that the transactions were not, in all material respects, conducted in accordance with the pricing policies of the Group;
- (iii) nothing has come to the auditor's attention that causes the auditor to believe that the transactions were not entered into, in all material respects, in accordance with the relevant agreements governing such transactions; and
- (iv) nothing has come to the auditor's attention that causes the auditor to believe that the amounts of the disclosed continuing connected transactions have exceeded the annual cap.

Please refer to Note 36 to the consolidated financial statements prepared under the IFRSs for details of the significant related party transactions. Information on connected transactions and continuing connected transactions required to be disclosed by the Hong Kong Listing Rules is set out in this chapter. Save as disclosed above, the related party transactions disclosed in Note 36 to the consolidated financial statements do not constitute connected transactions or continuing connected transactions of the Company nor are they connected transactions or continuing connected transactions exempt from disclosure requirements. The Directors confirm that the Company has complied with the disclosure requirements under Chapter 14A of the Hong Kong Listing Rules in relation to the relevant transactions.

於報告期內，獨立非執行董事已審核上述持續關連交易，並確認該等交易已：

- (i) 在本集團之一般及日常業務中訂立；
- (ii) 按照一般商業條款或更佳條款進行；及
- (iii) 根據有關交易的協議進行，條款公平合理，並符合股東的整體利益。

羅兵咸永道，本公司之核數師，已就以上本集團截至2019年12月31日止年度持續關連交易執行若干程序並書面向本公司董事會確認：

- (i) 未注意到任何事項，使其相信該等已披露的持續關連交易未經董事會批准；
- (ii) 針對需要本集團提供貨品或服務所涉及的交易，未注意到任何事項，使其相信該等交易在各重大方面沒有按照本集團的定價政策進行；
- (iii) 未注意到任何事項，使其相信該等交易在各重大方面沒有根據有關該等交易的協議進行；及
- (iv) 未注意到任何事項，使其相信該等持續關連交易的金額超逾全年上限。

有關重大關聯方交易詳情詳見按照國際財務報告準則編製的合併財務報表附註36。香港上市規則要求披露的關連交易和持續關連交易信息已載於本章。就於合併財務報表附註36披露的關聯方交易，除上文披露外，並不構成本公司關連交易或持續關連交易，或為豁免披露的關連交易或持續關連交易。董事確認本公司已就相關交易符合香港上市規則第14A章的披露規定。

Directors' Report

董事會報告

CHARITY DONATIONS

During the Reporting Period, the Group's total charitable donations and other donations amounted to RMB130,000.

MAJOR LEGAL PROCEEDINGS

For the year ended December 31, 2019, our Company had no major legal proceedings or arbitration. To the knowledge of the Directors, there were no major legal actions or claims that had not been concluded or may threaten our Company.

PERMITTED INDEMNITY PROVISIONS

From the Listing Date to December 31, 2019, our Company had purchased liability insurance for Directors and Supervisors to provide appropriate protection for Directors and Supervisors.

EVENTS AFTER THE REPORTING PERIOD

Details of significant events after the Reporting Period are set out in Note 38 to the consolidated financial statements of this annual report.

AUDIT COMMITTEE

Our Company's audit committee (the "Audit Committee"), together with the management and our Company's external auditors, has reviewed the accounting principles and practices adopted by the Group and the audited consolidated financial statements for the year ended December 31, 2019.

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 adopts the Corporate Governance Code as its corporate governance practice.

The Company is committed to maintaining high standards of corporate governance practices. Information on the corporate governance practices and compliance with the Corporate Governance Code adopted by our Company is set out in the "Corporate Governance Report" of this Annual Report.

PUBLIC FLOAT

Based on information that is publicly available to the Company and to the best knowledge of the Directors, at least 25% of the Company's total number of issued Shares (being the prescribed minimum percentage of public float approved by the Hong Kong Stock Exchange and permitted under the Hong Kong Listing Rules) was held by the public from the Listing Date and up to the Latest Practicable Date prior to the bulk printing of this annual report.

慈善捐款

於報告期內，本集團之慈善捐款及其他捐獻總額為人民幣130,000元。

重大法律訴訟

截至2019年12月31日止年度，本公司不存在涉及任何重大法律訴訟或仲裁。就董事所知，也不存在任何尚未完結或對本公司存在威脅性的重大法律訴訟或索賠。

獲准許的彌償條文

自上市日期起至2019年12月31日，本公司已為董事及監事購買責任保險，為董事及監事提供適當的保障。

報告期後事項

有關於報告期後的重大事項詳情載於本年報合併財務報表附註38。

審計委員會

本公司審計委員會（「審計委員會」）已與管理層及本公司外聘核數師共同審閱本集團所採納的會計原則及慣例，以及截至2019年12月31日止年度經審核合併財務報表。

企業管治守則

本公司自成立以來始終致力於提升企業管治水平，參照企業管治守則的守則條文，建立了由股東大會、董事會、監事會及本公司高級管理人員有效制衡、獨立運作的現代企業治理架構。本公司採用企業管治守則作為其企業管治常規。

本公司致力維持高水準之企業管治常規。有關本公司所採納之企業管治常規及遵守企業管治守則的資料載於本年報之「企業管治報告」章節。

公眾持有量

根據本公司可公開獲得的資料及就董事所深知，自上市日期起及直至本年報大量印刷前之最後可行日期，本公司已發行股份總額中至少有25%（即香港聯交所及香港上市規則規定的最低公眾持股比例）由公眾人士持有。

AUDITOR

Our Company has appointed PricewaterhouseCoopers and Mazars Certified Public Accountants LLP as our Company's international auditor and domestic auditor for the year ended December 31, 2019, respectively. PricewaterhouseCoopers has audited the accompanying consolidated financial statements prepared in accordance with IFRSs.

Our Company will submit a resolution of intent at the forthcoming 2019 AGM to renew the employment of PricewaterhouseCoopers as our Company's international auditor for the year ending December 31, 2020 and appoint PricewaterhouseCoopers Zhong Tian as our Company's domestic auditor for the year ending December 31, 2020.

By Order of the Board

Ma Minchao

Chairman

Kunming, China, March 27, 2020

核數師

本公司已委任羅兵咸永道及中審眾環會計師事務所(特殊普通合夥)分別為本公司截至2019年12月31日止年度的境外核數師及境內審計師。羅兵咸永道已對隨附按國際財務報告準則編製的合併財務報表進行了審核。

本公司將於即將舉行的2019年度股東週年大會上提呈意向決議案，續聘羅兵咸永道為本公司截至2020年12月31日止年度的境外核數師並聘任普華永道中天為本公司截至2020年12月31日止年度的境內審計師。

承董事會命

董事長

馬敏超

中國昆明，2020年3月27日

Corporate Governance Report

企業管治報告

CORPORATE GOVERNANCE PRACTICES

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, operate independently, which emphasizes the corporate governance principles of transparency, accountability and safeguarding the rights and interests of all Shareholders.

The Company has adopted and complied with the code provisions of the Corporate Governance Code. From the Listing Date to December 31, 2019, the Company had complied with all applicable code provisions in the Corporate Governance Code.

THE BOARD

Duties of the Board

The Board is responsible for the overall leadership of the Group, and monitors the Group's strategic decisions as well as its business and performance. The Board has delegated to the senior management members of the Company the powers and duties of the daily management and operations of the Group. To monitor specific areas of the Company's affairs, the Board has established five Board committees, including the Audit Committee, the remuneration and evaluation committee (the "**Remuneration and Evaluation Committee**"), the nomination committee (the "**Nomination Committee**"), the strategy committee (the "**Strategy Committee**") and the risk management and control committee (the "**Risk Management and Control Committee**") (collectively referred to as "**Board committees**"). The Board has delegated to the Board committees the duties set out in their respective terms of reference.

Each Director has the relevant qualifications and experience required for performing his/her duties as a Director. All Directors shall ensure that they act honestly and in good faith, comply with applicable laws and regulations, and at all times perform their duties in a manner that is in the interests of the Company and Shareholders.

From the Listing Date to December 31, 2019, the Company was not involved in any material legal proceedings liable by any Directors. The Company has also provided appropriate liability insurance for legal proceedings against Directors and will review the insurance coverage on an annual basis.

Functions of the Board and the Management

The Articles of Association have clearly defined the respective terms of reference of the Board and the management of the Company.

The Board, as the operation decision-making body of the Company, is accountable to the general meeting. Its main duties and powers include implementing the

企業管治常規

本公司自成立以來始終致力於提升企業管治水平，建立了由股東大會、董事會、監事會及高級管理人員有效制衡、獨立運作的現代企業治理架構，並注重遵循透明、問責，維護全體股東權益的公司管治原則。

本公司已採納及遵守企業管治守則所規定的守則條文。自上市日期起直至2019年12月31日，本公司已遵守企業管治守則所載的所有適用守則條文。

董事會

董事會的職責

董事會負責本集團的整體領導，並監察本集團的策略性決定以及監察其業務及表現。董事會已向本公司的高級管理人員授予本集團日常管理及營運的權力及職責。為監察本公司事務的特定範疇，董事會已成立五個董事會委員會，包括審計委員會、薪酬與考核委員會（「**薪酬與考核委員會**」）、提名委員會（「**提名委員會**」）、戰略委員會（「**戰略委員會**」）及風險管控委員會（「**風險管控委員會**」）（統稱「**董事會委員會**」）。董事會已向該等董事會委員會授予各職權範圍所載的職責。

每位董事均具備履行董事職責所需的有關資質和經驗。全體董事須確保彼等誠實及善意地行事、遵守適用法律及法規，且在任何時候均以符合本公司及股東利益的方式履行職責。

自上市日期起至2019年12月31日，本公司概無發生任何需由董事承擔責任的重大法律訴訟。本公司亦已就針對董事的法律訴訟安排適當責任保險，並將每年審視該保險之保障範圍。

董事會與管理層職能劃分

《公司章程》對於董事會和本公司的管理層各自職權範圍均有明確的規定。

董事會是本公司的經營決策機構，向股東大會負責，主要職權包括：執行股東大會的決

resolutions of the general meeting, making decisions on the Company's business plans and investment plans, determining the establishment of the Company's internal management bodies and the establishment or closing of the Company's branches or representative offices, and employing members of senior management.

The duties and powers delegated to the management by the Board include presiding over the Company's production and operation management, organizing the implementation of Board resolutions and the Company's annual operation plans and investment plans, drawing up proposals for the establishment of the Company's internal management bodies, proposing the Company's basic management system and formulating the Company's basic regulations.

To maintain the Company's highly efficient operation, as well as flexibility and swiftness in operational decision-making, the Board, when necessary, may delegate its managing and administrative powers to the management, and provide clear directions regarding such delegation so as to avoid impeding or undermining the overall capabilities of the Board in exercising its powers.

Composition of the Board

From the Listing Date to the Latest Practicable Date prior to the bulk printing of this annual report, the Board consisted of four executive Directors, two non-executive Directors and three independent non-executive Directors, as detailed below:

Executive Directors:

Mr. Ma Minchao (*chairman*)
Mr. Rao Ye
Mr. Lu Jianfeng
Ms. Hu Zhurong

Non-executive Directors:

Mr. Liu Guangcan
Mr. He Jianqiang

Independent non-executive Directors:

Mr. Wong Kai Yan Thomas
Mr. Yu Dingming
Mr. Li Hongkun

The biographical details of the Directors are set out in the section headed "Profiles of Directors, Supervisors and Senior Management" of this annual report.

議、決定本公司的經營計劃和投資方案、決定本公司內部管理機構的設置及分支機構或代表機構的設立或撤銷、聘任高級管理人員等。

董事會授予管理層職權包括，主持本公司生產經營管理工作，組織實施董事會決議和本公司年度經營計劃和投資方案，擬定本公司內部管理機構設置方案，擬定本公司的基本管理制度，制定本公司的基本規章等。

為保持本公司的高效運作和經營決策的靈活與迅速，董事會必要時亦將其管理及行政管理方面的權力轉授予管理層，且就授權行為提供清晰的指引，避免妨礙或削弱董事會整體履行職權的能力。

董事會組成

自上市日期起直至本年報大量印刷前之最後可行日期，董事會由四名執行董事、兩名非執行董事及三名獨立非執行董事組成，詳情如下：

執行董事：

馬敏超先生(董事長)
饒燁先生
呂劍鋒先生
胡珠榮女士

非執行董事：

劉光燦先生
何建強先生

獨立非執行董事：

王佳欣先生
于定明先生
李紅琨先生

董事履歷載於本年報之「董事、監事及高級管理人員簡介」一節。

Corporate Governance Report

企業管治報告

Save as disclosed in the biographical details of the Directors contained in the section headed “Profiles of Directors, Supervisors and Senior Management” of this annual report, no Director has any personal relationship with any other Director or the Company’s chief executive (including financial, business, family or other material/relevant relationships).

Independent non-executive Directors

From the Listing Date to December 31, 2019, the Company had complied with Rules 3.10(1) and 3.10(2) of the Hong Kong Listing Rules regarding the appointment of at least three independent non-executive Directors, at least one of whom shall have appropriate professional qualifications or accounting or relevant financial management expertise. Independent non-executive Directors represent one-third of the Board, which is compliant with the requirement of Rule 3.10A of the Hong Kong Listing Rules.

The Company has received written confirmations of independence from each of the independent non-executive Directors in accordance with Rule 3.13 of the Hong Kong Listing Rules. Therefore, the Company is of the view that they are independent persons.

Board Diversity Policy

To enhance the effectiveness of the Board and maintain a high standard of corporate governance, the Company has adopted a board diversity policy (the “Board Diversity Policy”) that sets out the aim and approach towards achieving and maintaining diversity of the Board. According to the Company’s Board Diversity Policy, the Company will take into consideration a number of factors when selecting candidates to the Board, including but not limited to gender, age, culture, educational background, ethnicity, professional experience, skills, knowledge and length of service, in order to achieve board diversity. The ultimate decision of appointment will be based on merit and contribution that the selected candidates will bring to the Board.

The Directors have a balanced mix of knowledge and skills, including knowledge and skills in relation to the business of concrete production and manufacturing, financial management, accounting and law. They have obtained professional degrees in various majors, including business administration, law, construction engineering materials, accounting and environmental engineering. The Company has three independent non-executive Directors with different industry backgrounds, representing one-third of the Board. In addition, the age range of the members of the Board is wide, ranging from 33 to 54. The Company has also taken, and will continue to take, measures to promote gender diversity on the Board. Currently, there is one female executive Director. The Company recognizes that, as majority of the Directors are male, the gender diversity of the Board can be improved, and will continue to appoint Directors based on competence and with reference to the overall diversity policy. The Board will also ensure that an appropriate balance of gender diversity is achieved with reference to investors’ expectations as well as international and local recommended best practices.

除本年報之「董事、監事及高級管理人員簡介」一節所載董事履歷中所披露者外，概無董事與任何其他董事或本公司最高行政人員有任何個人關係（包括財務、業務、家屬或其他重大／相關關係）。

獨立非執行董事

自上市日期起至2019年12月31日，本公司已遵守香港上市規則第3.10(1)及3.10(2)條有關委任至少三名獨立非執行董事（其中至少一名獨立非執行董事須具備適當的專業資格或會計或相關財務管理專長）的規定。獨立非執行董事佔董事會成員人數的三分之一，符合香港上市規則第3.10A條要求。

由於本公司已接獲各獨立非執行董事根據香港上市規則第3.13條發出之獨立性確認書，故本公司認為彼等均為獨立人士。

董事會成員多元化政策

為增加董事會的有效性及維持高標準的企業管治，本公司已採納載列實現及維持董事會多樣性目標及方法的董事會成員多元化政策（「董事會成員多元化政策」）。根據本公司的董事會成員多元化政策，本公司在選擇董事會候選人時考慮多項因素，包括但不限於性別、年齡、文化、教育背景、種族、專業經驗、技能、知識及服務年限，以求實現董事會多元化。最終將按人選的長處及其可為董事會作出的貢獻而作委任。

董事具備均衡的知識及技能，包括混凝土生產與製造業務、財務管理、會計及法律的知識及技能。彼等獲得各類專業學位，包括工商管理、法律、建築工程材料、會計及環境工程。本公司有來自不同行業背景的三名獨立非執行董事，人數佔董事會成員的三分之一。此外，董事會年齡範圍廣泛，組成的成員介於33歲至54歲之間。本公司亦已並將繼續採取措施促進董事會性別多元化。目前，有一名執行董事為女性。本公司認識到，鑒於大多數董事為男性，董事會的性別多元化有待改善，將繼續基於能力並參考整體多元化政策應用委任準則。董事會亦將參考投資者的期望以及國際及地方建議最佳慣例，確保實現性別多元化的適當平衡。

The Nomination Committee is responsible for ensuring a diverse Board. Since the listing of the Company, the Nomination Committee has been responsible for monitoring the implementation of the Board Diversity Policy and reviewing and revising the policy when appropriate to ensure its effectiveness. The Company will also disclose the implementation of the Board Diversity Policy in the section headed “Corporate Governance Report” of its annual reports.

After consideration of the Company’s current business model and specific demands and the different backgrounds and competence of the Directors, the Directors are of the opinion that the composition of the Board complies with the Company’s Board Diversity Policy.

All the Directors (including independent non-executive Directors) have brought various valuable business experience, knowledge and professional skills to the Board, to ensure efficient and effective operation of the Board. Independent non-executive Directors are invited to hold positions in the Audit Committee, Remuneration and Evaluation Committee, Nomination Committee, Strategy Committee and Risk Management and Control Committee.

Continuous Professional Development of Directors

All newly appointed Directors are provided with the necessary induction training and information to ensure they are adequately informed of the operations and businesses of the Company and their responsibilities under relevant laws, regulations, rules and ordinances. The Company also regularly arranges seminars for Directors in order to provide them with updates on the latest developments and changes regarding the Hong Kong Listing Rules and other relevant laws, regulations and regulatory provisions. Directors are also regularly provided with updated data about the Company’s performance, status and prospect, so that the Board and all the Directors can fulfil their respective duties.

The Company encourages and supports the continuous professional development of all the Directors to develop and update their knowledge and skills, so as to ensure that they have comprehensive information to continue to make contributions to the Board according to actual needs. The joint company secretary of the Company updates and provides written training materials in relation to Directors’ roles, functions and duties from time to time.

提名委員會負責確保董事會多元化。自本公司上市以來，提名委員會一直負責監察董事會多元化政策的執行並在適當時候檢審和修訂該政策，確保其有效性。本公司亦會於每年年報之「企業管治報告」一節中披露董事會多元化政策的實施情況。

經考慮本公司當前的業務模式及特定需求，以及董事的不同背景及能力，董事認為董事會的組成符合本公司的董事會多元化政策。

全體董事(包括獨立非執行董事)均為董事會帶來各種不同的寶貴營商經驗、知識及專門技能，使其有效率及有效地運作。獨立非執行董事應邀於審計委員會、薪酬與考核委員會、提名委員會、戰略委員會及風險管控委員會任職。

董事持續專業發展

所有新委任的董事均獲提供必要的入職培訓及資料，以確保其對本公司的營運及業務以及其於相關法律法規、規則及條例下對彼等的責任有適當程度的了解。本公司亦定期為董事安排研討會，以不時為彼等提供香港上市規則及其他相關法律法規及監管規定最新發展及變動的更新資料。董事亦定期獲提供有關本公司表現、狀況及前景的更新數據，使董事會全體及各董事得以履行彼等的職責。

本公司鼓勵並支持全體董事進行持續專業發展，藉此發展及更新其知識及技能，以確保其繼續在具備全面資訊及切合所需的情況下對董事會作出貢獻。本公司聯席公司秘書不時更新及提供有關董事角色、職能及職責的書面培訓材料。

Corporate Governance Report

企業管治報告

According to the information provided by the Directors, the training received by all the Directors for the year ended December 31, 2019 is summarized as follows:

根據董事提供的資料，截至2019年12月31日止年度，全體董事接受的培訓概述如下：

Name of Director	董事姓名	Nature of continuous professional development course 持續專業發展課程性質
<i>Executive Directors:</i>		
Mr. Ma Minchao	馬敏超先生	A/C/D
Mr. Rao Ye	饒燁先生	A/B/C/D
Mr. Lu Jianfeng	呂劍鋒先生	A/C/D
Ms. Hu Zhurong	胡珠榮女士	A/C/D
<i>Non-executive Directors:</i>		
Mr. Liu Guangcan	劉光燦先生	A/C/D
Mr. He Jianqiang	何建強先生	A/C/D
<i>Independent non-executive Directors:</i>		
Mr. Wong Kai Yan Thomas	王佳欣先生	A/C/D
Mr. Yu Dingming	于定明先生	A/C/D
Mr. Li Hongkun	李紅琨先生	A/C/D

Notes:

- A: Attend seminars and/or meetings and/or forums and/or briefing sessions
- B: Make a speech at seminars and/or meetings and/or forums
- C: Attend trainings provided by the law firm and trainings in relation to the Company's businesses
- D: Read documents on various topics, including corporate governance, Directors' duties, the Hong Kong Listing Rules and other relevant laws and regulations and regulatory provisions

附註：

- A：出席研討會及／或會議及／或論壇及／或簡報會
- B：於研討會及／或會議及／或論壇致辭
- C：參加律師所提供的培訓、與公司業務有關的培訓
- D：閱讀多種類別議題的材料，議題包括企業管治、董事職責、香港上市規則及其他相關法律法規及監管規定

Chairman and General Manager

According to code provision A.2.1 of the Corporate Governance Code, the roles of chairman of the Board and the general manager should be distinguished and assumed by different persons.

Mr. Ma Minchao and Mr. Lu Jianfeng currently serve as chairman of the Board and the general manager (the "General Manager") of the Company, respectively. The two different positions are distinguished by functions and powers. The chairman of the Board is mainly responsible for presiding over the work of the Board and takes full responsibility for the Company's administrative management work which mainly includes major decision making, formulation of development strategies, industrial structure adjustment, major market development, auditing, market value management, resource integration and other important work.

董事長及總經理

根據企業管治守則之守則條文A.2.1，董事長及總經理角色應予以區分及由不同人士擔任。

本公司的董事長及總經理(「總經理」)現時分別由馬敏超先生及呂劍鋒先生擔任，以職能來明確劃分這兩個不同職位。董事長主要負責主持董事會工作，全面負責本公司行政管理工作，主抓本公司重大決策、發展戰略制定、產業結構調整、重大市場開拓、審計、市值管理及資源整合等重要工作。而總經理則主要負責主持本公司生產經營管理工作，召

The General Manager is mainly responsible for the Company's production and operation management, convening and presiding over office meetings of the General Manager of the Company, building of management systems and organization and implementation of the Board resolutions.

Appointment of Directors

The term of office of a Director is generally three years. The term of office of the incumbent Directors is from the effective date of appointment after the said Directors were elected at the general meeting to the date of expiry of the term of office of the first session of the Board (December 19, 2020). Upon the expiry of the terms, the Directors may be re-elected. If, upon the expiry of his/her term, a Director is not re-elected in a timely manner or if any Director resigns during his/her term of office such that the membership of the Board falls short of the quorum, the said Director shall continue to fulfil his/her duties pursuant to relevant laws, administrative regulations and the Articles of Association until a new Director takes office.

The procedures and processes for appointment, re-election and removal of Directors are set out in the Articles of Association. The Nomination Committee is responsible for reviewing the composition of the Board and makes recommendations to the Board on the appointment, re-election and succession of Directors.

Board Meetings

The Company will adopt the practice of regularly holding a Board meeting according to the Corporate Governance Code and hold at least four regular Board meetings every year, that is, about once every quarter. A notice will be sent to all the Directors at least 14 days before the convening of a regular Board meeting, so that all the Directors have the opportunity to attend regular meetings and discuss the matters on the agenda.

Regarding other meetings of the Board and the Board committees, the Company will send a notice containing the meeting agenda and the relevant Board documents within the time specified by the Articles of Association, so as to ensure the Directors have sufficient time to review the relevant documents and adequately prepare for attending the meeting. If any Director or member of the Board committees fails to attend the meeting, the said Director or member will be informed of the matters to be discussed and have the opportunity to make their views known to the chairman of the meeting before the meeting is convened.

The joint company secretary will keep minutes for each meeting. The minutes of the meetings of the Board and the Board committees will record in detail the matters considered and decisions made by the Board and the Board committees, including any concerns or dissenting opinions raised by the Directors. The draft version and final version of the minutes of the Board and the Board committees meetings are/will be sent to all the Directors within a reasonable period after the meetings. The draft version is for their consideration and the final version is for

集並主持本公司總經理辦公會議、負責管理體系制度建設及組織實施董事會決議。

董事的委任

董事任期通常為三年。本公司現任董事的任期自其各自獲本公司股東大會選舉為董事後委任生效之日起至第一屆董事會任期屆滿之日（2020年12月19日）止，任期屆滿後可連選連任。倘董事任期屆滿後未能及時進行重選，或董事辭任導致董事人數少於法定人數，則董事須按有關法律、行政法規和《公司章程》的規定繼續履行其職責，直至正式獲重選的董事上任為止。

董事的委任、重選連任及罷免程序及過程載於《公司章程》。提名委員會負責檢討董事會的組成方式，並就董事的委任、重選連任及接任計劃向董事會提供推薦建議。

董事會會議

本公司將根據企業管治守則採納定期舉行董事會會議之慣例，每年召開至少四次定期董事會會議，大約每季一次。全體董事將獲發不少於14天之通知以召開定期董事會會議，令全體董事均獲機會出席定期會議並討論議程事項。

就其他董事會及董事會委員會會議而言，本公司會在《公司章程》規定的時限內發出會議通知，其中亦將包括會議議程及相關董事會文件，以確保董事有充足時間審閱有關文件及充分準備出席會議。倘董事或董事會委員會成員未能出席會議，則彼等會獲悉將予討論的事宜及於會議召開前有機會知會會議主席有關彼等的意見。

聯席公司秘書將就每一場會議備存會議紀錄。董事會會議及董事會委員會會議的會議紀錄會詳盡記錄董事會及董事會委員會所考慮的事宜及所作出的決定，包括董事提出的任何疑慮或表達的反對意見。各董事會會議及董事會委員會會議的會議紀錄草擬本及定稿會／將會於會議舉行後的合理時間內寄送至各董

Corporate Governance Report

企業管治報告

record keeping purposes. The minutes of the Board meetings are available for inspection by all the Directors.

For the year ended December 31, 2019, the Board held 13 meetings and the Company convened four general meetings. Directors' attendance at the Board meetings and the general meetings is set out as follows:

Directors	董事	Board Meeting 董事會會議	General Meeting 股東大會
Mr. Ma Minchao	馬敏超先生	13/13	4/4
Mr. Rao Ye	饒燁先生	13/13	4/4
Mr. Lu Jianfeng ^(Note 1)	呂劍鋒先生 ^(附註1)	10/10	3/3
Ms. Hu Zhurong	胡珠榮女士	13/13	4/4
Mr. Liu Guangcan	劉光燦先生	13/13	4/4
Mr. He Jianqiang	何建強先生	13/13	4/4
Mr. Wong Kai Yan Thomas ^(Note 2)	王佳欣先生 ^(附註2)	5/5	2/2
Mr. Yu Dingming	于定明先生	13/13	4/4
Mr. Li Hongkun ^(Note 3)	李紅琨先生 ^(附註3)	5/5	2/2

Notes:

1. Mr. Lu Jianfeng was appointed as executive Director on March 15, 2019.
2. Mr. Wong Kai Yan Thomas was appointed as independent non-executive Director on September 25, 2019.
3. Mr. Li Hongkun was appointed as independent non-executive Director on September 20, 2019.

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 of the Company (as defined in the Model Code) to conduct securities transactions of the Company. After specific inquiries were made to all the Directors and Supervisors, the Directors and Supervisors confirmed that they had strictly complied with the standards set out in the Model Code from the Listing Date to December 31, 2019.

事，草擬本以供彼等考慮，定稿則作紀錄之用。董事會會議的會議紀錄會公開供所有董事查閱。

於截至2019年12月31日止年度內，董事會舉行13次董事會會議及本公司召開4次股東大會，各董事出席董事會會議以及股東大會的情況載於下表：

附註：

1. 呂劍鋒先生自2019年3月15日起獲委任為執行董事。
2. 王佳欣先生自2019年9月25日起獲委任為獨立非執行董事。
3. 李紅琨先生自2019年9月20日起獲委任為獨立非執行董事。

進行證券交易的標準守則

本公司已採納標準守則，作為所有董事、監事及本公司的有關僱員(定義見標準守則)進行本公司證券交易的行為守則。根據對所有董事及監事的具體查詢後，董事及監事均確認自上市日期起至2019年12月31日，彼等均已嚴格遵守標準守則所訂之標準。

CORPORATE GOVERNANCE FUNCTIONS

The Board confirms that the Directors shall be jointly responsible for corporate governance and their corporate governance functions include:

- (a) reviewing and monitoring the Company's policies and practices in compliance with laws and regulatory provisions;
- (b) reviewing and monitoring the training and continuous professional development of Directors and senior management of the Company;
- (c) formulating, reviewing and monitoring the code of conduct and compliance manual applicable to employees and Directors;
- (d) formulating and reviewing the Company's corporate governance policies and practices, and making suggestions and report relevant matters to the Board; and
- (e) reviewing the Company's compliance with the Corporate Governance Code and disclosure in the Corporate Governance Report.

BOARD COMMITTEES

Audit Committee

The Audit Committee consists of three members, including two independent non-executive Directors, namely Mr. Li Hongkun (chairman) and Mr. Wong Kai Yan Thomas, and one non-executive Director, namely Mr. Liu Guangcan.

The main responsibilities of the Audit Committee are as follows:

1. supervising and evaluating the work of the external auditor and proposing the engagement or replacement of the external auditor;
2. supervising, evaluating and directing internal audit work;
3. reviewing and commenting on the Company's financial reports;
4. supervising and evaluating the effectiveness of the Company's financial reporting system and internal control;
5. coordinating the communication among the management, internal audit department and other relevant departments, and the external auditor;
6. reviewing and monitoring the Company's policies and practices in compliance with laws and regulatory requirements;
7. reviewing the Company's compliance with the applicable corporate governance codes and the corporate governance reports required to be disclosed under the listing rules of the listing place;

企業管治職能

董事會確認，企業管治應屬董事的共同責任，彼等的企業管治職能包括：

- (a) 檢討及監察本公司在遵守法律及監管規定方面之政策及常規；
- (b) 檢討及監察董事及本公司高級管理人員之培訓及持續專業發展；
- (c) 制定、檢討及監察適用於僱員及董事之操守準則及合規手冊；
- (d) 制定及檢討本公司之企業管治政策及常規，並向董事會提出其建議及匯報相關事宜；及
- (e) 檢討本公司遵守企業管治守則的情況及在企業管治報告內的披露。

董事會委員會

審計委員會

審計委員會由三名成員組成，包括兩位獨立非執行董事李紅琨先生(主席)及王佳欣先生，及一名非執行董事劉光燦先生。

審計委員會的主要職責如下：

1. 監督及評估外部審計機構工作，提議聘請或者更換外部審計機構；
2. 監督、評估及指導內部審計工作；
3. 審閱公司財務報告並對其發表意見；
4. 監督及評估公司財務申報制度及內部控制的有效性；
5. 協調管理層、內部審計部門及相關部門與外部審計機構的溝通；
6. 審閱及監察公司在法律和監管要求合規方面的政策和實務；
7. 檢討公司遵守所適用的企業管治守則情況及審閱上市地上市規則要求披露的企業管治報告；

Corporate Governance Report

企業管治報告

- | | |
|--|---|
| <p>8. ensuring the establishment of proper channels by the Company so that employees can confidentially report or challenge possible misconduct in financial reporting, internal control or other aspects, and reviewing relevant arrangements from time to time to enable the Company to investigate such matters in a fair and independent manner and take appropriate follow-up measures;</p> <p>9. reporting its decisions or suggestions to the Board, except where it is prohibited to do so under legal or other restrictions; and</p> <p>10. handling other matters as required by applicable laws, regulations, the Hong Kong Listing Rules and the Rules of Procedure for Board Meetings or authorized by the Board.</p> | <p>8. 確保公司建立適當渠道以便員工可在保密的情況下就財務匯報、內部控制或其他方面可能發生的不正當行為進行舉報或提出質疑，並不時檢審有關安排，讓公司對此事宜作出公平且獨立的調查，並採取適當的後續措施；</p> <p>9. 向董事會匯報其決定或建議，但受到法律等限制而不能作此匯報的除外；及</p> <p>10. 適用法律、法規、香港上市規則及《董事會議事規則》規定的或董事會授權的其他事宜。</p> |
|--|---|

The work rules for the Audit Committee are available for inspection on the websites of the Hong Kong Stock Exchange and the Company.

審計委員會的工作細則於香港聯交所及本公司網站可供查閱。

From the Listing Date to the date of publication of this annual report, the Audit Committee held meetings on January 10, 2020, March 5, 2020 and March 27, 2020, respectively, and considered the self-evaluation report on internal control for 2019, the re-appointment and appointment of domestic and international auditors in 2020, the framework agreements on continuing connected transactions and the related annual caps, the profit distribution plan for 2019, the audited consolidated financial statements and the independent auditor's report for 2019 and other matters. All members of the Audit Committee have each attended the three meetings.

自上市日期起至本年報刊發日期，審計委員會分別於2020年1月10日、2020年3月5日及2020年3月27日召開審計委員會會議，審議了關於2019年度內部控制自我評價報告、續聘及聘任2020年度境內外審計師、持續關連交易框架協議及相關年度上限、2019年度利潤分配方案、2019年度經審核合併財務報表及獨立核數師報告等的事項。所有審計委員會成員均出席此3次會議。

The attendance of members of the Audit Committee at the meetings is set out as follows:

各審計委員會成員出席該等會議的情況載於下表：

Name of Director	董事姓名	Number of meetings attended/ required to attend 已出席次數/ 應出席次數
Mr. Li Hongkun (chairman)	李紅琨先生(主席)	3/3
Mr. Liu Guangcan	劉光燦先生	3/3
Mr. Wong Kai Yan Thomas	王佳欣先生	3/3

Nomination Committee

The Nomination Committee currently consists of three members, including two independent non-executive Directors, namely Mr. Yu Dingming (chairman) and Mr. Li Hongkun, and one executive Director, namely Mr. Ma Minchao.

The main responsibilities of the Nomination Committee are as follows:

1. studying the criteria and procedures for the selection of Directors and senior management of the Company, including but not limited to appointment or re-appointment of Directors and succession plan of Directors, and making recommendations to the Board;
2. extensively identifying candidates qualified to serve as Directors or senior management of the Company, and selecting and nominating relevant persons to serve as Directors or senior management of the Company or advising the Board on such nomination;
3. examining the qualifications of the candidates for Directors and senior management of the Company and making recommendations in respect thereof;
4. assessing the independence of independent non-executive Directors;
5. advising the Board on the size and composition of the Board based on the Company's business activities, asset size and shareholding structure of the Company, reviewing the structure, size and composition (including diversification in skills, knowledge and experience) of the Board at least once every year, and making suggestions on any proposed change to the Board in support of the Company's strategies;
6. reporting its decisions or suggestions to the Board, except where it is prohibited to do so under legal or regulatory restrictions; and
7. other duties and powers stipulated by applicable laws, regulations and the Hong Kong Listing Rules or authorized by the Board.

The Nomination Committee evaluates candidates or incumbents based on standards such as integrity, experience, skills, and time and efforts devoted to performing responsibilities. The recommendations of the Nomination Committee will then be submitted to the Board for decision.

The work rules for Nomination Committee are available for inspection on the websites of the Hong Kong Stock Exchange and the Company.

From the Listing Date to the date of publication of this annual report, the Nomination Committee held a meeting on March 27, 2020, and considered the matters concerning the assessment on the independence of independent non-executive Directors and the review of the structure, size and composition of the Board, etc. All members of the Nomination Committee attended the meeting.

提名委員會

提名委員會現時由三名成員組成，包括兩位獨立非執行董事于定明先生(主席)及李紅琨先生，及一名執行董事馬敏超先生。

提名委員會的主要職責如下：

1. 研究董事及本公司高級管理人員的選擇標準和程序，包括但不限於董事委任或重新委任以及董事繼任計劃，並向董事會提出建議；
2. 廣泛物色具備合資格可擔任董事及本公司高級管理人員的人選，並挑選提名有關人士出任董事及本公司高級管理人員或就此向董事會提供意見；
3. 對董事人選及本公司高級管理人員人選進行審查，並提出建議；
4. 評核獨立非執行董事的獨立性；
5. 根據公司經營活動情況、資產規模和股權結構對董事會的規模和構成向董事會提出建議，至少每年檢討董事會的架構、人數及組成(包括技能、知識及經驗多元化方面)，並就任何為公司策略而擬對董事會作出的變動提出建議；
6. 向董事會匯報其決定或建議，但受到法律或監管限制所限而不能作此匯報的除外；及
7. 適用法律、法規及香港上市規則規定的或董事會授予的其他職權。

提名委員會按誠信、經驗、技能以及為履行職責所付出之時間及努力等標準評估候選人或在任人。提名委員會之建議將於其後提交董事會以作決定。

提名委員會的工作細則於香港聯交所及本公司網站可供查閱。

自上市日期起至本年報刊發日期，提名委員會於2020年3月27日召開提名委員會會議，審議了關於評核獨立非執行董事獨立性和檢討董事會架構、人數及組成情況等的事項。所有提名委員會成員均出席此次會議。

Corporate Governance Report

企業管治報告

The attendance of members of the Nomination Committee at the meeting is set out as follows:

各提名委員會成員出席該等會議的情況載於下表：

Director	董事	Number of meetings attended/ required to attend 已出席次數/ 應出席次數
Mr. Yu Dingming (<i>chairman</i>)	于定明先生(主席)	1/1
Mr. Ma Minchao	馬敏超先生	1/1
Mr. Li Hongkun	李紅琨先生	1/1

Remuneration and Evaluation Committee

The Remuneration and Evaluation Committee consists of three members, including two independent non-executive Directors, namely Mr. Yu Dingming (chairman) and Mr. Li Hongkun, and one executive Director, namely Mr. Rao Ye.

薪酬與考核委員會

薪酬與考核委員會由三名成員組成，包括兩位獨立非執行董事于定明先生(主席)及李紅琨先生，及一名執行董事饒燁先生。

The main responsibilities of the Remuneration and Evaluation Committee are as follows:

薪酬與考核委員會的主要職責如下：

- | | |
|--|---|
| <ol style="list-style-type: none"> 1. studying the criteria for performance evaluation of Directors and senior management of the Company, conducting evaluation and making recommendations; 2. studying and reviewing the remuneration policy and scheme for Directors and senior management of the Company; 3. making recommendations to the Board on the remuneration policy and structure for all Directors and senior management of the Company and on the establishment of a formal and transparent procedure for developing a remuneration policy according to the main scope of work, duties and importance of the Directors and senior management of the Company and the remuneration levels of comparable companies; 4. studying the performance evaluation criteria and procedures, remuneration and measures for rewards and punishments of Directors and senior management of the Company and making suggestions; 5. assessing the performance of duties by the Directors and senior management of the Company and evaluating their performance; 6. reviewing and approving the suggestions on remuneration packages of Directors and senior management of the Company with reference to the Company's business policies and objectives, and investment plans; | <ol style="list-style-type: none"> 1. 研究董事與本公司高級管理人員考核的標準，進行考核並提出建議； 2. 研究和審查董事及本公司高級管理人員的薪酬政策與方案； 3. 根據董事及本公司高級管理人員管理崗位的主要範圍、職責、重要性以及其他相關企業相關崗位的薪酬水平，制訂薪酬政策或架構，建立正規、透明的薪酬政策制訂程序，並向董事會提出建議； 4. 研究董事及本公司高級管理人員的考核標準、績效評價程序和薪酬及獎懲辦法，並提出建議； 5. 評審公司董事及本公司高級管理人員的履職情況並對其進行績效考核評價； 6. 參照公司經營方針及目標和投資計劃而審查並批准董事及本公司高級管理人員的薪酬待遇建議； |
|--|---|

7. making recommendations to the Board on the remuneration packages of individual executive Directors and senior management of the Company, including benefits in kind, pension rights and compensation payments (including any compensation for loss or termination of their office or appointment), and proposing to the Board with respect to the remuneration of the non-executive Directors. The factors to be considered by the Remuneration and Evaluation Committee may include the remunerations paid to relevant persons by comparable companies, time devoted by the Directors or senior management of the Company for the performance of their duties and the specific scope of duties of the Directors or senior management of the Company, remunerations for persons holding other positions in the Company, etc. In considering and determining the remuneration for the Directors and senior management of the Company, the Remuneration and Evaluation Committee shall ensure that no Director or senior management of the Company or any of their associates is involved in deciding his/her own remunerations;
 8. supervising and inspecting the implementation of the Company's remuneration management system, and reporting to the Board;
 9. considering and determining whether to make any compensation to Directors and senior management of the Company for the loss or termination of their office, and ensuring such compensation (if any) conforms to relevant contract terms; in case of any inconformity, relevant compensation shall be fair and reasonable;
 10. considering and determining whether to make any compensation to Directors for their dismissal or removal caused by their misconduct, and ensuring such compensation (if any) conforms to relevant contract terms; in case of any inconformity, relevant compensation shall be fair and reasonable;
 11. reviewing and supervising the training and continuous professional development of the Directors and senior management of the Company;
 12. reporting its decisions or suggestions to the Board, except where it is prohibited to do so under legal and other restrictions; and
 13. other matters specified in the applicable laws, regulations and the Hong Kong Listing Rules or authorized by the Board.
7. 向董事會建議個別執行董事及本公司高級管理人員的薪酬待遇，此薪酬待遇包括非金錢利益、退休金權利及補償金額，補償金(包括對其任何喪失或終止職務或委任的賠償)，並就非執行董事的薪酬向董事會提出建議。薪酬與考核委員會考慮的因素可包括同類公司支付的相關人員的薪酬，該董事或本公司高級管理人員為履行其職責須付出的時間，該董事或高級管理人員的具體職責範圍及公司內其他職位人員的待遇等內容。在考量確定董事及本公司高級管理人員薪酬的過程中，薪酬與考核委員會應確保任何董事及本公司高級管理人員或其任何連絡人不得自行確定薪酬；
 8. 監督、檢查公司薪酬管理制度執行情況，並向董事會匯報；
 9. 考量及確定是否做出因董事及本公司高級管理人員喪失或終止其職務而獲得有關賠償的安排，並確保該等賠償(如有)與有關合約條款一致；若未能與有關合約條款一致，則有關賠償亦須公平合理；
 10. 考量及確定是否做出因董事行為失當而就解僱或罷免有關董事所涉及的賠償安排，並確保該等安排(如有)與有關合約條款一致；若未能與有關合約條款一致，則有關賠償亦須合理適當；
 11. 審核和監督董事和本公司高級管理人員的培訓及持續專業發展；
 12. 向董事會匯報其決定或建議，但受到法律等限制而不能作此匯報的除外；及
 13. 適用法律、法規及香港上市規則規定的或董事會授權的其他事宜。

The work rules for the Remuneration and Evaluation Committee are available for inspection on the websites of the Hong Kong Stock Exchange and the Company.

薪酬與考核委員會的工作細則於聯交所及本公司網站可供查閱。

Corporate Governance Report

企業管治報告

From the Listing Date to the date of publication of this annual report, the Remuneration and Evaluation Committee held a meeting on March 27, 2020, and considered the remunerations of Directors and senior management of the Company for 2019 and 2020. All members of the Remuneration and Evaluation Committee attended the meeting.

The attendance of members of the Remuneration and Evaluation Committee at the meeting is set out as follows:

Name of Director	董事姓名	Number of meetings attended/ required to attend
		已出席次數/ 應出席次數
Mr. Yu Dingming (<i>chairman</i>)	于定明先生(主席)	1/1
Mr. Rao Ye	饒燁先生	1/1
Mr. Li Hongkun	李紅琨先生	1/1

Strategy Committee

The Strategy Committee consists of five members, including three executive Directors, namely Mr. Ma Minchao (chairman), Mr. Rao Ye and Mr. Lu Jianfeng; one non-executive Director, namely Mr. Liu Guangcan; and one independent non-executive Director, namely Mr. Li Hongkun.

The main responsibilities of the Strategy Committee are as follows:

- conducting researches and submitting proposals regarding strategic plans for the long-term development of the Company;
- issuing notices on formulating the Company's strategic plans, organizing the analysis and discussion of the strategic plans, and considering the strategic plans and the adjustments thereto;
- supervising the implementation of strategic plans and regularly assessing the implementation thereof;
- conducting research and making recommendations regarding the major issues affecting the Company's development strategies, such as company transformation, restructuring, listing, major investment and financing, asset acquisition, capital operation, and equity acquisition, which are subject to consideration or approval by the Board as required by the Articles of Association;
- conducting researches and submitting proposals regarding other material matters that may affect the Company's development;

自上市日期起至本年報刊發日期，薪酬與考核委員會於2020年3月27日召開會議，審議了關於董事及本公司高級管理人員2019年度及2020年度薪酬的事項。所有薪酬與考核委員會成員均出席此次會議。

各薪酬與考核委員會成員出席該等會議的情況載於下表：

Name of Director	董事姓名	Number of meetings attended/ required to attend
		已出席次數/ 應出席次數
Mr. Yu Dingming (<i>chairman</i>)	于定明先生(主席)	1/1
Mr. Rao Ye	饒燁先生	1/1
Mr. Li Hongkun	李紅琨先生	1/1

戰略委員會

戰略委員會由五名成員組成，包括三位執行董事馬敏超先生(主席)、饒燁先生及呂劍鋒先生，一名非執行董事劉光燦先生，及一名獨立非執行董事李紅琨先生。

戰略委員會的主要職責如下：

- 對公司長期發展戰略規劃進行研究並提出建議；
- 發出制定公司戰略規劃的通知，組織戰略規劃的分析、研討，並對戰略規劃及其調整方案進行審議；
- 監督戰略規劃的執行，定期對戰略規劃的實施情況進行評估；
- 對《公司章程》規定須經董事會審議或批准，影響公司發展戰略的重大事項，如公司改制、重組、上市、重大投資、資產收購、資本運作、股權收購等，進行研究並提出建議；
- 對其他影響公司發展的重大事項進行研究並提出建議；

- | | |
|--|--------------------------------------|
| 6. carrying out examination on the implementation of items 4 and 5, and reporting the results to the Board; | 6. 對上述4至5所列事項的實施進行檢查，並向董事會報告結果； |
| 7. submitting Board meeting proposals to the Board regarding the development strategies of the Company; and | 7. 向董事會提出有關公司發展戰略的董事會會議議案；及 |
| 8. other matters specified in the applicable laws, regulations and Code of Corporate Governance for Listed Companies or authorized by the Board. | 8. 適用法律、法規及《上市公司治理準則》規定的或董事會授權的其他事宜。 |

The Strategy Committee did not hold any meeting as from the Listing Date to the date of publication of this annual report.

自上市日期起至本年報刊發日期，戰略委員會暫未召開戰略委員會會議。

Risk Management and Control Committee

The Risk Management and Control Committee consists of seven members, including two non-executive Directors, namely Mr. Liu Guangcan (chairman) and Mr. He Jianqiang; two executive Directors, namely Mr. Ma Minchao and Ms. Hu Zhurong; and three independent non-executive Directors, namely Mr. Wong Kai Yan Thomas, Mr. Yu Dingming and Mr. Li Hongkun.

風險管控委員會

風險管控委員會由七名成員組成，包括兩位非執行董事劉光燦先生(主席)及何建強先生，兩名執行董事馬敏超先生及胡珠榮女士，及三名獨立非執行董事王佳欣先生、于定明先生及李紅琨先生。

The main responsibilities of the Risk Management and Control Committee are as follows:

風險管控委員會的主要職責如下：

- | | |
|--|--|
| 1. organizing and carrying out preliminary risk assessment of the Company's strategic decisions, major investment decisions, major financing decisions, major restructuring decisions, major asset disposal decisions, corporate merger and division decisions, organizational structure decisions and other risk-related matters, preparing minutes of the Risk Management and Control Committee meeting and submitting such minutes together with relevant opinions and proposals to the Board for deliberation; | 1. 具體組織實施對公司戰略決策、重大投資決策、重大籌融資決策、重大重組決策、重大資產處置決策、企業合併分立決策、組織架構決策及其他所涉風險相關事宜的前置風險評估工作，並形成風險管控委員會會議記錄，連同相關意見及議案報送董事會進行審議； |
| 2. organizing and formulating the Company's risk management system according to the basic regulations of the internal control, and supervising the implementation and effectiveness thereof; | 2. 按內部控制基本規範組織擬訂公司風險管理制度，並對其實施情況及效果進行監督； |
| 3. assisting the Board in conducting preliminary risk assessment of matters to be considered by the Board, and preparing corresponding risk assessment reports; | 3. 協助董事會做好各項董事會審議事項的事前風險評估工作，並形成相應的風險評估報告； |
| 4. carrying out risk assessment and risk analysis, and studying important investigation results related to risk management and the response of the management to the investigation results, either on its own initiative or as delegated or instructed by the Board; | 4. 主動或按董事會授權、指令，做好相應的風險評估與風險分析工作，就有關風險管理的重要調查結果及管理層對調查結果的回應進行研究； |
| 5. supervising the establishment of the Company's risk management system and supervising the day-to-day risk management of the Company; and | 5. 負責監督公司風險管理體系的建立，並監督公司日常風險管理工作；及 |
| 6. performing other risk management duties as required by the Basic Standard for Enterprise Internal Control and the Hong Kong Listing Rules from time to time. | 6. 負責《企業內部控制基本規範》及香港上市規則不時規定的其他風險管理職責。 |

Corporate Governance Report

企業管治報告

The work rules for the Risk Management and Control Committee are available for inspection on the websites of the Hong Kong Stock Exchange and the Company.

From the Listing Date to the date of publication of this annual report, the Risk Management and Control Committee held a meeting on March 27, 2020, and considered the audited consolidated financial statements and independent auditor's report in 2019, the amendments to the Articles of Association, 2019 annual results announcement and 2019 annual report, remunerations of Directors and senior management of the Company for 2019 and 2020, the framework agreements on continuing connected transactions and the related annual caps, the profit distribution plan for 2019, etc. All members of the Risk Management and Control Committee have attended the meeting.

The attendance of members of the Risk Management and Control Committee at the meeting is set out as follows:

風險管控委員會的工作細則於香港聯交所及本公司網站可供查閱。

自上市日期起至本年報刊發日期，風險管控委員會於2020年3月27日召開會議，審議了2019年度經審核合併財務報表及獨立核數師報告、修訂《公司章程》、2019年年度業績公告及2019年年度報告、董事及本公司高級管理人員2019年度及2020年度薪酬、持續關連交易框架協議及相關年度上限、2019年度利潤分配方案等的事項。所有風險管控委員會成員均出席會議。

各風險管控委員會成員出席該等會議的情況載於下表：

Name of Director	董事姓名	Number of meetings attended/ required to attend
		已出席次數/ 應出席次數
Mr. Liu Guangcan (<i>chairman</i>)	劉光燦先生(主席)	1/1
Mr. Ma Minchao	馬敏超先生	1/1
Ms. Hu Zhurong	胡珠榮女士	1/1
Mr. He Jianqiang	何建強先生	1/1
Mr. Wong Kai Yan Thomas	王佳欣先生	1/1
Mr. Yu Dingming	于定明先生	1/1
Mr. Li Hongkun	李紅琨先生	1/1

SUPERVISORY COMMITTEE

As at December 31, 2019, the Supervisory Committee consists of five Supervisors, namely Mr. Wu Xinhe (Shareholder representative Supervisor), Ms. Li Yan (Shareholder representative Supervisor), Mr. Chang Hongbing (Shareholder representative Supervisor), Mr. Guo Huan (employee representative Supervisor) and Ms. Li Na (employee representative Supervisor), of which Mr. Wu Xinhe is the chairman of the Supervisory Committee.

The Supervisory Committee is the Company's supervisory body which performs its duties strictly in accordance with the Company Law, the Articles of Association and the Hong Kong Listing Rules. It is accountable to the general meeting and is responsible for supervising the performance of duties by the Company's financial officers, the Board and members thereof, the General Manager and other senior management and preventing the same from abusing their powers to infringe upon the rights and interests of Shareholders.

監事會

截至2019年12月31日，監事會由五名監事組成，包括吳新河先生(股東代表監事)、李燕女士(股東代表監事)、常紅兵先生(股東代表監事)、郭歡先生(職工代表監事)及李娜女士(職工代表監事)，其中吳新河先生為監事會主席。

監事會是本公司的監督機構，嚴格依照《公司法》、《公司章程》以及香港上市規則履行職責，對本公司股東大會負責，對本公司財務人員、董事會及其成員和總經理等高級管理人員履行職責情況進行監督，防止其濫用職權，維護股東權益。

A Supervisor shall serve a term of three years, and may seek re-election upon expiry of the said term. A Supervisor shall continue to perform his/her duties in accordance with the laws, administrative regulations and the Articles of Association until a formally re-elected Supervisor takes office, if re-election is not conducted in a timely manner upon the expiry of his/her term of office or if resignation of the Supervisor results in the number of Supervisors being less than the quorum.

REMUNERATIONS OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Details of remuneration of the Directors and Supervisors for the year ended December 31, 2019 are set out in Note 9 to the consolidated financial statements of this annual report.

The range of remunerations for the year ended December 31, 2019 of other senior management (other than those who serve concurrently as a Director) of the Company are as follows:

Range of remunerations (RMB'000) 酬金等級(人民幣千元)	Number of individuals 人數
0-1,000	8

POLICY FOR THE NOMINATION OF DIRECTORS

According to the work rules of the Nomination Committee, the Directors are selected as per the following procedure:

The Nomination Committee shall:

1. carry out a comprehensive assessment and analysis on the existing Directors of the Company, fully communicate with relevant departments of the Company to learn about the Company's needs for new Directors and senior management of the Company, and form a written document;
2. based on job requirements and the Board Diversity Policy, look for candidates for Directors and senior management of the Company through a variety of channels such as from the Company or its subsidiaries, and from the job market;
3. collect information about the occupation, education background, title, detailed work experience, full and part-time jobs of primary candidates, and put together a written document;

監事每屆任期為三年。監事任期屆滿，連選可以連任。倘監事任期屆滿後未能及時進行重選，或監事辭任導致監事人數少於法定人數，則監事須按法律、行政法規和《公司章程》的規定繼續履行其職責，直至正式獲重選的監事上任為止。

董事、監事及高級管理人員的薪酬

董事及監事截至2019年12月31日止年度的薪酬詳情載於本年報合併財務報表附註9。

除兼任董事以外的本公司其他高級管理人員截至2019年12月31日止年度的酬金等級載列如下：

提名董事的政策

根據提名委員會工作細則規定，董事的選任程序如下：

提名委員會會：

1. 對公司現有董事進行綜合評估與分析，跟公司相關部門進行充分交流，研究公司對新董事、及本公司高級管理人員的需求情況，並形成書面材料；
2. 根據職位需求及董事會成員多元化政策，通過公司、子公司內部以及人才市場等多種渠道廣泛搜尋董事、高級管理人員人選；
3. 收集初選人員的職業、學歷、職稱、詳細工作經歷、全部兼職等情況，並形成書面材料；

Corporate Governance Report

企業管治報告

4. in accordance with the laws and regulations, the Rules of Procedure for Board Meetings and the Articles of Association, seek the consent of the candidates to their nominations by relevant bodies or persons as Directors and senior management of the Company before treating them as candidates for Directors and senior management of the Company;
 5. convene a meeting of the Nomination Committee to review the qualifications of candidates as per the job requirements for Directors and senior management of the Company;
 6. form a resolution of the meeting of the Nomination Committee and submit candidate recommendations and related material to the Board; and
 7. proceed with other follow-up work based on the decisions and feedbacks of the Board.
4. 根據法律法規和《董事會議事規則》、《公司章程》的規定，就相關機構或人員對董事及本公司高級管理人員的提名，徵求候選人對提名的同意，否則不能將其作為董事及本公司高級管理人員人選；
 5. 召開提名委員會會議，根據董事及本公司高級管理人員的任職條件，對候選人進行資格審查；
 6. 形成提名委員會會議決議，向董事會提出人選建議和相關材料；及
 7. 根據董事會決定和反饋意見進行其他後續工作。

DIRECTORS' RESPONSIBILITIES FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Directors acknowledge their duties of preparing the consolidated financial statements that are true and fair in accordance with IFRSs and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the Directors determine is necessary to enable the preparation of consolidated financial statements to be free from material misstatement, whether due to fraud or error.

The Company's management has provided the Board with the necessary explanations and data to enable the Board to make an informed assessment of the Company's audited consolidated financial statements submitted to it for approval.

The Directors are not aware of any significant uncertainties related to events or conditions that may cast a shadow on the Company's sustained operation.

The statement of the auditors regarding their obligation to report the Company's audited consolidated financial statements is set out in the "Independent Auditor's Report" on page 128 of this annual report.

RISK MANAGEMENT AND INTERNAL CONTROL

The Company has established a complete and sound risk management and internal control system and has formulated a series of rules to ensure the institutionalization and systematization of the Company's risk management and internal control work. In terms of organizational structure, the Company has set up different functional departments to be responsible for financial operations and monitoring, risk management, internal audit, anti-fraud, etc. The Company has established a Risk Management and Control Committee which is responsible for reviewing the Company's risk management system, conducting risk assessment and risk analysis, and overseeing day-to-day risk management. The Company has designated the Board office as the office of the Risk Management and Control Committee and the legal affairs department as risk management department.

董事就合併報表須承擔的責任

公司董事須負責根據《國際財務報告準則》及香港《公司條例》的披露規定擬備真實而中肯的合併財務報表，並對其認為為使合併財務報表的擬備不存在由於欺詐或錯誤而導致的重大錯誤陳述所需的內部控制負責。

本公司的管理層已向董事會提供必要的闡釋及數據，使董事會能對提呈予董事會批准的本公司經審核合併財務報表進行知情的評估。

董事並不知悉與可能對本公司持續經營構成重大疑問的事件或狀況有關的任何重大不確定因素。

核數師就彼等有關本公司經審計合併財務報表的申報責任作出的聲明載於本年報第128頁的「獨立核數師報告」。

風險管理及內部監控

本公司已建立完備及穩健的風險管理及內部監控系統，並制訂了一系列規則以確保本公司風險管理及內部監控工作的制度化及系統化。本公司在組織結構上設立不同職能部門負責財務運作和監控、風險管理、內部審計及反舞弊等具體工作。本公司已設立風險管控委員會，負責審查本公司的風險管理制度、進行風險評估及風險分析以及監管日常風險管理，本公司指定董事會辦公室為風險管控委員會的日常辦事機構，指定法律事務部為風險管理部門。

Based on the progress of previous risk management and control work and the work objectives of the current year, the Company formulates the risk management and control work plan at the beginning of each year, analyzes the Company's risk profile on a monthly and quarterly basis, and pays special attention to risks affecting the Company's production and operation or relevant to economic indicators and standardizes the countermeasures in respect thereof, so as to reduce overall operational risks. The Company focuses on minimizing major risks, makes active efforts in comprehensive risk management, establishing a sound mechanism for regular risk assessment, and special risk assessment systems for major domestic and overseas investments, major capital operation management and other important matters to strengthen internal control. The Company has formulated the "Information Disclosure Management Measures" to specify the responsibilities and obligations of each department in handling internal information, the disclosure procedures for periodic reports and interim reports, as well as confidentiality measures and corresponding responsibilities.

The Board is responsible for maintaining an appropriate risk management and internal control system to secure Shareholders' investments and the Company's assets, and with the support of the Audit Committee, reviews the effectiveness of the system annually. The risk management and internal control system is designed to identify, assess and report on potential risks and implement control measures to manage, rather than eliminate, the risk of failing to achieve business objectives, and provide reasonable rather than absolute guarantee that there will be no material misrepresentation or loss.

During the Reporting Period, the Board, through the Audit Committee, reviewed the effectiveness of the Group's financial monitoring, operational monitoring and compliance monitoring and the risk management system and internal control system, and no material issues or errors were found. The Board believes that the current monitoring system of the Company is effective and adequate and that the Company has sufficient experience and resources in relation to the qualifications and experience of employees, performance of accounting and financial reporting duties, training courses, and relevant budgets.

DIVIDEND POLICY

The profit distribution policy of the Company:

1. the Company gives full consideration to the returns to investors. Where the earnings and accumulative undistributed profits of the current year are positive and enough provision has been made to statutory reserve fund and surplus reserve fund, the Board will propose a profit distribution plan taking into consideration the Company's overall business developments, operating results, financial results, working capital, capital demands, future prospects, cash flow and any other factors deemed relevant by it and submit the plan to the general meeting for approval;

本公司根據既往風險管控工作開展情況並結合當年度工作目標，於每年初制訂風險管控工作計劃，按月、按季度分析本公司風險情況，著力圍繞影響本公司生產經營或與經濟指標強相關的各風險點逐步排查並規範應對措施，降低整體運營風險。本公司以重大風險的事前控制為重點，積極開展全面風險管理工作，建立健全風險評估常態化機制，對重大境內外投資，重大資本運營管理事項使用等重要事項建立專項風險評估制度，以加強內部控制。本公司已制定「信息披露管理辦法」，規定了內部信息處理過程中，各部門的職責和義務，定期報告及中期報告之披露程序，明確了保密措施及相應責任。

董事會負責維持一個適當的風險管理及內部監控系統，以保障股東的投資和本公司的資產，並在審計委員會的支持下，每年審查該制度的有效性。風險管理及內部監控系統旨在識別、評估和報告潛在風險和實施控制措施，旨在管理而非消除未能達成業務目標的風險，而且只能就不會有重大的失實陳述或損失作出合理而非絕對的保證。

董事會在報告期內通過審計委員會對本集團包括財務監控、運作監控、合規監控及風險管理系統的風險管理及內部監控系統的有效性進行審查，未發現存在任何重大問題，或出現任何重大失誤。董事會認為，本公司目前的監控體系有效及足夠，並認為本公司在員工的資歷和經驗、履行會計及財務匯報職責、培訓課程及本公司有關預算方面的經驗和資源足夠。

股息政策

本公司的利潤分配政策為：

1. 公司充分考慮對投資者的回報，在當年盈利、累計未分配利潤為正，且足額預留法定公積金、盈餘公積金後，由董事會根據公司的整體業務狀況、營運業績、財務業績、營運資金、資本需求、未來前景、現金流量及董事會視為相關的任何其他因素提出利潤分配方案，報股東大會批准；

Corporate Governance Report

企業管治報告

2. the profit distribution policy of the Company shall be continuous and stable and take into account the long-term interests of the Company, the overall interests of all Shareholders and the sustainable development of the Company;
 3. the Company shall distribute profits by means of cash, shares, a combination of cash and shares or other appropriate means in proportion to the Shareholders' shareholding. In principle, the Company shall distribute profits once a year. The profits distributed shall be no less than one-third of the distributable profits of the parent company realized in the current year and shall be distributed within the following year;
 4. the profit distribution policy can be adjusted upon proposal by the Board and the deliberation and approval at the general meeting in case of any force majeure such as war, natural disaster, or changes in the Company's external business environment that have a significant impact on the Company's production and operation, or significant changes in the Company's own business status; and
 5. the plan for adjusting profit distribution policy shall be formulated by the Board, and considered and approved by the general meeting. The adjusted profit distribution policy shall not contravene laws and regulations, departmental rules, normative documents and the relevant provisions of the Articles of Association.
2. 公司的利潤分配政策保持連續性和穩定性，同時兼顧公司的長遠利益、全體股東的整體利益及公司的可持續發展；
 3. 公司按照股東持有的股份比例，採用現金、股票、現金與股票相結合或合適的其他方式進行利潤分配，原則上，公司每年進行一次利潤分配，每年所分配利潤不少於當年實現的母公司可供分配利潤的三分之一，且應於次年內進行分配；
 4. 如遇到戰爭、自然災害等不可抗力、或者公司外部經營環境變化對公司生產經營造成重大影響，或自身經營狀況發生較大變化時，經董事會提議，股東大會審議通過，可對利潤分配政策進行調整；及
 5. 利潤分配政策的調整方案由董事會擬訂，股東大會審議通過。調整後的利潤分配政策不得違反法律法規、部門規章、規範性文件及《公司章程》的有關規定。

AUDITORS' REMUNERATION

During the financial year ended December 31, 2019, Mazars Certified Public Accountants LLP and PricewaterhouseCoopers have been appointed as the domestic and international auditors of the Company.

The remuneration paid or payable in respect of the audit and non-audit services rendered to the Company is set out below:

核數師酬金

於截至2019年12月31日止財政年度內，中審眾環會計師事務所(特殊普通合伙)及羅兵咸永道已分別獲委任為本公司境內、外核數師。

而就向本公司提供的核數及非核數服務已付或應付的酬金載列如下：

Service type	服務類別	Amount (RMB'000) 金額(人民幣千元)
Audit service	核數服務	3,990
About (issue PN730 report/PN740 report/ verification of funds raised in foreign currencies via listing in Hong Kong) non-audit services	關於(出具PN730報告/出具PN740報告/ 港股上市外幣募集資金驗資)非核數服務	110
Total	總計	4,100

JOINT COMPANY SECRETARIES

Mr. Rao Ye (“**Mr. Rao**”) is our joint company secretary, who is responsible for making suggestions to the Board on corporate governance and ensuring compliance with the policies and procedures of the Board, applicable laws, regulations and rules.

To maintain good corporate governance and ensure compliance with the Hong Kong Listing Rules and applicable Hong Kong laws and regulations, the Company has appointed Ms. Wong Sau Ping (“**Ms. Wong**”), an associate director of the listing services department of TMF Hong Kong Limited (a global corporate services provider), as another joint company secretary of the Company, to assist Mr. Rao in performing his duties as the joint company secretary of the Company. Her main contact in the Company is Mr. Rao.

For the year ended December 31, 2019, Mr. Rao and Ms. Wong had received relevant professional trainings for no less than 15 hours in accordance with Rule 3.29 of the Hong Kong Listing Rules.

COMMUNICATION WITH SHAREHOLDERS AND INVESTOR RELATIONS

We believe that effective communication with Shareholders is important for strengthening investor relations and enabling investors to understand the Group’s business, performance and strategy. We also firmly believe in the importance of timely and non-selective disclosure of our information for Shareholders and investors to make informed investment decisions.

The annual general meeting provides an opportunity for direct communication between Shareholders and Directors. The chairman of the Company and the chairmen of the respective Board committees will attend annual general meetings to answer questions put forward by Shareholders. Our external auditors will also attend annual general meetings and answer questions on audit work, the preparation and content of auditor’s reports, accounting policies and auditor’s independence.

To promote effective communication, we adopt a shareholder communication policy which aims at establishing a two-way relationship and communication between the Shareholders and us, and also have a website (<https://www.ynhnt.com>) where we publish the latest data, financial information, corporate governance practices and other information on our business operations and development for public access.

聯席公司秘書

饒燁先生(「**饒先生**」)為本公司聯席公司秘書，負責就企業管治事宜向董事會提出建議，並確保遵循董事會的政策及程序、適用法律、法規及規則。

為維持良好的企業管治並確保符合香港上市規則及適用香港法律法規，本公司亦委聘達盟香港有限公司(一家全球企業服務提供商)上市服務部的副董事黃秀萍女士(「**黃女士**」)為本公司的另一位聯席公司秘書，協助饒先生履行彼作為本公司聯席公司秘書的職責，其於本公司的主要聯絡人為饒先生。

截至2019年12月31日止年度，饒先生及黃女士已符合香港上市規則第3.29條進行不少於15小時的相關專業培訓。

與股東的溝通及投資者關係

本公司認為與股東的有效溝通對加強投資者關係及使投資者了解本集團的業務、表現及策略非常重要。本公司亦深信及時與非選擇性地披露本公司資料以供股東及投資者作出知情投資決策的重要性。

股東週年大會提供股東與董事直接溝通的機會。董事長及各董事會委員會主席將出席股東週年大會解答股東提問。本公司外聘核數師亦將出席股東週年大會，並解答有關審計工作、核數師報告的編製及內容、會計政策及核數師獨立性的提問。

為促進有效的溝通，本公司採納股東通訊政策，旨在建立本公司與股東的相互關係及溝通，並設有網站(<https://www.ynhnt.com>)，本公司會於網站刊登有關其業務營運及發展的最新數據、財務資料、企業管治常規及其他資料，以供公眾人士讀取。

Corporate Governance Report

企業管治報告

SHAREHOLDERS' RIGHTS

To protect the interests and rights of Shareholders, the Company will submit separate resolutions on various matters, including the election of individual Directors, at the general meeting. Under the Hong Kong Listing Rules, all resolutions submitted at the general meeting will be voted on in accordance with the Hong Kong Listing Rules, and the voting results will be published on the websites of the Company and the Hong Kong Stock Exchange in a timely manner after the general meeting.

CONVENING OF SPECIAL GENERAL MEETING AND PROPOSALS

Shareholders who request an extraordinary general meeting or a general meeting of a class of Shareholders shall comply with the following procedures according to the Articles of Association:

1. two or more Shareholders individually or collectively holding more than 10% of the voting Shares at the proposed meeting can request the Board to convene a class meeting by signing one or several written request(s) with the same content and in the same format, and stating the matters to be considered at the meeting. The Board shall convene the class meeting as specified in the request as soon as possible. The shareholdings referred to above shall be calculated as at the date when the request is put forward by the Shareholders;
2. If no notice of convening a general meeting is issued within 30 days after the Board receiving the abovementioned written request(s), the Shareholders making the request(s) can request the Supervisory Committee to convene an extraordinary general meeting or a class meeting;
3. If the Supervisory Committee fails to issue a notice on the convening of meeting within 30 days after receiving the aforesaid written request, the Shareholders individually or collectively holding more than 10% of the Company's voting Shares at the proposed meeting for at least consecutive 90 days may convene the meeting on their own within four months after the Board receives the request. The convening procedures shall be the same as the procedures for the convening of general meeting by the Board.

A general meeting convened by the Shareholders themselves shall be presided over by a representative elected by the convener.

股東權利

為保障股東的利益及權利，本公司會於股東大會上就各事項（包括選舉個別董事）提呈獨立決議案。根據香港上市規則，於股東大會上提呈的所有決議案將根據香港上市規則以投票方式進行表決，投票結果將於各股東大會舉行後及時於本公司及香港聯交所網站刊登。

召開股東特別大會及提呈建議

根據《公司章程》，股東要求召開臨時股東大會或類別股東大會，應當按照下列程序辦理：

1. 單獨或合計持有在擬舉行的會議上有表決權的股份百分之十以上的兩個或者兩個以上的股東，可以簽署一份或者數份同樣格式內容的書面要求，提請董事會召集類別股東會議，並闡明會議的議題。董事會在收到前述書面要求後應當盡快召集類別股東會議。前述持股數按股東提出書面要求日計算；
2. 如果董事會在收到前述書面要求後三十日內沒有發出召集會議的通告，提出該要求的股東可以提請監事會召集臨時股東大會或類別股東會議；
3. 如果監事會在收到前述書面要求後三十日內沒有發出召集會議的通知，連續九十日以上單獨或合計持有在該擬舉行的會議上有表決權的股份百分之十以上的股東可以在董事會收到該要求後四個月內自行召集會議，召集的程序應當盡可能與董事會召集股東會議的程序相同。

股東自行召集的股東大會，由召集人推舉代表主持。

Shareholders individually or collectively holding at least 3% of the Shares of the Company may submit a temporary resolution in writing to the convener 10 days prior to the convening of such meeting. The convener shall issue a supplementary notice of the general meeting to announce the contents of such temporary resolution within two days after receipt of the resolution, and submit such temporary resolution to the general meeting for consideration. The contents of such temporary resolution shall fall within the scope of the functions and powers of the general meeting, and clearly set out a topic to be discussed and specific matters for resolution. The contact information set out in the section headed "Enquiries to the Board" below may be used for the purpose of putting forward proposals at the general meeting.

For the purpose of recommending a person to be a Director, please refer to the relevant procedures on our website.

ENQUIRIES TO THE BOARD

Shareholders who wish to make inquiries to the Board about the Company may contact the Company's headquarters at 188 Linxi Road, Information Industrial Base, Economic and Technological Development Zone, Kunming, Yunnan, the PRC by mail, telephone (0871-63187896) or e-mail (GHPC02@ynhnt.com).

AMENDMENTS TO THE ARTICLES OF ASSOCIATION

The current Articles of Association has been effective since the Listing Date. The Company had not amended the Articles of Association from the Listing Date until December 31, 2019.

單獨或者合計持有公司百分之三以上股份的股東，可以在股東大會召開十日前提出臨時提案並書面提交召集人。召集人應當在收到提案後兩日內發出股東大會補充通知，公告臨時提案的內容，並將該臨時提案提交股東大會審議，臨時提案的內容應當屬於股東大會職權範圍，並有明確議題和具體決議事項。就向股東大會提呈建議而言，可使用下述「向董事會提出查詢」部分列載的聯絡資料。

關於建議某人參選董事的事宜，可於本公司網站參閱有關程序。

向董事會提出查詢

股東如欲向董事會作出有關本公司的查詢，可透過郵寄、電話或電郵等方法向本公司總部之中國雲南省昆明市經濟技術開發區信息產業基地林溪路188號查詢，聯繫電話為0871-63187896，電郵地址為GHPC02@ynhnt.com。

章程文件的更改

現行的《公司章程》自上市日期起生效。自上市日期起至2019年12月31日止，本公司沒有對《公司章程》做出修訂。

Supervisory Committee's Report

監事會報告

In 2019, the members of the Supervisory Committee strictly complied with the relevant provisions of the Company Law and other relevant laws and the Hong Kong Listing Rules, the Articles of Association and the Rules of Procedures of the Supervisory Committee of the Company, abided by the principle of good faith, earnestly performed their supervisory duties, actively carried out their work, participated in the meetings of the Supervisory Committee, attended the Board meetings and general meetings of the Company, and performed effective supervision on the legal operations, financial conditions and the performance of the Directors and management of the Company with a responsible attitude towards all Shareholders, which promoted the standardized operation of the Company.

BASIC COMPOSITION OF THE SUPERVISORY COMMITTEE

As of December 31, 2019, the Supervisory Committee consisted of 5 Supervisors, including Mr. Wu Xinhe, Ms. Li Yan, Mr. Chang Hongbing, Mr. Guo Huan (employee representative Supervisor) and Ms. Li Na (employee representative Supervisor), of which Mr. Wu Xinhe was the chairman of the Supervisory Committee. The term of office for Supervisors is 3 years.

OVERALL RESPONSIBILITY OF THE SUPERVISORY COMMITTEE

The Supervisory Committee is the Company's supervisory body. It strictly performs its duties in accordance with the Company Law, the Articles of Association and Hong Kong Listing Rules, and is responsible for the general meetings of the Company. It supervises the duty performance of the Company's finance personnel, the Board and its members, the general manager and other senior management, preventing their abuse of power and safeguarding the interests of Shareholders.

OPERATIONS OF THE SUPERVISORY COMMITTEE

As of the latest practicable date before the bulk printing of this annual report, the Supervisory Committee has convened 4 meetings and reviewed 25 proposals, with all Supervisors participating in the meetings in person:

- (i) On March 7, 2019, the Company convened the third meeting of the first session of the Supervisory Committee by way of on-site meeting. It reviewed and approved various reports for the year of 2018, including the working report of the Supervisory Committee, the audit report of the Company, the final financial accounting report of the Company, etc. and proposal on the adjustment of the members of the Supervisory Committee, proposal on the amendments to the Rules of Procedures of the Supervisory Committee of the Company, and proposal on the relevant matters of the connected transactions, which were in total of 9 proposals.

2019年，監事會成員嚴格按照《公司法》等有關法律和香港上市規則、《公司章程》及本公司《監事會議事規則》的有關規定，遵守誠信原則，本著對全體股東負責的態度，認真履行監督職責，積極開展工作，出席監事會會議，列席董事會會議和本公司股東大會，對本公司的依法運作、財務狀況及董事、本公司管理層履職情況等方面進行有效監督，促進了本公司的規範運作。

監事會基本構成

截至2019年12月31日，本公司監事會由5名監事組成，包括吳新河先生、李燕女士、常紅兵先生、郭歡先生（職工代表監事）及李娜女士（職工代表監事），其中吳新河先生為監事會主席。監事的任期為3年。

監事會總體職責

監事會是本公司的監督機構，嚴格依照《公司法》、《公司章程》以及香港上市規則履行職責，對本公司股東大會負責，對本公司財務人員、董事會及其成員和總經理等高級管理人員履行職責情況進行監督，防止其濫用職權，維護股東權益。

監事會工作情況

截至本年報大量印刷前之最後實際可行日期，監事會共召開4次會議，審議了25項議案。全體監事均親自出席會議：

- (一) 2019年3月7日，本公司以現場會議的形式舉行了第一屆監事會第三次會議，審議通過了2018年度各類報告，包括監事會工作報告、本公司審計報告、本公司財務決算報告等以及監事會人員調整、本公司《監事會議事規則》修訂、關連交易相關事項的議案共9項。

Supervisory Committee's Report 監事會報告

- (II) On March 15, 2019, the Company convened the 2019 first extraordinary meeting of the Supervisory Committee by way of on-site meeting to elect Mr. Wu Xinhe as the chairman of the first session of the Supervisory Committee.
- (III) On December 23, 2019, the Company convened the fourth meeting of the first session of the Supervisory Committee by way of document countersignature. It reviewed and approved the proposal on preparation of domestic audit report with the implementation of new domestic financial instruments and new leasing standards from 2019.
- (IV) On March 26, 2020, the Company convened the fifth meeting of the first session of the Supervisory Committee by way of on-site meeting. It reviewed and approved various reports for the year of 2019 including the working report of the Supervisory Committee, the annual report of the Company, the annual results announcement of the Company, the audit report of the Company, the final financial accounting report of the Company, the remuneration report of Directors, Supervisors and senior management etc. and proposal on the relevant matters of engagement of the independent auditors, which are in total of 14 proposals.
- (二) 2019年3月15日，本公司以現場會議的形式舉行了監事會2019年第一次臨時會議，選舉吳新河先生為本公司第一屆監事會主席。
- (三) 2019年12月23日，本公司以文件會簽的形式舉行了第一屆監事會第四次會議，審議通過了自2019年度起執行國內新金融工具及新租賃準則編製國內審計報告的事項。
- (四) 2020年3月26日，本公司以現場會議的形式舉行了第一屆監事會第五次會議，審議通過了2019年度各類報告，包括監事會工作報告、本公司年度報告、本公司年度業績公告、本公司審計報告、本公司財務決算報告、董監高薪酬事宜報告等以及獨立核數師聘任相關事項的議案共14項。

During the Reporting Period, the members of the Supervisory Committee attended the general meetings and the Board meetings of the Company, put forward relevant opinions and suggestions with a serious and responsible attitude, conducted supervision on the procedures and content of the meetings, and effectively supervised the decision-making procedures, legal operations and financial conditions of the Company's business, as well as the duty performance of the Directors and management in the daily operations of the Company. The reasonable opinions and suggestions put forward were adopted by the Company, which better safeguarded the legal interests of the Company and the Shareholders.

THE SUPERVISORY COMMITTEE'S BASIC EVALUATION ON THE OPERATIONS CONDUCTED BY THE BOARD AND THE SENIOR MANAGEMENT

During the year ended December 31, 2019, through supervising the Directors and senior management of the Company, the Supervisory Committee believed that the Company's major business decision-making procedures were legal and effective; when performing their duties, the Directors and senior management of the Company earnestly implemented the laws and regulations of the PRC, the Articles of Association and the resolutions of the general meetings and the Board meetings, and there was no behavior that harmed the interests of the Company or the Shareholders and no violations committed by the Directors or senior management of the Company were found during operations.

報告期內，監事會成員列席本公司的股東大會和董事會會議，以認真負責的態度提出了相關的意見和建議，對會議的程序和內容實施監督，並有效監督本公司經營的決策程序、依法運作情況、財務狀況以及董事、管理層於本公司日常經營中的職務行為，提出的合理意見及建議被本公司採納，較好地維護了本公司和股東的合法利益。

監事會對董事會、高級管理人員經營行為的基本評價

截至2019年12月31日止年度，通過對董事及本公司高級管理人員的監督，監事會認為：本公司重大經營決策程序合法有效；本公司董事及本公司高級管理人員在執行本公司職務時，均能認真貫徹執行國家法律法規、《公司章程》和股東大會、董事會決議，未出現損害本公司、股東利益的行為，經營中未發現本公司董事及本公司高級管理人員存在違規操作行為。

Supervisory Committee's Report

監事會報告

INDEPENDENT OPINION TO THE RELEVANT MATTERS OF THE COMPANY DURING THE REPORTING PERIOD

(I) Independent Opinion of the Supervisory Committee on the Company's Legal Operation

In 2019, the Supervisory Committee supervised the convening procedures and resolutions of the general meetings and the Board meetings of the Company, the implementation of resolutions of the Company's general meetings by the Board, and the duty performance of the Company's senior management in accordance with the rights granted under the Company Law and the Articles of Association.

The Supervisory Committee believed that the Company's decision-making procedures complied with the relevant provisions of the Company Law, the Articles of Association and the Hong Kong Listing Rules, and the Board has standardized operations, legal procedures, reasonable decisions, and earnestly implemented each resolution of the Company's general meetings. The Directors and senior management of the Company were loyal and diligent when they performed their duties, with no violation of laws, regulations, the Articles of Association or damage to the interests of the Company. Each resolution of the general meetings of the Company has been implemented.

(II) Independent Opinion of the Supervisory Committee on the Company's Financial Position

The Supervisory Committee supervised the Company's finance and believed that the Company's financial system was sound, and its financial operations were in good condition. The Company strictly met the requirements of the accounting system and accounting standards for business enterprises and other relevant financial regulations.

(III) Independent Opinion of the Supervisory Committee on the Company's Connected Transactions

The Supervisory Committee believed that the Company's relevant connected transactions were implemented in strict accordance with the relevant systems and agreements of connected transactions and were in line with the principles of fairness and reasonableness, without prejudice to the interests of the Company and its Shareholders.

2020 ANNUAL WORK PLAN

- (I) The Supervisory Committee will carry out its daily work in accordance with the requirements of the Articles of Association and the Rules of Procedures of the Supervisory Committee and other relevant provisions and will diligently and responsibly perform its duties. Meetings of the Supervisory Committee will be convened according to the actual situation of the Company. The Supervisory Committee will endeavor its best efforts

對本公司報告期內的有關事項的獨立意見

(一) 監事會對本公司依法運作情況的獨立意見

2019年，監事會依據《公司法》、《公司章程》等賦予的權利，對本公司股東大會、董事會的召開程序、決議事項、董事會對本公司股東大會的決議執行情況、本公司高級管理人員執行職務的情況等進行監督。

監事會認為，本公司決策程序遵守了《公司法》、《公司章程》和香港上市規則等的相關規定，董事會運作規範、程序合法、決策合理、認真執行本公司股東大會的各項決議。本公司董事、高級管理人員執行本公司職務時忠於職守、勤勉盡責，並無違反法律、法規、《公司章程》或損害本公司利益的情況，本公司股東大會的各項決議均得到了落實。

(二) 監事會對本公司財務情況的獨立意見

監事會對本公司財務進行了監督，認為本公司的財務制度健全，財務運行狀況良好，本公司嚴格按照企業會計制度和會計準則及其他相關財務規定的要求執行。

(三) 監事會對本公司關連交易情況的獨立意見

監事會認為，本公司有關關連交易嚴格按照關連交易的相關制度及協議執行，符合公平、合理的原則，未損害本公司及各股東利益。

2020年度工作計劃

- (一) 按照《公司章程》及《監事會議事規則》等相關規定的要求開展監事會日常議事活動，勤勉盡責地履行職責；根據本公司實際情況召開監事會會議，做好各項議案的審議工作；檢查本公司財務情況，通過定期了解和審閱財務報告，對

Supervisory Committee's Report 監事會報告

to review and consider various proposals. The financial position of the Company will be examined and checked by regularly knowing and reviewing the financial reports in order to conduct supervision on the financial operation of the Company, prevent operational risks and further safeguard the interests of the Company and Shareholders;

- (II) The Supervisory Committee will seriously study the relevant PRC laws and regulations and relevant policies newly introduced by the PRC, continuously enhance the efficiency of supervision and actively urge the construction and effective operation of the internal control system, establish a long-term effective mechanism of standardizing corporate governance of the Company and facilitate the sustainable and healthy development of the Company. It will give full play to its role as the Supervisory Committee by practicably assuming the responsibility of protecting the interests of the Shareholders and safeguarding a healthy and stable development of the Company;
- (III) The Supervisory Committee will diligently, responsibly and actively participate in the Board meetings, general meetings and other important meetings of the Company, and participate in the decision-making process in relation to some important matters and grasp the legality of decision-making procedures in relation to some important decision-making matters in order to better safeguard the interests of the Company and all Shareholders; and
- (IV) The Supervisory Committee will continue to strengthen its supervision over the performance of duties, the implementation of resolutions and the compliance of regulations and other aspects of the Directors and senior management of the Company. In particular, it will strengthen the supervision and correction over the violation, dereliction of duty, failure to act of the senior management, for purposes of enabling the senior management's decision-making and operating activities to be more standardized and legal.

In 2020, the Supervisory Committee will continue to seriously abide by the relevant provisions of the Company Law and other relevant laws and regulations, the Hong Kong Listing Rules and the Articles of Association, perform supervisory duties seriously, strengthen the supervision, effectively safeguard the interests of the Company and its Shareholders, and ensure the standardized and healthy operation of the Company.

By Order of the Supervisory Committee
Wu Xinhe
Chairman

Kunming, China, March 27, 2020

本公司的財務運作情況實施監督，防範經營風險，進一步維護本公司和股東的利益；

- (二) 認真學習國家有關法律法規和新出台的相關政策，不斷提高監督效率，積極督促內部控制體系的建設和有效運行。建立本公司規範治理的長效機制，促使本公司持續、健康的發展，充分發揮好監事會作用，切實擔負起保護廣大股東權益的責任，保障本公司健康穩定發展；
- (三) 勤勉盡職，積極參加本公司董事會會議、股東大會等重要會議，參與重大事項的決策過程，掌握重大決策事項決策程序的合法性，更好地維護本公司和全體股東的利益；及
- (四) 繼續加強對董事和本公司高級管理人員在履行職責、執行決議和遵守法規等方面的監督，特別是對高級管理人員違規、失職、不作為的監督與糾正，以使其決策和經營活動更加規範、合法。

2020年，監事會將繼續認真遵守《公司法》等有關法律法規和香港上市規則、《公司章程》的有關規定，認真履行監督職責，加強監督力度，切實維護本公司及廣大股東的利益，確保本公司規範健康運作。

承監事會命
主席
吳新河

中國昆明，2020年3月27日

Environment, Social and Governance (ESG) Report

環境、社會及管治(ESG)報告

1 ENVIRONMENT, SOCIAL AND GOVERNANCE OVERVIEW

1.1 About the Environmental, Social and Governance Report

1.1.1 Report preparation guidelines

This report has been prepared in accordance with *the Environmental, Social and Governance Reporting Guide* as set out in Appendix 27 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, of which the contents are also defined and disclosed on the principles of importance, quantification, balance and consistency.

1.1.2 Report scope

This report provides an overview of the annual performance on environment, social and governance of YCIH Green High-Performance Concrete Company Limited for interested parties to better understand our Group's sustainable development philosophy, management methods, measures and performance. This report sets forth the principles for our Group to implement Corporate Social Responsibility (CSR), as well as our Group's vision and commitment to CSR.

The time range covered by this report is January 1, 2019 to December 31, 2019.

This report covers the Company and its subsidiaries. Unless otherwise stated, the information involved in this report is derived from our Group's documents and statistical reports, and the currency involved is RMB.

1.1.3 Advice and feedback

The development of our Group also depends on the valuable advice from various interested parties. If you have any questions or comments on this report, please feel free to contact us by the following means: E-mail: ghpc1847esg@163.com.

1.2 About Us

1.2.1 Development history

YCIH Green High-Performance Concrete Company Limited's predecessor, YNJC Green High-Performance Concrete Company Limited, was established as a limited liability company in June 2007 by Yunnan Construction Engineering Concrete Co., Ltd., a state-owned wholly-owned subsidiary of the former Yunnan Construction Engineering Group Co., Ltd. In 2016, according to the "Five in One Batch" idea of YCIH, formerly known as Yunnan Construction Engineering Group Co., Ltd., as an important professional segment of YCIH's collaborative development, the Company moved its registered address to Zhaoyang District, Zhaotong City and changed its name to YCIH Green High-Performance Concrete Co., Ltd. in December 2016, by stripping the assets of the concrete part and carrying out the integration and reorganization of assets and businesses with the main

1 環境、社會及管治概覽

1.1 關於環境、社會及管治報告

1.1.1 報告編製準則

本報告按照香港聯合交易所有限公司證券上市規則附錄二十七所載《環境、社會及管治報告指引》編製而成，並以重要性、量化性、平衡性和一致性的原則對本報告的內容進行界定和披露。

1.1.2 報告範圍

本報告為概述雲南建投綠色高性能混凝土股份有限公司關於環境、社會及管治方面的年度表現，以便各利益相關方更好地了解本集團的可持續發展理念、管理方法、措施及相關表現等。本報告闡明本集團履行企業社會責任所秉持的原則，並闡述本集團對企業社會責任所提出的願景和承諾。

本報告覆蓋的時間範圍是2019年1月1日至2019年12月31日。

本報告內容涵蓋本公司及各下屬公司。如無另行說明，本報告內容所涉及的信息來源於本集團的文件和統計報告，所涉及貨幣金額以人民幣作為計量幣種。

1.1.3 意見及反饋

本集團的發展亦有賴各利益相關方提供寶貴意見。倘閣下對本報告有任何疑問或意見，歡迎通過以下方式與本集團取得聯繫，電子郵箱：ghpc1847esg@163.com。

1.2 關於我們

1.2.1 發展歷程

雲南建投綠色高性能混凝土股份有限公司的前身是雲南建工綠色高性能混凝土有限公司，由原雲南建工集團有限公司的下屬國有全資子公司—雲南建工混凝土有限公司於2007年6月設立為有限責任公司。2016年，按照雲南省建設投資控股集團有限公司(前身為雲南建工集團有限公司)「五個一批」思路，作為集團協同發展板塊重要的專業板塊，通過剝離混凝土板塊資產，開展以混凝土主業為核心的資產、業務整合重組，公司於2016年12月將註冊地遷至昭通市昭陽區，更名為雲南建投

Environment, Social and Governance (ESG) Report

環境、社會及管治(ESG)報告

concrete industry as the core. In December 2017, the Company completed joint stock system transformation and set up YCIH Green High-Performance Concrete Company Limited. On October 31, 2019, the Company was listed on the main board of the Hong Kong Stock Exchange (GHPC, stock code: 01847).

After years of development, our Group has developed into a ready-mixed concrete production enterprise with advanced equipment, leading technologies, standardized management and in the largest scale and strong comprehensive strength in the concrete industry of Yunnan Province, which is one of the first concrete enterprises with a three-star green building materials label in Yunnan Province. Our Group is mainly engaged in the production and sales of ready-mixed concrete, aggregates and polycarboxylic admixtures, which has established an industry chain — "technology research and development, resource processing, production and sales" and passed the three-in-one management system certification of GB/T19001, GB/T24001 and GB/T28001, China environmental labeling product certification, clean production acceptance and energy management system evaluation. It has two provincial research and development platforms, namely "Yunnan High-performance Concrete Engineering Research Center" and "Yunnan Industrial Product (Ready-mixed Concrete) Quality Control and Technology Evaluation Laboratory".

1.2.2 Corporate culture and social responsibility perspective

Enterprise spirit	Endless struggle, indomitable spirit Harmonious employees and flourish enterprises, pursuit of excellence
Enterprise' core values	Cherish posts, devote wholeheartedly to work Be honest and trustworthy, operate according to law
Vision	To be a first-class enterprise in the industry, to create a first-class brand in the industry Reward shareholders and create happiness for employees
Employment philosophy	Appoint people on their merits and pay attention to their comprehensive quality
Marketing philosophy	Take the market-oriented approach; take the marketing as the leader
Service philosophy	Focus on customers, and create fine services
Cost idea	Cost decides survival; benefit decides development
Quality idea	Quality and innovation
Safety philosophy	Prevention first and comprehensive treatment

綠色高性能混凝土有限公司。2017年12月，公司完成股份制改造，設立雲南建投綠色高性能混凝土股份有限公司。2019年10月31日，公司在香港聯交所主板掛牌上市(英文簡稱GHPC，股票代碼：01847)。

經過多年的發展，本集團發展成為雲南省混凝土行業中設備先進、技術領先、管理規範、規模最大、綜合實力雄厚的預拌混凝土生產企業，是雲南省首批獲得三星級綠色建材標識的混凝土企業。本集團主要從事預拌混凝土、砂石料、聚羧酸外加劑的生產和銷售，建立了「技術研發、資源加工、生產銷售」的產業鏈，通過GB/T19001、GB/T24001、GB/T28001三合一的管理體系認證、中國環境標識產品認證、清潔生產驗收及能源管理體系評價，並擁有「雲南省高性能混凝土工程研究中心」和「雲南省工業產品(預拌混凝土)質量控制和技術評價實驗室」兩個省級研發平台。

1.2.2 企業文化和社會責任觀

企業精神	奮鬥不息，堅韌不拔 人和企旺，追求卓越
企業核心價值觀	愛崗敬業，珍惜崗位 誠實守信，依法經營
願景	做行業一流企業，創行業一流品牌 讓股東得到回報，為員工創造幸福
用人理念	任人唯賢，注重綜合素質
營銷理念	以市場為導向，以營銷為龍頭
服務理念	以顧客為關注焦點，打造精細服務
成本理念	成本決定生存，效益決定發展
質量理念	優質、創新
安全理念	預防為主，綜合治理

Environment, Social and Governance (ESG) Report

環境、社會及管治(ESG)報告

1.2.3 Product idea and product innovation

Product concept

Our Group adheres to the road of safe production, intelligent manufacturing and green development, and pays attention to the green and environmental protection of products. The Company passed China environmental labeling product certification in 2006, and receives the supervision and audit of the certification authority every year, and has maintained *China Environmental Labeling Product Certification Certificate*. In 2019, our Group commissioned the National Center for Quality Supervision and Test of Building Engineering to inspect the concrete produced, and the results showed that the concrete indicators met the requirements of *Technical Requirement for Environmental Labeling Products — Ready-mixed Concrete (HJ/T412-2007)*.

In order to positively respond to the call of the national green building materials evaluation, our Group focuses on the evaluation of green building materials, and has become one of the first winners of the three-star green building materials label for concrete in Yunnan Province. Six mixing stations of the five branches (the Direct Division of Zhaotong, Dehong Branch, Baoshan Building Material, Qujing Building Material and Kunming Branch) of our Company have obtained the three-star green building materials label certificate and two mixing stations of a branch (Kunming Branch) have obtained the two-star green building materials label certificate.

With the aim of saving energy, reducing consumption and reducing emissions, our Group adopts advanced environmental protection equipment, management technology, monitoring means and advanced preparation technology to produce high-performance concrete with excellent mixing properties, mechanical properties, durability and long-term performance, and has passed China environmental labeling product certification, clean production acceptance and energy management system certification, as well as three-in-one management system certification of GB/T19001, GB/T24001 and GB/T28001. Our Group selects the mixing, transportation and test equipment with advanced technology, low carbon and energy saving, low noise, low emission and high production efficiency, and adopts fully closed production lines, closed silos, spray systems and powder recovery devices. The dust control for production within the factory boundary conforms to the provisions of *Emission Standard of Air Pollutants for Cement Industry (GB4915-2013)*, and the noise control within the factory boundary conforms to *Emission Standard for Industrial Enterprises Noise at Boundary (GB12348-2008)*. Our Group adopts sand and gravel separation technology and recycling treatment equipment on waste slurry and waste water, to achieve zero discharge. The advanced ERP concrete production control system is used to realize the automation control and data management of concrete production process, and the production energy consumption quota and the comprehensive energy consumption quota have reached the advanced level. Moreover, concrete products are stable in quality, low in strength dispersion and high in durability, which can meet the requirements of 50–100 years' durability of infrastructure projects.

1.2.3 產品理念和產品創新

產品理念

本集團堅持走安全生產、智能製造、綠色發展之路，注重產品的綠色環保。本公司於2006年通過中國環境標誌產品認證，並每年接受認證機構的監督審核，至今保持持有《中國環境標誌產品認證證書》。2019年，本集團委託國家建築工程質量監督檢驗中心對所生產的混凝土進行檢驗，結果顯示混凝土各項指標滿足《HJ/T412-2007環境標誌產品技術要求預拌混凝土》的要求。

為積極響應國家綠色建材評價工作的號召，本集團著力開展綠色建材評價工作，成為雲南省混凝土三星級綠色建材評價標識的首批獲得者。公司下屬五家分公司(昭通直屬部、德宏分公司、保山建材、曲靖建材、昆明分公司)的六個攪拌站獲得三星級綠色建材評價標識證書，一家分公司(昆明分公司)的兩個攪拌站獲得二星級綠色建材評價標識證書。

本集團以節能、降耗、減排為目標，採用先進的環保設備、管理技術、監測手段和領先的製備技術，生產具有優異的拌合物性能、力學性能、耐久性能和長期性能的高性能混凝土，通過中國環境標誌產品認證、清潔生產驗收及能源管理體系認證及GB/T19001、GB/T24001、GB/T28001三合一的管理體系認證。本集團選用技術先進、低碳節能、低噪音、低排放、生產效率高的攪拌、運輸和試驗設備，採用全封閉生產線、封閉料倉、噴霧系統、粉料回收裝置，廠界生產性粉塵控制符合《水泥工業大氣污染物排放標準》(GB4915-2013)規定，廠界噪聲控制符合《工業企業廠界環境噪聲排放標準》(GB12348-2008)規定。本集團採用砂石分離技術、廢漿廢水回收利用處理設備，實現零排放。採用先進的ERP混凝土生產控制系統實現混凝土生產過程的自動化控制和數據管理功能，產品生產能耗限額和綜合能耗限額達到先進水平，且混凝土產品質量穩定，強度離散性低，混凝土耐久性能高，滿足基建項目50年–100年耐久性要求。

Environment, Social and Governance (ESG) Report

環境、社會及管治(ESG)報告

Product innovation

Our Group is committed to driving the development with scientific and technological innovation, keeping up with the pace of industrial development, focusing on improving the service life of concrete projects and the technical requirements of green building energy conservation to carry out research on the preparation and application of key technologies on high-performance concrete to meet the needs of major projects. In 2019, our Group developed products and applied technologies, including durable metakaolin concrete, ultra-high pumping concrete, green high-strength high-performance pervious concrete, high-strength lightweight aggregates concrete, C120 ultra-high performance concrete, ultra-deep pile foundation underwater high-performance concrete, having solved the technical problems of concrete with special structure, construction and function and realized the green and high performance of the concrete industry.

— Durable metakaolin concrete

By using low grade kaolin and metakaolin as active admixture to prepare high-performance concrete, we have successfully realized the first application of metakaolin concrete in projects in our province. *Research on Key Technologies of Metakaolin Concrete Preparation and the Engineering Application* won the third prize of technical innovation in the concrete and cement products industry in 2019. *Technical Specification of Metakaolin Concrete Preparation and Application in Yunnan Province* (DBJ53/T-99-2019), the first technical specification of metakaolin concrete preparation and application in China, was prepared and published.

— Ultra-high pumping concrete

Based on Henglong Square Project, our Group carried out the research on the key technology of ultra-high pumping concrete preparation, and developed C30-C70 ultra-high pumping high-performance concrete with 300m vertical pumping and with the work performance, mechanical performance, durability meeting the construction requirements, which has broken through the key technical bottleneck of preparation and construction of ultra-high pumping high-performance concrete in Yunnan Province, solved a series of technical problems such as high concrete strength, high viscosity, high pumping pressure and difficult pumping construction, provided technical support for the construction of ultra-high buildings and led the technological progress of Yunnan Province in this field. The project result of *Research and Application of Key Technologies for Construction of Ultra-high Buildings* was awarded the second prize of science and technology progress award in 2019 by YCIH.

— Green high-strength high-performance pervious concrete

Against the backdrop of the construction of "Sponge City", our Group carried out the research on green high-strength high-performance pervious concrete to meet the construction demand of "Sponge City", and applied for the invention patent of *Design Method of Proportion of*

產品創新

本集團致力於以科技創新帶動發展，緊跟產業發展步伐，圍繞提高混凝土工程使用壽命及綠色建築節能技術要求開展滿足重大工程需要的高性能混凝土製備與應用關鍵技術研究。本集團於2019年度開發出高耐久偏高嶺土混凝土、超高層泵送混凝土、綠色高強高性能透水混凝土、高強輕骨料混凝土、C120超高性能混凝土、超深樁基水下高性能混凝土等產品及應用技術，解決特殊結構、特殊施工和特殊功能的混凝土技術難題，實現混凝土產業綠色高性能化。

— 高耐久偏高嶺土混凝土

利用低品位高嶺土資源及偏高嶺土作為混凝土活性摻合料配製高性能混凝土，成功實現了偏高嶺土混凝土在我省工程中的應用先河，《偏高嶺土製備混凝土關鍵技術研究與工程應用》成果獲2019年度混凝土與水泥製品行業技術革新三等獎，主編並發佈了中國首部指導偏高嶺土混凝土配製及應用的技術規範《雲南省偏高嶺土混凝土配製及應用技術規程》DBJ53/T-99-2019。

— 超高層泵送混凝土

依託恒隆廣場工程，開展超高層泵送混凝土配製關鍵技術研究，開發垂直泵送300m、工作性能、力學性能、耐久性能滿足施工要求的C30-C70超高層泵送高性能混凝土，突破雲南省超高層泵送高性能混凝土配製及施工關鍵技術瓶頸，解決了混凝土強度高、黏度大，泵送壓力較大，泵送施工困難等一系列技術難題，為超高層建築施工提供技術保障，引領雲南省在該領域的技術進步，《超高層建築結構施工關鍵技術研究與應用》項目成果獲得雲南建投2019年科技進步二等獎。

— 綠色高強高性能透水混凝土

以「海綿城市」的建設為背景，開展滿足「海綿城市」建設需求的綠色高強高性能透水混凝土的研究，申請了《基於骨料特性和裹漿厚度的透水混凝土配合比

Environment, Social and Governance (ESG) Report

環境、社會及管治(ESG)報告

Pervious Concrete based on Aggregate Characteristics and Slurry Thickness, participated in compiling two national standards of building materials industry: *Pervious Concrete* (JC/T 2558-2020) and *Vegetation Concrete* (JC/T 2557-2020), and developed the pervious concrete with the strength grade of C10-C30, permeation coefficient larger than 1.0mm/s and 28d compressive strength up to more than 35MPa. The technical achievements have been applied in the relocation project for poverty alleviation in inhospitable areas of Zhenxiong branch — Lujia Courtyard Phase I Project and the pavement of Zhuyuan Road North of Chengjiang branch.

— High-strength lightweight aggregates concrete and C120 ultra-high performance concrete

The LC60 high-strength lightweight aggregate concrete was prepared by no-burning ceramsite coarse aggregate and ceramsite sand. The 28d compressive strength can reach up to 65MPa and the dry apparent density of concrete can reach 1800–1900, which met the requirements of lightweight aggregate concrete in the standard specification. The C120 ultra-high performance concrete was prepared by ordinary silicate cement, machine-made sand, quartz sand, premium mineral admixture, UHPC reinforced fiber and high-performance water-reducing agent. The 3d compressive strength of concrete can reach 90MPa and above, and the 28d compressive strength can reach up to 136MPa, with extremely high mechanical properties.

— Ultra-deep pile foundation underwater high-performance concrete

Based on the construction project of Kunming landmark — Chunzhiyan commercial center, the application research of ultra-deep pile foundation underwater high-performance concrete was conducted. By means of mixing ratio optimization, mineral admixture optimization, high-performance water reducer performance optimization and other technologies, the C50 underwater high-performance concrete with working performance meeting the requirements of 100m underwater perfusion construction and durability guarantee up to 100 years was prepared, realizing the engineering application of high-performance ultra-deep pile foundation concrete with high bearing capacity and high durability. The project *Research and Application of Ultra-deep Pile Foundation Underwater High-performance Concrete* won the Second Prize of Science and Technology Progress of YCIH Green High-Performance Concrete Company Limited in 2019.

Green production

Our Group practices the green concept in the production activities and plays an active role in exploring and developing the waste utilization. Our Group made comprehensive use of the industrial waste residue, including the fine dust and ash recycled from the flue gas of the thermal power plant, the solid waste and blast furnace slag generated in the iron-making process of the blast furnace, the industrial by-product phosphorus slag powder and the composite mineral admixture generated in the preparation of yellow phosphorus by the electric furnace method,

設計方法》發明專利，參編了《透水混凝土》JC/T 2558-2020與《植生混凝土》JC/T 2557-2020兩項國家建材行業標準，開發並形成了強度等級為C10-C30的透水混凝土，透水係數大於1.0mm/s，28d抗壓強度最大達35MPa以上。該技術成果在鎮雄分公司易地扶貧搬遷項目——魯家院子一期工程和澄江分公司竹園北路人行道實現了工程應用。

— 高強輕骨料混凝土和C120超高性能混凝土

採用免燒陶粒粗骨料和陶砂製備LC60高強輕骨料混凝土，28d抗壓強度最高達到65MPa，混凝土的幹表觀密度達到1800–1900級，符合標準規範中關於輕骨料混凝土的要求。採用普通矽酸鹽水泥、機制砂、石英砂、優質礦物摻合料、UHPC用增強纖維、高性能減水劑製備了C120超高性能混凝土，混凝土的3d抗壓強度達到90MPa以上，28d抗壓強度最高達到136MPa，具有極高的力學性能。

— 超深樁基水下高性能混凝土

依託昆明地標建築——春之眼商業中心建設項目開展超深樁基水下高性能混凝土的應用研究，通過配合比優化、礦物摻合料優化、高性能減水劑性能優化等技術，配製出工作性能滿足水下100m灌注施工要求、耐久性保證達100年的C50水下高性能混凝土，成功實現了高承載力、高耐久性超深樁基高性能混凝土的工程應用。《超深樁基水下高性能混凝土的研究與應用》項目成果獲得了雲南建投綠色高性能混凝土股份有限公司2019年科技進步二等獎。

綠色生產

本集團在生產活動中踐行綠色理念，積極探索和發展廢棄物利用。本集團綜合利用火電廠煙氣中產生回收的微細粉塵粉煤灰、高爐煉鐵過程中產生的固體廢棄物高爐礦渣、電爐法製備黃磷時產出的工業副產品磷渣粉及其複合而成的複合礦物摻合料等工業廢渣取代部分水泥製備綠色低碳混凝土，減少水泥用量，節約

Environment, Social and Governance (ESG) Report

環境、社會及管治(ESG)報告

etc. to replace some cement, so as to produce green low-carbon concrete, which reduced cement and energy consumption as well as carbon emissions. In 2019, the accumulative comprehensive use of fly ash reached 311,101 tons, with slag powder of 411,366 tons, composite admixture of 58,998 tons, phosphorus slag powder of 4,100 tons. Meanwhile, our Group made comprehensive use of tailings sand, waste stone debris with stone powder content of 10%–20% and other solid waste resources to prepare concrete, reducing the amount of sand and stone mining and protecting the ecological environment. In 2019, our Group made comprehensive use of 3,119 tons of iron aggregate tailings.

In order to promote the publicity and application of the clean production technology of ready-mixed concrete, our Group has conducted the research on the key technology of the comprehensive utilization of waste seriflux in concrete batching plants, developed the control equipment and system for the recovery and utilization of the concrete waste slurry, and the centralized dust removal system for the powder in the batching plants, which realized the engineering application of waste slurry and reduced the discharge of waste slurry and dust pollution from batching plants, broke through the pressure of environment and resources, and realized the sustainable development, such as green and clean production, energy conservation and emission reduction, green and low-carbon production, for the batching plants, making our Group's batching plants really become the zero-emission environmental-protection green batching plants. Meanwhile, our Group gradually promoted the environmental-protection and completely-closed concrete batching plants in each batching plant, and conducted the closed packaging in the batching buildings. The process of feeding, mixing and batching in batching buildings are all closed, which met the requirements for noise reducing and dust emission.

In view of the major project works with complex structure and adverse use environment, such as highways, ultra-high buildings, etc., our Group strongly promoted the application of green high-performance concrete. Our Group has realized energy conservation, consumption reduction, water saving, dust prevention and noise reduction by means of research and development of green and high-performance concrete, in order to make rational use of natural resources and reduce the discharge of wastes and pollutants. Reducing the consumption of cement and improving the durability and service life of concrete projects are of great significance to reducing the comprehensive cost of the whole life cycle of projects, developing the circular economy, promoting the technological progress and the structural adjustment of concrete industry.

1.2.4 Overview of corporate honors

With the extensive experience accumulated from more than 1,000 projects, our Group has established a leading market position in Yunnan Province, created a good corporate image, and fulfilled the environmental and social responsibilities. The Company has been awarded the honorary titles of "China Top 10 Commercial Concrete Enterprises" and "China Top 10 Ready-mixed Concrete Enterprises" for several times, and has been recognized as high technology enterprise. Our products were awarded the title of "Yunnan Famous Brand" in 2016, and our

能源和降低碳排放。2019年，累計綜合利用粉煤灰311,101噸，礦渣粉411,366噸，複合摻合料58,998噸，磷渣粉4,100噸。同時，本集團綜合利用尾礦砂石、石粉含量10%–20%的廢棄石屑等固廢資源製備混凝土，減少了砂石礦山開採量，保護生態環境。2019年，本集團綜合利用鐵骨料尾礦3,119噸。

為推動預拌混凝土清潔生產技術推廣和應用，本集團開展混凝土攪拌站廢漿水綜合利用關鍵技術研究，開發了混凝土廢料漿回收利用控制設備及系統、攪拌站粉料集中除塵系統，實現了廢料漿的工程化應用，減少了廢料漿排放和攪拌站粉塵污染，突破環境與資源的壓力，實現攪拌站的綠色清潔生產、節能減排、綠色低碳的可持續發展目標，使本集團的攪拌站真正成為零排放的綠色環保型攪拌站。同時本集團在各攪拌站逐步推廣環保型全封閉混凝土攪拌站，對攪拌樓進行了封閉式包裝，攪拌樓生產工藝過程中的上料、配料、攪拌等環節都實施了封閉，達到了降低噪聲和粉塵排放指標的要求。

針對高速公路、超高層建築等重大項目構築物結構形式複雜和使用環境惡劣情況，本集團大力推廣應用綠色高性能混凝土，通過混凝土的綠色化生產和高性能化研究開發，實現節能、降耗、節水、防塵、降噪，合理利用自然資料，減少廢物和污染物的排放的目標，減少水泥用量，提高混凝土工程耐久性和服役壽命，對降低工程全壽命週期的綜合成本，發展循環經濟，促進技術進步，推進混凝土行業結構調整具有重大意義。

1.2.4 企業榮譽概覽

憑藉在超過1,000項工程項目中累積的豐富經驗，本集團已在雲南省建立市場主導地位，樹立起良好的企業形象，並深入踐行環境和社會責任。本公司多次獲「中國商品混凝土企業十強」和「中國預拌混凝土企業十強」榮譽稱號，並被認定為高新技術企業。我們的產品於2016年獲授予「雲南名牌」稱號，信貸評級於

Environment, Social and Governance (ESG) Report

環境、社會及管治(ESG)報告

credit rating was rated as “AAA” by Enterprise Credit Association of Yunnan Province in 2017. Our Group has won more than 10 national or provincial science and technology awards, including the Second Prize of Science and Technology Progress and the Second Prize of Science and Technology Innovation Achievement of China Association of Construction Enterprise Management.

2017年被雲南省企業信用促進會評為「AAA」級。本集團累計獲得國家級或省級科技獎項10餘項，其中包含「科學技術進步獎二等獎」和「中國施工企業管理協會科學技術獎科技創新成果二等獎」。

The honors awarded to our Group in 2019 are as follows:

以下為本集團在2019年度獲得的主要榮譽：



The Company was awarded the honorary title of “China’s Top 10 Commercial Concrete Enterprises in 2018” by Chinaconcretes.com in May 2019.

2019年5月，公司被中國混凝土網授予「2018年中國商品混凝土企業十強」榮譽稱號。

The Company was awarded the honorary title of “China Top 10 Ready-mixed Concrete Enterprises in 2018” by China Concrete and Cement-based Products Association in May 2019.

2019年5月，公司被中國混凝土與水泥製品協會授予「2018年中國預拌混凝土企業十強」榮譽稱號。



The Polymer Company successfully passed the national high-tech enterprise recognition and won the “High Technology Expertise” award in December 2019.

2019年12月，高分子公司順利通過國家高新技術企業認定，獲「高新技術企業」獎牌。

The Listing of the Company was listed in the “Top 10 Economic Events in Yunnan in 2019” on Yunnan Economic Daily.

公司上市入選雲南經濟日報「2019年雲南十大經濟事件」。

Environment, Social and Governance (ESG) Report 環境、社會及管治(ESG)報告



The Company was awarded the honorary title of “Green Demonstration Factory” by Ready-mixed Concrete Branch of China Concrete and Cement-based Products Association in December 2019.

2019年12月，公司被中國混凝土與水泥製品協會預拌混凝土分會授予「綠色示範工廠」榮譽稱號。

The results of *Research on Key Technologies of Metakaolin Concrete Preparation and the Engineering Application* were awarded the Third Prize of Technical Innovation of Concrete and Cement-based Products Industry in 2019.

《偏高嶺土製備混凝土關鍵技術研究與工程應用》成果獲2019年度混凝土與水泥製品行業技術革新三等獎。

雲南省建設投資控股集團有限公司文件

雲建投集團政發〔2020〕57號

雲南省建設投資控股集團有限公司 關於對2019年度科技獎進行表彰的決定

本公司（院、中心），各經濟實體，集團總部各部門：
2019年是集團高質量發展的一年，在各單位的堅持不懈的努力下，集團今年科技成果顯著，各單位按照年初科技工作會提出的重點工作要求，緊密圍繞科技創新工作目標，努力開拓，不斷進取，積極研究，推廣應用新技術、新材料、新設備、新工藝，推廣先進實用技術，進一步提升了集團的科技創新能力，凸顯了科技創新對企業發展的重要作用。

根據《雲南省建設投資控股集團有限公司科學技術獎勵辦法》（雲建投集團政發〔2018〕618號）的規定，集團召開了科技進步獎專業評審會和審定會，對各單位申報的科技成果進行了評審、審定。評審選出科技進步獎一等獎7項，二等獎4項，三



The results of *Research and Application of Key Technologies for Construction of Ultra-high Buildings* were awarded the Second Prize of Science and Technology Progress in 2019 of Yunnan Construction and Investment Holding Group Co., Ltd.

《超高層建築結構施工關鍵技術研究與應用》項目成果獲得雲南省建設投資控股集團有限公司2019年科技進步二等獎。

The Company continues to hold the *China Environmental Labeling Product Certification Certificate* in 2019.

公司於2019年保持持有《中國環境標誌產品認證證書》。

Environment, Social and Governance (ESG) Report

環境、社會及管治(ESG)報告

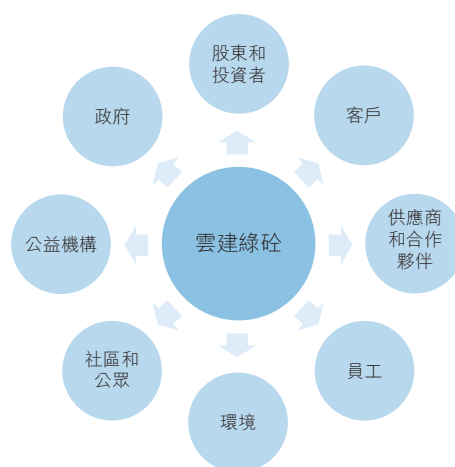
1.2.5 Engagement of interested parties

Maintaining communication with interested parties plays an important role in our Group's sustainable development. Our Group's interested parties include the government, shareholders, investors, customers, suppliers, partners, employees, the environment, communities and the public as well as the charitable organizations etc. Our Group actively maintains communication with various interested parties through various channels to actively know about their opinions and expectations on our Group's sustainable development performance.



1.2.5 利益相關方參與

與利益相關方保持溝通是本集團可持續發展的重要環節。本集團的利益相關方包括政府、股東和投資者、客戶、供應商和合作夥伴、員工、環境、社區和公眾、公益機構等。本集團通過多種渠道積極與各利益相關方保持溝通，積極了解各相關方對本集團可持續發展表現的意見和期望。



Interested Parties 利益相關方	Expectations and Requirements 期望與要求	Communicate Way 溝通方式
Government 政府	Obey the law and pay taxes Drive the local employment Promote local economic and social development 遵紀守法、依法納稅 帶動當地就業 促進當地經濟社會發展	Receive supervision and review Report the work regularly Attend related meetings Engage in information declaration 接受監管審核 定期匯報工作 參加相關會議 信息申報
Shareholders and Investors 股東和投資者	Return on investment Ensure open and transparent information Secure the rights and interests of shareholders 投資盈利回報 信息公開透明 保障股東權益	Report the business situation regularly Organize investor communication activities actively Disclose announcements and periodic reports 定期匯報經營狀況 積極舉辦投資者溝通活動 披露公告和定期報告
Client 客戶	Provide high-quality products Provide premium services Protect rights and interests 提供優質產品 提供高品質服務 保障權益	Set up multiple communication channels to understand customer needs and opinions Disclose relevant information 設置多種溝通渠道了解客戶需求和意見 相關信息披露

Environment, Social and Governance (ESG) Report

環境、社會及管治(ESG)報告

Interested Parties 利益相關方	Expectations and Requirements 期望與要求	Communicate Way 溝通方式
Supplier and Partner 供應商和合作夥伴	Maintain good business relation Manage justly, fairly and openly Operate with integrity and perform timely Involved in mutual help and benefit 保持良好業務往來 公平公正公開管理 誠信經營、按時履約 互助互利	Conduct strategic cooperation Establish and improve bidding and procurement management Engage in communication activities regularly Disclose relevant information 開展戰略合作 建立完善招標採購管理 定期開展交流活動 相關信息披露
Employees 員工	Receive competitive salary and benefits Get fair promotion and development Boost competence Secure health and security Enjoy enabling work environment 有競爭力的薪資福利 公平晉升與發展 促進能力提升 保障健康與安全 良好的工作環境	Establish comprehensive employee management system Launch training activities actively Strengthen employee communication through multiple channels Care for employees with hardship Carry out employee activities Disclose relevant information 建立完善的員工管理體系 積極開展培訓活動 多渠道加強員工溝通 關愛困難員工 開展員工活動 相關信息披露
Environment 環境	Engage in energy conservation and emission reduction Conserve resources Involved in ecological protection and restoration 節能減排 節約資源 生態保護和修復	Develop green products Promote clean production technology Utilize waste water and waste comprehensively Enhance energy-efficient awareness education Strengthen information disclosure 發展綠色環保產品 推廣清潔生產技術 綜合利用廢水和廢棄物 加強節能意識宣傳教育 加強信息披露
Community and Public 社區和公眾	Ensure safe operation of business Serve community development Safeguard social stability 業務安全運行 服務社區發展 維護社會穩定	Regulate business management Reinforce the community interaction Disclose relevant information 規範業務管理 加強與社區互動 相關信息披露
Charitable organizations 公益機構	Care for the vulnerable group Espouse public causes 關愛弱勢群體 支持公益事業	Organize public activities actively Disclose relevant information 積極組織公益活動 相關信息披露

Environment, Social and Governance (ESG) Report

環境、社會及管治(ESG)報告

2 ENTERPRISE ENVIRONMENTAL PERFORMANCE ANALYSIS

2.1 Correlation Analysis of Enterprise Emissions

Our Group adheres to the path of green development, conscientiously implements various national environmental protection policies, and focuses on long-term development to achieve sustainable business growth. Our Group strictly manages its emissions to the environment and adopts new technologies and equipment to achieve the goal of energy conservation and emission reduction. Our Group strictly abides by the relevant laws, regulations, standards and provincial, municipal, and local environmental protection management measures regarding air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste, which may have a significant impact on our Group, including but not limited to the *Environmental Protection Law of the People's Republic of China*, *Air Pollution Prevention and Control Law of the People's Republic of China*, *Water Pollution Prevention and Control Law of the People's Republic of China*, *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes*, *Law of the People's Republic of China on the Prevention and Control of Environmental Noise Pollution*, *Integrated Wastewater Discharge Standard* (GB8978-1996), *Environmental Noise Emission Standard for Industrial Enterprises* (GB12348-2008), *General Industrial Solid Waste Storage and Disposal Site Pollution Control Standard* (GB18599-2001), and *Standard for Pollution Control on Hazardous Waste Storage* (GB18597-2001).

2.1.1 Related indicator analysis of enterprise emissions

Total waste gas emissions and density of enterprises

The waste gas generated by our Group's business from the combustion of fossil fuels mainly includes nitrogen oxides (NO_x), sulfur oxides (SO_x) and suspended particulate matter (PM). In 2019, our Group emitted a total of about 22.31 tons of waste gas, with an emission density of about 0.62 ton/RMB100 million.

The following table shows our Group's emissions and density by type of waste gas in 2019:

Type of Waste Gas	廢氣類型	Emission Density (ton/RMB100 million)	
		Emission (ton) 排放量(噸)	Emission Density 排放密度 (噸/人民幣億元)
Nitrous oxides (NO _x)	氮氧化物(NO _x)	20.51	0.57
Sulfur oxide (SO _x)	硫氧化物(SO _x)	0.04	0.001
Suspended particulate matter (PM)	懸浮顆粒物(PM)	1.76	0.05
Total	總計	22.31	0.62

Note: Waste gas emissions mainly include waste gas generated by our Group's self-owned vehicles and equipment.

2 企業環境績效分析

2.1 企業排放物相關分析

本集團堅持走綠色發展之路，認真執行國家各項環保政策，聚焦長遠發展，以實現業務的可持續增長。本集團嚴格管理向環境的排放，並採用新技術、新設備，以實現節能減排的目標。本集團嚴格遵守有關廢氣及溫室氣體排放、向水及土地的排污、有害及無害廢棄物的產生等方面的對本集團有重大影響的相關法律、法規、標準及省、市、地方環境保護管理辦法，包括但不限於《中華人民共和國環境保護法》、《中華人民共和國大氣污染防治法》、《中華人民共和國水污染防治法》、《中華人民共和國固體廢物污染環境防治法》、《中華人民共和國環境噪聲污染防治法》、《污水綜合排放標準》(GB8978-1996)、《工業企業廠界環境噪聲排放標準》(GB12348-2008)、《一般工業固體廢物貯存、處置場污染控制標準》(GB18599-2001)、《危險廢物貯存污染控制標準》(GB18597-2001)。

2.1.1 企業排放物相關指標分析

企業廢氣總排放量及密度

本集團業務由化石燃料燃燒所產生的廢氣主要包括氮氧化物(NO_x)、硫氧化物(SO_x)及懸浮顆粒物(PM)等。2019年度本集團共計排放廢氣約22.31噸，排放密度約為0.62噸/人民幣億元。

2019年度按廢氣種類本集團排放量及密度情況如下表所示：

Emission (ton) 排放量(噸)	Emission Density (ton/RMB100 million)	
	Emission (ton) 排放量(噸)	Emission Density 排放密度 (噸/人民幣億元)
20.51	20.51	0.57
0.04	0.04	0.001
1.76	1.76	0.05
22.31	22.31	0.62

註：廢氣排放量主要包含本集團自有車輛和設備所產生廢氣。

Environment, Social and Governance (ESG) Report

環境、社會及管治(ESG)報告

Total greenhouse gas emissions and density of enterprises

Our Group's business results in direct and indirect emissions of greenhouse gases due to fossil fuel consumption and the use of electricity and other resources. In 2019, our Group's total greenhouse gas emissions were approximately 33,232.76 tons of carbon dioxide equivalent, and its emission density was approximately 921.07 tons of carbon dioxide equivalent/RMB100 million.

The following table shows our Group's emissions by greenhouse gas type and source in 2019:

Direct Greenhouse Gas Emissions 溫室氣體直接排放

Type of Greenhouse Gas	溫室氣體類型	Emissions (Tons of Carbon Dioxide Equivalent) 排放量 (噸二氧化碳當量)	Emission Density (Tons of Carbon Dioxide Equivalent/ RMB100 million) 排放密度 (噸二氧化碳當量/ 人民幣億元)
Carbon dioxide (CO ₂)	二氧化碳(CO ₂)	17,872.54	495.35
Methane (CH ₄)	甲烷(CH ₄)	10.13	0.28
Nitrous Oxide (N ₂ O)	氧化亞氮(N ₂ O)	157.66	4.37
Total	總計	18,040.33	500.00

Indirect Greenhouse Gas Emissions 溫室氣體間接排放

Indirect Emissions Sources	間接排放來源	Emissions (Tons of Carbon Dioxide Equivalent) 排放量 (噸二氧化碳當量)	Emission Density (Tons of Carbon Dioxide Equivalent/ RMB100 million) 排放密度 (噸二氧化碳當量/ 人民幣億元)
Use of power resources	電力資源使用	14,262.24	395.29
Other indirect emissions	其他間接排放	930.19	25.78
Total	總計	15,192.43	421.07

Note: Direct green gas emissions mainly include green gas generated by our Group's self-owned vehicles and equipment. Other indirect emissions include greenhouse gas emissions indirectly generated by the use of water resources, paper consumption, and travel by employees.

企業溫室氣體總排放量及密度

本集團業務由於化石燃料消耗及電力等資源的使用，造成溫室氣體的直接和間接排放。2019年度本集團共計排放溫室氣體約33,232.76噸二氧化碳當量，排放密度約為921.07噸二氧化碳當量/人民幣億元。

2019年度按溫室氣體種類和來源本集團排放量情況如下表所示：

註：溫室氣體直接排放量主要包含本集團自有車輛和設備所產生溫室氣體。其他間接排放包含由水資源的使用、紙張消耗和員工乘坐飛機出差等所間接產生的溫室氣體排放。

Environment, Social and Governance (ESG) Report

環境、社會及管治(ESG)報告

Total discharge and density of enterprise wastewater and solid waste

Our Group attaches great importance to the management of sewage and solid waste and minimizes the discharge of solid waste. Our Group advocates saving water and recycling water, and the production assembly is equipped with a sewage treatment system to recycle and reuse the production sewage, achieving zero discharge of production sewage. In 2019, our Group discharged a total of approximately 8,382.80 tons of solid waste, with a discharge density of approximately 232.33 tons/RMB100 million. Among them, solid waste is mainly construction waste, accounting for about 99.6% of total solid waste discharge.

The following table shows our Group's discharge by type of waste in 2019:

Type of Waste	廢棄物類型	Discharge (ton) 排放量(噸)	Emission Density (ton/ RMB100 million) 排放密度 (噸/人民幣億元)
Harmless solid waste	無害固體廢棄物	8,376.83	232.17
Harmful solid waste	有害固體廢棄物	5.97	0.17
Total	總計	8,382.80	232.33

All waste discharged by our Group shall be properly treated in accordance with relevant national environmental protection policies and regulations. Our Group purchases bulk cement from raw materials and avoids the use of packaging materials in the logistics process. Our Group does not use packaging materials for other types of raw materials required for the production of concrete, which effectively avoids the discharge of solid waste from related packaging materials.

Measures that enterprise promotes to reduce discharge and its achievements

— Upgrading research and development and construction of seriflux mixing station

Our Group completed the upgrading research and development and construction of the seriflux mixing station in 2019, so that the precipitated waste water is completely reused, ensuring zero discharge of production wastewater. In the past, after the tertiary sedimentation of the seriflux in the concrete batching plants only the clarified water can be reused. The



Real-time monitoring screen of seriflux recycling system
漿水回收系統實時監控畫面

企業廢水及固體廢棄物總排放量及密度

本集團高度重視污水和固體廢棄物的管理，並盡可能減少固體廢棄物的排放。本集團倡導節約用水、循環用水，生產線配套污水處理系統，對生產污水進行循環再利用，實現生產污水零排放。2019年度本集團共計排放固體廢棄物約8,382.80噸，排放密度約為232.33噸/人民幣億元。其中，固體廢棄物以建築垃圾為主，佔固體廢棄物總排放量約99.6%。

2019年度按廢棄物種類本集團排放量情況如下表所示：

本集團排放的所有廢棄物均按國家相關的環境保護政策及法規進行妥善處理。本集團原材料採購散裝水泥，避免在物流過程中使用包裝材料。本集團生產混凝土所需的其他各類原材料也均不使用包裝材料，有效避免相關包裝材料固體廢棄物的排放。

企業推行降低排放量的措施及所得成果

— 漿水摻配站的升級研發和建設使用

本集團2019年完成漿水摻配站的升級研發和建設使用，使得沉澱後的廢漿水得到完全重複利用，確保了生產污水的零排放。過去，混凝土攪拌站漿水經三級沉澱後，僅澄清後的水可重複利用，沉澱下來的泥漿未得到利用，產生大量廢料，進而產生大額清理和清運費，並對生態環境保護造成壓力。繼曲靖建材、昭通直屬部使

Environment, Social and Governance (ESG) Report

環境、社會及管治(ESG)報告

sedimentary mud was not used, resulting in a large amount of waste, which in turn caused large amounts of cleaning and clearing costs, and led to ecological environmental protection pressure. Following the use of seriflux recycling systems by Qujing Building Materials and the Direct Division of Zhaotong, our Group will further optimize and update the seriflux recycling system in 2019 in terms of overall layout, appearance, equipment quality, production linkage, alarm mechanism, remote control, and software system. Our Group developed and built a special complete set of automation technology system to realize production linkage, real-time monitoring, remote control and timely disposal of seriflux treatment, greatly improving the system control accuracy and performance stability, and solving the problem of slurry utilization.

用漿水回收系統後，本集團2019年在整體佈局、外觀、設備質量、生產聯動、報警機制、遠程控制、軟件系統等方面，對漿水回收系統進一步優化更新。本集團研發並建成專用成套自動化技術系統，實現漿水處理的生產聯動、實時監測、遠程控制和及時處置，大幅提高系統控制精度和性能穩定性，解決了漿水利用的問題。

— Renovation and upgrading of dust reduction equipment and facilities in the plant

Our Group renovated the dust reduction equipment and facilities in the plant in 2019. It set up spray dust reduction systems in the sheds of the yard and the main roads in the plant, and deployed a movable fog cannon to timely reduce the dust in the plant to ensure the detection of dust particles in the area is within the standard requirements. In order to prevent the generation of dust during material delivery in the production process, the batching plants were equipped with centralized dust removal equipment at each link of material delivery to ensure that dust does not spill. Our Group strengthened the management of dust production on the construction site, and assigned a special person to be responsible for the management of dust production. Our Group adopted effective measures such as watering, covering or spraying covering agents to suppress and reduce dust, and strove to ensure the minimum dust at the work site.

— 廠區降塵設備設施的改造升級



Stockyard with spraying system
裝有噴淋系統的料場環境



Road spraying system
道路噴淋系統

本集團2019年對廠區內降塵設備設施進行改造，於料場大棚及廠區主要道路設置噴淋降塵系統，並配置可移動的霧炮機，及時對廠區的揚塵進行降塵處理，確保廠區內粉塵顆粒物檢測在標準要求範圍內。為防止生產過程中物料投送時產生揚塵，攪拌站在物料投送各環節均設置集中除塵設備，確保粉塵不會外逸。本集團加強對工地生產揚塵的管理工作，設專人負責生產揚塵的治理工作，採用灑水、遮蓋或噴灑覆蓋劑等有效措施壓塵、降塵，努力保證工作現場的揚塵減少到最低限度。

Environment, Social and Governance (ESG) Report

環境、社會及管治(ESG)報告

Our Group's method of processing hazardous and non-hazardous waste, measures to reduce its production and the results

— Comprehensive implementation of the Management Measures for Solid Waste

In 2019, our Group comprehensively implemented the *Management Measures for Solid Waste of YCIH Green High-Performance Concrete Company Limited*, and followed the control principles of making the solid waste minimizing, recycling and harmless to reduce environmental pollution. Our Group reasonably, legally and compliantly disposed of the solid waste generated during production, office and business activities, and supervised and inspected the qualifications and completion of the parties involved in the disposal of waste. Each department, branch company and all employees collected, disposed and cleared solid waste separately according to requirements. At the same time, our Group comprehensively reused the solid waste that could be recycled. The solid waste in the production process was separated and recycled by a sand and gravel separator.



Sand and gravel separator
砂石分離機

— Advocate paperless office and waste classification

Our Group's office system advocates the use of OA systems for online office work, and paper-saving tips in the printing room, and advocates and guides all employees to save paper. Our Group encourages production units to take the lead in implementing waste classification, formulate and improve corresponding waste classification management methods, and equip corresponding facilities to effectively improve the environmental sanitation in the production plant.



Plant green area
廠區綠地

企業處理有害及無害廢棄物的方法以及降低產生量的措施及所得成果

— 全面推進《固體廢棄物管理辦法》

2019年度，本集團全面推行《雲南建投綠色高性能混凝土股份有限公司固體廢棄物管理辦法》，遵循對固體廢棄物實行減量化、資源化、無害化的防治原則，以減少環境污染。本集團對生產、辦公、經營活動中產生的固體廢棄物進行合理、合法、合規的處置，並對處置廢棄物的相關方資質和完成情況進行監督檢查。各部門、分公司和全體員工按要求對固體廢棄物進行分類收集、分類投放及清運。同時，本集團對於能循環利用的固體廢棄物進行資源綜合再利用，對生產過程中的固體廢棄物採用砂石分離機分離後重複循環利用。

— 倡導無紙辦公和垃圾分類

本集團辦公系統倡導通過OA系統網絡辦公，打印室黏貼節約用紙的提示，倡議和引導全體員工節約用紙。本集團提倡各生產單位積極帶頭實施垃圾分類，制定完善相應垃圾分類管理辦法，配備相應設施，有效改善生產廠區內環境衛生。

Environment, Social and Governance (ESG) Report

環境、社會及管治(ESG)報告

2.2 Correlation Analysis of Enterprise Resource Use

2.2.1 Enterprise's main energy consumption structure

Our Group advocates saving resources and energy, reducing the consumption of energy and raw materials, and strengthening energy management to improve the level of reasonable energy use, thereby reducing energy consumption and raw materials consumption of engineering projects, and enhancing the recycling of energy and resources in the production process. In 2019, our Group consumed a total of approximately 286,100 liters of gasoline, approximately 6,578,900 liters of diesel, approximately 20.3746 million kWh of electricity, and approximately 2,134,500 tons of water.

The following table shows our Group's various types of energy consumption in 2019:

Energy Type	能源類型	Unit	單位	Consumption 消耗量
Gasoline	汽油	Liter	公升	286,102.00
Diesel fuel	柴油	Liter	公升	6,578,935.92
Electrical energy	電能	kWh	千瓦時	20,374,629.70
Water	水	Ton	噸	2,134,485.02

The following table shows our Group's various types of energy consumption density in 2019:

Energy Type	能源類型	Unit	單位	Consumption Density 消耗密度
Gasoline	汽油	Liter/RMB1 million	公升／人民幣百萬元	79.29
Diesel fuel	柴油	Liter/RMB1 million	公升／人民幣百萬元	1,823.39
Electrical energy	電能	kWh/RMB1 million	千瓦時／人民幣百萬元	5,646.95
Water	水	Ton/RMB1 million	噸／人民幣百萬元	591.59

Note: The consumption of gasoline and diesel mainly include the consumption of our Group's self-owned vehicles and equipment.

2.2 企業資源使用相關分析

2.2.1 企業主要能源消費結構

本集團倡導節約資源能源，降低能源和原材料的消耗，並加強能源管理，提高合理用能水平，從而降低能源消耗和工程項目原材料消耗，並加強生產過程中能源與資源的循環利用。2019年度本集團共消耗汽油約28.61萬公升，柴油約657.89萬公升，電能約2,037.46萬千瓦時，水資源約213.45萬噸。

2019年度本集團各類型能源消耗如下表所示：

2019年度本集團各類型能源消耗密度如下表所示：

註：汽油、柴油消耗量主要包含本集團自有車輛和設備消耗量。

2.2.2 Effective energy use measures implemented by enterprises and achievement

— Successfully passed the annual audit of energy management system certification

Our Group started the construction of the energy management system in January 2018, set up an energy management system construction team, established an energy management system covering the entire process of energy utilization, and obtained an energy management system certification in May of the same year, in compliance with GB/T23331-2012 idt ISO

2.2.2 企業推行的有效能源使用措施及所得成果

— 順利通過能源管理體系認證年度審核

本集團於2018年1月啟動能源管理體系建設工作，組建起能源管理體系建設團隊，建立了覆蓋能源利用全過程的能源管理體系，並於同年5月獲得能源管理體系認證證書，符合GB/T23331-2012

Environment, Social and Governance (ESG) Report

環境、社會及管治(ESG)報告

50001: 2011 and RB/T121-2016 energy management system building materials enterprises (excluding cement, glass, ceramics) certification requirements. Our Group's energy management system was operating well in 2019, successfully completing the energy-saving assessment indicators issued by relevant national departments, and successfully passing the annual external audit to obtain an energy management system certification. The establishment, operation and certification of our Group's energy management system has become an important guarantee for our Group's energy saving, efficiency and rapid development, greatly promoting the realization of our Group's energy saving goals, and significantly optimizing our Group's energy management level.



Energy management system certificate
能源管理體系認證證書

idt ISO 50001:2011及RB/T121-2016能源管理體系建材企業(不含水泥、玻璃、陶瓷)認證要求。2019年本集團能源管理體系運行情況良好，圓滿完成國家相關部門下達的節能考核指標，並順利通過年度外審，取得能源管理體系認證證書。本集團能源管理體系的建立、運行和認證，成為本集團節能增效、快速發展的重要保障，極大促進本集團節能目標的實現，大幅優化本集團的節能管理水平。

— Comprehensive implementation of the Management Measures for Energy Conservation and Resource Control

In 2019, our Group fully implemented the *Management Measures for Energy Conservation and Resource Control of YCIH Green High-Performance Concrete Company Limited* to strengthen energy management, improve the level of reasonable energy use, and reduce energy consumption in order to achieve the reuse of production energy and resources and reach the goal of energy saving and emission reduction. Each branch company regularly collected statistics on water consumption produced, technically transformed production links or processes that consume large amounts of water, and strengthened the recycling of water resources. At the same time, it strengthened water-saving publicity and education, enhanced employees' awareness of water-saving, and regularly calculated the water consumption of the project. Each branch company implemented fuel-saving management of transportation vehicles and fuel oil machinery to prevent the occurrence of "missing, spilling, leaking, and dripping" of transportation equipment, and at the same time strengthened the repair and maintenance of motor vehicles. Each branch preferentially chose production equipment and tools with mature technology, reliable quality, high efficiency, low energy consumption, and low environmental pollution, and minimized the no-load operation time of the equipment when in use.

— 全面推進《節約能源、資源控制管理辦法》

2019年度，本集團全面推行《雲南建投綠色高性能混凝土股份有限公司節約能源、資源控制管理辦法》，加強能源管理，提高合理用能水平，降低能源消耗，以實現生產能源和資源的重複利用，達到節能減排的目標。各分公司定期對生產耗水情況進行統計，對水量消耗大的生產環節或流程進行技術改造，加強水資源的循環利用。同時，加強節約水宣傳教育，增強員工節水意識，定期對工程耗水情況進行統計。各分公司對運輸車輛、燃油機械實行節油管理，杜絕運輸設備「跑、冒、漏、滴」現象，同時加強對機動車輛的維修、保養。各分公司優先選用技術成熟、質量可靠，效率高、能源消耗低，對環境污染小的生產用電設備機具，使用時盡量減少設備無負荷運轉時間。

Environment, Social and Governance (ESG) Report

環境、社會及管治(ESG)報告

2.2.3 Enterprises seeking methods of serviceable water source, water efficiency improvement plans and achievement

Our Group sought the serviceable water source in accordance with the relevant national environmental protection policies, laws and regulations, without generating any issues in seeking the serviceable water source.

In 2019, our Group's total water consumption was 2,134,500 tons, and the energy consumption density was 591.59 tons/RMB1 million. While our Group's business scale has grown steadily, the water density and water efficiency have remained at a relatively stable level to achieve water conservation and efficient water use. At the same time, our Group's batching plants were equipped with tertiary sedimentation tanks, and the production sewage from the batching plants must not be discharged to the outside. The sedimentary and filtered production sewage was recycled.



Sewage tertiary sedimentation tank
污水三級沉澱池

2.2.3 企業求取適用水源方法、提升用水效益計劃及所得成果

本集團根據國家相關的環境保護政策及法規依法求取適用水源，在求取適用水源上沒有產生任何問題。

2019年度本集團共計用水213.45萬噸，能耗密度為591.59噸／人民幣百萬元，本集團在業務規模穩定增長的同時，用水密度及用水效益保持在相對穩定的水平，做到節約用水和高效用水。同時，本集團各攪拌站均設有三級沉澱池，攪拌站生產污水不得向外排放，沉澱、過濾後的生產污水回收利用。

2.2.4 The total amount of packaging materials used for our Group's finished products and the percentage of each production unit

The concrete products produced by our Group are transported by special concrete mixer trucks without packaging materials. Products such as polycarboxylic admixtures and aggregates are also transported to the locations designated by customers through corresponding transport vehicles, so no packaging materials are involved. Thus, this article is not applicable to our Group.

2.2.4 企業製成品所用包裝材料總量及每生產單位佔量

本集團生產出的混凝土產品通過專用的混凝土運輸罐車運輸，不使用包裝材料，聚羧酸外加劑、砂石料等產品亦均通過相應的運輸車運送至客戶指定地點，未涉及包裝材料，因此此項不適用於本集團。

2.3 Correlation Analysis of Enterprise Environment and Natural Resources

2.3.1 Analysis of the significant impact of enterprise business activities on the environment and natural resources and related measures

Our Group conducts business operations in accordance with relevant national environmental protection policies and emission requirements, and strictly treats the emissions and pollutants generated. All produced emissions and pollutants are recorded with detailed testing and records, which meet the requirements of relevant national environmental protection regulations and emission regulations, and have no significant impact on the environment and natural resources.

2.3 企業環境及天然資源相關分析

2.3.1 企業業務活動對環境及天然資源的重大影響及相關措施分析

本集團根據國家相關的環境保護政策及排放要求開展業務經營，對產生的排放物及污染物進行嚴格的處理。所有產生的排放物和污染物均配有詳細的檢測和記錄，滿足國家相關環境保護法規和排放規定的要求，對環境及天然資源未產生重大影響。

Environment, Social and Governance (ESG) Report

環境、社會及管治(ESG)報告

2.3.2 Analysis of related indicators of enterprise environment and natural resource protection

Dust and noise will be generated during the production of concrete. Our Group strengthens the control of dust and noise, and strives to minimize the impact on the environment. In terms of dust control, the first is to install centralized dust removal devices at various production links and locations where dust may be generated, to effectively filter and collect scattered dust and use them for production; the second is to set up spray dust removal devices in the plant sheds and main roads. The fog cannons are used to remove the dust at dead corners in the plant area at the appropriate time. At the same time, the sprinkler truck is used to timely spray the road surface to reduce dust so as to realize the effective control on the dust in sheds and on the roads; the third is to equip the plant with a movable fog cannon. When dust appears in the plant, it sprays in time to effectively prevent dust pollution within the area. When the production site is around the residential area, in addition to meeting the requirements of local civilized production, our Group shall arrange special personnel to be responsible for cleaning the necessary site. The stacking site is sealed in a greenhouse, and the dust shall be controlled to a minimum degree.

In terms of noise control, the first is to purchase energy-saving and low-noise production equipment; the second is to upgrade existing equipment to reduce noise; the third is to reasonably arrange the production operation time so as to effectively prevent noise disturbance to the lives and working of people around the plant. During transportation, our Group's vehicles comply with the local government's regulations on prohibiting horn in the urban area, and reduce noise through driving in speed limit and using mufflers in urban areas.



Picture of an operating fog cannon
霧炮機工作畫面



Picture of using water for dust suppression
場地灑水抑塵畫面

2.3.2 企業環境及天然資源保護相關指標分析

混凝土生產過程中會產生粉塵和噪音，本集團加強對粉塵和噪音的控制，力爭最大限度減少對環境影響。粉塵控制方面，一是在各生產環節和可能產生粉塵的部位設置集中除塵裝置，有效過濾、收集飛散的粉塵並利用於生產；二是在廠區大棚和主要道路設置噴淋除塵裝置，適時採用霧炮機對廠區內噴淋的死角進行除塵，同時利用灑水車適時噴灑路面進行降塵，從而對料場大棚和道路上的揚塵進行有效抑制；三是在廠區內配備可移動式霧炮機，在廠區內出現揚塵及時噴淋除塵，有效防止廠區內的粉塵污染。生產現場在居民區周邊時，除必須滿足當地的文明生產規定以外，本集團對有必要的場地安排專人負責清掃，堆料場地用大棚封裝，努力控制揚塵以減少到最低限度。

噪音控制方面，一是在採購設備時採購節能和噪音較少的生產設備；二是對現有設備進行降噪升級改造；三是合理安排生產作業時間，從而有效避免噪音干擾周圍的人員生活和工作。本集團車輛在運輸過程中遵守當地政府對市區範圍內禁止鳴笛的規定，通過市區採用限速行駛、使用消音器等方法降低噪聲。

3 CORPORATE SOCIAL RESPONSIBILITY ANALYSIS

3.1 Analysis of Current Employment Situation in Enterprises

3.1.1 Overview of employees and employment guidelines

Our Group strictly abide by various laws and regulations such as the *Labor Law* and *Labor Contract Law of the PRC*. Our Group has developed an optimized human resources management system, and clearly stipulates the rights and obligations of employees in the employee manual. Our Group has formulated a scientific and reasonable compensation system to effectively motivate employees to work, and pay pension insurance, medical insurance, unemployment insurance, work injury insurance, maternity insurance and housing provident fund for employees in accordance with the law. The working hours of employees meet the requirements of relevant national laws, and at the same time they also enjoy the required rest and vacation in accordance with the law. Our Group has established a labor union in accordance with relevant Chinese laws and regulations, actively providing care and assistance to employees, organizing related activities, and safeguarding the legitimate rights and interests of employees.

Our Group adheres to the principle of “openness, fairness and impartiality” at recruiting, adopts two-way choice, selects the best candidates for employment, and avoids any discrimination during the recruitment. In order to achieve the common development of our Group and employees, each employee of our Group enjoys the opportunity to receive training and promotion. At the same time, our Group’s employee dismissal process strictly follows various staffing related national laws and regulations such as the *Labor Law* and the *Labor Contract Law*.

Working staff by key indicators

3 企業社會責任分析

3.1 企業用工現狀分析

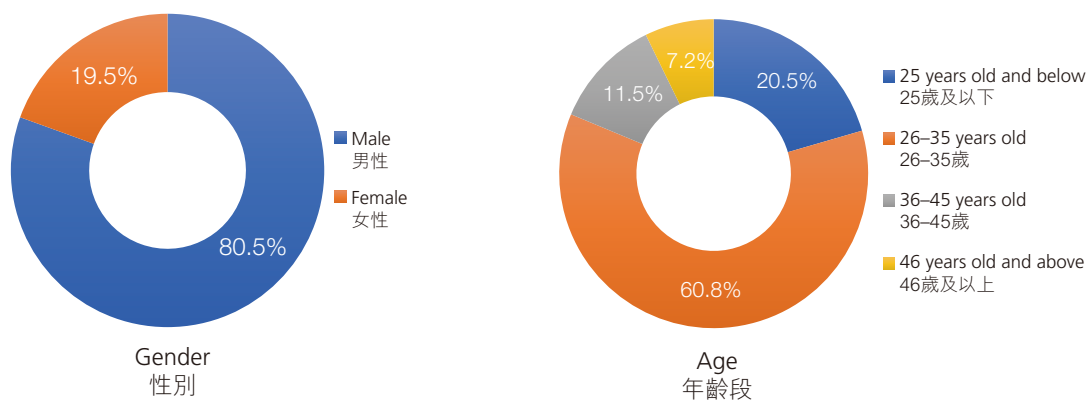
3.1.1 員工情況及用工準則概覽

本集團嚴格遵守中國《勞動法》、《勞動合同法》等各類法律法規。本集團制定了完善的人力資源管理制度，並在員工手冊中對員工應享有的權利及應盡的義務作出清晰的規定。本集團制定了科學合理的薪酬制度，有效調動員工工作積極性，依法為員工繳納養老保險、醫療保險、失業保險、工傷保險、生育保險及住房公積金。員工工作時長符合國家相關法律要求，同時也依法享有規定的休息休假。本集團根據中國相關法規成立工會，積極為員工提供關懷和幫扶，組織相關活動，維護職工合法權益。

本集團在招聘時秉承「公開、公平、公正」的原則採取雙向選擇，擇優招聘錄用，避免任何歧視行為的發生。為實現本集團與員工的共同發展，本集團的每位員工均享有獲得培訓和晉升的機會。同時，本集團的員工解聘流程嚴格遵循國家《勞動法》、《勞動合同法》等人事相關的各類法律法規。

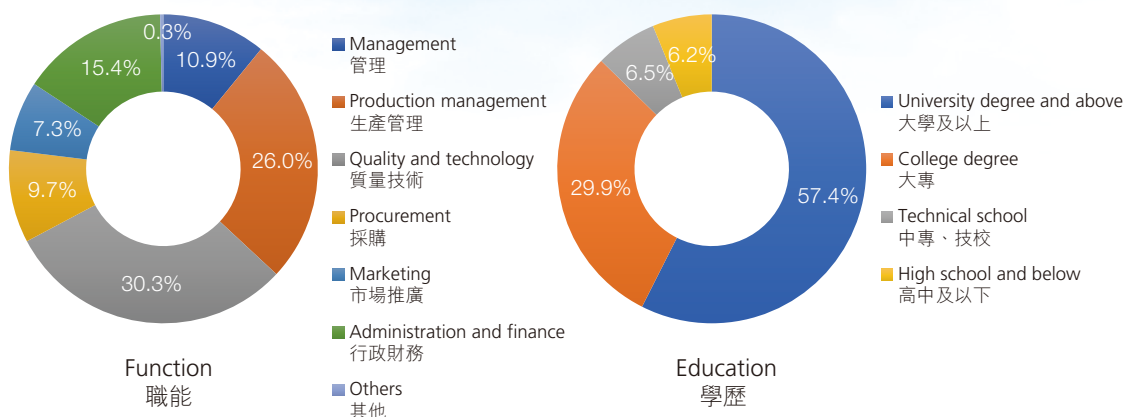
按主要指標劃分的在職員工情況

Proportion of employees in our Group by main indicators in 2019
2019年度本集團按各主要指標劃分的在職員工比例



Environment, Social and Governance (ESG) Report

環境、社會及管治(ESG)報告



As of December 31, 2019, the total number of in-service employees of our Group was 1,175.

By gender, our Group's in-service employees are mostly male, accounting for a significant portion of the production unit. In order to create a good working environment for female employees, our Group implements the State's *Provisions on Labor Protection for Female Employees* and *Special Provisions on Labor Protection for Female Employees* to ensure that female employees enjoy due vacations and insurance in accordance with the law, and women workers enjoy prenatal check-up leave during pregnancy. In addition, our Group actively carry out various cultural activities to enrich the leisure life of female employees and create a more harmonious working environment. By age group, our Group has a reasonable distribution of in-service employees at all ages. While focusing on injecting fresh energy into its workforce, our Group cherishes employees with work experience. By function, our Group's employees of production management and quality technology account for nearly 60% of the total, providing talent guarantee for our Group to export high-quality products. By education structure, our Group's employees who have university degrees or above account for nearly 60% of all, showing a high scientific literacy and cultural level holistically.

Employment turnover by key indicators

As of December 31, 2019, our Group's total employee turnover during the Reporting Period was 70, accounting for approximately 6.0% of the total number of employees in service. Among them, the number of employees lost in the quality and technology function was 25, the number of employees lost in the administrative and financial function was 20, and the number of employees lost in the production management function was 11, totaling about 80.0% of the employee turnover.

截至2019年12月31日，本集團在職員工的數量合計為1,175人。

依性別劃分，本集團在職員工總體以男性員工居多，其中以生產板塊最為顯著。為了給女性員工創造良好的工作環境，本集團執行國家《女職工勞動保護規定》及《女職工勞動保護特別規定》，確保女性員工依法享有應有的假期以及保險，女工懷孕期間享有產前檢查假。此外，本集團積極開展各種文化活動，豐富女性員工的業餘生活，創造更加和諧的工作環境。依年齡劃分，本集團各年齡段的在職員工分佈較為合理，本集團在注重為集體注入鮮活力量的同時，也珍惜具備工作經驗的員工。依職能劃分，本集團員工中生產管理和質量技術合計佔比近六成，為本集團輸出高質量產品提供人才保障。依學歷結構劃分，本集團員工中，大學及以上學歷佔比近六成，員工總體科學素養和文化水平較高。

按主要指標劃分的員工流失情況

截至2019年12月31日，本集團報告期內的員工流失總數為70人，約佔在職員工總數的6.0%。其中，質量技術職能員工流失人數25人，行政財務職能員工流失人數20人，生產管理職能員工流失人數11人，合計約佔員工流失總數的80.0%。

Environment, Social and Governance (ESG) Report 環境、社會及管治(ESG)報告



Employee caring activities
員工關懷活動

3.1.2 Overview of employee health and security

Our Group pays great attention to the health and security of employees, and strictly abides by the relevant laws and regulations such as the *Occupational Disease Prevention and Control Law of the People's Republic of China*, the *Regulations on Occupational Health Supervision and Management in the Workplace*, and the *Work Injury Insurance Regulations*, and strives to create safety, health, and affinity workplace environment. On the basis of observing and implementing relevant work safety regulations, systems, and standards such as the *Work Safety Law*, the *Fire Protection Law* and the *Labor Law*, inspect and urge managers and employees at all levels of our Group to consciously perform safety duties in their work, regularly organize safety inspections to rectify any hidden safety hazards in a timely manner.

Our Group regards occupational health and safety as one of the important social responsibilities. Our Group's business operations involve product processing, power use, loading and transportation processes. As a result, our employees may be at risk from work related injuries and accidents. Our Group attaches great importance to safety control in order to minimize safety risks in the manufacturing process. Our Group provides employees with protective equipment such as safety helmet, dust masks, ear plugs, protective shoes, protective gloves, reflective vests and safety ropes, and sets up Safety, Health and Environmental Supervision Department to manage occupational health and production safety. Our Group formulated the *Management Measures for Environmental and Occupational Health and Safety* and improved the occupational health and safety management system to ensure the safety of employees' operations and avoid occupational hazards. The Company has passed GB/T28001 Occupational Health and Safety Management System Certification since 2010. In the course of business engagement, it strictly abides by the requirements of the system. It has maintained continuous certification of the Occupational Health and Safety Management System over the years, effectively ensuring continues standards-reaching and improvement of our Group's various safety management and occupational health management.

3.1.2 員工健康與安全保障概覽

本集團十分關注員工的健康與安全，並嚴格遵守《中華人民共和國職業病防治法》、《工作場所職業衛生監督管理規定》、《工傷保險條例》等相關法律規定，努力打造安全、健康、有親和力的職場環境。在遵守落實《安全生產法》、《消防法》、《勞動法》等有關安全生產法規、制度和標準的基礎上，檢查、督促本集團各級管理人員及員工在工作中自覺履行安全職責，並定期組織安全檢查，對查出的安全隱患及時整改。

本集團視職業健康與安全為我們的重要社會責任之一。本集團的業務運營涉及產品加工、電力使用、裝載及運輸流程。因此，我們的員工可能面臨相關的工傷和事故風險。本集團極其重視安全控制，以盡量降低製造過程中的安全風險。本集團向員工提供安全帽、防塵口罩、耳塞、防護鞋、防護手套、反光背心及安全繩等防護用品，並設置安全健康環保監管部門負責管理職業健康及安全生產工作。本集團制定《環境與職業健康安全管理辦法》，完善了職業健康安全管理制度，以保障員工的作業安全，避免職業危害。公司自2010年通過GB/T28001職業健康安全管理體系認證，在開展業務的過程中嚴格遵守該體系的要求，歷年來保持該職業健康安全管理體系的持續認證通過，有效確保本集團各項安全管理和職業健康管理工作持續達標並不斷完善。

Environment, Social and Governance (ESG) Report

環境、社會及管治(ESG)報告

In strict accordance with the relevant safety management system and occupational health and safety management system, our Group carefully organizes employees to carry out occupational health examinations and occupational health and safety education and training in order to improve the occupational health and safety awareness of all employees. Our Group actively promotes various occupational health and safety management work in place to provide employees with a safe working environment and avoid occupational hazards.

The following are the main measures taken by our Group in 2019 to ensure the health and safety of employees:

— Occupational health knowledge training was conducted

Our Group invited professional lecturers to carry out occupational health knowledge training. The lectures covered emergency rescue, mental health and occupational health knowledge, and the hazards and preventive measures of various occupational diseases. The lecturer used simulation props to conduct live demonstration teaching, so that the trainees could learn relevant knowledge more intuitively, and improve self-protection awareness and ability.



Occupational health examination
職業健康檢查

— Grass-roots employees to conduct occupational health examination was organized

Our Group organized front-line employees at the grassroots level, including operators, loader drivers, material workers, mechanics, and assistant workers, to conduct occupational health examination. Medical staff conducted detailed screening of medical examination items based on *Law of the People's Republic of China on the Prevention and Control of Occupational Diseases* and *Technical Specifications for Occupational Health Surveillance (GBZ 188-2014)*, and selected examination categories based on industry characteristics and job differences. The implementation of occupational health examinations has been well received by employees, allowing employees to improve their awareness of prevention of occupational diseases while understanding their health status.

— The Management Measures for Environmental and Occupational Health and Safety was formulated and implemented

In 2019, our Group formulated and implemented the *Management Measures for Environmental and Occupational Health and Safety of YCIH Green High-Performance Concrete Company Limited* to regulate the affairs related to environmental and occupational health and safety management and strengthen process control to achieve our Group's environmental

本集團嚴格按照相關安全管理制度和職業健康安全管理制度，認真組織員工開展職業健康體檢和職業健康安全教育培訓，以提升全員職業健康安全意識。本集團積極推動各項職業健康和安全管理工作的管控到位，最大限度為員工提供安全的工作環境，避免職業危害。

以下為本集團2019年度為保證員工健康和安全生产所採取的主要措施：

— 開展職業健康知識培訓

本集團邀請專業講師開展職業健康知識培訓，講授內容涵蓋緊急救護、心理健康與職業健康知識，以及各類職業病的危害及預防措施。講師借助模擬道具，進行現場演示教學，讓參訓員工更為直觀地學習到相關知識，提高自我保護意識和能力。

— 組織基層一線員工進行職業健康檢查

本集團組織包括操作員、裝載機駕駛員、材料員、機修員、輔工等在內的基層一線員工進行職業健康檢查。醫療工作人員依據《中華人民共和國職業病防治法》和《職業健康監護技術規範》(GBZ 188-2014)對體檢項目進行細緻的甄別和篩選，結合行業特點和崗位差異選定檢查類目。職業健康檢查的開展獲得員工一致好評，讓員工在了解自身健康狀況的同時提高對職業疾病的預防意識。

— 制定並推行《環境與職業健康安全管理辦法》

2019年度，本集團制定並推行《雲南建投綠色高性能混凝土股份有限公司環境與職業健康安全管理辦法》，規範環境與職業健康安全管理相關事宜，加強過程控制，以實現本集團環境、職業健康

Environment, Social and Governance (ESG) Report

環境、社會及管治(ESG)報告

and occupational health and safety management objectives to ensure the environment and occupational health and safety of employees in production activities. Our Group detailed deployment of work procedures such as the signing of safety responsibility certificates, labor protection control, operator certification and safety training management, work and production site design and layout, canteen service staff management, on-site safety management, driver safety management control. The Safety, Health and Environmental Supervision Department regularly inspected the work safety, environmental protection, and prevention and control of occupational diseases in the office, production and living areas of workers.

3.1.3 Employee development and training overview

Our Group formulates practical training plans every year according to development needs of our Group, and conduct employee training according to job functions, in order to help employees update their work knowledge and improve their work skills. In 2019, our Group conducted party affairs training, safety production management training, quality and technology management training, financial management training, human resource management training, audit business training, and middle-level managerial adaptive leadership training, etc. The total number of participants of our Group's training activities in 2019 was approximately 2,900 and the total length of training was approximately 24,000 hours.

安全管理目標，保證員工在生產活動中的環境和職業健康安全。本集團對安全責任狀的簽訂、勞動防護控制、作業人員持證及安全培訓管理、工作和生產場所設計布置、食堂服務人員管理、場內安全管理、駕駛員安全管理控制等工作流程進行詳細部署。安全健康環保監管部定期對作業人員的辦公區、生產區和生活區的安全生產、環境保護及職業病防治工作進行監督檢查。

3.1.3 員工發展及培訓情況概覽

根據本集團發展需求，本集團每年制定切實可行的培訓計劃，按照崗位類別開展員工培訓，以幫助員工更新專業知識，提升工作技能。2019年本集團分別開展黨務培訓、安全生產管理培訓、質量技術管理培訓、財務管理培訓、人力資源管理培訓、審計業務培訓、中層管理人員調適性領導力培訓等，涉及參培人員約2,900人次，培訓總時長約24,000小時。



Employee training
員工培訓

3.1.4 Guidelines and measures to prevent child or forced labor

Our Group strictly abides by relevant national legal requirements such as the *Protection Law for Minors* and *Prohibition on the Use of Child Labor*, and avoids any use of child labor or forced labor in its business operations and holds a zero tolerance attitude and stance on any form of child labor and forced labor. We also require that this phenomenon shall be eliminated in our audits of our suppliers.

3.1.4 防止童工或強制勞工的準則及措施

本集團嚴格按照國家《未成年人保護法》、《禁止使用童工規定》等相關法律要求，避免在業務運營中出現任何使用童工或強制勞工的情況，並對任何形式的童工及強制勞工堅持零容忍的態度及立場。我們在對供應商的審核中同樣要求杜絕此種現象。

Environment, Social and Governance (ESG) Report

環境、社會及管治(ESG)報告

3.2 Operational Management Status Analysis

3.2.1 Overview of supply chain management

Our Group makes clear regulations on the selection and management of suppliers to ensure that supplier management practices and selection are appropriate. In the selection of suppliers, our Group will fully consider the following factors: whether the supplier has passed the legal production and operation of the enterprise approved by the relevant departments of state and comply with national and local laws and regulations; whether the supplier's products meet the quality, price and related production qualification certification and passing relevant tests; whether the supplier has appropriate technical capabilities, delivery capabilities, economic capabilities and good social reputation; whether the supplier has relevant environmental certifications to reduce the potential environment and social risks in the supply chain.

Our Group formulates and implements the *Administrative Measures for Tendering of YCIH Green High-Performance Concrete Company Limited* to strengthen the management of the bidding process, to carry out the bidding work in a legal, compliant, disciplined, efficient and transparent manner to ensure the selection of the best contract, and to effectively control costs. Before bidding, each bidding department shall prepare the bidding plan, bidding documents, etc. in a timely manner, and after consulting the Legal Affairs Department, submit it to bidding leading group for approval. The bid opening, bid evaluation, and bidding procedures strictly follow the relevant provisions of the national laws, regulations and rules. In competitive negotiations, our Group conducts a full investigation on the price of materials, grasps the situation of resources, implements each quotation and forms a price inquiry table, so as to purchase materials with advantages such as price and quality. Our Group's Discipline Inspection and Supervision Department, Audit and Supervision Department exercise supervision and inspection functions, and supervise the bidding activities and the relevant parties throughout the process.

When signing a contract with a supplier, our Group signs an integrity agreement or sets integrity rules to regulate business practices, enhance awareness of discipline, integrity and self-discipline, and prevent illegal violations. During the supply process, if the quality of the supplier's product fluctuates, our Group sends a *Rectification Notice* to inform the supplier to adjust the product quality. Our Group assesses its suppliers every year, and those suppliers that pass the assessment are listed as qualified suppliers in the next year, and those that fail the assessment are classified as unqualified suppliers and no longer engage in cooperation.

In 2019, our Group cooperated with a total of 608 raw material suppliers and 91 logistics service providers.

3.2 運營管理現狀分析

3.2.1 供應鏈管理情況概覽

本集團對供應商的選擇及管理做出清晰的規定，確保供應商管理規範以及選擇恰當。在供應商的選擇上，本集團會充分考慮以下因素：供應商是否經過國家有關部門批准的合法生產和經營企業，並遵守國家和當地的法律法規；供應商產品是否符合質量、價格及有相關的生產資質證明和通過相關測試合格；供應商是否具備合適的技術能力、交貨能力、經濟能力和良好的社會信譽；供應商是否具備相關的環保合格證明等，以降低供應鏈上潛在的環境及社會風險。

本集團制定並推行《雲南建投綠色高性能混凝土股份有限公司招標管理辦法》，以加強招標過程管理，合法、合規、合紀、高效、透明的開展招標工作，保證擇優簽約，並有效控制成本。招標前，各招標部門及時編製招標方案、招標文件等，徵求法律事務部意見後，報招標領導小組審批。開標、評標、定標程序嚴格執行國家有關法律、法規、規章的有關規定。在競爭性談判中，本集團對物資價格進行充分調研，掌握資源情況，落實各家報價，形成價格詢比表，以採購價格、品質等具有優勢的物資。本集團紀檢監察部、審計與督察部行使監督檢查職能，對招標活動及其當事人進行全程監督。

本集團在與供應商簽訂合同時均簽訂廉政協議，或設置廉潔條款，以規範業務行為，增強遵章守紀、廉潔自律意識，防止違法違規事件的發生。供貨過程中，若供應商產品質量出現波動，本集團發《整改通知書》告知供應商，調整產品質量。本集團每年對供應商進行考核，對考核合格的供應商列入下一年的合格供方，考核不合格的列為不合格供方，不再進行合作。

2019年度，本集團合作中的原材料供應商共有608家，物流服務供應商共有91家。

Environment, Social and Governance (ESG) Report

環境、社會及管治(ESG)報告

3.2.2 Product liability overview

Our Group adheres to the path of safe production, intelligent manufacturing and green development, attaches importance to the environmental protection of its products, is committed to providing customers with high-quality products, and constantly optimizes its service system to provide customers with the best quality service. Our Group strictly abides by the relevant laws and regulations on the health and safety, advertising, labeling and remedy of the products and services provided, which may have a significant impact on our Group, including but not limited to the *Product Quality Law of the People's Republic of China*, *Safety Production Law of the People's Republic of China*, *Advertising Law of the People's Republic of China*, and *Trademark Law of the People's Republic of China*. During the Reporting Period, our Group did not have any lawsuits in violation of the above laws and regulations related to the health and safety of products and services, advertising, labels and remedies. Among the products sold by our Group in 2019, there were no products that must be recalled due to safety and health issues, and no complaints have been received regarding products or services.

Product quality management and identification

In order to ensure the quality and safety of the products, our Group formulated and implemented the *Measures for the Quality and Technology Management of YCIH Green High-Performance Concrete Company Limited*, *Ex-factory Inspection Rules for Mixture of YCIH Green High-Performance Concrete Company Limited* and the *Evaluation and Treatment Principles for Nonconforming Concrete Products of YCIH Green High-Performance Concrete Company Limited*, comprehensively implementing the quality management responsibility system, strengthening process quality management, and ensuring that our Group's concrete, cement, admixtures, and aggregates meet the standard specifications, owners and design requirements, and preventing the quality accidents.

Our Group has established a comprehensive quality technology system, which monitors and manages product quality from the aspects of raw material management, laboratory management, product design and planning, mix ratio management, production management, product inspection and testing, transportation management, concrete delivery management, quality inspection on construction site and technical services. Before the delivery of concrete from the factory, the factory inspectors of the batching plants under the jurisdiction of each branch were required to be responsible for the performance test of the mixtures and filled in the test records. In case of abnormal performance of the mixture, it was required to be reported to the tester of the batching plant under each branch in time. The tester of the batching plant under branches was required to inspect the mixtures and handle the abnormalities, and feed back the handling results to the chief engineer of the branch or of the project. The chief engineer of the branch or of the project was required to evaluate the performance of the concrete mixture, and effectively adjust and track it in time. After the product delivery, the nonconforming concrete found by customers was required to be confirmed and identified by the Quality & Technology Division of each branch, and then the

3.2.2 產品責任情況概覽

本集團堅持走安全生產、智能製造、綠色發展之路，注重產品的綠色環保，致力於為客戶提供高品質產品，並不斷優化服務體系，竭誠為客戶提供最優質的服務。本集團嚴格遵守有關所提供產品和服務的健康與安全、廣告、標籤及補救方法方面的對本集團有重大影響的相關法律法規，包括但不限於《中華人民共和國產品質量法》、《中華人民共和國安全生產法》、《中華人民共和國廣告法》及《中華人民共和國商標法》。報告期內，本集團未產生違反以上有關產品和服務的健康與安全、廣告、標籤及補救方法的法律法規的訴訟案件。本集團2019年已售產品中，沒有因安全和健康問題須回收的產品，且未收到產品或服務方面的投訴。

產品質量管理及鑒定

為確保產品的質量與安全，本集團制定並推行《雲南建投綠色高性能混凝土股份有限公司質量技術管理辦法》、《雲南建投綠色高性能混凝土股份有限公司拌合物出廠驗證規則》及《雲南建投綠色高性能混凝土股份有限公司混凝土不合格品評審及處理原則》，全面落實質量管理責任制，強化過程質量管理，保證本集團混凝土、水泥、外加劑、砂石料質量滿足標準規範、業主及設計要求，預防質量事故的發生。

本集團建立起全面的質量技術系統，從原材料管理、試驗室管理、產品設計與策劃、配合比管理、生產管理、產品的檢驗與試驗、運輸管理、混凝土交付管理、施工現場質量檢測及技術服務等各方面進行產品質量監控和管理。混凝土產品出廠前，各分公司所轄攪拌站出廠檢驗員負責對拌合物性能進行檢測，並填寫檢測記錄。拌合物性能存在異常的情況，需及時反映給各分公司所轄攪拌站試驗員。分公司所轄攪拌站試驗員負責對拌合物異常情況進行檢驗與處理，並將處理結果反饋至各分公司主任工程師或項目總工程師。分公司主任工程師或項目總工程師對混凝土拌合物性能進行評價，及時有效的調整並跟蹤。產品交貨後，顧客發現的不合格品由各分公司質量技術科確認、識別，然後由各分公司質量技術科上報質量技術部。質量技術

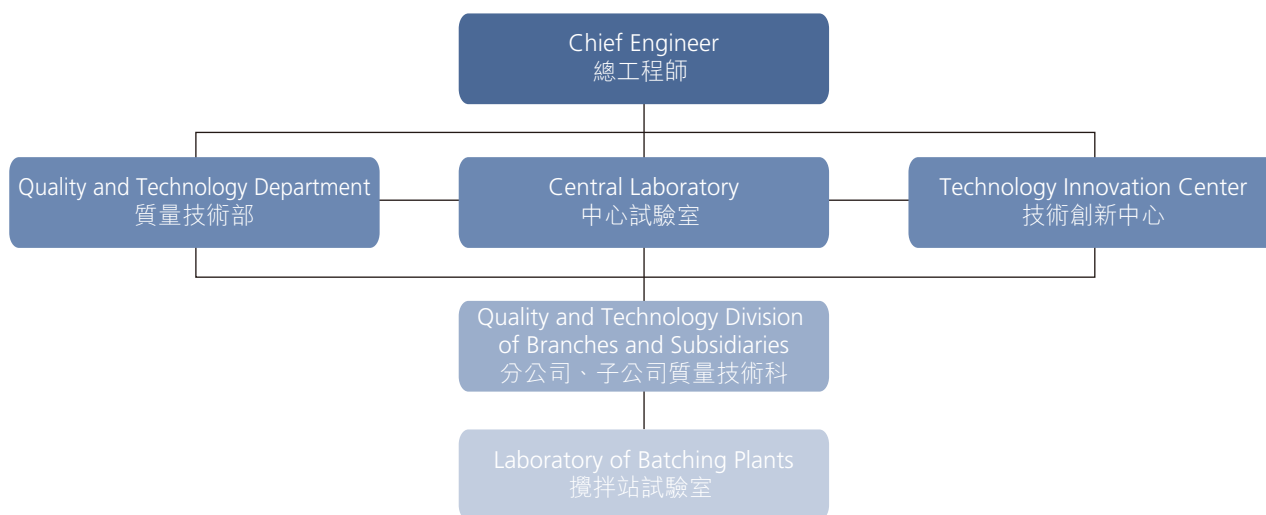
Environment, Social and Governance (ESG) Report 環境、社會及管治(ESG)報告

Division will report it to the Quality and Technology Department. According to the review comments, the Quality and Technology Department and each branch will handle the non-conforming concrete in time by means of rework, degradation, transferring to other points or scrapping.

In order to ensure the quality of raw materials and products, our Group has formulated and released the *Management Measures for Raw Materials of YCIH Green High-Performance Concrete Company Limited* to carry out the tight management on raw materials including aggregates, cement, coal ash and admixtures. The Material Management Division is required to carry out the visual inspection, sampling and recording of the raw materials according to the *Management Measures for Raw Materials* before raw materials enter the site, and handle the materials with quality disputes timely.

部、各分公司根據評審意見，對不合格品及時進行返工、降級、轉點或報廢等處理。

為確保原材料品質從而保障產品質量，本集團制定並推行《雲南建投綠色高性能混凝土股份有限公司原材料管理辦法》，對砂石料、水泥、礦粉、粉煤灰、外加劑及各種摻合料等原材料進行嚴格管理。原材料進場時，材料管理科室按照《原材料管理辦法》開展原材料目測、取樣、記錄等工作，對有質量爭議的材料及時進行處理。



Organization Chart for Quality and Technology System of our Group
本集團質量技術系統組織構架圖

In order to ensure the implementation of the product quality systems of our Group, the Company has signed the *2019 Quality Management Responsibility of YCIH Green High-Performance Concrete Company Limited* with branches and has set the quality responsibility objectives for products in 2019: There shall be no major accident or above due to poor quality in the whole year. The first acceptance rate of products shall not be less than 99.9% and the final acceptance rate shall be 100%. There shall be no major quality complaint, and the process management shall be good through assessment. Meanwhile, our Group has actively carried out the quality and technology training, special inspection on quality and technology management regularly, and activities in “quality month” in September 2019, and conducted activities for the publicity and education in forms of skill competition, warning education, quality and technical training, knowledge competition, team building, etc., so as to create a management atmosphere in which everyone attaches importance to quality, and advocates and pursues quality, and improve the subjective initiative of employees to participate in quality and technology management.

為確保本集團產品質量各項制度的嚴格執行，公司與各分公司簽訂《雲南建投綠色高性能混凝土股份有限公司2019年度質量管理責任狀》，設定2019年產品質量責任目標：全年無較大及以上質量事故，產品一次交驗合格率不低於99.9%，最終交付合格率100%；無較大質量投訴，過程管理考核優良。同時，本集團積極開展質量技術培訓，定期進行質量技術管理專項檢查，並於2019年9月開展「質量月」活動，通過職工技能競賽、警示教育、質量技術培訓、知識競賽、團隊建設等形式舉辦宣傳和教育活動，營造出人人重視質量、崇尚質量、追求質量的管理氛圍，提高員工參與質量技術管理的主觀能動性。

Environment, Social and Governance (ESG) Report

環境、社會及管治(ESG)報告



Activities in "Quality Month" of 2019
2019年「質量月」活動

Managing Intellectual Property

Our Group has implemented the intellectual property strategy, paid attention to the research and development of intellectual property rights and the cultivation of major technological achievements. Moreover, we have applied for 11 invention patents and 36 utility model patents, with 7 invention patents and 36 utility model patents authorized. Our Group has also participated in the preparation of 6 national standards, 7 industrial standards, 2 association standards and 7 local standards for concrete, and obtained 2 software copyrights.

In order to ensure the implementation of the technology development strategy of our Group, standardize the intellectual property management of our Group, improve the intellectual property development, and promote the transformation and application of intellectual property, our Group has formulated a series of technology management methods to maintain and protect the intellectual property rights of our Group, including the *Management Measures for Scientific and Technological Innovation of YCIH Green High-Performance Concrete Company Limited*, *Management Measures for Intellectual Property of YCIH Green High-Performance Concrete Company Limited* and *Organization and Implementation of Transformation of Scientific and Technological Achievements & Incentive and Reward Methods of YCIH Green High-Performance Concrete Company Limited*, so as to strengthen the management on scientific and technological innovation such as technology development, technical innovation and popularization and application of new technologies and achievements management of our Group, standardize the intellectual property management, enhance the science and technology innovation management and motivate the enthusiasm and creativity of technical personnel, promote the capacity for independent innovation and technological progress, and speed up the transformation of scientific and technological achievements into productivity, thus to build the core competitiveness of our Group.

知識產權管理

本集團實施知識產權戰略，注重知識產權的研發和重大技術成果培育，先後申請發明專利11項，實用新型專利36項，授權發明專利7項，實用新型專利36項；先後參與6項國家、7項行業、2項協會、7項地方混凝土相關標準的編製工作，獲得軟件著作權2項。

為確保本集團科技發展戰略的實施，規範本集團的知識產權管理，提升知識產權開發水平，促進知識產權的轉化和應用，本集團根據國家法律法規和實際情況，制定了《雲南建投綠色高性能混凝土股份有限公司科技創新管理辦法》、《雲南建投綠色高性能混凝土股份有限公司知識產權管理辦法》、《雲南建投綠色高性能混凝土股份有限公司科技成果轉化的組織實施與激勵獎勵辦法》等一系列維護和保障本集團知識產權的科技管理辦法，旨在加強本集團技術開發、技術改造、新技術推廣應用、成果管理等科技創新工作的管理，規範知識產權管理，提升科技創新管理水平，激勵技術人員的積極性和創造性，提高本集團自主創新能力和科技進步水平，加快科技成果向生產力的轉化，著力打造企業核心競爭力。

Environment, Social and Governance (ESG) Report

環境、社會及管治(ESG)報告

3.2.3 Brief analysis of anti-corruption measures in enterprises

Our Group has formulated the rules of conduct and management system through the Employee Manual to encourage employees to be honest and self-disciplined, and handle affairs impartially, keeping away from the abuse of power for personal gain and bribery. Furthermore, it is strictly forbidden for leaders to abuse their powers, use their power for personal gain, bribery or kickbacks. It is prohibited for employees to ask for property from cooperative units, material (equipment) suppliers, engineering sub-contractors, embezzle, work in collusion with others, or conduct black box operation to damage the Company's interests. In addition, it is strictly prohibited for employees to report false figures, fill in documents with false information, make false accounts, deceive superiors and delude subordinates, or provide false information to our Group. Our Group has imposed administrative sanctions and economic penalties on those who steal the enterprise's property, embezzle money, offer and accept bribes, collude with others, deceive superiors and delude subordinates, causing serious influence on the enterprise or illegal behaviors.

Our Group has signed agreements with suppliers to regulate business practices and prevent corruption. Our Group has agreed with suppliers not to accept or seek bribes in any forms, not to give or accept benefits such as gifts, cash, securities, pay orders, discount fee, agency fee, kickbacks, commissions or cash gifts, borrow or lend money, withhold or misappropriate payment for goods, engage in black box operation or private transactions. Our Group's Discipline Inspection and Supervision Department has set the informants' hotline telephone and E-mail to accept real-name reporting, anonymous reporting or the reporting by external third parties. The Discipline Inspection and Supervision Department has also handled the case according to the procedures, in case of violation of relevant regulations on integrity in business activities.

Our Group has formulated and implemented the *Management System for Anti-Money Laundering of YCIH Green High-Performance Concrete Company Limited* in accordance with relevant laws and administrative regulations such as the *Anti-Money Laundering Law of People's Republic of China*, *Regulations on the Anti-money Laundering of Financial Institutions* issued by the People's Bank of China and *Guidelines against Money Laundering and Terrorist Financing through Payment and Clearing Organizations*, established a risk control system for money laundering in three aspects: risk responsibility of each department, risk responsibility of senior management, and risk responsibility of internal audit. Our Group has organized the establishment and improvement of systems for customer identity identification, customer identity information and transaction record keeping, customer classification on money laundering risk, large transaction and suspicious transaction report, submitted large transactions and suspicious transaction reports in accordance with the laws, and organized to implement the audit of anti-money laundering on a regular basis.

3.2.3 企業反貪污措施簡析

本集團通過員工手冊制定行為準則和管理制度，提倡員工廉潔自律、秉公辦事，不以權謀私，不行賄、不受賄，嚴格禁止領導幹部利用職務之便濫用職權，以權謀私，收受賄賂和回扣，嚴格禁止員工向協作單位、材料(設備)供應商、工程分包商索取財物、吃拿卡要，或內外勾結、暗箱操作，損害企業利益，嚴格禁止員工在工作中報假數字、填假單據、做假賬，欺上瞞下，提供虛假信息。本集團對盜竊企業財務、貪污、行賄受賄、內外勾結、欺上瞞下給企業造成嚴重影響及其他違規行為的，給予行政處分、經濟處罰。

本集團與供應商簽訂廉政協議，以規範業務行為，防止貪污。本集團與供應商協議承諾不以任何形式接受和索要賄賂，不贈送或接受禮品、現金、有價證券、支付憑證或其他好處等，不提供或接受折扣費、中介費、回扣、佣金、禮金或其他好處等，不提供或接受借款，不截留、挪用貨款，不進行暗箱操作和私下交易。本集團紀檢監察部設置舉報電話和電子郵箱，接受員工實名或匿名、外部第三方舉報，對在業務活動中違反相關廉政規定的，紀檢監察部依程序進行辦理。

本集團根據《中華人民共和國反洗錢法》、中國人民銀行《金融機構反洗錢規定》、《支付清算組織反洗錢和反恐怖融資指引》等有關法律、行政法規，制定並推行《雲南建投綠色高性能混凝土股份有限公司反洗錢工作管理制度》，建立各部門風險責任、高級管理人員風險責任、內部審計風險責任等三個方面的洗錢風險控制體系。本集團組織建立健全客戶身份識別、客戶身份資料和交易記錄保存、洗錢風險客戶分類、大額交易和可疑交易報告等制度，依法提交大額交易和可疑交易報告，並定期組織實施反洗錢審計工作。

Environment, Social and Governance (ESG) Report

環境、社會及管治(ESG)報告

During the Reporting Period, such cases as corruption, bribery, extortion, fraud and money laundering did not occur in our Group.

3.3 Investment Overview of Business Community

Our Group has actively promoted the construction of a harmonious society, and always takes it as an important mission to pay back the society and fulfill social responsibilities. As improving the business operation, our Group has avoided causing disturbance to the nearby community during the operation activities. We also tried our best to pay back to the society, extend our care to the community and practice social responsibilities. Each unit of our Group has formed a good tie with the relevant departments of local sub-districts, communities and governments, and has given a strong support to the relevant departments in works such as employment arrangement, tax payment and poverty alleviation.

Our Group earnestly implemented the important instructions on poverty alleviation of the central government, and performed its corporate social responsibility in accordance with the work requirements of poverty alleviation. On November 21, 2019, in order to implement the poverty alleviation, our Group participated in the 60-day countdown activity in 2019 organized by the leading groups of "Guabaobang" (an activity that the superiors connect and link with poverty alleviation areas, relevant department supports corresponding villages and leaders supports corresponding households to alleviate poverty) and "Interview & Visits" formed by YCIH. In this way, our Group visited the 4 registered households supported by our Group in Xuanweidelu Township to know their real situations, and completed interview records and interview questionnaires. The representatives of our Group have visited four households to further understand the changes and actual conditions from 2013, and carried out support activities.

報告期內，本集團未發生貪腐、賄賂、勒索、欺詐及洗錢等訴訟案件。

3.3 企業社區投資概覽

本集團積極推進和諧社會建設，始終把反哺社會、履行社會責任視為重要使命擔當。本集團在增進業務營運的同時，避免運營活動期間對附近社區造成滋擾，亦盡力反饋社會，將關懷延伸至社區，踐行社會責任。本集團各單位與所在地街道、社區、政府部門各相關部門建立起良好的合作關係，在安排人員就業、稅收繳納、扶貧等工作上給予相關部門大力支持。

本集團認真貫徹落實中央關於扶貧工作的重要指示精神，按照扶貧的工作要求，認真履行企業社會責任。2019年11月21日，為貫徹落實扶貧工作，本集團參加了雲南建投「掛包幫」、「轉走訪」工作領導小組組織的2019年衝刺60天活動，到宣威得祿鄉對本集團掛聯幫扶的4戶建檔立卡戶進行走訪摸底，完成訪談筆錄和走訪問卷。本集團代表經過現場走訪，對四戶家庭2013年至今的變化和現實情況進一步了解，開展幫扶活動。



Poverty Alleviation Activities and Visits
扶貧走訪活動

Environment, Social and Governance (ESG) Report

環境、社會及管治(ESG)報告

Appendix

附錄

Terms

術語

Hong Kong Stock Exchange 香港聯交所	The Stock Exchange of Hong Kong Limited 香港聯合交易所有限公司
Reporting period/2019 報告期／2019年度	Accounting period from January 1, 2019 to December 31, 2019 2019年1月1日至2019年12月31日會計期
Company/our Company 公司／本公司	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
Our Group/we 本集團／我們	Our Company and its subsidiaries 本公司及其附屬公司
YCIH 雲南建投	Yunnan Construction and Investment Holding Group Co., Ltd., the controlling Shareholder of the Company 雲南省建設投資控股集團有限公司，為本公司的控股股東
Baoshan Building Material 保山建材	YCIH Baoshan Yongchang Building Material Co., Ltd., a subsidiary of the Company 雲南建投保山永昌建材有限公司，為本公司的附屬公司
Qijing Building Material 曲靖建材	YCIH Qijing Building Material Co., Ltd., a subsidiary of the Company 雲南建投曲靖建材有限公司，為本公司的附屬公司
Polymer Company 高分子公司	YCIH Polymer Material Co., Ltd., a subsidiary of the Company 雲南建投高分子材料有限公司，為本公司的附屬公司
Employee Manual 員工手冊	Employee Manual of 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員工手冊
Integrity Agreement 廉政協議	Integrity Agreement of 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廉政協議



羅兵咸永道

To the Shareholders of YCIH Green High-Performance Concrete Company Limited

(incorporated in the People's Republic of China with limited liability)

致雲南建投綠色高性能混凝土股份有限公司股東

(於中華人民共和國註冊成立的有限公司)

OPINION

What we have audited

The consolidated financial statements of YCIH Green High-Performance Concrete Company Limited (the "Company") and its subsidiaries (the "Group") set out on pages 135 to 247, which comprise:

- the consolidated statement of financial position as at December 31, 2019;
- the consolidated income statement for the year then ended;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, which include a summary of significant accounting policies.

Our opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at December 31, 2019, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

意見

我們已審計的內容

雲南建投綠色高性能混凝土股份有限公司(以下簡稱「貴公司」)及其附屬公司(以下統稱「貴集團」)列載於第135至247頁的合併財務報表，包括：

- 於2019年12月31日的合併財務狀況表、
- 截至該日止年度的合併利潤表、
- 截至該日止年度的合併綜合收益表、
- 截至該日止年度的合併權益變動表、
- 截至該日止年度的合併現金流量表及
- 合併財務報表附註，包括主要會計政策概要。

我們的意見

我們認為，該等合併財務報表已根據《國際財務報告準則》真實而中肯地反映了貴集團於二零一九年十二月三十一日的合併財務狀況及其截至該日止年度的合併財務表現及合併現金流量，並已遵照香港《公司條例》的披露規定妥為擬備。

意見的基礎

我們已根據《國際審計準則》進行審計。我們在該等準則下承擔的責任已在本報告「核數師就審計合併財務報表承擔的責任」部分中作進一步闡述。

我們相信，我們所獲得的審計憑證能充足及適當地為我們的審計意見提供基礎。

Independent Auditor's Report

獨立核數師報告

Independence

We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Recoverability of trade receivables was identified as a Key Audit Matter in our audit as follows:

獨立性

根據國際會計師職業道德準則理事會頒佈的《國際會計師職業道德守則(包含國際獨立性標準)》(以下簡稱「道德守則」)，我們獨立於貴集團，並已履行道德守則中的其他職業道德責任。

關鍵審計事項

關鍵審計事項是根據我們的專業判斷，認為對本期合併財務報表的審計最為重要的事項。這些事項是在我們審計整體合併財務報表及出具意見時進行處理的。我們不會對這些事項提供單獨的意見。

我們在審計中識別的關鍵審計事項是關於應收賬款的可回收性：

Key Audit Matter 關鍵審計事項	How our audit addressed the Key Audit Matter 我們的審計如何處理關鍵審計事項
<p>Recoverability of trade receivables 應收賬款的可回收性</p> <p>Refer to Note 3.1(b) (Financial risk factors-Credit risk), Note 4 (Critical accounting estimates and judgements — Recoverability of trade receivables) and Note 22 (Trade receivables) to the consolidated financial statements, respectively.</p> <p>請分別參閱合併財務報表附註3.1(b)(財務風險因素 — 信用風險)、附註4(重要會計估計及判斷 — 應收賬款的可回收性)及附註22(應收賬款)。</p> <p>As at December 31, 2019, the Group's gross trade receivables were approximately RMB2,472 million, provision for impairment of trade receivables was approximately RMB55 million, and net trade receivables of approximately RMB2,417 represented approximately 68% of the Group's total assets.</p> <p>於2019年12月31日，貴集團貿易應收款賬面總額約為人民幣2,472百萬元，應收賬款減值撥備餘額約為人民幣55百萬元，應收賬款淨額約為人民幣2,417百萬元，約佔貴集團總資產68%。</p> <p>The Group applied the simplified approach to assess expected credit loss by grouping trade receivables based on shared credit risk characteristics, and ageing days. Under this approach, expected lifetime losses were recognised from initial recognition of the trade receivables.</p> <p>貴集團使用簡化方法並按照相同的信用風險特徵和賬齡天數對應收賬款分組以評估預期信用損失。根據該方法，初始確認應收賬款時即確認全期損失。</p>	<p>We performed the following procedures to address this key audit matter:</p> <p>我們針對關鍵審計事項執行了審計程序主要包括：</p> <ul style="list-style-type: none">(i) Understood, evaluated and validated the key internal controls over collection of trade receivables, credit control, determination and approval of provision for impairment of trade receivables.(1) 了解、評估及驗證關鍵內部控制包括應收賬款收款、信貸控制及減值撥備之釐定及批准。(ii) Circulated confirmations of trade receivables on a sample basis. For those confirmations without reply, we performed alternative procedures by inspecting the relevant documents supporting the trade receivable balances.(2) 函證選取的債務人餘額。若未收到債務人的回函，我們檢查相關支持性文件以執行替代性程序。

Key Audit Matter

關鍵審計事項

How our audit addressed the Key Audit Matter

我們的審計如何處理關鍵審計事項

Recoverability of trade receivables (Continued)

應收賬款的可回收性(續)

The lifetime expected credit loss allowance is determined based on past settlement profiles and the observed default rates over the expected life of the trade receivables with similar credit risk characteristics and is adjusted with current and forward-looking information on macroeconomic factors that affecting the ability of the customers to settle the receivables.

全期預期損失是由基於銷售的過往付款狀況及類似信用風險特徵應收賬款存續期可觀察到的違約率，且該違約率通過影響客戶付款能力相關的宏觀經濟因素的現時及前瞻性資訊修正。

In assessing forward-looking information, the Group considered factors including economic policies, macroeconomic indicators, industry risks and changes in customers' conditions.

在評估前瞻性資訊時，貴集團考慮的因素包括經濟政策、宏觀經濟指標、行業風險和客戶情況的變化。

We focused on this area as the balance of trade receivables was material to the consolidated financial statements and the assessment of expected credit loss on trade receivables involved significant judgement and estimates by management.

我們專注於該範疇乃由於應收賬款餘額對合併財務報表重大並且評估應收賬款預期信用損失涉及重大管理層判斷及估計。

(iii) For trade receivables for which provision for impairment was assessed individually, we reviewed management's assessment of the financial position and creditworthiness of customers, historical payment records and forecasted future economic conditions. We also corroborated management's assessment by searching for customers' background, reviewing the Group's historical transactions with the customers and collection patterns, and examined the data supporting determination of forward-looking factors and checked the data sources. We validated the accuracy of expected credit loss rates and expected credit loss allowance by performing recalculation;

(3) 對於按照單項金額評估的應收賬款，覆核管理層基於客戶的財務狀況和資信情況，歷史還款記錄以及對未來經濟狀況的預測。我們也將管理層的評估與我們在審計過程中取得的證據相驗證，包括查詢客戶的背景資訊、以往和貴集團的交易歷史和回款情況，檢查確定前瞻性考慮的基礎並檢查其數據來源；我們通過重新計算驗證預期信用損失率及計提預期信用損失金額準確性；

(iv) For trade receivables for which provision for impairment was assessed collectively, we performed the following procedures to assess the reasonableness of the grouping of trade receivables and validated the expected credit loss:

(4) 針對按照組合評估的應收賬款，我們評估劃分的組合以及相應的基於歷史信用損失並結合現時及前瞻性因素的預期信用損失率的合理性。

Independent Auditor's Report

獨立核數師報告

Key Audit Matter 關鍵審計事項	How our audit addressed the Key Audit Matter 我們的審計如何處理關鍵審計事項
	<p>We examined the grouping of trade receivables by checking evidence supporting the credit risk characteristics of these receivables on a sample basis; 針對組合分類的合理性，我們選取樣本並根據信用風險特徵來測試其分類準確性；</p> <p>We validated the calculation of historical credit loss by testing the accuracy of trade receivable ageing on a sample basis, and recalculating migration rates and historical default rates; 針對歷史信用損失，我們參考歷史審計經驗，選取樣本測試賬齡的準確性，並重新結算對遷徙率和歷史違約率；</p> <p>We examined the data supporting determination of forward looking factors and checked the data sources; 針對現時和前瞻性因素，我們評估前瞻性資訊釐定之基礎並核查其資料來源；</p> <p>We checked the mathematical accuracy of calculation of the expected credit loss allowance. 針對預期信用損失，我們檢查其計提金額的計算準確性。</p> <p>(v) We tested the cash collections subsequent to year end on a sample basis. (5) 選取樣本檢查期後回款情況。</p> <p>Based on our work, we found the judgement and estimates made by management in determining the recoverability of trade receivables were supported by available evidence. 基於以上程序，我們在執行工作過程中獲取的證據支持了管理層針對上述應收賬款壞賬計提做出的重大會計估計和判斷。</p>

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises all of the information included in the annual report other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF DIRECTORS AND THE AUDIT COMMITTEE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRSs and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The audit committee is responsible for overseeing the Group's financial reporting process.

其他信息

貴公司董事須對其他信息負責。其他信息包括年報內的所有信息，但不包括合併財務報表及我們的核數師報告。

我們對合併財務報表的意見並不涵蓋其他信息，我們亦不對該等其他信息發表任何形式的鑒證結論。

結合我們對合併財務報表的審計，我們的責任是閱讀其他信息，在此過程中，考慮其他信息是否與合併財務報表或我們在審計過程中所了解的情況存在重大抵觸或者似乎存在重大錯誤陳述的情況。

基於我們已執行的工作，如果我們認為其他信息存在重大錯誤陳述，我們需要報告該事實。在這方面，我們沒有任何報告。

董事及審計委員會就合併財務報表須承擔的責任

貴公司董事須負責根據《國際財務報告準則》及香港《公司條例》的披露規定擬備真實而中肯的合併財務報表，並對其認為為使合併財務報表的擬備不存在由於欺詐或錯誤而導致的重大錯誤陳述所需的內部控制負責。

在擬備合併財務報表時，董事負責評估貴集團持續經營的能力，並在適用情況下披露與持續經營有關的事項，以及使用持續經營為會計基礎，除非董事有意將貴集團清盤或停止經營，或別無其他實際的替代方案。

審計委員會須負責監督貴集團的財務報告過程。

Independent Auditor's Report

獨立核數師報告

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

核數師就審計合併財務報表承擔的責任

我們的目標，是對合併財務報表整體是否不存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並出具包括我們意見的核數師報告。我們僅向閣下(作為整體)報告我們的意見，除此之外本報告別無其他目的。我們不會就本報告的內容向任何其他人士負責或承擔任何責任。合理保證是高水平的保證，但不能保證按照《國際審計準則》進行的審計，在某一重大錯誤陳述存在時總能發現。錯誤陳述可以由欺詐或錯誤引起，如果合理預期它們單獨或匯總起來可能影響合併財務報表使用者依賴合併財務報表所作出的經濟決定，則有關的錯誤陳述可被視作重大。

在根據《國際審計準則》進行審計的過程中，我們運用了專業判斷，保持了專業懷疑態度。我們亦：

- 識別和評估由於欺詐或錯誤而導致合併財務報表存在重大錯誤陳述的風險，設計及執行審計程序以應對這些風險，以及獲取充足和適當的審計憑證，作為我們意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部控制之上，因此未能發現因欺詐而導致的重大錯誤陳述的風險高於未能發現因錯誤而導致的重大錯誤陳述的風險。
- 了解與審計相關的內部控制，以設計適當的審計程序，但目的並非對貴集團內部控制的有效性發表意見。
- 評價董事所採用會計政策的恰當性及作出會計估計和相關披露的合理性。
- 對董事採用持續經營會計基礎的恰當性作出結論。根據所獲取的審計憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對貴集團的持續經營能力產生重大疑慮。如果我們認為存在重大不確定性，則有必要在核數師報告中提請使用者注意合併財務報表中的相關披露。假若有關的披露不足，則我們應當發表非無保留意見。我們的結論是基於核數師報告日止所取得的審計憑證。然而，未來事項或情況可能導致貴集團不能持續經營。

Independent Auditor's Report

獨立核數師報告

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.
- 評價合併財務報表的整體列報方式、結構和內容，包括披露，以及合併財務報表是否中肯反映交易和事項。
- 就貴集團內實體或業務活動的財務信息獲取充足、適當的審計憑證，以便對合併財務報表發表意見。我們負責貴集團審計的方向、監督和執行。我們為審計意見承擔全部責任。

We communicate with the audit committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

除其他事項外，我們與審計委員會溝通了計劃的審計範圍、時間安排、重大審計發現等，包括我們在審計中識別出內部控制的任何重大缺陷。

We also provide the audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

我們還向審計委員會提交聲明，說明我們已符合有關獨立性的相關專業道德要求，並與他們溝通有可能合理地被認為會影響我們獨立性的所有關係和其他事項，以及在適用的情況下，相關的防範措施。

From the matters communicated with the audit committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

從與審計委員會溝通的事項中，我們確定哪些事項對本期合併財務報表的審計最為重要，因而構成關鍵審計事項。我們在核數師報告中描述這些事項，除非法律法規不允許公開披露這些事項，或在極端罕見的情況下，如果合理預期在我們報告中溝通某事項造成的負面後果超過產生的公眾利益，我們決定不應在報告中溝通該事項。

The engagement partner on the audit resulting in this independent auditor's report is Lam Siu Wing, Benny.

出具本獨立核數師報告的審計項目合夥人是林兆榮。

PricewaterhouseCoopers
Certified Public Accountants

羅兵咸永道會計師事務所
執業會計師

Hong Kong, March 27, 2020

香港，2020年3月27日

Consolidated Income Statement

合併利潤表

For the Year Ended December 31, 2019
截至2019年12月31日止年度

		Year ended December 31, 截至12月31日止年度		
		Note 附註	2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Revenue	收入	5	3,608,075	3,357,117
Cost of sales	銷售成本	7	(3,200,677)	(2,997,649)
Gross profit	毛利		407,398	359,468
Selling expenses	分銷費用	7	(13,136)	(14,407)
Administrative expenses	行政費用	7	(133,981)	(114,553)
Net impairment losses on financial assets	金融資產減值損失淨額	7	(8,129)	(11,870)
Other income	其他收益	5	2,257	5,221
Other (losses)/gains — net	其他(損失)/利得 — 淨額	6	(1,210)	814
Operating profit	經營利潤		253,199	224,673
Finance income	財務收益	10	1,354	1,147
Finance costs	財務費用	10	(10,358)	(8,738)
Finance costs — net	財務費用 — 淨額	10	(9,004)	(7,591)
Profit before income tax	除所得稅前利潤		244,195	217,082
Income tax expense	所得稅費用	11	(28,509)	(37,633)
Profit for the year	年度利潤		215,686	179,449
Profit attributable to:	利潤歸屬於：			
– The equity holders of the Company	— 本公司所有者		203,685	163,748
– Non-controlling interests	— 非控制性權益		12,001	15,701
			215,686	179,449
Earnings per share for profit attributable to the equity holders of the Company during the year (expressed in RMB per share)	年內每股收益歸屬於本公司所有者(以每股人民幣計)			
– Basic and diluted earnings per share	— 基本每股收益及 稀釋每股收益	12	0.61	0.52

The above consolidated income statement should be read in conjunction with the accompanying notes.

上述合併利潤表應與隨附之附註一併閱讀。

Consolidated Statement of Comprehensive Income

合併綜合收益表

For the Year Ended December 31, 2019
截至2019年12月31日止年度

	Note 附註	Year ended December 31, 截至12月31日止年度	
		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Profit for the year		215,686	179,449
Other comprehensive loss			
<i>Items that may be reclassified to profit or loss</i>			
– Changes in the fair value of debt instruments at fair value through other comprehensive income	— 以公允價值計量且其變動計入其他綜合收益的債務工具公允價值變動	(2,171)	—
– Income tax relating to the item	— 與該等項目有關的所得稅	351	—
Other comprehensive loss for the year, net of tax	本年度其他綜合損失，扣除稅項	(1,820)	—
Total comprehensive income for the year	本年度總綜合收益	213,866	179,449
Total comprehensive income attributable to:	本期綜合總收益歸屬於：		
– The equity holders of the Company	— 本公司所有者	201,942	163,748
– Non-controlling interests	— 非控制性權益	11,924	15,701

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

上述合併綜合收益表應與隨附之附註一併閱讀。

Consolidated Statement of Financial Position

合併財務狀況表

As at December 31, 2019
於2019年12月31日

	Note 附註	As at December 31, 於12月31日	
		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
ASSETS			
		資產	
Non-current assets		非流動資產	
Land use rights	13	20,102	20,602
Property, plant and equipment	14	194,502	258,105
Investment properties	15	2,821	3,011
Intangible assets	16	930	20
Other non-current assets	17	7,950	—
Deferred income tax assets	18	14,791	12,539
		241,096	294,277
Current assets		流動資產	
Inventories	20	47,474	45,704
Financial assets at fair value through other comprehensive income		以公允價值計量且其 變動計入其他綜合收益的 金融資產	
	21	137,202	55,637
Trade receivables	22	2,416,622	2,448,270
Prepayments and other receivables	23	38,615	59,766
Restricted cash	24	20,772	15,680
Cash and cash equivalents	25	640,009	240,026
		3,300,694	2,865,083
Total assets		3,541,790	3,159,360
		總資產	

Consolidated Statement of Financial Position

合併財務狀況表

As at December 31, 2019
於2019年12月31日

		As at December 31,	
		於12月31日	
		2019	2018
		2019年	2018年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
EQUITY	權益		
Share capital	股本	26	446,272
Reserves	儲備	27	458,658
Retained earnings	留存收益	28	262,937
Total equity attributable to equity holders of the Company	歸屬於本公司所有者		1,167,867
Non-controlling interests	非控制性權益		60,481
Total equity	總權益		1,228,348
LIABILITIES	負債		
Non-current liabilities	非流動負債		
Lease liabilities	租賃負債	29	15,601
Provision for close down, restoration and environmental cost	關閉、復墾及環保成本撥備	30	5,411
			21,012

Consolidated Statement of Financial Position

合併財務狀況表

As at December 31, 2019
於2019年12月31日

		Note 附註	As at December 31, 於12月31日	
			2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Current liabilities	流動負債			
Trade and other payables	貿易及其他應付款項	31	2,128,626	2,002,587
Lease liabilities	租賃負債	29	13,132	21,655
Provision for close down, restoration and environmental cost	關閉、復墾及環保成本撥備	30	6,454	3,234
Contract liabilities	合同負債	5	14,130	48,146
Current income tax liabilities	當期所得稅負債		15,470	24,757
Borrowings	借款	32	114,618	80,000
			2,292,430	2,180,379
Total liabilities	總負債		2,313,442	2,204,363
Total equity and liabilities	權益及負債總額		3,541,790	3,159,360

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

上述合併財務狀況表應與隨附之附註一併閱讀。

The consolidated financial statements on page 135 to 247 were approved by the Board of Directors on March 27, 2020 and were signed on its behalf.

第135頁至第247頁上的本合併財務報表已於二零二零年三月二十七日經董事會批准，並經以下董事代表簽署。

Chairman / **Ma Minchao**
董事長／馬敏超

Director / **Rao Ye**
董事／饒燁

Consolidated Statement of Changes in Equity

合併權益變動表

For the Year Ended December 31, 2019
截至2019年12月31日止年度

		Attributable to equity holders of the Company 本公司股東應佔						Non- controlling interests 非控制性 權益	Total equity 總計權益
		Note 附註	Share	Reserves	Retained	Total	Total		
			Capital	Reserves	earnings				
			RMB'000	RMB'000	RMB'000				
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元		
As at January 1, 2018	2018年1月1日結餘		312,390	247,595	174,135	734,120	74,418	808,538	
Comprehensive Income:	綜合收益：								
Profit for the year	年度利潤		—	—	163,748	163,748	15,701	179,449	
Transactions with owners:	與權益所有者以其所有者的 身份進行的交易：								
Dividends to non-controlling interests	向非控制性權益支付股息		—	—	—	—	(14,775)	(14,775)	
Business combination under common control	同一控制下的企業合併		—	(18,215)	—	(18,215)	—	(18,215)	
Appropriation to statutory reserve	轉撥至法定儲備	27, 28	—	16,419	(16,419)	—	—	—	
As at December 31, 2018	2018年12月31日結餘		312,390	245,799	321,464	879,653	75,344	954,997	
As at January 1, 2019	2019年1月1日結餘		312,390	245,799	321,464	879,653	75,344	954,997	
Comprehensive Income:	綜合收益：								
Profit for the year	年度利潤		—	—	203,685	203,685	12,001	215,686	
Other comprehensive loss	其他綜合損失		—	(1,743)	—	(1,743)	(77)	(1,820)	
Transactions with owners:	與權益所有者以其 所有者的身份進行的 交易：								
Proceeds of H share issued	發行H股股份所得款		133,882	195,615	—	329,497	—	329,497	
Dividends to equity holders of the Company	向本公司所有者支付股息	33	—	—	(243,225)	(243,225)	—	(243,225)	
Dividends to non-controlling interests	向非控制性權益支付股息		—	—	—	—	(26,787)	(26,787)	
Appropriation to statutory reserve	轉撥至法定儲備	27, 28	—	18,987	(18,987)	—	—	—	
As at December 31, 2019	2019年12月31日結餘		446,272	458,658	262,937	1,167,867	60,481	1,228,348	

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

上述合併權益變動表應與隨附之附註一併閱讀。

Consolidated Statement of Cash Flows

合併現金流量表

For the Year Ended December 31, 2019
截至2019年12月31日止年度

		Note 附註	Year ended December 31, 截至12月31日止年度	
			2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Cash flows from operating activities	經營活動的現金流量			
Cash generated from operations	經營產生的現金	34(a)	421,240	148,870
Interest received	已收利息	10	1,354	1,147
Interest paid	已付利息	10, 32	(5,919)	(5,099)
Income tax paid	已付所得稅		(39,697)	(48,393)
Net cash generated from operating activities	經營活動產生淨現金		376,978	96,525
Cash flows from investing activities	投資活動的現金流量			
Purchase of property, plant and equipment	購買不動產、工廠及設備		(31,784)	(45,081)
Purchase of intangible assets	購買無形資產		(1,004)	—
Proceeds from disposal of property, plant and equipment	出售不動產、工廠及設備所得款		1,641	834
Net cash used in investing activities	投資活動所用淨現金		(31,147)	(44,247)
Cash flows from financing activities	融資活動的現金流量			
Proceeds from issue of H shares	發行H股股份所得款	26(d)	377,312	—
Contribution from non-controlling interests of the subsidiaries	所屬公司非控股權益注資		874	—
Proceeds from borrowings	借款所得款	34(b)	147,368	81,489
Repayments of bank borrowings	償還借款	34(b)	(80,000)	(80,000)
Payment for listing expenses	支付上市費用		(38,496)	(8,351)
Payment for leases liabilities	支付租賃負債	34(b)	(31,266)	(42,450)
Dividends paid to the Company's equity holders	向公司股東支付股息	33	(273,313)	(21,287)
Net cash outflow arising from consideration paid to the controlling shareholder of the Company for acquisition of entities under common control	本公司因收購同一控制下所屬公司而向控股股東支付的對價款		—	(70,577)
Dividends paid to non-controlling interests of the subsidiaries	向子公司非控制性權益支付股息		(46,602)	(2,877)
Net cash generated from/(used in) financing activities	融資活動產生/(所用)淨現金		55,877	(144,053)
Net increase/(decrease) in cash and cash equivalents	現金及現金等價物淨增加/(減少)		401,708	(91,775)
Cash and cash equivalents at beginning of the year	年初現金及現金等價物	25	240,026	331,801
Effect of foreign exchange rate changes	現金及現金等價物匯率變動		(1,725)	—
Cash and cash equivalents at end of the year	年終現金及現金等價物	25	640,009	240,026

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

上述合併現金流量表應與隨附之附註一併閱讀。

Notes to the Consolidated Financial Statements

合併財務報表附註

For the Year Ended December 31, 2019
截至2019年12月31日止年度

1 GENERAL INFORMATION

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

The parent company of the Group was Yunnan Construction Engineering Group Co., Ltd ("YNJG") ("雲南建工集團有限公司") before March of 2017 and Yunnan Construction and Investment Holding Group Co., Ltd. ("YCIH") ("雲南省建設投資控股集團有限公司") since March of 2017. Both YNJG and YCIH are operating under the supervision and regulation of the State-Owned Assets Supervision and Administration Commission of Yunnan Province ("Yunnan SASAC").

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

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

The consolidated financial statements are presented in Renminbi thousand (RMB'000), unless otherwise stated. These financial statements have been approved for issue by the Board of Directors on March 27, 2020.

The financial position of the Group was particularly affected by the initial public offering on October 31, 2019 (Note 26) during the reporting period.

1 一般資料

雲南建工綠色高性能混凝土有限公司乃根據《中華人民共和國公司法》於2007年6月19日於中華人民共和國(「中國」)雲南省註冊成立之有限公司。於2017年12月22日，本公司改制為股份有限公司，註冊資本為人民幣312,390,000元，並變更其名稱為雲南建投綠色高性能混凝土股份有限公司(「本公司」)。其註冊辦事處地址為中國雲南省昭通市昭陽區昭通大道雲南建投昭通發展大廈。

於2017年3月前，本集團母公司為雲南建工集團有限公司(「建工集團」)，而自2017年3月起為雲南省建設投資控股集團有限公司(「雲南建投」)。建工集團及雲南建投均受雲南省國有資產監督管理委員會(「雲南省國資委」)監督及規管。

本公司及其子公司(統稱為「本集團」)於中國主要從事預拌混凝土研發、生產及銷售、運輸及泵送，並提供質量及技術管理服務。

本公司已完成其全球首次公開發行H股，其股份於2019年10月31日在香港聯合交易所有限公司主板上市。

除另有註明外，本合併財務報表以人民幣千元列報。本合併財務報表已經由董事會於2020年3月27日批准刊發。

本年度，本集團財務狀況特別受到於2019年10月31日的首次公開發行股票的影響(附註26)。

Notes to the Consolidated Financial Statements

合併財務報表附註

For the Year Ended December 31, 2019
截至2019年12月31日止年度

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

2.1 Basis of preparation

2.1.1 Compliance with IFRS and HKCO

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

2.1.2 Historical cost convention

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

2.1.3 New and amended standards adopted by the Group

The following new and amended accounting standards and interpretations become applicable for annual reporting periods commencing on or after January 1, 2019, and have been adopted by the Group in current period and also early adopted in prior period for the purpose of IPO of the Company:

IFRS 16
國際財務報告準則第16號
IFRIC 23
解釋公告第23號
Amendments to IAS 19
國際會計準則第19號(修訂)
Amendments to IFRS 9
國際財務報告準則第9號(修訂)
Amendments to IAS 28
國際會計準則第28號(修訂)
Annual improvements IFRS Standards
2015–2017 Cycle
2015–2017年國際財務報告準則年度改進項目

Leases
租賃
Uncertainty over income tax treatments
所得稅處理的不確定性
Plan amendment, curtailment or settlement
計劃修改、削減或結算
Prepayment features with negative compensation
反向賠償的提前還款特徵
Long-term interests in associates and joint ventures
對聯營公司及合營企業的長期權益
Amendments to IFRS 3, IFRS 11, IAS 12 and IAS 23
國際財務報告準則第3號、國際財務報告準則第11號、
國際會計準則第12號、國際會計準則第23號之修訂本

2 主要會計政策概要

編製本合併財務報表採用的主要會計政策載於下文。除另有說明外，此等政策在所列報的所有年度內貫徹應用。

2.1 編製基準

2.1.1 遵守國際財務報告準則和香港公司條例

本公司的合併財務報表是根據國際財務報告準則(「國際財務報告準則」)及香港《公司條例》(第622章)的規定編製。

2.1.2 歷史成本法

合併財務報表按照歷史成本法編製，除以公允價值計量的特定金融資產和金融負債。

2.1.3 本集團已採納的新訂和已修改的準則

以下新訂準則、準則之修改本和解釋於2019年1月1日後開始的年度期間生效，本集團已於本報告期間採納下列新訂和已修改的準則，並於本公司全球首次公開發行股份中於以前期間提前採用：

Notes to the Consolidated Financial Statements

合併財務報表附註

For the Year Ended December 31, 2019
截至2019年12月31日止年度

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.1 Basis of preparation (Cont'd)

2.1.4 New standards and amendments of IFRS issued effective for the financial periods beginning on and after January 1, 2020 and have not been early adopted by the Group

IFRS 17 國際財務報告準則第17號	Insurance contracts 保險合同	January 1, 2022 2022年1月1日
Amendments to IAS 1 and IAS 8 國際會計準則第1號及國際會計準則第8號(修訂)	Definition of Material 重大的定義	January 1, 2020 2020年1月1日
Amendments to IFRS 3 國際財務報告準則第3號	Definition of Business 業務的定義	January 1, 2020 2020年1月1日
Revised conceptual framework 經修訂概念框架	Revised conceptual framework for financial reporting 經修訂財務報告概念框架	January 1, 2020 2020年1月1日
Amendments to IFRS 10 and IAS 28 國際財務報告準則第10號及國際會計準則第28號(修訂)	Sale or contribution of assets between an investor and its associate or joint venture 投資者與其聯營公司或合營企業之間的資產出售或出資	To be determined 待定

The Group is assessing the full impact of these new standards, amendments and interpretations. According to the preliminary assessment, these standards, amendments and interpretations are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

2 主要會計政策概要(續)

2.1 編製基準(續)

2.1.4 本集團尚未提前採納的2020年1月1日後開始的財務期間生效的新訂準則、準則之修訂本和解釋

Effective for annual periods beginning on or after
於以下日期或之後開始的年度期間應用

本集團正評估該等新準則、修訂和解釋的全面影響。根據初步評估，對當期並無影響，且不大可能會對本集團現在或未來期間產生影響。

Notes to the Consolidated Financial Statements

合併財務報表附註

For the Year Ended December 31, 2019
截至2019年12月31日止年度

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.2 Subsidiaries

2.2.1 Consolidation

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

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

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

2 主要會計政策概要(續)

2.2 子公司

2.2.1 業務合併

子公司指本集團對其具有控制權的所有主體(包括結構性主體)。當本集團因為參與該主體而承擔可變回報的風險或享有可變回報的權益，並有能力透過其對該主體的權力影響此等回報時，本集團即控制該主體。子公司在控制權轉移至本集團之日起合併入賬。子公司在控制權終止之日起停止合併入賬。

(a) *不導致失去控制權的子公司權益變動*

本集團將其與非控制性權益進行、不導致失去控制權的交易入賬為權益交易 — 即與子公司所有者以其作為所有者身份進行的交易。所支付任何對價的公允價值與相關應佔所收購子公司淨資產賬面值的差額記錄為權益。向非控制性權益的處置的盈虧亦記錄在權益中。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.2 Subsidiaries (Cont'd)

2.2.1 Consolidation (Cont'd)

(b) Disposal of subsidiaries

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

2.2.2 Separate financial information

Investments in subsidiaries are accounted for at cost less impairment. Cost also includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividends received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving dividends from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

2 主要會計政策概要(續)

2.2 子公司(續)

2.2.1 業務合併(續)

(b) 出售子公司

當本集團不再持有控制權，在主體的任何保留權益於失去控制權當日重新計量至公允價值，賬面值的變動在損益中確認。公允價值為就保留權益的後續入賬而言的初始賬面值，作為聯營、合營或金融資產。此外，之前在其他綜合收益中確認的任何數額猶如本集團已直接處置相關資產和負債。這意味著之前在其他綜合收益中確認的數額重新分類至損益。

2.2.2 獨立財務報表

子公司投資按成本扣除減值列賬。成本包括投資的直接歸屬成本。子公司的業績由本公司按已收及應收股息入賬。

如股息超過宣派股息期內子公司的總綜合收益，或如在獨立財務報表的投資賬面值超過合併財務報表中被投資公司淨資產(包括商譽)的賬面值，則必須對子公司投資作減值測試。

Notes to the Consolidated Financial Statements

合併財務報表附註

For the Year Ended December 31, 2019
截至2019年12月31日止年度

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.3 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as executive directors of the Company that makes strategic decisions.

2.4 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Renminbi ("RMB") throughout the year, which is the Company's functional currency and the Group's presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the consolidated income statement within "finance costs – net". All other foreign exchange gains and losses are presented in the consolidated income statement within "other (losses)/gains-net".

2 主要會計政策概要(續)

2.3 分部報告

經營分部按照向首席經營決策者提供的內部報告貫徹一致的方式報告。首席經營決策者被認為作出策略性決定的指導委員會負責分配資源和評估經營分部的表現。

2.4 外幣換算

(a) 功能及呈列貨幣

本集團每個主體的財務報表所列項目均以該主體經營所在的主要經濟環境的貨幣計量(「功能貨幣」)。合併財務報表以人民幣列報，人民幣為本公司的功能貨幣和本集團的列報貨幣。

(b) 交易及結餘

外幣交易採用交易或項目重新計量的估值日期的匯率換算為功能貨幣。結算此等交易產生的匯兌利得和損失以及將外幣計值的貨幣資產和負債以年終匯率折算產生的匯兌利得和損失在損益表確認。

與借款和現金及現金等價物有關的匯兌利得和損失在損益表內的「財務費用—淨額」中列報。所有其他匯兌利得和損失在損益表內的「其他(損失)/利得—淨額」中列報。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.5 Property, plant and equipment

Property, plant and equipment, other than construction in progress, are stated at historical cost less depreciation and provision for impairment loss, if any. Historical cost includes the expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the consolidated income statement during the financial period in which they are incurred.

Depreciation is calculated using the straight-line method to allocate their costs to their residual values over their estimated useful lives, as follows:

	Years 年數
Right-of-use assets – building and facilities 使用權資產 — 樓宇及設施	1 to 15 years 1至15年
Right-of-use assets – machinery and equipment 使用權資產 — 機器及設備	1 to 15 years 1至15年
Buildings and facilities 樓宇及設施	2 to 30 years 2至30年
Machinery and equipment 機器及設備	3 to 10 years 3至10年
Motor vehicles 車輛	5 to 8 years 5至8年
Electronic equipment 電子設備	3 years 3年
Other equipment 其他設備	2 to 5 years 2至5年

2 主要會計政策概要(續)

2.5 不動產、工廠及設備

不動產、工廠及設備(在建工程除外)按歷史成本減折舊及減值虧損撥備(如有)入賬。歷史成本包括購買該等項目直接應佔的開支。

後續成本只有在很可能為本集團帶來與該項目有關的未來經濟利益，而該項目的成本能可靠計量時，才包括在資產的賬面值或確認為一項單獨資產(按適用)。已更換零件的賬面值已被終止確認。所有其他維修費用在產生的財務期間內於損益表支銷。

折舊採用以下的估計可使用年期將其成本按直線法分攤至其剩餘價值計算：

Notes to the Consolidated Financial Statements

合併財務報表附註

For the Year Ended December 31, 2019
截至2019年12月31日止年度

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.5 Property, plant and equipment (Cont'd)

Construction in progress represents property, plant and equipment under construction or pending installation and is stated at cost less provision for impairment loss, if any. Cost includes the costs of construction and acquisition as well as interest expenses during the periods of construction and installation. When the assets concerned are available for use, the costs are transferred to property, plant and equipment and depreciated in accordance with the policy as stated above.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2.9).

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within "other (losses)/gains — net" in the consolidated income statement.

2.6 Land use rights

All land in the PRC is state-owned or collectively-owned and no individual land ownership exists. Land use rights are recognised as right-of-use assets (see Note 2.22). The consideration paid for such rights are stated at cost less accumulative amortisation and accumulated impairment losses, if any. Land use rights are amortised over the lease period of 50 years using straight-line method.

2.7 Intangible assets

Intangible assets represented the purchased computer software which are capitalised on the basis of the costs incurred to acquire the specific software. These costs are amortised over periods ranging from 3 to 10 years.

2 主要會計政策概要(續)

2.5 不動產、工廠及設備(續)

在建工程指正在建設或有待安裝的不動產、工廠及設備，並按成本減減值虧損撥備(如有)入賬。成本包括在建及購買該等項目直接應佔的開支以及利息費用。當資產達到可使用狀態時，成本結轉計入不動產、工廠及設備，並根據上述政策予以折舊。

資產的剩餘價值及可使用年期在每個資產負債表日進行檢討，及在適當時調整。

若資產的賬面值高於其估計可收回價值，其賬面值即時撇減至可收回金額(附註2.9)。

處置的利得和損失按所得款與賬面值的差額釐定，並在損益表內「其他(損失)/利得 — 淨額」中確認。

2.6 土地使用權

中國的所有土地均為國有或集體擁有，個人並無獨立的土地所有權。土地使用權確認為使用權資產(參閱附註2.22)。就該權利支付的代價按成本減累計攤銷及累計減值虧損(如有)入賬。土地使用權按直線法在50年租賃期內攤銷。

2.7 無形資產

無形資產指外購計算機軟件，按購買該軟件產生的成本為基準予以資本化。該成本在3至10年的年限內攤銷。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.8 Investment properties

Properties that are held for long-term rental yields or for capital appreciation or both, and that are not occupied by the Group, are classified as investment properties.

The Group's investment properties comprise buildings located in the PRC, which is measured initially at their costs, including the related transaction costs and borrowing costs, where appropriate.

After initial recognition, an investment property is measured at cost less accumulated depreciation and any provision for impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the properties. The building portion of investment properties is depreciated over their estimate useful lives of 25 or 30 years.

Subsequent expenditure is capitalised to the asset's carrying amount or recognised as a separate asset only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance costs are expensed in the consolidated income statement during the financial period in which they are incurred.

An investment property shall be derecognised on disposal or when investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal. Gains or losses arising from the retirement or disposal of an investment property shall be determined as the difference between the net disposal proceeds and the carrying amount of the asset and shall be recognised in the consolidated income statement in the period of the retirement or disposal.

2 主要會計政策概要(續)

2.8 投資性房產

投資性房地產，持有為獲得長期租金收益或作為資本增值或兩者兼備同時並非由本集團佔用。

本集團的投資性房產包括位於中國的建築物，按成本列賬，包括相關的交易成本及(如適用)借款成本。

初始確認後，投資性房產按成本減累計折舊及減值虧損撥備計量。歷史成本包括購買物業直接應佔的開支。投資性房產之建築物部分按其估計的可使用年限在25或30年的年限內折舊。

後續成本只有在很可能為本集團帶來與該項目有關的未來經濟利益，而該項目的成本能可靠計量時，才包括在資產的賬面值或確認為一項單獨資產。所有其他維修費用在產生的財政期間內於損益表支銷。

當投資性房產被處置、或者永久無法使用且預期不能從其處置中取得未來經濟利益時，需要終止確認該項投資性房產。投資性房產報廢或處置時產生的利得或損失按處置所得賬款與資產賬面值的差額釐定，並於報廢或處置期間於合併利潤表內確認。

Notes to the Consolidated Financial Statements

合併財務報表附註

For the Year Ended December 31, 2019
截至2019年12月31日止年度

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.9 Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation, but are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

2.10 Financial assets

2.10.1 Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income ("OCI"), or through profit or loss); and
- those to be measured at amortised cost.

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

2 主要會計政策概要(續)

2.9 非金融資產減值

使用壽命不限定的無形資產或尚未可供使用的無形資產無需攤銷，但每年須就減值進行測試。須作攤銷的資產，當有事件出現或情況改變顯示賬面值可能無法收回時就進行減值檢討。減值虧損按資產的賬面值超出其可收回金額的差額確認。可收回金額以資產的公允價值扣除銷售成本或使用價值兩者之間較高者為準。於評估減值時，資產按可分開辨認現金流量(現金產出單元)的最低層次組合。除商譽外，已蒙受減值的非金融資產在每個報告日期均就減值是否可以轉回進行檢討。

2.10 金融資產

2.10.1 分類

本集團按以下計量類別對金融資產進行分類：

- 後續以公允價值計量(且其變動計入其他綜合收益或損益)的金融資產，及
- 以攤餘成本計量的金融資產。

該分類取決於主體管理金融資產的業務模式以及該資產的合同現金流量特徵。

對於以公允價值計量的金融資產，其利得和損失計入損益或其他綜合收益。對於非交易性的權益工具投資，其利得和損失的計量將取決於本集團在初始確認時是否作出不可撤銷的選擇而將其指定為以公允價值計量且其變動計入其他綜合收益。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.10 Financial assets (Cont'd)

2.10.1 Classification (Cont'd)

See Note 19 for details of each type of financial assets.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

2.10.2 Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

2.10.3 Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

2 主要會計政策概要(續)

2.10 金融資產(續)

2.10.1 分類(續)

有關各類別金融資產的詳情，請參閱附註19。

僅當管理該等資產的業務模式發生變化時，本集團才對債權投資進行重分類。

2.10.2 確認及終止確認

常規方式購買及出售的金融資產於交易日確認。交易日是指本集團承諾購買或出售資產的日期。當收取金融資產現金流量的權利已到期或已轉讓，且本集團已經轉移了金融資產所有權上幾乎所有的風險和報酬，金融資產即終止確認。

2.10.3 計量

對於不被分類為以公允價值計量且其變動計入損益的金融資產，本集團以其公允價值加上可直接歸屬於獲得該項金融資產的交易費用進行初始確認。與以公允價值計量且其變動計入損益的金融資產相關的交易費用計入損益。

對於包含嵌入式衍生工具的金融資產，本集團對整個合同考慮其現金流量是否僅代表對本金和利息的支付。

Notes to the Consolidated Financial Statements

合併財務報表附註

For the Year Ended December 31, 2019
截至2019年12月31日止年度

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.10 Financial assets (Cont'd)

2.10.3 Measurement (Cont'd)

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other (losses)/gains — net together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the consolidated income statement.

2 主要會計政策概要(續)

2.10 金融資產(續)

2.10.3 計量(續)

債務工具

債務工具的後續計量取決於本集團管理該資產的業務模式以及該資產的現金流量特徵。本集團將債務工具分為以下三種計量類別：

- 以攤餘成本計量：對於持有以收取合同現金流量的資產，如果合同現金流量僅代表對本金和利息的支付，則該資產以攤餘成本計量。該等金融資產的利息收入以實際利率法計算，計入財務收入。終止確認時產生的利得或損失直接計入損益，並與匯兌利得和損失一同列示在其他(損失)/利得中。減值損失作為單獨的科目在合併利潤表中列報。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.10 Financial assets (Cont'd)

2.10.3 Measurement (Cont'd)

Debt instruments (Cont'd)

- Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gains or losses previously recognised in OCI are reclassified from equity to profit or loss and recognised in "other (losses)/gains – net". Interest income from these financial assets is included in other income using the effective interest rate method. Foreign exchange gains and losses are presented in "other (losses)/gains – net" and "net impairment losses on financial assets".

2 主要會計政策概要(續)

2.10 金融資產(續)

2.10.3 計量(續)

債務工具(續)

- 以公允價值計量且其變動計入其他綜合收益：對於業務模式為持有以收取現金流量及出售的金融資產，如果該資產的現金流量僅代表對本金和利息的支付，則該資產被分類為以公允價值計量且其變動計入其他綜合收益。除減值利得或損失、利息收入以及匯兌利得和損失計入損益外，賬面價值的變動計入其他綜合收益。該等金融資產終止確認時，之前計入其他綜合收益的累計利得或損失從權益重分類至損益中，並計入其他(損失)/利得。該等金融資產的利息收入用實際利率法計算，計入其他收入。匯兌利得和損失在其他(損失)/利得中列示，減值損失作為單獨的科目列報。

Notes to the Consolidated Financial Statements

合併財務報表附註

For the Year Ended December 31, 2019
截至2019年12月31日止年度

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.10 Financial assets (Cont'd)

2.10.3 Measurement (Cont'd)

Debt instruments (Cont'd)

- Fair value through profit or loss: Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the consolidated income statement within "other (losses)/gains-net" in the period in which it arises.

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in other (losses)/gains in the consolidated income statement as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

2 主要會計政策概要(續)

2.10 金融資產(續)

2.10.3 計量(續)

債務工具(續)

- 以公允價值計量且其變動計入損益：不符合以攤餘成本計量或以公允價值計量且其變動計入其他綜合收益標準的金融資產，被分類為以公允價值計量且其變動計入損益。對於後續以公允價值計量且其變動計入損益的債務工具，其利得或損失計入損益，並於產生期間以淨值在其他(損失)/利得中列示。

權益工具

本集團以公允價值對所有權益投資進行後續計量。如果本集團管理層選擇將權益投資的公允價值利得和損失計入其他綜合收益，則當終止確認該項投資時，不會將公允價值利得和損失重分類至損益。對於股息，當本集團已確立收取股息的權利時，該等投資的股息才作為其他收益而計入損益。

對於以公允價值計量且其變動計入損益的金融資產，其公允價值變動列示於合併利潤表的其他(損失)/利得(如適用)。對於以公允價值計量且其變動計入其他綜合收益的權益投資，其減值損失(以及減值損失轉回)不與其他公允價值變動單獨列示。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.10 Financial assets (Cont'd)

2.10.4 Impairment

For trade receivables, the Group applies the simplified approach permitted by IFRS 9, which requires to recognise the lifetime expected credit losses. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to its recognised amount is recognised in profit or loss, as an impairment loss or a reversal of an impairment loss.

Expected credit losses are a probability-weighted estimate of credit losses over the expected life of the trade receivables. Expected credit losses on trade receivables are calculated by using the provision matrix approach. Trade receivables are categorised by common risk characteristics that are representative of the customers' abilities to pay all amounts due in accordance with the contractual terms, and assessed collectively or individually for likelihood of recovery. The provision matrix is determined based on historical observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

While cash and cash equivalents and restricted cash are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

2 主要會計政策概要(續)

2.10 金融資產(續)

2.10.4 減值

對於應收賬款，本集團採用國際財務報告準則第9號允許的簡化方法，在初始確認時計量應收賬款整個存續期的預期信用損失。須將報告日期當日的虧損撥備調整至其已確認金額之預期信用虧損(或撥回金額)於損益內確認為減值虧損或減值虧損撥回。

預期信貸虧損是在應收賬款預期存續期內按信貸虧損的概率加權估計。應收賬款的預期信貸虧損採用撥備矩陣法計算。應收賬款按共同風險特徵，即能代表客戶根據合同條款償還所有到期款項的能力進行分類，並集體或個別評估收回的可能性。撥備矩陣根據應收賬款在預期存續期內觀察所得的歷史違約率確定，並就前瞻性估計進行調整。觀察所得的歷史違約率於每個報告日期進行更新，並對前瞻性估計的變動進行分析。

儘管現金及現金等價物以及受限制現金亦受國際財務報告準則第9號之減值要求規限，惟已識別之減值虧損並不重大。

Notes to the Consolidated Financial Statements

合併財務報表附註

For the Year Ended December 31, 2019
截至2019年12月31日止年度

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.10 Financial assets (Cont'd)

2.10.4 Impairment (Cont'd)

Impairment on other receivables is measured as either 12-month expected credit losses or lifetime expected credit losses, depending on whether there has been a significant increase in credit risk since initial recognition. If a significant increase in credit risk of a receivable has occurred since initial recognition, then impairment is measured as lifetime expected credit losses.

Trade and other receivables, cash and cash equivalents and restricted cash are written off (either partially or in full) when there is no reasonable expectation of recovery.

2.11 Financial liabilities

(a) Recognition and measurement

Financial liabilities are classified as financial liabilities at amortised cost. Financial liabilities at amortised cost are recognised initially at fair value net of transaction costs incurred and subsequently stated at amortised cost. Any difference between proceeds net of transaction costs and the redemption value is recognised in the profit or loss over the period of the other financial liabilities using the effective interest method.

Financial liabilities are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

See Note 19 for details of each type of financial liabilities.

2 主要會計政策概要(續)

2.10 金融資產(續)

2.10.4 減值(續)

視乎信貸風險自初步確認以來有否顯著增加，其他應收款項的減值會按12個月預期信貸虧損或存續期預期信貸虧損計量。倘應收款項的信貸風險自初步確認後顯著增加，則減值按存續期預期信貸虧損計量。

應收賬款及其他應收款、現金及現金等價物以及受限制現金於合理預期無法收回時核銷(部分或全部)。

2.11 金融負債

(a) 確認及計量

金融負債分類為按攤餘成本計量的金融負債。按攤餘成本計量的金融負債按公允價值(扣除已產生之交易成本)初始確認，其後則按攤銷成本入賬。所得款項(扣除交易成本)與贖回價值的差額於其他金融負債的年期內採用實際利率法於損益內確認。

倘有關款項於一年或更短期限內到期應付，金融負債則分類為流動負債，否則列為非流動負債。借款乃分類為流動負債，除非本集團有無條件的權利將負債結算日期押後至報告期結束後至少12個月。

有關各類金融負債的詳情，請參閱附註19。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.11 Financial liabilities (Cont'd)

(b) Derecognition

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in profit or loss.

2.12 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the consolidated statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

2.13 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average method. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

2 主要會計政策概要(續)

2.11 金融負債(續)

(b) 終止確認

當負債項下的責任獲解除、撤銷或期限屆滿時，會終止確認金融負債。倘一項現有金融負債被相同借款人按重大不同條款提供的另一項債項取代，或現有負債條款被重大修改，該取代或修改會被視作終止確認原有負債及確認一項新負債處理，而各賬面值間的差額會於損益確認。

2.12 抵銷金融工具

當有法定可執行權力可抵銷已確認金額，並有意圖按淨額基準結算或同時變現資產和結算負債時，金融資產與負債可互相抵銷，並在資產負債表報告其淨額。法定可執行權利必須不得依賴未來事件而定，而在一般業務過程中以及倘公司或對手方一旦出現違約、無償債能力或破產時，這也必須具有約束力。

2.13 存貨

存貨按成本及可變現淨值兩者的較低者列賬。成本按加權平均法釐定。可變現淨值為在日常經營活動中的估計銷售價，減適用的變動銷售費用。

Notes to the Consolidated Financial Statements

合併財務報表附註

For the Year Ended December 31, 2019
截至2019年12月31日止年度

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.14 Trade and other receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. If collection of trade and other receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are subsequently measured at amortised cost using the effective interest method, less provision for impairment. See Note 2.10.3 for further information about the Group's accounting policies for trade and other receivables.

2.15 Cash and cash equivalents

In the consolidated cash flows statements, cash and cash equivalents includes cash in hand, deposits held at call with banks and financial institutions and readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

2.16 Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.17 Trade and other payables

Trade payables are obligations to pay for goods, construction or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. See Note 2.11 for further information about the Group's accounting policies for trade and other payables.

2 主要會計政策概要(續)

2.14 應收賬款及其他應收款

應收賬款為在日常經營活動中就商品銷售或服務執行而應收客戶的款項。如應收賬款及其他應收款的收回預期在一年或以內(如仍在正常經營週期中，則可較長時間)，其被分類為流動資產；否則分類為非流動資產。

應收賬款及其他應收款以公允價值為初始確認，其後利用實際利率法按攤銷成本扣除減值準備計量。有關集團應收賬款會計法的進一步資料請參閱附註2.10.3。

2.15 現金及現金等價物

在合併現金流量表中，現金及現金等價物包括手頭現金、隨時可轉換為已知金額現金，且價值變化風險不重大的銀行及金融機構存款。

2.16 股本

普通股被分類為權益。

直接歸屬於發行新股或期權的新增成本在權益中列為所得款項的減少(扣除稅項)。

2.17 應付賬款及其他應付款

應付賬款為在日常經營活動中購買商品或服務而應支付的債務。如應付賬款的支付日期在一年或以內(如仍在正常經營週期中，則可較長時間)，其被分類為流動負債；否則分類為非流動負債。

應付賬款及其他應付款以公允價值為初始確認，其後利用實際利率法按攤銷成本計量。有關本集團應付賬款及其他應付款會計法的進一步資料請參閱附註2.11。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.18 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

See Note 2.11 for further information about the Group's accounting for borrowings.

2.19 Borrowings cost

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, which will be capitalised, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are expensed in the period in which they are incurred.

2 主要會計政策概要(續)

2.18 借款

一般及特定借款按公允價值並扣除產生的交易費用為初始確認。借款其後按攤銷成本列賬；所得款(扣除交易成本)與贖回價值的任何差額利用實際利率法於借款期間內在損益表確認。

設立融資額度時支付的費用倘部份或全部融資將會很可能提取，該費用確認為貸款的交易費用。在此情況下，費用遞延至貸款提取為止。如沒有證據證明部份或全部融資額度將會很可能被提取，則該費用資本化作為流動資金服務的預付款，並按有關的融資額度期間攤銷。

除非本集團可無條件將負債的結算遞延至結算日後最少12個月，否則借款分類為流動負債。

有關本集團借款會計法的進一步資料請參閱附註2.11。

2.19 借款成本

直接歸屬於收購、興建或生產合資格資產(指必須經一段長時間處理以作其預定用途或銷售的資產)的借款成本，加入該等資產的成本內，直至資產大致上備妥供其預定用途或銷售為止。

就特定借款，因有待合資格資產的支出而臨時投資賺取的投資收入，應自合資格資本化的借款成本中扣除。

所有其他借款成本在產生期內的損益中確認。

Notes to the Consolidated Financial Statements

合併財務報表附註

For the Year Ended December 31, 2019
截至2019年12月31日止年度

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.20 Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(a) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the statement of financial position date in the areas where the Company's subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(b) Deferred income tax *Inside basis differences*

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, if deferred income tax liabilities arise from the initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss, it is not accounted for. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the statement of financial position date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

2 主要會計政策概要(續)

2.20 當期及遞延所得稅

本期間的稅項支出包括當期和遞延稅項。稅項在損益表中確認，但與其他綜合收益中或直接在權益中確認的項目有關者則除外。在該情況下，稅項亦分別在其他綜合收益或直接在權益中確認。

(a) 當期所得稅

當期所得稅支出根據本公司的子公司及聯營經營及產生應課稅收入的國家於資產負債表日已頒佈或實質上已頒佈的稅務法例計算。管理層就適用稅務法例解釋所規限的情況定期評估報稅表的狀況，並在適用情況下根據預期須向稅務機關支付的稅款設定準備。

(b) 遞延所得稅 *內在差異*

遞延所得稅利用負債法確認資產和負債的稅基與資產和負債在合併財務報表的賬面值的差額而產生的暫時性差異。然而，若遞延所得稅負債來自對商譽的初始確認，以及若遞延所得稅來自在交易(不包括業務合併)中對資產或負債的初始確認，而在交易時不影響會計損益或應課稅利潤或損失，則不作記賬。遞延所得稅採用在資產負債表日前已頒佈或實質上已頒佈，並在有關的遞延所得稅資產實現或遞延所得稅負債結算時預期將會適用的稅率(及法例)而釐定。

遞延所得稅資產是就很可能有未來應課稅利潤而就此可使用暫時性差異而確認。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.20 Current and deferred income tax (Cont'd)

(b) Deferred income tax (Cont'd)

Outside basis differences

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, joint controlled entities and associates, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

(c) Offsetting

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.21 Employee benefits

(a) Pension obligation

The full-time employees of the Group in the PRC are covered by the government-sponsored defined contribution pension plans under which the employees are entitled to a monthly pension based on certain formulas. The relevant government agencies are responsible for the pension liability to these retired employees. The Group contributes on a monthly basis to these pension plans. Under these plans, the Group has no obligation for post-retirement benefits beyond the contributions made and contributions to these plans are included in profit or loss as incurred.

2 主要會計政策概要(續)

2.20 即期及遞延所得稅(續)

(b) 遞延所得稅(續)

外在差異

就子公司、聯營和合營投資產生的應課稅暫時性差異確認遞延所得稅負債，但不包括本集團可以控制暫時性差異的轉回時間以及暫時性差異在可預見將來很可能不會轉回的遞延所得稅負債。一般而言，本集團無法控制聯營的暫時性差異的撥回。只有當有協議賦予本集團有能力控制暫時性差異的撥回時才不予確認。

(c) 抵銷

當有法定可執行權力將當期稅項資產與當期稅務負債抵銷，且遞延所得稅資產和負債涉及由同一稅務機關對應課稅主體或不同應課稅主體但有意向以淨額基準結算所得稅結餘時，則可將遞延所得稅資產與負債互相抵銷。

2.21 員工福利

(a) 退休金責任

本集團在中國的全職員工享有政府資助的界定退休金供款計劃，據此，僱員有權每月取得按公式計算的退休金。有關政府機構向該等退休員工所作的退休金負債承擔責任。本集團按月向該等退休金計劃供款。根據該等計劃，本集團沒有義務承擔超出上述供款的退休後福利，該等計劃供款於產生時計入損益。

Notes to the Consolidated Financial Statements

合併財務報表附註

For the Year Ended December 31, 2019
截至2019年12月31日止年度

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.21 Employee benefits (Cont'd)

(b) Housing fund, medical insurance and other social insurances

Employees of the Group in the PRC are entitled to participate in various government-supervised housing fund, medical insurance and other employee social insurance plans. The Group contributes on a monthly basis to these funds based on certain percentages of the salaries of the employees, subject to certain ceiling. The Group's liability in respect of these funds is limited to the contributions payable in each period.

(c) Bonus entitlements

The expected cost of bonus payments is recognised as a liability when the Group has a present contractual or constructive obligation as a result of services rendered by employees and a reliable estimation of the obligation can be made.

2.22 Leases

The Group leases various property, plant and equipment and land use rights for the production of ready-mixed concrete. Properties, plants and equipment and land use rights leases are typically made for fixed periods of 1 to 15 years and 50 years respectively. Lease terms are negotiated on an individual basis and contain various different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

Property, plant and equipment and land use right leases are recognised as right-of-use assets and the corresponding liabilities at the date of which the respective leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

2 主要會計政策概要(續)

2.21 員工福利(續)

(b) 住房公積金、醫療保險及其他社會保險

本集團在中國的僱員有權參與政府承辦的住房公積金、醫療保險及其他僱員社會保險計劃。本集團每月基於僱員工資的一定比例(不超過上限)向該等基金供款。本集團就該等基金承擔的責任只限於在每一期間作出供款。

(c) 花紅福利

當本集團因僱員提供服務而產生現時合同義務或推定義務，且該義務能夠被可靠估計時，則預期花紅的支付成本將確認為一項負債。

2.22 租賃

本集團為其生產預拌混凝土業務租賃了多項不動產、工廠、設備以及土地使用權以生產預拌混凝土。不動產、工廠及設備，以及土地使用權的租賃期通常分別為1至15年及50年之固定期限。租賃條款分別制定，並包含各種不同條款及條件。租賃協議並無添加任何條款，除租賃資產不得用作借款抵押。

於相應租賃資產可供本集團使用的日期開始，不動產、工廠及設備以及土地使用權租賃被確認為租賃使用權資產和相應負債。每筆租賃付款額在負債和融資費用之間進行分攤。融資費用在租賃期內計入損益，以按照固定的週期性利率對各期間負債餘額計算利息。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.22 Leases (Cont'd)

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable,
- variable lease payment that are based on an index or a rate,
- amounts expected to be payable by the lessee under residual value guarantees,
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

2 主要會計政策概要(續)

2.22 租賃(續)

租賃產生的資產和負債按現值進行初始計量。租賃負債包括以下租賃付款額的淨現值：

- 固定付款額(包括實質固定付款額)，扣除任何應收的租賃激勵；
- 基於指數或比率確定的可變租賃付款額，採用租賃期開始日的指數或比率進行初始計量，
- 本集團根據餘值擔保預計應付的金額，
- 本集團合理確定將行使的購買選擇權的行權價格；以及
- 在租賃期反映出本集團將行使選擇權的情況下終止租賃的罰款金額。

租賃付款額按租賃內含利率折現。本集團的租賃內含利率通常無法直接確定，在此情況下，應採用承租人的增量借款利率，即承租人在類似經濟環境下獲得與使用權資產價值接近的資產，在類似期間以類似抵押條件借入資金而必須支付的利率。

Notes to the Consolidated Financial Statements

合併財務報表附註

For the Year Ended December 31, 2019
截至2019年12月31日止年度

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.22 Leases (Cont'd)

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Group, which does not have recent third party financing, and
- makes adjustments specific to the lease, eg term, country, currency and security.

The Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of less than 12 months.

2 主要會計政策概要(續)

2.22 租賃(續)

為確定增量借款利率，本集團應：

- 在可能的情况下，以承租人最近收到的第三方融資為起點，並進行調整以反映融資條件自收到第三方融資後的變化；
- 對於近期未獲得第三方融資的本集團持有的租賃，採用以無風險利率為起點的累加法，並按照租賃的信用風險進行調整；並
- 針對租賃做出特定調整，如租賃期、國家、貨幣及抵押。

本集團未來可能會面臨基於指數或利率確定的可變租賃付款額增加的風險，這部分可變租賃付款額在實際發生時納入租賃負債。當基於指數或利率對租賃付款額進行調整時，租賃負債應予以重估並根據使用權資產調整。

租賃付款額在本金還款和融資成本之間分攤。融資費用在租賃期內計入損益，以按照固定的週期性利率對各期間負債餘額計算利息。

與短期設備和車輛租賃及所有低價值資產租賃相關的付款額按直線法確認為費用，計入損益。短期租賃是指租賃期為12個月或者小於12個月的租賃。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.22 Leases (Cont'd)

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability,
- any lease payments made at or before the commencement date less any lease incentives received,
- any initial direct costs, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of equipment and properties and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture.

Lease income from operating leases where the Group is a lessor is recognised in other income on a straight-line basis over the lease term (Note 5.3). Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income. The respective leased assets are included in the statement of financial position based on their nature. The Group did not need to make any adjustments to the accounting for assets held as lessor as a result of adopting the new leasing standard.

2 主要會計政策概要(續)

2.22 租賃(續)

使用權資產按成本計量，包括：

- 租賃負債的初始計量金額
- 在租賃期開始日或之前支付的租賃付款額扣除收到的租賃激勵
- 初始直接費用；以及
- 復原成本。

使用權資產一般在資產的使用壽命與租賃期兩者孰短的期間內按直線法計提折舊。如本集團合理確定會行使購買權，則在標的資產的使用壽命期間內對使用權資產計提折舊。

涉及設備及房屋之短期租賃和所有低價值資產之租賃的付款，將以直線法於損益內確認為費用。短期租賃乃租賃期不超過12個月的租賃。低價值資產包括IT設備和小件辦公傢俱。

本集團作為出租人收到的經營租賃收入在租賃期內按直線法確認為其他收入(附註5.3)。為獲取經營租賃所發生的初始直接費用計入標的資產的賬面金額，並在租賃期內按照與租賃收入相同的基礎確認為費用。租賃資產按其性質在資產負債表中列示。本集團採用了新的租賃準則，因而無需對作為出租人持有的資產的會計處理做出任何調整。

Notes to the Consolidated Financial Statements

合併財務報表附註

For the Year Ended December 31, 2019
截至2019年12月31日止年度

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.23 Provisions and contingent liabilities

Provisions are recognised when: the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as finance costs.

A contingent liability is a possible obligation that arises from past events and its existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the Group's financial statements. When a change in the probability of an outflow occurs so that outflow is probable, it will then be recognised as a provision.

2 主要會計政策概要(續)

2.23 準備及或有負債

當本集團因已發生的事件而產生現有的法律或推定債務；很可能需要資源的流出以結算債務；及金額已被可靠估計時，當就環境復原、重組費用和法律索償作出準備。重組準備包括租賃終止罰款和職工辭退付款。但不會就未來經營虧損確認準備。

如有多項類似債務，其需要在結算中有資源流出的可能性，則可根據債務的類別整體考慮。即使在同一債務類別所包含的任何一個項目相關的資源流出的可能性極低，仍須確認準備。

準備採用稅前利率按照預期需結算有關債務的支出現值計量，該利率反映當時市場對金錢時間值和有關債務固有風險的評估。隨着時間過去而增加的準備確認為財務費用。

或有負債乃因過去事件而產生的潛在責任，其存在性只能憑一項或多項非本集團能完全控制的不明朗未來事件之發生與否而確定。或然負債亦可以是基於過去事件而產生的現有責任，但由於須流出經濟資源的可能性不大或無法可靠地計量責任的金額，故此不予確認。

或有負債並未確認但披露於本集團財務報表中。當經濟資源流出可能性產生變動以致流出成為可能，則或有負債於其時確認為撥備。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.24 Revenue recognition

Revenue is recognised when or as the control of the goods or services is transferred to the customer. Depending on the terms of the contract and laws that apply to the contract, control of the goods and services may be transferred overtime or at a point in time.

Revenue is recognised when a performance obligation is satisfied by transferring control of the promised goods or services to a customer in an amount that reflects the consideration expected to be collected in exchange for those goods or services. The revenue recognition of the Group is determined through the following five steps:

- (i) Identification of the contract, or contracts, with a customer;
- (ii) Identification of the performance obligations in the contract;
- (iii) Determination of the transaction price;
- (iv) Allocation of the transaction price to the performance obligations in the contract;
- (v) Recognition of revenue when, or as, a performance obligation is satisfied.

At contract inception, it is performed that the assessment and the identification of a performance obligation for each promise to transfer to the customer a product or a service (or bundle of products or services) that is distinct. To identify the performance obligations, the Group consider all the products and services promised in the contract with the customer based on the Group's customary business practices, published policies, or specific statements.

2 主要會計政策概要(續)

2.24 收入確認

收入於商品或服務的控制權轉移至客戶時確認。商品或服務的控制權是於一段時間內還是於某一時間點轉移，取決於合同條款及適用於合同之法律。

收入於履約責任完成時，即相關承諾商品或服務之控制權轉移至客戶，且其交易價格反映了換取該等商品或服務預期應當取得之代價時確認。本集團的收入按照按以下五個步驟確認：

- (i) 識別與客戶所訂立之合同；
- (ii) 識別合同內的履約責任；
- (iii) 釐定交易價格；
- (iv) 分配交易價格至合同內的履約責任；
- (v) 於(或隨)履約責任達成時確認收入。

於合同簽訂時，本集團對合同進行評估並識別每一項承諾向客戶轉移不同產品或服務(或產品及服務的組合)的履約責任。為了識別履約責任，本集團需要根據本集團通常的商業慣例、已刊發的政策或具體的聲明，考慮合同中向客戶承諾的所有產品及服務。

Notes to the Consolidated Financial Statements

合併財務報表附註

For the Year Ended December 31, 2019
截至2019年12月31日止年度

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.24 Revenue recognition (Cont'd)

The Group determines whether control of a product or a service is transferred to a customer over time or at a point in time based on the analysis of the following three criteria. Revenue is recognised over time if any of such criteria are met that the Group:

- provides all of the benefits received and consumed simultaneously by the customer; or
- creates or enhances an asset that the customer controls as the Group perform; or
- does not create an asset with an alternative use of the Group and the Group has an enforceable right to request the customer for payment for performance completed to date.

A performance obligation is satisfied at a point in time if none of the above criteria for satisfying a performance obligation over time are met.

The Group recognises costs incurred in obtaining contracts with customers that are directly associated with the contracts as contract costs if those costs are expected to be recoverable. The contract costs are amortised on a basis consistent with the pattern of the transfer of the goods or services to which the asset relates. As a practical expedient, the Group recognises the incremental costs of obtaining a contract as profit or loss when incurred as the amortisation period of the asset that the Group otherwise would have recognised is one year or less.

A contract liability is the Group's obligation to render the services to a customer for which the Group has received consideration from the customer.

2 主要會計政策概要(續)

2.24 收入確認(續)

本集團在確定一項產品或服務的控制權轉移給客戶是在一段時間內確認或在某一時間點上確認，取決於如下三個條件。當本集團滿足任意一項條件時，收入在一段時間內確認：

- 向客戶提供其能同時即取得並消耗的所有利益；或
- 在本集團履約的同時創造或增強了客戶控制的資產；或
- 並無產生對本集團具有替代用途的資產，且本集團就至今已完成的履約部分有權要求客戶付款。

若上述履約責任達到條件在一段時間內均不滿足，則履約責任在某一時間點上達成。

倘獲得客戶合同所產生的與合同直接相關的成本預期可收回，則本集團將該等成本確認為合同成本。合同成本按照與轉讓資產相關商品或服務所用相同方式攤銷。作為實際權益之計，當本集團以其他方式確認之資產的攤銷期間不超過一年時，本集團可將獲取合同的增量成本確認為損益。

合同負債乃本集團已收到客戶付款而須向客戶提供服務的責任。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.24 Revenue recognition (Cont'd)

The application of the Group's revenue recognition policies and a description of the principal activities, organized by segment, from which the Group generate its revenue, are presented below.

(a) Sales of goods

The Group produces and sells ready-mixed concrete, aggregates, and polycarboxylic admixtures to customers in the Yunnan Province of the PRC. Customers include distributors, constructors and property development companies. Revenue from sales of goods is recognised when control of the products are transferred at a point in time to its customers, that is when the products are delivered and accepted by the customers. The customers have full discretion over the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products.

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

(b) Interest income

Interest income is presented as finance income where it is earned from financial assets that are held for cash management purposes, see Note 10 below. Any other interest income is included in other income.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

(c) Quality and technology management services

The Group provides quality and technology management services to other ready-mixed concrete manufacturers. Revenue from quality and technology management services is recognised based on the units of ready-mixed concrete produced by the customers at a point in time.

2 主要會計政策概要(續)

2.24 收入確認(續)

本集團應用之收益確認政策，以及本集團產生收益之主營業務描述(按分部)呈列如下。

(a) 貨品銷售

本集團在中國雲南省生產和銷售預拌混凝土、砂石料以及聚羧酸外加劑。客戶包括分銷商、建築商以及房地產開發公司。貨品銷售收入乃於產品控制權在某個時點轉移至其客戶時確認，即產品交付且客戶接受時。客戶於產品擁有全權酌情權，且並無未履行責任可影響客戶接納產品。

所有收入於貨品的控制權轉讓予客戶時確認。

(b) 利息收入

出於現金管理目的而持有的金融資產的利息收入列示為財務收入(參見下文附註10)。所有其他利息收入計入其他收益。

金融資產利息收入按實際利率乘以金融資產賬面總額計算，後續會發生信用減值的金融資產除外。發生信用減值的金融資產的利息收入按實際利率乘以金融資產賬面價值減去損失撥備後的淨額計算。

(c) 質量技術管理服務

本集團向其他生產預拌混凝土的公司提供質量技術管理服務。質量技術管理服務收入按客戶於某一時間點生產預拌混凝土的產量予以確認。

Notes to the Consolidated Financial Statements

合併財務報表附註

For the Year Ended December 31, 2019
截至2019年12月31日止年度

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.25 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grants from the government will be received and the Group will comply with all attached conditions.

Government grants relating to costs are deferred and recognised in consolidated income statement over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to consolidated income statement on a straight-line basis over the expected lives of the related assets. Note 5.3 provides further information on the accounting policies of the Group for government grants.

2.26 Research and development

Research expenditure is recognised as an expense as incurred.

When the future economic benefits become apparent as a project progresses into the development stage the costs incurred on development projects which satisfy the criteria of capitalisation (relating to the design and testing of new or improved products) are capitalised as intangible assets when recognition criteria are fulfilled and tests for impairment are performed annually. Other development expenditures that do not meet those criteria of capitalisation are recognised as expenses as incurred.

Development costs previously recognised as expenses are not recognised as assets in subsequent periods. Capitalised development costs are amortised from the point at which the assets are ready for use on a straight-line basis over their estimated useful lives.

2.27 Dividend distribution

Dividend distribution to the Company's equity holders is recognised as a liability in the consolidated statement of financial position in the period in which the dividends are approved by the Company's equity holders.

2 主要會計政策概要(續)

2.25 政府補助

當能夠合理地保證政府補助將可收取，而本集團將會符合所有附帶條件時，將政府提供的補助按其公允價值確認入賬。

與成本有關之政府補助遞延入賬，並按擬補償之成本配合其所需期間在合併利潤表中確認。

與購買、廠房及設備有關之政府補助列入非流動負債作為遞延收入，並按有關資產之預計使用年期採用直線法在合併利潤表內確認。有關本集團就政府補助採取的會計政策的進一步詳情請參閱附註5.3。

2.26 研究及開發

研究階段的支出，於產生時確認為費用。

當項目進入到開發階段，未來經濟利益明顯，滿足資本化條件的項目開發支出(有關設計及測試新產品或改良產品)於確認條件獲達成時予以資本化為無形資產，並且每年進行減值測試。其他不滿足資本化條件的開發階段的支出，於發生時確認為開支。

前期已確認為支出的開發成本不在以後期間確認為資產。資本化的開發成本於資產達到預定可使用狀態時開始在預計的使用年限內以直線法進行攤銷。

2.27 股息分派

向本公司股東分配的股息在股息獲本公司股東批准的期間內於本集團財務報表內列為負債。

Notes to the Consolidated Financial Statements

合併財務報表附註

For the Year Ended December 31, 2019
截至2019年12月31日止年度

3 FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, commodity price risk, cash flow and fair value interest rate risk), credit risk and liquidity risk. The Group's overall risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group currently does not use any derivative financial instruments to hedge certain risk exposures.

(a) Market risk

(i) Foreign exchange risk

The Group's exposure to foreign exchange risk relates principally to its cash and cash equivalents denominated primarily in Hong Kong dollar ("HKD").

As at December 31, 2019, if RMB had weakened/strengthened by 10% against HKD with all other variables held constant, post-tax profit for the year ended December 31, 2019 would have been approximately RMB28,101,000 higher/lower (2018: Nil) respectively, mainly as a result of foreign exchange gains/losses on translation of HKD denominated cash and cash equivalents.

3 財務風險管理

3.1 財務風險因素

本集團的活動承受著多種的財務風險：市場風險（包括匯率風險、公允價值利率風險、現金流量利率風險及價格風險）、信用風險及流動性風險。本集團的整體風險管理計劃專注於財務市場的難預測性，並尋求盡量減低對本集團財務表現的潛在不利影響。本集團目前概無使用任何衍生金融工具以套期若干承受的風險。

(a) 市場風險

(i) 外匯風險

本集團對外匯風險的敞口為以港元計量的資金。

在2019年12月31日，假若港元兌人民幣元升值／貶值10%，而所有其他可變因素維持不變，則該年度的除稅後利潤應高出／低了人民幣28,101,000元（2018年12月31日：不適用），該變動主要來自於換算以或港元為單位的現金及現金等價物的外匯利得／虧損。

Notes to the Consolidated Financial Statements

合併財務報表附註

For the Year Ended December 31, 2019
截至2019年12月31日止年度

3 FINANCIAL RISK MANAGEMENT (Cont'd)

3.1 Financial risk factors (Cont'd)

(a) Market risk (Cont'd)

(ii) Cash flow and fair value interest rate risk

The Group's interest rate risk is mainly attributable to its cash and cash equivalents, bank borrowings and lease liabilities. Financial assets and liabilities at variable rates expose the Group to cash flow interest rate risk. Financial assets and liabilities at fixed rates expose the Group to fair value interest rate risk. Details of the Group's cash and cash equivalents and bank borrowings have been disclosed in Note 25 and Note 32 respectively to the consolidated financial statements.

As at December 31, 2019, if interest rates on cash and cash equivalents and bank borrowings had been 10% higher/lower with all other variables held constant, profit after income tax for the year would have been approximately RMB285,000 (December 31, 2018: RMB336,000) lower/higher, mainly as a result of higher/lower net interest income/expense being recognised/incurred.

3 財務風險管理(續)

3.1 財務風險因素(續)

(a) 市場風險(續)

(ii) 現金流量及公允價值利率風險

本集團利率風險主要來自於其現金及現金等價物、銀行借款以及租賃負債。浮息金融資產及負債使本集團面臨現金流量利率風險。固定利率之金融資產及負債使本集團面臨公允價值利率風險。有關本集團之現金及現金等價物以及銀行借款之詳情分別披露於歷史財務資料附註25及附註32。

於2019年12月31日，倘現金及現金等價物以及銀行借款利率高出/低了10%，而其他變量保持不變，則年度內扣除所得稅後溢利分別減少/增加約人民幣285,000元(2018年12月31日：人民幣336,000)元，主要原因為確認產生之利息收入/開支淨額增加/減少。

3 FINANCIAL RISK MANAGEMENT (Cont'd)**3.1 Financial risk factors (Cont'd)****(b) Credit risk**

The carrying amounts of cash and cash equivalents, restricted cash balances, trade receivables, and other receivables included in the consolidated financial statements represent the Group's maximum exposure to credit risk in relation to its financial assets. The objective of the Group's measures to manage credit risk is to control potential exposure to recoverability problem.

The majority of the cash and cash equivalents and restricted cash balances, were deposited in the banks in the PRC and Yunnan Construction and Investment Holding Group Financial Management Company Limited ("YCIH Financial Company"), a related company of the Group, which the directors of the Company believe are of high credit quality. Management believes these financial institutions are reputable and there is no significant credit risk of losses on such assets.

The Group accounts for its credit risk by appropriately providing for expected credit losses on a timely basis. In calculating the expected credit loss rates, the Group considers historical loss rates for each category of receivables and adjusts for forward looking macro economic data including the growth rate of China's gross domestic product ("GDP") and the growth rate of China's construction industry.

(i) Trade receivables

The Group applies the simplified approach to provide expected credit losses prescribed by IFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables from third parties and related parties.

3 財務風險管理(續)**3.1 財務風險因素(續)****(b) 信用風險**

信用風險源於現金及現金等價物、受限制現金結餘及應收賬款以及其他應收款。本集團管理信用風險的措施的目的是監控可回收性問題的潛在風險。

絕大部分現金及現金等價物以及受限制現金結餘乃存放在位於中國的銀行以及雲南建投集團財務有限公司(「建投財務公司」)(為本集團的關聯公司，且本公司董事認為其信譽質素較高)。管理層相信，該等金融機構信譽良好，該等資產虧損的信用風險並不重大。

本集團通過及時地就預期信用虧損適當計提撥備來說明其信用風險。計算預期信用虧損率時，本集團就各應收款項類別參考歷史虧損率，並就前瞻性宏觀經濟數作出調整包括中國國內生產總值增長率及中國建築業總產值增加率。

(i) 應收賬款

本集團採用國際財務報告準則第9號的簡化方法計量預期信用損失，即對所有第三方及關聯方的應收賬款確認整個存續期的預期損失撥備。

Notes to the Consolidated Financial Statements

合併財務報表附註

For the Year Ended December 31, 2019
截至2019年12月31日止年度

3 FINANCIAL RISK MANAGEMENT (Cont'd)

3.1 Financial risk factors (Cont'd)

(b) Credit risk (Cont'd)

(i) Trade receivables (Cont'd)

To measure the expected credit losses of trade receivables, trade receivables have been grouped based on shared credit risk characteristics and the ageing days, and assessed collectively or individually for likelihood of recovery. The expected loss rates are based on the payment profiles of sales and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macro economic factors affecting the ability of the debtors to settle the receivables. As at December 31, 2019, the expected loss rate for trade receivables from YCIH Group is around 0.5%, with a carrying amount of RMB1,602,221,000 (December 31, 2018: RMB1,727,083,000) and the allowance provision of RMB8,012,000 (December 31, 2018: RMB8,635,000). The expected loss rate for the remaining trade receivables as at December 31, 2019 is determined as follows:

3 財務風險管理(續)

3.1 財務風險因素(續)

(b) 信用風險(續)

(i) 應收賬款(續)

為計量應收賬款的預期信用損失，本集團按照相同的信用風險特徵和賬齡天數對應收賬款分組，並集體或個別評估收回的可能性。預期信用損失率基於銷售額的付款狀況以及期間發生的相應歷史信用損失確定。本集團調整了歷史信用損失率，以反映影響客戶應收款結算能力的當前和前瞻性宏觀經濟因素資訊。於2019年12月31日，雲南建投集團的應收賬款之預期信用損失率為約0.5%，賬面金額分別為人民幣1,602,221,000元（2018年12月31日：人民幣1,727,083,000元），以及撥備為人民幣8,012,000元（2018年12月31日：人民幣8,635,000元）。於2019年12月31日的剩餘應收賬款的預期信用損失率，具體如下：

Notes to the Consolidated Financial Statements

合併財務報表附註

For the Year Ended December 31, 2019
截至2019年12月31日止年度

3 FINANCIAL RISK MANAGEMENT (Cont'd)

3.1 Financial risk factors (Cont'd)

(b) Credit risk (Cont'd)

(i) Trade receivables (Cont'd)

December 31, 2019	於2019年12月31日	Up to 1 year 一年以內	1 to 2 years 一至二年	2 to 3 years 二至三年	3 to 4 years 三至四年	4 to 5 years 四至五年	Over 5 years 五年以上	Total 總計
Collectively assessed:	合併評估：							
Expected loss rate	預期虧損率	1%	10%	20%	30%	50%	80%	5%
Gross carrying amount (RMB'000)	總賬面值(人民幣千元)	651,101	125,404	60,366	16,594	8,332	4,421	866,218
Loss allowance provision (RMB'000)	虧損撥備(人民幣千元)	(6,511)	(12,540)	(12,073)	(4,978)	(4,166)	(3,537)	(43,805)
		644,590	112,864	48,293	11,616	4,166	884	822,413
Individually assessed:	單項評估：							
Expected loss rate	預期虧損率	—	—	—	—	100%	100%	100%
Gross carrying amount (RMB'000)	總賬面值(人民幣千元)	—	—	—	—	2,500	917	3,417
Loss allowance provision (RMB'000)	虧損撥備(人民幣千元)	—	—	—	—	(2,500)	(917)	(3,417)
		—	—	—	—	—	—	—
		644,590	112,864	48,293	11,616	4,166	884	822,413
December 31, 2018	於2018年12月31日	Up to 1 year 一年以內	1 to 2 years 一至二年	2 to 3 years 二至三年	3 to 4 years 三至四年	4 to 5 years 四至五年	Over 5 years 五年以上	Total 總計
Collectively assessed:	合併評估：							
Expected loss rate	預期虧損率	1%	10%	20%	30%	50%	80%	5%
Gross carrying amount (RMB'000)	總賬面值(人民幣千元)	597,836	101,818	38,112	12,248	13,436	2,405	765,855
Loss allowance provision (RMB'000)	虧損撥備(人民幣千元)	(5,978)	(10,182)	(7,622)	(3,609)	(6,718)	(1,924)	(36,033)
		591,858	91,636	30,490	8,639	6,718	481	729,822
Individually assessed:	單項評估：							
Expected loss rate	預期虧損率	—	—	—	100%	100%	—	100%
Gross carrying amount (RMB'000)	總賬面值(人民幣千元)	—	—	—	2,500	917	—	3,417
Loss allowance provision (RMB'000)	虧損撥備(人民幣千元)	—	—	—	(2,500)	(917)	—	(3,417)
		—	—	—	—	—	—	—
		591,858	91,636	30,490	8,639	6,718	481	729,822

Notes to the Consolidated Financial Statements

合併財務報表附註

For the Year Ended December 31, 2019
截至2019年12月31日止年度

3 FINANCIAL RISK MANAGEMENT (Cont'd)

3.1 Financial risk factors (Cont'd)

(b) Credit risk (Cont'd)

(i) Trade receivables (Cont'd)

The provision for trade receivables as at December 31, 2019, and reconciles to the opening loss allowance for that provision as follows:

		Provision for trade receivables 應收賬款撥備 RMB'000 人民幣千元
As at January 1, 2018	於2018年1月1日	36,810
Provision for impairment of trade receivables recognised in profit or loss (Note 22 (b))	本年度計損益的應收賬款損失撥備的增加(附註22(b))	11,287
Written-off during the year as uncollectible	本年度核銷的無法收回的應收款	(12)
As at December 31, 2018	於2018年12月31日	48,085
Provision for impairment of trade receivables recognised in profit or loss (Note 22 (b))	本年度計損益的應收賬款損失撥備的增加(附註22(b))	7,452
Written-off during the year as uncollectible	本年度核銷的無法收回的應收款	(303)
As at December 31, 2019	於2019年12月31日	55,234

For the year ended December 31, 2019, the provision for loss allowances were recognised in the consolidated income statement in "net impairment losses on financial assets" in relation to impaired trade receivables.

As at December 31, 2019, the gross carrying amount of trade receivables were approximately and RMB2,471,856,000 (December 31, 2018: RMB2,496,355,000), and thus the maximum exposure to loss was RMB2,471,856,000 December 31, 2018: RMB2,496,355,000).

3 財務風險管理(續)

3.1 財務風險因素(續)

(b) 信用風險(續)

(i) 應收賬款(續)

本集團將應收賬款於2019年12月31日的期末損失撥備調整至期初損失撥備，具體如下：

截至2019年度，與已減值的應收賬款有關的損失撥備於合併利潤表中確認為「金融資產減值損失淨額」。

於2019年12月31日，應收賬款的總賬面值分別約為人民幣2,471,856,000元(2018年12月31日：人民幣2,496,355,000元)，故所面臨的最大損失風險分別約為人民幣2,471,856,000元(2018年12月31日：人民幣2,496,355,000元)。

3 FINANCIAL RISK MANAGEMENT (Cont'd)

3.1 Financial risk factors (Cont'd)

(b) Credit risk (Cont'd)

(ii) Other receivables

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information.

The Group uses four categories for other receivables, which reflect their credit risk and how the loss provision is determined for each of those categories.

3 財務風險管理(續)

3.1 財務風險因素(續)

(b) 信用風險(續)

(ii) 其他應收款

本集團於各報告期持續考量資產初步確認後違約機率以及信貸風險是否大幅增加。為評估信貸風險是否大幅增加，本集團對資產於報告期的違約風險及初步確認日期的違約風險進行對比。本集團會考慮可獲得的合理及支持性前瞻性資料。

本集團將其他應收款項分為四個類別，以反映信用風險及釐定各類別預期損失撥備的方式。

Notes to the Consolidated Financial Statements

合併財務報表附註

For the Year Ended December 31, 2019
截至2019年12月31日止年度

3 FINANCIAL RISK MANAGEMENT (Cont'd)

3.1 Financial risk factors (Cont'd)

(b) Credit risk (Cont'd)

(ii) Other receivables (Cont'd)

A summary of the assumptions underpinning the Group's expected credit loss model is as follows:

Category 類別	Group definition of category 本集團針對各項的釋義	Basis for recognition of expected credit loss provision 確認預期信用損失撥備的基準
Performing	Customers have a low risk of default and a strong capacity to meet contractual cash flows	12 months expected losses Where the expected lifetime of an asset is less than 12 months, expected losses are measured at its expected lifetime
正常	客戶違約風險很低且有能力滿足合同現金流量	12個月的預期損失。對於預期存續期在12個月之內的資產，預計虧損基於其預期存續期計量
Underperforming	Receivables for which there is a significant increase in credit risk; as significant increase in credit risk is presumed if interest and/or principal repayment are more than 30 days past due	Lifetime expected losses
關注	信貸風險顯著增加的應收款項；若利息及／或本金償付逾期超過30天，則假設信貸風險顯著增加。	全期預期損失
Non-performing	Customers has difficulties in making full payment despite numerous reminders; and if interest and/or principal repayments are 90 days past due	Lifetime expected losses
不良	儘管多番提醒，客戶仍有困難支付全款；利息及／或本金償付逾期90天。	全期預期損失
Write-off	There is no reasonable expectation of recovery	Asset is written off
核銷	預計無法收回	核銷資產

3 財務風險管理(續)

3.1 財務風險因素(續)

(b) 信用風險(續)

(ii) 其他應收款(續)

本集團預期損失撥備模型基於的假設總結如下：

3 FINANCIAL RISK MANAGEMENT (Cont'd)**3.1 Financial risk factors (Cont'd)****(b) Credit risk (Cont'd)***(ii) Other receivables (Cont'd)*

The Group accounts for its credit risk by appropriately providing for expected credit losses on a timely basis. In calculating the expected credit loss rates, the Group considers historical loss rates for each category of other receivables and adjusts for forward looking macroeconomic data.

To measure the expected credit losses of other receivables, other receivables have been grouped based on shared credit risk characteristics and the ageing days, and assessed collectively or individually for likelihood of recovery. As at December 31, 2019, other receivables from YCIH Group were performing, the expected loss rate is around 0.5% (2018: 0.5%) with a carrying amount of RMB3,891,000 (December 31, 2018: RMB2,302,000), and the allowance provision was RMB19,000 (December 31, 2018: RMB12,000). As at December 31, 2019, deposits were performing with a carrying amount of RMB12,375,000 (December 31, 2018: RMB8,124,000), and the impact of the expected loss rate for deposits is assessed to be insignificant. The expected loss rate for the remaining other receivables as at December 31, 2019 and 2018 is determined as follows:

3 財務風險管理(續)**3.1 財務風險因素(續)****(b) 信用風險(續)***(ii) 其他應收款(續)*

本集團通過及時地就預期信用損失適當計提撥備來說明其信用風險。在計算預期信用損失率時，本集團會考慮各類其他應收款項的歷史信用損失率並根據前瞻性宏觀經濟因素資訊作出調整。

為計量其他應收款的預期信用損失，本集團按照相同的信用風險特徵和賬齡天數對其他應收款分組，並集體或個別評估收回的可能性。於2019年12月31日，雲南建投集團的其他應收款為正常類別，預期虧損率約為0.5%（2018年12月31日：0.5%），賬面值為人民幣3,891,000元（2018年12月31日：人民幣2,302,000元），撥備為人民幣19,000元（2018年12月31日：人民幣12,000元）。於2019年12月31日，保證金為正常類別，賬面值為人民幣12,375,000元（2018年12月31日：人民幣8,124,000元），保證金的預期虧損率影響不重大。於2019年12月31日以及2018年12月31日之剩餘其他應收款的預期信用損失率，具體如下：

Notes to the Consolidated Financial Statements

合併財務報表附註

For the Year Ended December 31, 2019
截至2019年12月31日止年度

3 FINANCIAL RISK MANAGEMENT (Cont'd)

3.1 Financial risk factors (Cont'd)

(b) Credit risk (Cont'd)

(ii) Other receivables (Cont'd)

		Up to 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	Over 5 years	Total
		一年以內	一至二年	二至三年	三至四年	四至五年	五年以上	總計
December 31, 2019	於2019年12月31日							
Expected loss rate	預期信用損失率	1%	10%	20%	30%	50%	80%	31%
Gross carrying amount (RMB'000)	賬面總額(人民幣千元)	1,092	1,050	4,185	1,020	—	2,000	9,347
Loss allowance provision (RMB'000)	損失撥備(人民幣千元)	(11)	(105)	(837)	(306)	—	(1,600)	(2,859)
		1,081	945	3,348	714	—	400	6,488
		Up to 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	Over 5 years	Total
		一年以內	一至二年	二至三年	三至四年	四至五年	五年以上	總計
December 31, 2018	於2018年12月31日							
Expected loss rate	預期信用損失率	1%	10%	20%	30%	50%	80%	14%
Gross carrying amount (RMB'000)	賬面總額(人民幣千元)	3,763	7,430	1,501	228	2,000	—	14,922
Loss allowance provision (RMB'000)	損失撥備(人民幣千元)	(38)	(743)	(300)	(68)	(1,000)	—	(2,149)
		3,725	6,687	1,201	160	1,000	—	12,773

Since the actual loss rates for each type of the other receivables and the adjusts for forward looking macroeconomic data did not have significant change during the year, the directors of the Company consider that the change in the expected credit loss rate for provision matrix is insignificant throughout the year.

由於各類其他應收款項的實際虧損率及就前瞻性宏觀經濟數據作出的調整於業績記錄期並無重大變動，故本公司董事認為撥備矩陣的預期信貸虧損率變動於本年度並不重大。

3 財務風險管理(續)

3.1 財務風險因素(續)

(b) 信用風險(續)

(ii) 其他應收款(續)

Notes to the Consolidated Financial Statements

合併財務報表附註

For the Year Ended December 31, 2019
截至2019年12月31日止年度

3 FINANCIAL RISK MANAGEMENT (Cont'd)

3.1 Financial risk factors (Cont'd)

(b) Credit risk (Cont'd)

(ii) Other receivables (Cont'd)

		Provision for other receivables 其他應收款項撥備 RMB'000 人民幣千元
As at January 1, 2018	於2018年1月1日	1,618
Provision for impairment of other receivables recognised in profit or loss (Note 23 (b))	本年度計損益的其他應收款項損失撥備 的增加(附註23(b))	583
As at December 31, 2018	於2018年12月31日	2,201
Provision for impairment of other receivables recognised in profit or loss (Note 23 (b))	本年度計損益的其他應收款項損失撥備 的增加(附註23(b))	677
As at December 31, 2019	於2019年12月31日	2,878

For the years ended December 31, 2019 and 2018, the provision for loss allowances were recognised in the consolidated income statement in "net impairment losses on financial assets" in relation to impaired other receivables.

As at December 31, 2019, the carrying amount of other receivables was approximately RMB25,614,000 (December 31, 2018: RMB25,348,000), and thus the maximum exposure to loss was approximately RMB25,614,000 (December 31, 2018: RMB25,348,000).

截至2019年12月31日止年度，與已減值的其他應收款項有關的損失撥備於合併利潤表中確認為「金融資產淨減值虧損」。

於2019年12月31日，其他應收款的賬面值分別約為人民幣25,614,000元(2018年12月31日：人民幣25,348,000元)，故所面臨的最大損失風險分別約人民幣25,614,000元(2018年12月31日：人民幣25,348,000元)。

Notes to the Consolidated Financial Statements

合併財務報表附註

For the Year Ended December 31, 2019
截至2019年12月31日止年度

3 FINANCIAL RISK MANAGEMENT (Cont'd)

3.1 Financial risk factors (Cont'd)

(c) Liquidity risk

The Group's objective is to maintain sufficient cash and sources of funding through committed credit facility and maintain flexibility in funding by maintaining committed credit lines. To manage the liquidity risk, management monitors rolling forecasts of the Group's liquidity reserve (comprising undrawn banking facilities) and cash and cash equivalents on the basis of expected cash flows. All the borrowings are in compliance with relevant covenant terms if any and the Group expected to fund the future cash flow needs through internally generated cash flows from operations and borrowings from financial institutions.

The table below analyses the Group's financial liabilities that will be settled on a gross basis into relevant maturity grouping based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

Please refer to Note 32 for undrawn bank borrowings facilities.

3 財務風險管理(續)

3.1 財務風險因素(續)

(c) 流動性風險

謹慎的流動性風險管理意味著維持足夠的現金，本集團主要通過足額的承諾信用額度提供可使用的資金以履行到期義務及保證資金來源的靈活性。管理層以預期現金流量為基準監察本集團流動資金儲備(包括下文所述未提取的銀行信貸額)、現金及現金等價物的滾動預測。所有借款均符合相關契約條款(如有)，且本集團預期能夠通過內部產生的經營現金流量及金融機構的借款滿足未來的現金流量需求。

下表所示為根據合同期限按相關到期期限組別對本集團按總額結算的金融負債進行的分析。表中所披露的金額為合同未貼現現金流量。

本集團可使用未提取的銀行授信額度，請參閱附註32。

Notes to the Consolidated Financial Statements

合併財務報表附註

For the Year Ended December 31, 2019

截至2019年12月31日止年度

3 FINANCIAL RISK MANAGEMENT (Cont'd)

3.1 Financial risk factors (Cont'd)

(c) Liquidity risk (Cont'd)

		Less than 1 year 一年以內 RMB'000 人民幣千元	Between 1 and 2 years 一至二年 RMB'000 人民幣千元	Between 2 and 5 years 二至五年 RMB'000 人民幣千元	Over 5 years 五年以上 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
As at December 31, 2019	於2019年12月31日					
Lease liabilities	租賃負債	15,000	3,174	8,467	8,562	35,203
Financial liabilities included in trade and other payables	應付賬款及其他應付款	2,039,042	—	—	—	2,039,042
Borrowings	借款	115,675	—	—	—	115,675
		2,169,717	3,174	8,467	8,562	2,189,920
As at December 31, 2018	於2018年12月31日					
Lease liabilities	租賃負債	24,334	8,100	4,995	6,618	44,047
Financial liabilities included in trade and other payables	應付賬款及其他應付款	1,886,551	—	—	—	1,886,551
Borrowings	借款	84,479	—	—	—	84,479
		1,995,364	8,100	4,995	6,618	2,015,077

3 財務風險管理(續)

3.1 財務風險因素(續)

(c) 流動性風險(續)

Notes to the Consolidated Financial Statements

合併財務報表附註

For the Year Ended December 31, 2019
截至2019年12月31日止年度

3 FINANCIAL RISK MANAGEMENT (Cont'd)

3.2 Capital risk management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for equity holders. The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to equity holders, return capital to equity holders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Group monitors capital on basis of the gearing ratio. This ratio is calculated as net debts divided by total capital. Net cash is calculated as below. Total capital is calculated as "equity" as shown in the consolidated statement of financial position plus net debts.

As at December 31, 2019, total borrowings are much lower than cash and cash equivalents, accordingly, management of the Group considers the relevant risk is not significant.

3 財務風險管理(續)

3.2 資本風險管理

本集團的資本管理政策，是保障集團能繼續經營，以為股東提供回報和為其他利益關係者提供利益，同時維持最佳的資本結構以減低資本成本。為了維持或調整資本結構，本集團可能會調整支付予股東的股息數額、向股東退還資本、發行新股或出售資產以減低債務。

與業內其他公司一樣，本集團利用資本負債比率監察其資本。此比率按照淨負債除以總資本計算。淨現金計算如下。總資本為「權益」(如合併財務狀況表所列)加淨負債。

於2019年12月31日，總借款遠低於現金及現金等價物，故本集團管理層認為相關風險並不重大。

		As at December 31, 於12月31日	
		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Total borrowings (Note 32)	總借款(附註32)	114,618	80,000
Add: Lease liabilities (Note 29)	加：租賃負債(附註29)	28,733	37,220
Less: Cash and cash equivalents (Note 25)	減：現金及現金等價物(附註25)	(640,009)	(240,026)
Less: Restricted cash (Note 24)	減：受限制現金(附註24)	(20,772)	(15,680)
Net cash (Note 34(b))	淨現金(附註34(b))	(517,430)	(138,486)
Total equity	總權益	1,228,348	954,997
Total capital	總資本	710,918	816,511
Gearing ratio	資本負債比率	N/A不適用	N/A不適用

As at December 31, 2019 and 2018, the gearing ratio is not applicable due to net cash position.

於2019年12月31日以及2018年12月31日，由於處於淨現金狀況，故資本負債比率不適用。

3 FINANCIAL RISK MANAGEMENT (Cont'd)**3.3 Fair value estimation**

(a) The Group adopts the amendment to IFRS 7 for financial instruments that are measured in the consolidated statement of financial position at fair value, which requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- Inputs other than quoted prices that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2); and
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

(b) Fair value of the Group's financial assets that are measured at fair value.

3 財務風險管理(續)**3.3 公允價值估計**

(a) 本集團採用國際財務報告準則第7號(修訂本)計量在合併財務狀況表中以公允價值計量的金融工具，公允價值結構包括以下層次：

- 相同資產或負債在活躍市場的報價(未經調整)(第1層)
- 除了第1層所包括的報價外，該資產和負債的可觀察的其他輸入，可為直接(即例如價格)或間接(即源自價格)(第2層)
- 資產和負債並非依據可觀察市場數據的輸入(即非可觀察輸入)(第3層)。

(b) 本集團以公允價值計量的金融資產包括：

Financial assets	Fair value at December 31, 2019 RMB'000 於2019年12月31日的公允價值 人民幣千元	Fair value hierarchy	Valuation technique and key inputs	Significant unobservable input(s)	Relationship of unobservable inputs to fair value
金融資產		公允價值層級	估值技巧及主要輸入資料	重大不可觀察輸入資料	不可觀察輸入資料與公允價值的關係
Note receivables at FVOCI	137,202	Level 3	Discounted cash flow with future cash flows that are estimated based on expected recoverable amounts, discounted at rates that reflect management's best estimation of the expected risk level.	Expected future cash flow, discount rates that correspond to the expected risk level.	The higher the future cash flow, the higher the fair value discount rate, the higher the fair value.
以公允價值計量且其變動計入其他綜合收益的應收票據	137,202	第3層	已折現現金流：未來現金流按預計可收回金額及管理層最佳估計期望風險水準進行折現。	未來預計現金流，反映預期風險水準的折現率	未來現金流越大，公允價值越大；折現率越小，公允價值越大。

Notes to the Consolidated Financial Statements

合併財務報表附註

For the Year Ended December 31, 2019
截至2019年12月31日止年度

3 FINANCIAL RISK MANAGEMENT (Cont'd)

3.3 Fair value estimation (Cont'd)

- (c) Fair values of financial assets and liabilities measured at amortised cost.

The fair values of the following financial assets and liabilities approximate their carrying amounts:

- Trade receivables;
- Other receivables;
- Restricted cash;
- Cash and cash equivalents;
- Lease liabilities;
- Financial liabilities included in trade and other payables; and
- Borrowings.

The fair values of non-current lease liabilities are estimated by discounting the future cash flows at the current market rate available to the Group for similar financial instruments.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

4.1 Critical accounting estimates

Estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

3 財務風險管理(續)

3.3 公允價值估計(續)

- (c) 以攤餘成本計量的金融資產和金融負債的公允價值

以下金融資產和金融負債的公允價值近似於其賬面價值：

- 應收賬款；
- 其他應收款；
- 受限制現金；
- 現金及現金等價物；
- 租賃負債；
- 金融負債包括應付賬款及其他應付款；以及
- 借款

非流動租賃負債的公允價值用本集團可以獲取的同類金融工具的當前市場利率對未來現金流進行折現得出。

4 重要會計估計及判斷

4.1 重要會計估計

估計和判斷會被持續評估，並根據過往經驗和其他因素進行評價，包括在有關情況下相信對未來事件的合理預測。

本集團對未來作出估計和假設。所得的會計估計如其定義，很少會與其實際結果相同。很大機會導致下個財政年度的資產和負債的賬面值作出重大調整的估計和假設討論如下。

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Cont'd)

4.1 Critical accounting estimates (Cont'd)

(a) Estimated useful lives and residual values of property, plant and equipment

The Group's management determines the estimated useful lives, residual values and related depreciation charges for the Group's property, plant and equipment with reference to the estimated periods that the Group intends to derive future economic benefits from the use of these assets. Management will revise the depreciation charges where useful lives are different to that of previously estimated, or it will write-off or write-down technically obsolete or non-strategic assets that have been abandoned or sold. Actual economic lives may differ from estimated useful lives and actual residual values may differ from estimated residual values. Periodic review could result in a change in depreciable lives and residual values and therefore depreciation charges in future periods.

(b) Current and deferred income tax

The Group is subject to income taxes in different areas in the PRC. Judgement is required in determining the provision for income taxes in each of these jurisdictions. There are transactions and calculations during the ordinary course of business for which the ultimate tax determination is uncertain. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred income tax provisions in the period in which such determination is made.

Deferred income tax assets relating to certain temporary differences and tax losses are recognised when management considers it is probable that future taxable profits will be available against which the temporary differences or tax losses can be utilised. When the expectation is different from the original estimate, such differences will impact the recognition of deferred income tax assets and taxation charges in the period in which such estimate is changed.

4 重要會計估計及判斷(續)

4.1 重要會計估計(續)

(a) 不動產、工廠及設備的預計可使用年限及剩餘價值

本集團管理層釐定其不動產、工廠及設備預計可使用年限、剩餘價值及有關折舊費用，有關估計是根據本集團擬使用該等資產從而獲取未來經濟利益之估計年限而得出。倘可使用年限與先前估計存在差異，則管理層將修訂折舊費用，或將已報廢或出售的技術過時或非策略資產撇銷或撇減。實際經濟年限可能與估計可使用年限有別，實際剩餘價值亦可能與估計剩餘價值不同。本集團定期檢討折舊年期及剩餘價值，兩者可能出現變動，而影響日後期間之折舊費用。

(b) 當期及遞延所得稅

本集團須繳納中國不同地區的所得稅。在釐定各司法管轄區的所得稅準備時，需作出判斷。在日常業務中有許多交易和計算所涉及的最終稅務釐定都是不確定的。如此等事件的最終稅務後果與最初記錄的金額不同，此等差額將影響作出此等釐定期間的所得稅和遞延所得稅資產和負債。

當管理層預期未來應納稅利潤能夠彌補暫時性差異或稅項虧損，遞延所得稅資產會被確認。當預期之金額與原定估計有差異時，則該差異將會於估計改變之期間內，影響遞延所得稅資產與稅項支出的確認。

Notes to the Consolidated Financial Statements

合併財務報表附註

For the Year Ended December 31, 2019
截至2019年12月31日止年度

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Cont'd)

4.1 Critical accounting estimates (Cont'd)

(c) Recoverability of trade receivables

The Group grouped trade receivables based on shared credit risk characteristics, ageing days and applied simplified approach, which requires expected lifetime losses to be recognised from initial recognition of the trade receivables. Management assessed the expected credit loss allowance of trade receivables using the risk parameters including exposure default and expected credit loss rate, which is determined based on probabilities of default and default rates.

The lifetime expected credit loss allowance is determined based on past settlement profiles and the observed default rates over the expected life of the trade receivables with similar credit risk characteristics and is adjusted with current and forward-looking information on macroeconomic factors that affecting the ability of the customers to settle the receivables. In assessing forward-looking information, the Group considers factors including economic policies, macroeconomic indicators, industry risks and changes in customers' conditions.

5 SEGMENT INFORMATION, REVENUE AND OTHER INCOME

5.1 Operating segment information

Entity-wide disclosures

The Group's revenue and contribution to consolidated results are mainly derived from the research, development production and sale 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 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.

4 重要會計估計及判斷(續)

4.1 重要會計估計(續)

(c) 應收賬款的可回收性

貴集團按照相同的信用風險特徵和賬齡天數對應收賬款分組，並使用簡化方法其要求初始確認應收賬款時即確認預期信用損失。貴集團通過應收賬款違約風險和預期信用損失率計算應收賬款預期信用損失，並基於違約概率和違約損失率確定預期信用損失率。

全期預期損失是由基於過去銷售的過往付款狀況及類似信用風險特徵應收賬款存續期可觀察到的違約率，且該違約率通過與過往付款狀況有關宏觀經濟因素的現時及前瞻性資訊修正。在評估前瞻性資訊時，貴集團考慮的因素包括經濟政策、宏觀經濟指標、行業風險和客戶情況的變化等。

5 分部資料、收益及其他收入

5.1 經營分部資料

整體實體披露

本集團的收入及對綜合業績的貢獻主要來自預拌混凝土及相關產品的研發、生產及銷售，此乃視作單一經營分部，與內部向本集團的高級管理層報告用以作為資源管理和業績考核基礎的資料的方式一致。此外，本集團使用的所有資產均位於中國內地。因此，除整體實體披露外，並無按溢利、資產及負債呈報的分部資料。

Notes to the Consolidated Financial Statements

合併財務報表附註

For the Year Ended December 31, 2019
截至2019年12月31日止年度

5 SEGMENT INFORMATION, REVENUE AND OTHER INCOME (Cont'd)

5.1 Operating segment information (Cont'd)

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.

5.2 Revenue

Sales of ready-mixed concrete	銷售預拌混凝土
Sales of polycarboxylic admixtures	銷售聚羧酸外加劑
Sales of aggregates	銷售砂石料
Quality and technology management service	質量技術管理服務

5 分部資料、收益及其他收入(續)

5.1 經營分部資料(續)

地理資料

本集團所有收益均源自位於中國內地的客戶，且本集團全部外部客戶及非流動資產位於中國。因此，並無按地理分部呈報的分部資料。

5.2 收入

		Year ended December 31, 截至12月31日止年度	
		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Sales of ready-mixed concrete	銷售預拌混凝土	3,542,345	3,294,261
Sales of polycarboxylic admixtures	銷售聚羧酸外加劑	36,284	38,336
Sales of aggregates	銷售砂石料	13,440	15,027
Quality and technology management service	質量技術管理服務	16,006	9,493
		3,608,075	3,357,117

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

The Group's most senior executive management regularly review their consolidated financial information to assess the performance and make resource allocation decisions.

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

(a) 本集團主要從事預拌混凝土及相關產品的研發、生產、銷售及服務。

本集團的最高級行政管理人員定期覆核其合併財務資料以評估表現及作出資源分配決策。

所有收入均於貨品控制權轉移至客戶時確認。

Notes to the Consolidated Financial Statements

合併財務報表附註

For the Year Ended December 31, 2019
截至2019年12月31日止年度

5 SEGMENT INFORMATION, REVENUE AND OTHER INCOME (Cont'd)

5.2 Revenue (Cont'd)

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

		Year ended December 31, 截至12月31日止年度	
		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Group A	集團A	2,522,396	2,459,814
Group B	集團B	241,933	134,835
Group C	集團C	84,518	88,567
		2,848,847	2,683,216

The customer portfolio of the Group is concentrated, which is consistent with the industry practice. Group A represents YCIH Group (Note 36(b)). If major customers substantially defaults in payment or terminates the business relationship with the Group, it could materially affect the Group's financial position and results of operations.

本集團的客戶組合集中，符合行業慣例。集團A表示雲南建投集團(附註36(b))。倘主要客戶嚴重違約或終止與本集團的業務關係，則其會對本集團的財務狀況及經營業績造成重大影響。

(c) Contract liabilities

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

(c) 合同負債

本集團已確認以下收入相關
的合同負債：

		As at December 31, 於12月31日	
		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Contract liabilities related to sales of ready-mixed concrete	與銷售預拌混凝土有關的合同負債	14,130	48,146

Notes to the Consolidated Financial Statements

合併財務報表附註

For the Year Ended December 31, 2019
截至2019年12月31日止年度

5 SEGMENT INFORMATION, REVENUE AND OTHER INCOME (Cont'd)

5.2 Revenue (Cont'd)

(c) Contract liabilities (Cont'd)

- (i) Revenue recognised in relation to contract liabilities

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

		Year ended December 31, 截至12月31日止年度	
		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Revenue recognised that was included in the contract liabilities balance at the beginning of the year	計入年初合同負債結餘中所確認的收入		
– sales of ready-mixed concrete	— 銷售預拌混凝土	45,570	38,313

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

誠如國際財務報告準則第15號項下所允許，由於合同的原預期年期為一年或以下，故並無披露分配至該等未履約合同的交易價格。

- (ii) Contract liabilities represent advanced payments received from customers for products that have not yet been delivered to the customers. As at December 31, 2019 and 2018, the contract liabilities mainly included the advanced payments received from related-party customers for sales of ready-mixed concrete.

- (ii) 合同負債指就尚未交付予客戶產品而向客戶收取的墊付款項。於2019年12月31日以及2018年12月31日，合同負債主要包括就銷售預拌混凝土而向關聯方客戶收取的墊付款項。

Notes to the Consolidated Financial Statements

合併財務報表附註

For the Year Ended December 31, 2019

截至2019年12月31日止年度

5 SEGMENT INFORMATION, REVENUE AND OTHER INCOME (Cont'd)

5.3 Other income

		Year ended December 31, 截至12月31日止年度	
		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Government grants (Note (a))	政府補貼(附註(a))	1,718	3,205
Rental income	租金收入	539	1,329
Labour service income	勞工服務收入	—	687
		2,257	5,221

(a) Government grants mainly represent grants received from the PRC government authorities for subsidising the Group's general operation, research and development activities. 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.

5 分部資料、收益及其他收入(續)

5.3 其他收益

(a) 政府補貼主要指自中國政府機構接獲的用以輔助本集團的一般業務及研發活動的補貼。該等補貼並無附帶任何尚未達成條件或其他或有事項。本集團並無直接享有其他形式的政府援助。

6 OTHER (LOSSES)/GAINS – NET

		Year ended December 31, 截至12月31日止年度	
		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
(Losses)/gains on disposal of property, plant and equipment	出售不動產、工廠及設備 (虧損)/利潤	(144)	550
Others	其他	(1,066)	264
		(1,210)	814

6 其他(損失)/利得 — 淨額

Notes to the Consolidated Financial Statements

合併財務報表附註

For the Year Ended December 31, 2019
截至2019年12月31日止年度

7 EXPENSES BY NATURE

7 按性質分類的費用

		Year ended December 31, 截至12月31日止年度	
		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Raw materials and purchased goods consumed	使用的原材料及所購貨品	2,334,373	2,171,454
Transportation expenses	運輸開支	273,564	255,700
Employee benefit expenses (Note 8)	職工福利開支(附註8)	274,447	253,904
Outsourcing costs	外包開支	156,629	133,399
Lease expenses	租賃開支	88,433	91,813
Amortisation of land use rights (Note 13(a))	土地使用權攤銷 (附註13(a))	500	500
Depreciation of properties, plant and equipment (Note 14(a))	不動產、工廠及設備折舊 (附註14(a))	104,302	114,705
Depreciation of investment properties (Note 15)	投資性房地產折舊 (附註15)	213	213
Amortisation of intangible assets (Note 16(a))	無形資產攤銷(附註16(a))	94	34
Net impairment losses on trade receivables (Note 22(b))	應收賬款淨減值損失 (附註22(b))	7,452	11,287
Net impairment losses on other receivables (Note 23(b))	其他應收款淨減值損失 (附註23(b))	677	583
Taxes and levies	稅項及徵費	20,265	19,012
Utilities and electricity	公用事業及電費	13,198	14,431
Maintenance expenses	維修開支	10,120	10,143
Office expenses	辦公開支	5,638	6,959
Travelling expenses	差旅開支	5,829	6,858
Auditors' remuneration	核數師酬金	4,100	1,244
Listing expenses	上市開支	3,154	280
Miscellaneous	其他開支	52,935	45,960
Total cost of sales, selling expenses, administrative expenses and net impairment losses on financial assets	銷售成本、分銷費用和 行政費用及金融資產 淨減值損失總額	3,355,923	3,138,479

Notes to the Consolidated Financial Statements

合併財務報表附註

For the Year Ended December 31, 2019
截至2019年12月31日止年度

8 EMPLOYEE BENEFIT EXPENSES (INCLUDING DIRECTORS AND SENIOR MANAGEMENT'S EMOLUMENTS)

8 職工福利開支(包括董事及高級管理層酬金)

		Year ended December 31, 截至12月31日止年度	
		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Salaries, wages and bonuses	薪金、工資及花紅	194,567	188,702
Contributions to pension plans (Note (a))	退休計劃供款(附註(a))	28,303	22,646
Housing fund, medical insurance and other social insurance (Note (b))	住房公積金、醫療保險及其他社會保險(附註(b))	33,319	26,552
Other benefits	其他福利	18,258	16,004
		274,447	253,904

(a) As stipulated by rules and regulations in the PRC, the Group contributes to state-sponsored retirement schemes for its employees in the PRC. The Group's employees make monthly contributions to the schemes at 8% of the relevant income (comprising wages, salaries, allowances and bonus, and subject to maximum caps), while the Group contributes 16% to 19% of such relevant expenses, subject to certain ceiling and has no further obligations for the actual payment of post-retirement benefits beyond the contributions. The state-sponsored retirement schemes are responsible for the entire post-retirement benefit obligations payable to the retired employees.

(b) Employees of the Group in the PRC are entitled to participate in various government-supervised housing funds, medical insurance and other employee social insurance plan. The Group contributes on a monthly basis to these funds based on approximately 25% of the salaries of the employees, subject to certain ceiling. The Group's liability in respect of these funds is limited to the contributions payable in each period.

(a) 根據中國規章制度的規定，本集團須為其中國僱員向國家資助的退休金計劃供款。本集團僱員每月按相關收入(包括工資、薪金、津貼及花紅(不超過一定上限))的8%向該計劃供款，而本集團按上述有關開支的16%至19%供款(不超過一定上限)。本集團沒有義務承擔作出供款以外的退休後福利的實際付款。國家資助的退休金計劃承擔應付予退休僱員的全部退休後福利責任。

(b) 本集團的中國僱員有權參與政府規定的住房公積金、醫療保險及其他僱員社會保險計劃。本集團每月按僱員薪金的約25%向該等基金供款(不超過一定上限)。就該等公積金而言，本集團的責任只限於在每一期間作出供款。

Notes to the Consolidated Financial Statements

合併財務報表附註

For the Year Ended December 31, 2019

截至2019年12月31日止年度

9 DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS

(a) Directors' and chief executives' emoluments

Directors' and chief executives' emoluments are set out as follows:

9 董事及高級管理層薪酬

(a) 董事及主要行政人員薪酬

董事及主要行政人員於所有報告期間的薪酬載列如下：

		Employer's contribution to					Total
		僱主作出的以下供款					
		Fees	Salaries	Discretionary bonuses	Benefit scheme	Others	
		袍金	薪金	酌情花紅	福利計劃	其他	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Year ended December 31, 2019	截至2019年12月31日止年度						
Executive directors	執行董事						
Mr. Ma Minchao (馬敏超)	馬敏超先生	—	209	720	87	18	1,034
Mr. Rao Ye (饒燁) (ii)	饒燁先生(ii)	—	199	495	87	2	783
Mr. Lu Jianfeng (呂劍鋒)(v)	呂劍鋒(v)	—	192	516	87	10	805
Ms. Hu Zhurong (胡珠榮)	胡珠榮女士	—	209	372	87	31	699
Non-executive directors	非執行董事						
Mr. He Jianqiang (何建強)	何建強先生	—	—	—	—	—	—
Mr. Liu Guangcan (劉光燦)	劉光燦先生	—	—	—	—	—	—
Independent non-executive directors	獨立非執行董事						
Mr. Yu Dingming (于定明) (iii)	于定明先生(iii)	96	—	—	—	—	96
Mr. Wong Kai Yan Thomas (王佳欣) (vi)	王佳欣先生(vi)	29	—	—	—	—	29
Mr. Li Hongkun (李紅琨) (vii)	李紅琨先生(vii)	19	—	—	—	—	19
Supervisors	監事						
Ms. Li Yan (李燕)	李燕女士	—	—	—	—	—	—
Mr. Chang Hongbing (常紅兵)	常紅兵先生	—	—	—	—	—	—
Mr. Guo Huan (郭歡)	郭歡先生	—	132	112	81	60	385
Ms. Li Na (李娜) (viii)	李娜女士(viii)	—	132	55	79	10	276
Mr. Wu Xinhe (吳新河) (viii)	吳新河先生(viii)	—	—	—	—	—	—
		144	1,073	2,270	508	131	4,126

Notes to the Consolidated Financial Statements

合併財務報表附註

For the Year Ended December 31, 2019
截至2019年12月31日止年度

9 DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS (Cont'd)

(a) Directors' and chief executives' emoluments (Cont'd)

		Fees 袍金 RMB'000 人民幣千元	Salaries 薪金 RMB'000 人民幣千元	Employer's contribution to 僱主作出的以下供款			Total 總計 RMB'000 人民幣千元
				Discretionary bonuses 酌情花紅 RMB'000 人民幣千元	Benefit scheme 福利計劃 RMB'000 人民幣千元	Others 其他 RMB'000 人民幣千元	
Year ended December 31, 2018	截至2018年12月31日止年度						
Executive directors	執行董事						
Mr. Ma Minchao (馬敏超)	馬敏超先生	—	204	513	95	19	831
Mr. Liu Raohua (劉競華) (i)	劉競華先生(i)	—	204	513	95	13	825
Mr. Rao Ye (饒燁) (ii)	饒燁先生(ii)	—	163	336	95	11	605
Ms. Hu Zhurong (胡珠榮)	胡珠榮女士	—	204	224	95	19	542
Non-executive directors	非執行董事						
Mr. He Jianqiang (何建強)	何建強先生	—	—	—	—	—	—
Mr. Liu Guangcan (劉光燦)	劉光燦先生	—	—	—	—	—	—
Independent non-executive directors	獨立非執行董事						
Mr. Qian Jueshi (錢覺時) (iii)	錢覺時先生(iii)	96	—	—	—	—	96
Mr. Yu Dingming (于定明) (iii)	于定明先生(iii)	96	—	—	—	—	96
Mr. Na Chaohong (納超洪) (iii)	納超洪先生(iii)	96	—	—	—	—	96
Supervisors	監事						
Ms. Lin Tao (林濤) (iv)	林濤女士(iv)	—	—	—	—	—	—
Mr. Zou Weikun (鄒為昆) (iv)	鄒為昆先生(iv)	—	102	260	95	15	472
Ms. Li Yan (李燕)	李燕女士	—	—	—	—	—	—
Mr. Chang Hongbing (常紅兵)	常紅兵先生	—	—	—	—	—	—
Mr. Guo Huan (郭歡)	郭歡先生	—	130	82	79	13	304
		288	1,007	1,928	554	90	3,867

9 董事及高級管理層薪酬 (續)

(a) 董事及主要行政人員薪酬(續)

9 DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS (Cont'd)

- (a) Directors' and chief executives' emoluments (Cont'd)
- (i) Mr. Liu Raohua was appointed as an executive director and the vice chairman of the Board in December 2016. Mr. Liu ceased being the director and vice chairman of the Board in March 2019.
- (ii) Mr. Rao Ye was appointed as an executive director of the Company in December 2016 and the vice chairman of the Board in February 2018.
- (iii) Mr. Qian Jueshi, Mr. Yu Dingming and Mr. Na Chaohong were appointed as independent non-executive directors in December 2017. Mr. Qian and Mr. Na ceased being the independent non-executive directors in March 2019 and September 2019, respectively.
- (iv) Ms. Lin Tao was appointed as the chairman of the Board of Supervisors in December 2016 and ceased being the chairman in March 2019. Mr. Zou Weikun ceased being the supervisors in March 2019.
- (v) Mr. Lu Jianfeng was appointed as an executive director of the Company in December 2016 and ceased being the director in December 2017. Mr. Lu was re-appointed as an executive director in March 2019.
- (vi) Mr. Wong Kai Yan Thomas was appointed as an independent non-executive director of the Company in September 2019.
- (vii) Mr. Li Hongkun was appointed as an independent non-executive director of the Company in September 2019.
- (viii) Mr. Wu Xinhe was appointed as the chairman of the Board of Supervisors in March 2019 and Ms. Li Na was appointed as the supervisor in March 2019.

9 董事及高級管理層薪酬 (續)

- (a) 董事及主要行政人員薪酬(續)
- (i) 劉饒華先生於2016年12月獲委任為執行董事及副董事長。劉先生於2019年3月卸任董事及副董事長。
- (ii) 饒燁先生於2016年12月獲委任為本公司執行董事，及於2018年2月獲委任為副董事長。
- (iii) 錢覺時先生、于定明先生及納超洪先生於2017年12月獲委任為獨立非執行董事。錢先生及納先生分別於2019年3月及2019年9月卸任獨立非執行董事。
- (iv) 林濤女士於2016年12月獲委任為監事會主席並於2019年3月卸任主席。鄒為昆先生於2019年3月卸任監事。
- (v) 呂劍鋒先生於2016年12月獲委任為本公司執行董事，並於2017年12月卸任董事。呂先生於2019年3月重新獲委任為執行董事。
- (vi) 王佳欣先生於2019年9月獲委任為本公司獨立非執行董事。
- (vii) 李紅琨先生於2019年9月獲委任為本公司獨立非執行董事。
- (viii) 吳新河先生於2019年3月獲委任為監事會主席及李娜女士於2019年3月獲委任為監事。

Notes to the Consolidated Financial Statements

合併財務報表附註

For the Year Ended December 31, 2019
截至2019年12月31日止年度

9 DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS (Cont'd)

- (b) Directors' retirement benefits
There is no directors' retirement benefits operated by the Group.
- (c) Directors' termination benefits
There is no directors' termination benefits operated by the Group.
- (d) Consideration provided to third parties for making available directors' services
During the years ended December 31, 2019 and 2018, no consideration was provided to third parties for making available directors' services.
- (e) Information about loans, quasi-loans and other dealings in favour of directors, bodies corporate controlled by or entities connected with directors
During the years ended December 31, 2019 and 2018, there were no loans, quasi-loans and other dealings in favour of directors, bodies corporate controlled by or entities connected with directors.
- (f) Directors' material interests in transactions, arrangements or contracts
No significant transactions, arrangements and contracts in relation to the Group's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the years ended December 31, 2019 and 2018.

9 董事及高級管理層薪酬 (續)

- (b) 董事退休福利
本集團並無派付任何董事退休福利。
- (c) 董事離職福利
本集團並無派付任何董事離職福利。
- (d) 就提供董事服務支付予第三方的代價
於截至2018年和2019年12月31日止年度，概無就提供董事服務向第三方支付任何代價。
- (e) 有關以董事、董事控制的法團或關連實體為受益人的貸款、准貸款及其他交易的資料
於截至2018年和2019年12月31日止年度，概無以董事、董事控制的法團或關連實體為受益人的貸款、准貸款及其他交易。
- (f) 董事於交易、安排或合同中的重大權益
於年末或截至2018年和2019年12月31日止年度任何時間本公司概無訂立涉及本集團業務且本公司董事於當中擁有直接或間接重大權益的重要交易、安排及合同。

Notes to the Consolidated Financial Statements

合併財務報表附註

For the Year Ended December 31, 2019
截至2019年12月31日止年度

9 DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS (Cont'd)

(g) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group included 3 directors during the years ended December 31, 2019 (2018: 2), whose emoluments are reflected in the analysis shown in Note 9(a). The emoluments payable to the remaining 2 individuals during the years ended December 31, 2019 (2018: 3), are as follows:

		Year ended December 31, 截至12月31日止年度	
		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Salaries, wages and bonuses	薪金、工資及花紅	1,422	1,542
Contributions to pension plans and other social insurance	退休金計劃及其他社會保險供款	173	285
Other benefits	其他福利	19	55
		1,614	1,882

The number of highest paid non-director individuals whose remuneration fell within the following bands is set out below:

		Number of individuals 人數	
		Year ended December 31, 截至12月31日止年度	
		2019 2019年	2018 2018年
Nil to HK\$1,000,000	零至1,000,000港元	2	3

9 董事及高級管理層薪酬 (續)

(g) 五位最高薪酬人士

截至2018年及2019年12月31日止年度，本集團最高薪酬的五位人士分別包括兩名及三名董事，他們的薪酬在附註9(a)所示分析中反映。截至2018年及2019年12月31日止年度，應付餘下三名及兩名人士的薪酬如下：

Year ended December 31,
截至12月31日止年度

2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
1,422	1,542
173	285
19	55
1,614	1,882

除董事之外的最高薪酬人士的薪酬載列如下：

Number of individuals

人數

Year ended December 31,

截至12月31日止年度

		2019 2019年	2018 2018年
Nil to HK\$1,000,000	零至1,000,000港元	2	3

Notes to the Consolidated Financial Statements

合併財務報表附註

For the Year Ended December 31, 2019

截至2019年12月31日止年度

10 FINANCE INCOME AND COSTS

10 財務收益及費用

		Year ended December 31, 截至12月31日止年度	
		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Interest income:	利息收益：		
– Bank deposits	— 銀行存款	689	359
– Deposits within a financial institution (Note 36(g))	— 金融機構存款(附註36(g))	665	788
Total finance income	財務收益總額	1,354	1,147
Interest expenses:	利息費用：		
– Guaranteed bank borrowings	— 擔保借款	(1,158)	(4,502)
– Unsecured bank borrowings	— 無抵押銀行借款	(3,669)	—
– Lease liabilities	— 租賃負債	(2,725)	(3,619)
Exchange losses	匯兌損失	(1,367)	—
Others	其他	(1,439)	(617)
Total finance costs	總財務費用	(10,358)	(8,738)
Finance costs – net	淨財務費用	(9,004)	(7,591)

11 INCOME TAX EXPENSE

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

11 所得稅費用

合併利潤表內支銷的所得稅費用款項指：

		Year ended December 31, 截至12月31日止年度	
		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Current income tax	當期所得稅	30,410	38,405
Deferred income tax (Note 18)	遞延所得稅(附註18)	(1,901)	(772)
Income tax expense	所得稅費用	28,509	37,633

Notes to the Consolidated Financial Statements

合併財務報表附註

For the Year Ended December 31, 2019
截至2019年12月31日止年度

11 INCOME TAX EXPENSE (Cont'd)

- (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 during the year, except for the Company and its subsidiary YCIH Polymer Material Co., Ltd. which are qualified as High-tech Enterprise. The Company is qualified as a High-tech Enterprise and enjoys a preferential income tax rate of 15% as approved by the local tax authority for the year ended December 31, 2017, 2018 and 2019. YCIH Polymer Material Co., Ltd. is qualified as a High-tech Enterprise and enjoys a preferential income tax rate of 15% as approved by the local tax authority for the year ended December 31, 2019.

11 所得稅費用(續)

- (a) 根據中國企業所得稅法(「企業所得稅法」)及企業所得稅法實施細則，本集團自2008年1月1日起的稅率為25%。於報告期間，本集團除本公司及其子公司雲南建投高分子材料有限公司之外，其餘子公司的適用所得稅率為25%。截至2017年、2018年及2019年12月31日止年度，本公司因為「高新技術企業」享有稅務機關批准的優惠所得稅率15%，截至2019年12月31日止年度，高分子子公司因為「高新技術企業」享有稅務機關批准的優惠所得稅率15%。

		Year ended December 31, 截至12月31日止年度	
		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Profit before income tax	除所得稅前利潤	244,195	217,082
Tax calculated at the domestic CIT rate applicable	按國內適用企業所得稅率計算的稅項	25%	25%
		61,049	54,271
Tax effect of:	稅項影響：		
Expenses not deductible for tax purpose	不可扣稅的費用	858	128
Additional deduction of research and development expenses incurred	額外扣減已產生研發開支	(517)	(130)
Effect of preferential income tax rate of the Group	本集團優惠所得稅率的影響	(26,880)	(15,425)
Effect of change in income tax rate	所得稅率變動的影響	28	—
Additional expenses allowable for tax deduction	允許用於抵扣稅額的額外開支	(6,029)	(1,211)
Income tax expense	稅項支出	28,509	37,633

Notes to the Consolidated Financial Statements

合併財務報表附註

For the Year Ended December 31, 2019
截至2019年12月31日止年度

12 EARNINGS PER SHARE

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

		Year ended December 31, 截至12月31日止年度	
		2019 2019年	2018 2018年
Profit attributable to equity holders of the Company (RMB'000)	歸屬於本公司所有者的利潤 (人民幣千元)	203,685	163,748
Weighted average number of ordinary shares in issue in thousands	已發行普通股加權平均數 (千股)	334,765	312,390
Basic earnings per share (RMB)	基本每股收益(人民幣)	0.61	0.52

- (b) The diluted earnings per share was the same as the basic earnings per share as there was no potential dilutive share issued during the years ended December 31, 2019 and 2018.

12 每股收益

- (a) 基本每股收益根據歸屬於本公司所有者的利潤，除以年內已發行或視同將予發行的普通股加權平均數目計算。

- (b) 稀釋每股收益與基本每股收益相同，原因為截至2019年及2018年12月31日止年度並無潛在已發行稀釋股份。

Notes to the Consolidated Financial Statements

合併財務報表附註

For the Year Ended December 31, 2019
截至2019年12月31日止年度

13 LAND USE RIGHTS

The Group and Company's interests in land use rights are recognised as right-of-use assets and represent prepaid operating lease payments for land located in the PRC, the net book values of which are analysed as follows:

		Year ended December 31, 截至12月31日止年度	
		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Cost	成本	25,022	25,022
Accumulated amortisation	累計攤銷	(4,920)	(4,420)
Net book value	賬面淨值	20,102	20,602
Opening net book value	期初賬面淨值	20,602	21,102
Amortisation charges (Note 7)	攤銷開支(附註7)	(500)	(500)
Closing net book value	期末賬面淨值	20,102	20,602

(a) Amortisation of land use rights has been charged to the consolidated income statement (Note 7) as follows:

		Year ended December 31, 截至12月31日止年度	
		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Administration expenses	行政費用	500	500

13 土地使用權

本集團及本公司土地使用權之權益乃確認為使用權資產，指為中國境內土地使用支付的預付經營租賃費用，其賬面淨值分析如下：

(a) 土地使用權攤銷於合併利潤表的支銷(附註7)如下：

Notes to the Consolidated Financial Statements

合併財務報表附註

For the Year Ended December 31, 2019
截至2019年12月31日止年度

14 PROPERTY, PLANT AND EQUIPMENT

14 不動產、工廠及設備

		Right-of-use assets- buildings and facilities	Right-of-use assets- machinery and equipment	Buildings and facilities	Machinery and equipment	Motor vehicles	Electronic equipment	Other equipment	Construction in progress	Total
		使用權資產—樓宇及設施	使用權資產—機器及設備	樓宇及設施	機器及設備	車輛	電子設備	其他設備	在建工程	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
At January 1, 2018	於2018年1月1日									
Cost	成本	58,322	42,938	243,418	202,838	117,297	6,419	1,712	778	673,722
Accumulated depreciation and impairment	累計折舊及減值	(24,901)	(18,584)	(134,054)	(116,657)	(78,097)	(3,881)	(956)	—	(377,130)
Net book value	賬面淨值	33,421	24,354	109,364	86,181	39,200	2,538	756	778	296,592
Year ended December 31, 2018	截至2018年12月31日止年度									
Opening net book value	期初賬面淨值	33,421	24,354	109,364	86,181	39,200	2,538	756	778	296,592
Additions	添置	3,852	15,501	10,117	17,181	640	1,154	1,171	27,100	76,716
Transfers	轉撥	—	—	23,799	3,095	—	56	—	(26,950)	—
Disposals	處置	—	—	(298)	(96)	(18)	(12)	—	—	(424)
Transfer to investment properties (Note 15)	轉撥至投資性房地產(附註15)	—	—	(74)	—	—	—	—	—	(74)
Depreciation (Note 7)	折舊(附註7)	(15,072)	(25,225)	(32,165)	(26,810)	(12,653)	(1,436)	(1,344)	—	(114,705)
Closing net book value	期末賬面淨值	22,201	14,630	110,743	79,551	27,169	2,300	583	928	258,105
At December 31, 2018	於2018年12月31日									
Cost	成本	53,909	58,438	265,194	210,554	117,515	7,465	2,869	928	716,872
Accumulated depreciation and impairment	累計折舊及減值	(31,708)	(43,808)	(154,451)	(131,003)	(90,346)	(5,165)	(2,286)	—	(458,767)
Net book value	賬面淨值	22,201	14,630	110,743	79,551	27,169	2,300	583	928	258,105
Year ended December 31, 2019	截至2019年12月31日止年度									
Opening net book value	期初賬面淨值	22,201	14,630	110,743	79,551	27,169	2,300	583	928	258,105
Additions	添置	12,789	7,479	2,742	3,697	346	445	142	15,719	43,359
Transfers	轉撥	—	—	9,464	2,582	—	22	—	(12,068)	—
Disposals	處置	—	—	(1,783)	(661)	(197)	(19)	—	—	(2,660)
Depreciation (Note 7)	折舊(附註7)	(13,649)	(15,123)	(38,851)	(26,887)	(8,271)	(1,177)	(344)	—	(104,302)
Closing net book value	期末賬面淨值	21,341	6,986	82,315	58,282	19,047	1,571	381	4,579	194,502
At December 31, 2019	於2019年12月31日									
Cost	成本	51,817	23,092	234,683	208,934	111,791	7,635	3,009	4,579	645,540
Accumulated depreciation and impairment	累計折舊及減值	(30,476)	(16,106)	(152,368)	(150,652)	(92,744)	(6,064)	(2,628)	—	(451,038)
Net book value	賬面淨值	21,341	6,986	82,315	58,282	19,047	1,571	381	4,579	194,502

Notes to the Consolidated Financial Statements

合併財務報表附註

For the Year Ended December 31, 2019
截至2019年12月31日止年度

14 PROPERTY, PLANT AND EQUIPMENT (Cont'd)

- (a) Depreciation of property, plant and equipment has been charged to the consolidated income statement as follows:

		Year ended December 31, 截至12月31日止年度	
		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Cost of sales	銷售成本	94,028	104,469
Administrative expenses	行政費用	10,274	10,236
		104,302	114,705

- (b) As at December 31, 2019, the Group is still in the process of applying for the building ownership certificates of certain of its buildings and the carrying amounts of those buildings amounted to approximately RMB22,437,000 (December 31, 2018: RMB21,267,000). Till the report date of this report, no building ownership certificates of these building has been acquired.

14 不動產、工廠及設備(續)

- (a) 不動產、工廠及設備折舊於合併利潤表的支銷如下：

		Year ended December 31, 截至12月31日止年度	
		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Cost of sales	銷售成本	94,028	104,469
Administrative expenses	行政費用	10,274	10,236
		104,302	114,705

- (b) 2019年12月31日以及2018年12月31日，本集團仍在申請其若干樓宇的房屋所有權證，而該等樓宇的賬面值分別約為人民幣22,437,000元及人民幣21,267,000元。截至本報告日，本集團並無就該等樓宇取得房屋所有權證。

Notes to the Consolidated Financial Statements

合併財務報表附註

For the Year Ended December 31, 2019

截至2019年12月31日止年度

15 INVESTMENT PROPERTIES

15 投資性房地產

		Buildings and facilities 樓宇及設施 RMB'000 人民幣千元
At January 1, 2018		
Cost	於2018年1月1日 成本	5,307
Accumulated depreciation	累計折舊	(2,157)
Net book value	賬面淨值	3,150
Year ended December 31, 2018		
Opening net book value	截至2018年12月31日止年度 期初賬面淨值	3,150
Transfer from property, plant and equipment (Note 14)	轉撥自不動產、工廠及設備(附註14)	74
Depreciation (Note 7)	折舊(附註7)	(213)
Closing net book value	期末賬面淨值	3,011
At December 31, 2018		
Cost	於2018年12月31日 成本	5,404
Accumulated depreciation	累計折舊	(2,393)
Net book value	賬面淨值	3,011
Year ended December 31, 2019		
Opening net book value	截至2019年12月31日止年度 期初賬面淨值	3,011
Additions	添置	23
Depreciation (Note 7)	折舊(附註7)	(213)
Closing net book value	期末賬面淨值	2,821
At December 31, 2019		
Cost	於2019年12月31日 成本	5,427
Accumulated depreciation	累計折舊	(2,606)
Net book value	賬面淨值	2,821

Notes to the Consolidated Financial Statements

合併財務報表附註

For the Year Ended December 31, 2019
截至2019年12月31日止年度

15 INVESTMENT PROPERTIES (Cont'd)

Amounts recognised in profit and losses for investment properties:

15 投資性房地產(續)

投資性房地產已在損益內確認的數額：

		Year ended December 31, 截至12月31日止年度	
		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Rental income	租金收入	123	117
Direct operating expenses from property that generated rental income	產生租金收入的投資性房地產的直接經營費用	14	14
Direct operating expenses from property that did not generate rental income	不產生租金收入的投資性房地產的直接經營費用	199	199

Notes to the Consolidated Financial Statements

合併財務報表附註

For the Year Ended December 31, 2019

截至2019年12月31日止年度

16 INTANGIBLE ASSETS

16 無形資產

		Purchased Computer software 購買計算機軟件 RMB'000 人民幣千元
At January 1, 2018		
Cost	於2018年1月1日 成本	268
Accumulated amortisation	累計攤銷	(214)
Net book value	賬面淨值	54
Year ended December 31, 2018		
Opening net book value	截至2018年12月31日止年度 期初賬面淨值	54
Amortisation (Note 7)	攤銷(附註7)	(34)
Closing net book value	期末賬面淨值	20
At December 31, 2018		
Cost	於2018年12月31日 成本	268
Accumulated amortisation	累計攤銷	(248)
Net book value	賬面淨值	20
Year ended December 31, 2019		
Opening net book value	截至2019年12月31日止年度 期初賬面淨值	20
Additions	添置	1,004
Amortisation (Note 7)	攤銷(附註7)	(94)
Closing net book value	期末賬面淨值	930
At December 31, 2019		
Cost	於2019年12月31日 成本	1,272
Accumulated amortisation	累計攤銷	(342)
Net book value	賬面淨值	930

Notes to the Consolidated Financial Statements

合併財務報表附註

For the Year Ended December 31, 2019
截至2019年12月31日止年度

16 INTANGIBLE ASSETS (Cont'd)

- (a) Amortisation of intangible assets had been charged to the consolidated income statement (Note 7) as follows:

		Year ended December 31, 截至12月31日止年度	
		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Administrative expenses	行政費用	94	34

17 OTHER NON-CURRENT ASSETS

17 其他非流動資產

		As at December 31, 於12月31日	
		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Prepayment for land use rights	— 土地使用權預付款	7,150	—
Prepayment for certificate of gravel mining	— 採石權證預付款	800	—
		7,950	—

18 DEFERRED INCOME TAX ASSETS

18 遞延所得稅資產

		As at December 31, 於12月31日	
		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Deferred income tax assets:	遞延所得稅資產：		
– to be recovered within 12 months	— 在12個月內收回的 遞延所得稅資產	13,763	11,489
– to be recovered after more than 12 months	— 超過12個月後收回的 遞延所得稅資產	1,028	1,050
		14,791	12,539

Notes to the Consolidated Financial Statements

合併財務報表附註

For the Year Ended December 31, 2019
截至2019年12月31日止年度

18 DEFERRED INCOME TAX ASSETS (Cont'd)

Movements in deferred income tax assets, without taking into consideration the offsetting of balance within the same tax jurisdiction, are as follows:

18 遞延所得稅資產(續)

年內遞延所得稅資產(沒有考慮結餘可在同一稅務司法管轄區內抵銷)的變動如下:

		Impairment on property plant and equipment	Tax losses carry forwards	Provision for doubtful debts	Provision for environmental restoration and cost	Provision for inventories	Accrued expenses	Difference between accounting treatment and tax law on lease contract depreciation	Accelerated depreciation	Financial assets measured at fair value	Total
		不動產、工廠及設備減值	結轉稅項虧損	呆賬撥備	關閉復墾及環保成本撥備	存貨撥備	應計開支	會計處理與租賃合同的稅法之間的差異	加速折舊	以公允價值計量的金融資產變動	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Deferred income tax assets	遞延所得稅資產	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
At January 1, 2018	於2018年1月1日	410	1,191	6,597	768	342	1,888	571	—	—	11,767
Recognised in the consolidated income statement	於合併利潤表中直接確認	(51)	(1,191)	2,104	318	(202)	(1,613)	(40)	1,447	—	772
At December 31, 2018	於2018年12月31日	359	—	8,701	1,086	140	275	531	1,447	—	12,539
Recognised in the consolidated income statement	於合併利潤表中直接確認	—	—	1,458	247	(112)	(152)	(57)	517	—	1,901
Recognised in the consolidated statement of comprehensive income	於合併綜合收益表中直接確認	—	—	—	—	—	—	—	—	351	351
At December 31, 2019	於2019年12月31日	359	—	10,159	1,333	28	123	474	1,964	351	14,791

Notes to the Consolidated Financial Statements

合併財務報表附註

For the Year Ended December 31, 2019
截至2019年12月31日止年度

19 FINANCIAL INSTRUMENTS BY CATEGORY

19 金融工具分類

		As at December 31,	
		於12月31日	
		2019	2018
		2019年	2018年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Assets per consolidated statement of financial position	合併財務狀況表呈列的資產		
Financial assets carried at amortised cost	以攤餘成本計量的金融資產		
– Trade receivables (Note 22)	— 應收賬款(附註22)	2,416,622	2,448,270
– Other receivables (Note 23)	— 其他應收款(附註23)	22,736	23,147
– Restricted cash (Note 24)	— 受限制現金(附註24)	20,772	15,680
– Cash and cash equivalents (Note 25)	— 現金及現金等價物(附註25)	640,009	240,026
Financial assets at fair value through other comprehensive income (FVOCI) (Note 21)	以公允價值計量且其變動計入其他綜合收益的金融資產(附註21)	137,202	55,637
		3,237,341	2,782,760
Liabilities per consolidated statement of financial position	合併財務狀況表呈列的負債		
Financial liabilities carried at amortised cost	以攤餘成本計量的負債		
– Lease liabilities (Note 29)	— 租賃負債(附註29)	28,733	37,220
– Financial liabilities included in trade and other payables (Note 31)	— 應付賬款及其他應付款(附註31)	2,039,042	1,886,551
– Borrowings (Note 32)	— 借款(附註32)	114,618	80,000
		2,182,393	2,003,771

Notes to the Consolidated Financial Statements

合併財務報表附註

For the Year Ended December 31, 2019
截至2019年12月31日止年度

20 INVENTORIES

20 存貨

		As at December 31, 於12月31日	
		2019	2018
		2019年	2018年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Cost:	成本：		
Raw materials	原材料	45,912	44,621
Spare parts	備品備件	1,672	1,641
		47,584	46,262
Provision for impairment loss:	減值損失撥備：		
Raw materials	原材料	(110)	(558)
Inventories – net	存貨淨值	47,474	45,704

The cost of inventories recognised as cost of sales amounted to approximately RMB3,200,677,000 for the year ended December 31, 2019 (2018: RMB2,997,649,000).

截至2019年12月31日止年度，存貨成本中確認為費用並列入「銷售成本」的金額分別約為人民幣3,200,677,000元（2018年度：人民幣2,997,649,000元）。

No provision for inventories has been made during the year ended December 31, 2019 (2018: Nil).

於截至2019年12月31日止年度，概未就存貨作出撥備（2018年：無）。

21 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

21 以公允價值計量且其變動計入其他綜合收益的金融資產

		As at December 31, 於12月31日	
		2019	2018
		2019年	2018年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Notes receivable – related parties (Note 36(I))	應收票據 — 關聯方(附註36(I))	54,695	29,230
Notes receivable – third parties	應收票據 — 第三方	82,507	26,407
Notes receivable	應收票據	137,202	55,637

Notes to the Consolidated Financial Statements

合併財務報表附註

For the Year Ended December 31, 2019
截至2019年12月31日止年度

22 TRADE RECEIVABLES

22 應收賬款

		As at December 31, 於12月31日	
		2019 RMB'000 人民幣千元	2018 RMB'000 人民幣千元
Trade receivables – related parties (Note 36(l))	應收賬款 — 關聯方(附註36(l))	1,604,395	1,753,353
Trade receivables – third parties	應收賬款 — 第三方	867,461	743,002
		2,471,856	2,496,355
Less: Provision for impairment of receivables (Note (b))	減：應收賬款減值準備(附註(b))	(55,234)	(48,085)
Trade receivables – net	應收賬款 — 淨額	2,416,622	2,448,270

As at December 31, 2019 and 2018, the fair values of trade receivables of the Group approximated their carrying amounts.

於2019年12月31日以及2018年12月31日，本集團應收賬款公允價值與其賬面值相近。

As at December 31, 2019 and 2018, all the carrying amounts of trade receivables were denominated in RMB.

於2019年12月31日以及2018年12月31日，應收賬款的所有賬面值以人民幣計值。

(a) Ageing analysis of trade receivables at the respective statement of financial position dates, based on the invoice dates, are as follows:

(a) 於各資產負債表日，應收賬款基於發票日期的賬齡分析如下：

		As at December 31, 於12月31日	
		2019 RMB'000 人民幣千元	2018 RMB'000 人民幣千元
– Within one year	— 一年以內	2,181,615	1,942,450
– One to two years	— 一至二年	187,805	450,158
– Two to three years	— 二至三年	67,878	71,677
– Three to four years	— 三至四年	18,207	14,916
– Four to five years	— 四至五年	10,832	14,530
– Over five years	— 五年以上	5,519	2,624
		2,471,856	2,496,355

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

本集團不持有任何作為抵押的擔保品。

Notes to the Consolidated Financial Statements

合併財務報表附註

For the Year Ended December 31, 2019
截至2019年12月31日止年度

22 TRADE RECEIVABLES (Cont'd)

- (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 December 31, 2019, provision of approximately RMB55,234,000 was made against trade receivables (December 31, 2018: RMB48,085,000).

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

		Year ended December 31, 截至12月31日止年度	
		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Beginning of the year	年初	48,085	36,810
Provision for impairment on trade receivables	應收賬款減值準備	7,452	11,287
Write-off for impairment on trade receivables	應收賬款減值核銷	(303)	(12)
End of the year	年末	55,234	48,085

22 應收賬款(續)

- (b) 本集團按國際財務報告準則第9號的規定使用簡化法對預期信貸虧損作出撥備，其規定就所有應收賬款使用全期預期損失準備。為計量預期信用損失，應收賬款已按攤估信用風險特徵及逾期日數分類。預期信用損失亦考慮前瞻性資料。於2019年12月31日，應收賬款減值準備分別約為人民幣55,234,000元(2018年12月31日：人民幣48,085,000元)。

應收賬款減值準備變動如下：

Notes to the Consolidated Financial Statements

合併財務報表附註

For the Year Ended December 31, 2019
截至2019年12月31日止年度

23 PREPAYMENTS AND OTHER RECEIVABLES

23 預付賬款及其他應收款

		As at December 31, 於12月31日	
		2019	2018
		2019年	2018年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Other receivables – related parties (Note 36(l))	其他應收款 — 關聯方(附註36(l))	3,911	2,322
Other receivables – third parties	其他應收款 — 第三方	21,703	23,026
		25,614	25,348
Less: Provision for impairment of receivables (Note (b))	減：其他應收款減值準備(附註(b))	(2,878)	(2,201)
Other receivables – net	其他應收款項 — 淨額	22,736	23,147
Prepayments – listing expenses	預付款項 — 上市開支	—	11,207
Prepayments – others	預付款項 — 其他	6,746	19,444
Prepayments	預付款項	6,746	30,651
Other current assets	其他流動資產	9,133	5,968
Prepayments and other receivables – net	預付款項及其他應收款 — 淨額	38,615	59,766

As at December 31, 2019 and 2018, the fair values of other receivables of the Group approximated their carrying amounts.

於2019年12月31日以及2018年12月31日，本集團其他應收款項公允價值與其賬面值相近。

As at December 31, 2019 and 2018, all the carrying amounts of prepayments and other receivables were denominated in RMB.

於2019年及2018年12月31日，預付款項及其他應收款的全部賬面值以人民幣計量。

Notes to the Consolidated Financial Statements

合併財務報表附註

For the Year Ended December 31, 2019
截至2019年12月31日止年度

23 PREPAYMENTS AND OTHER RECEIVABLES (Cont'd)

- (a) Ageing analysis of prepayments and other receivables at the respective statement of financial position dates, based on the invoice dates, are as follows:

		As at December 31, 於12月31日	
		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
- Within one year	— 一年以內	27,516	47,014
- One to two years	— 一至二年	3,446	8,501
- Two to three years	— 二至三年	5,306	1,687
- Three to four years	— 三至四年	1,226	995
- Four to five years	— 四至五年	797	3,201
- Over five years	— 五年以上	3,202	569
		41,493	61,967

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 December 31, 2019, provisions for impairment of approximately RMB2,878,000 were made against other receivables (December 31, 2018: RMB2,201,000).

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

		Year ended December 31, 截至12月31日止年度	
		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Beginning of the year	年初	2,201	1,618
Provision for impairment on other receivables	其他應收款減值準備	677	583
End of the year	年末	2,878	2,201

23 預付款項及其他應收款 (續)

- (a) 於各資產負債表日，預付款項及其他應收款基於發票日期的賬齡分析如下：

		As at December 31, 於12月31日	
		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
- Within one year	— 一年以內	27,516	47,014
- One to two years	— 一至二年	3,446	8,501
- Two to three years	— 二至三年	5,306	1,687
- Three to four years	— 三至四年	1,226	995
- Four to five years	— 四至五年	797	3,201
- Over five years	— 五年以上	3,202	569
		41,493	61,967

本集團不持有任何作為抵押的擔保品。

- (b) 為計量預期信用虧損，其他應收款已按攤佔信用風險特徵及賬齡天數分類。預期信貸虧損亦考慮前瞻性資料。於2019年12月31日，其他應收款減值準備為人民幣2,878,000元（2018年12月31日：人民幣2,201,000元）。

其他應收款項減值準備變動如下：

		Year ended December 31, 截至12月31日止年度	
		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Beginning of the year	年初	2,201	1,618
Provision for impairment on other receivables	其他應收款減值準備	677	583
End of the year	年末	2,878	2,201

Notes to the Consolidated Financial Statements

合併財務報表附註

For the Year Ended December 31, 2019
截至2019年12月31日止年度

24 RESTRICTED CASH

24 受限制現金

		As at December 31, 於12月31日	
		2019	2018
		2019年	2018年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Restricted cash at banks	受限制銀行現金	20,772	12,270
Restricted cash at a financial institution (Note 36(l))	受限制金融機構現金 (附註36(l))	—	3,410
Total restricted cash	受限制現金	20,772	15,680

Restricted deposits represented cash set aside for the issuance of notes payable and provision for close down, restoration and environmental cost.

受限制存款指因發行應付票據及關閉、復墾及環保成本撥備預留的現金。

25 CASH AND CASH EQUIVALENTS

25 現金及現金等價物

		As at December 31, 於12月31日	
		2019	2018
		2019年	2018年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Cash at banks and on hand	銀行及庫存現金	531,999	97,655
Cash at a financial institution (Notes 25(c), 36(l))	金融機構現金 (附註25(c)、36(l))	108,010	142,371
Cash and cash equivalents	現金及現金等價物	640,009	240,026

Notes to the Consolidated Financial Statements

合併財務報表附註

For the Year Ended December 31, 2019
截至2019年12月31日止年度

25 CASH AND CASH EQUIVALENTS (Cont'd)

- (a) All cash and cash equivalents were denominated in RMB, HKD or USD.

		As at December 31, 於12月31日	
		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
RMB	人民幣	309,411	239,875
HKD	港元	330,598	—
USD	美元	—	151
		640,009	240,026

- (b) All cash at banks were deposits with original maturity within 3 months. The Group earned interest on cash at banks at bank deposit rates ranged from 0.01% to 0.35% during the year ended December 31, 2019 (2018: 0.3%–0.35%).
- (c) All deposits at a financial institution were deposited in YCIH Financial Company. It has original maturity within 3 months. The Group earned interest on deposits at a financial institution at a deposit rate of 0.53% during the year ended December 31, 2019 (2018: 0.53%).

25 現金及現金等價物(續)

- (a) 所有現金及現金等價物均以人民幣、港元或美元計值。

- (b) 所有銀行現金為到期日在三個月以內的存款。於截至2019年12月31日止年度，本集團的銀行現金按0.01%至0.35%的銀行存款利率賺取利息(2018年度：0.3%至0.35%)。
- (c) 所有金融機構存款均存放於本集團關聯公司建投財務公司，到期日為三個月內。於截至2019年12月31日止年度，本集團及本公司的金融機構存款按0.53%(2018年度：0.53%)的存款利率賺取利息。

Notes to the Consolidated Financial Statements

合併財務報表附註

For the Year Ended December 31, 2019
截至2019年12月31日止年度

26 SHARE CAPITAL

26 股本

		As at December 31, 於12月31日	
		2019	2018
		2019年	2018年
Registered, issued and fully paid	已註冊、發行及繳足		
Number of shares (in thousand)	股份數目(單位：千股)	446,272	312,390
Share capital (in RMB'000)	股本(單位：人民幣千元)	446,272	312,390

- (a) On June 19, 2007, the Company was established by Yunnan Construction Engineering Concrete Co., Ltd. ("YNJG Concrete") which was a subsidiary of Yunnan Construction Engineering Group Co., Ltd ("YNJG") under the supervision and regulation of Yunnan SASAC, with an initial registered capital of RMB10,000,000.
- (a) 建工集團子公司雲南建工混凝土有限公司(「雲南建工混凝土」)於2007年6月19日成立本公司，初始註冊股本為人民幣10,000,000元，該公司接受雲南國資委的監督及規管。
- (b) (i) Pursuant to a shareholder resolution on December 15, 2009, the Company's registered capital was increased to RMB66,000,000, among which RMB33,660,000 was contributed by YNJG Concrete, and RMB32,340,000 was contributed by Kunming Economic-Technological Development Zone Investment & Development (Group) Co., Ltd. ("KMEIC"), a new shareholder. Since then, YNJG Concrete held 51% equity interest and KMEIC held 49% equity interest in the Company.
- (b) (i) 根據股東決議案，於2009年12月15日，本公司之註冊資本增至人民幣66,000,000元，其中人民幣33,660,000元由雲南建工混凝土注資，人民幣32,340,000元由新股東昆明經濟技術開發區投資開發集團有限公司(「經投集團」)注資。自此，雲南建工混凝土持有本公司51%股權及經投集團持有本公司49%股權。
- (ii) On July 28, 2011, pursuant to a shareholder resolution, 51% of the Company's equity interest was transferred to YNJG at the consideration of RMB33,660,000.
- (ii) 於2011年7月28日，根據股東決議案，本公司之51%股權以人民幣33,660,000元之代價轉讓予建工集團。
- (iii) On December 27, 2016, pursuant to a shareholder resolution, YNJG, KMEIC and Yunnan Provincial Overseas Investment Co., Ltd. ("YOIC") entered into a capital injection agreement to increase the share capital of the Company from RMB66,000,000 to RMB312,390,000.
- (iii) 於2016年12月27日，根據股東決議案，建工集團、經投集團及雲南省海外投資有限公司(「海外投資」)訂立注資協議，將本公司股本由人民幣66,000,000元增至人民幣312,390,000元。

Notes to the Consolidated Financial Statements

合併財務報表附註

For the Year Ended December 31, 2019
截至2019年12月31日止年度

26 SHARE CAPITAL (Cont'd)

- (c) On December 22, 2017, the Company was converted from a limited liability company into a joint stock limited liability company with a share capital of RMB312,390,000. The Company issued and allotted 312,390,000 ordinary shares with par value of RMB1 each to the respective then shareholders of the Company in accordance with the proportion of their paid-in capital to the Company as at July 31, 2017.
- (d) On October 31, 2019, the Company newly issued 133,882,000 H shares of RMB1.00 each at HKD3.36 per share in connection with the initial listing of H shares of the Company on the Main Board of HKEX.

26 股本(續)

- (c) 於2017年12月22日，本公司由有限公司改制為股份有限公司，股本為人民幣312,390,000元。本公司按當時股東於2017年7月31日佔本公司實繳資本的比例向該等股東發行及配發312,390,000股每股面值為人民幣1元的普通股。
- (d) 截止2019年10月31日止，本公司在香港證券交易所主板完成了向境內和境外投資者首次發行133,882,000股面值為1元人民幣的境外上市H股新股，每股發行價格為港元3.36元。

27 RESERVES

27 儲備

		Capital surplus (Note 27(a)) 資本盈餘 (附註27(a)) RMB'000 人民幣千元	Statutory reserve (Note 27(b)) 法定儲備 (附註27(b)) RMB'000 人民幣千元	Other reserve 其他儲備 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At January 1, 2018	於2018年1月1日	239,942	7,653	—	247,595
Payment for acquisition of a subsidiary under common control ((a)(i))	收購同一控制下的子公司的付款((a)(i))	(18,215)	—	—	(18,215)
Appropriation to statutory reserve (Note 28)	轉撥至法定儲備(附註28)	—	16,419	—	16,419
At December 31, 2018	於2018年12月31日	221,727	24,072	—	245,799
Increase in share premium upon issue of H shares (Note 26(d))	發行新股的股本溢價增加(附註26(d))	195,615	—	—	195,615
Appropriation to statutory reserve (Note 28)	轉撥至法定儲備(附註28)	—	18,987	—	18,987
Changes in the fair value of FVOCI	以公允價值計量且其變動計入其他綜合收益的金融資產公允價值變動	—	—	(1,743)	(1,743)
At December 31, 2019	於2019年12月31日	417,342	43,059	(1,743)	458,658

Notes to the Consolidated Financial Statements

合併財務報表附註

For the Year Ended December 31, 2019
截至2019年12月31日止年度

27 RESERVES (Cont'd)

(a) Capital surplus

- (i) As at April 28, 2018, YCIH transferred YCIH Aggregate Co., Ltd. and YCIH 14th Metallurgical Green New Material Co., Ltd which were under common control to the Company at a consideration of RMB18,215,000.

(b) Statutory reserve

In accordance with the PRC Company Law and the articles of association of the PRC companies of the Group (the "PRC Companies"), the PRC Companies are required to allocate 10% of their profits attributable to the respective owners of the PRC Companies as set out in their statutory financial statements, to the statutory surplus reserve until such reserve reaches 50% of the registered capital of the respective PRC Companies. The appropriation to the reserve must be made before any distribution of dividends to the respective owners of the PRC Companies. The statutory surplus reserve can be used to offset previous year's losses, if any, and part of the statutory surplus reserve can be capitalised as the share capital of the respective PRC Companies provided that the amount of such reserve remaining after the capitalisation shall not be less than 25% of the share capital of the respective PRC Companies.

28 RETAINED EARNINGS

27 儲備(續)

(a) 資本盈餘

- (i) 於2018年4月28日，雲南建投集團將同一控制下的雲南建投砂石料有限公司及雲南建投十四冶綠色新材料有限公司轉讓予本公司，代價為人民幣18,215,000元。

(b) 法定儲備

根據《中華人民共和國公司法》及本集團中國公司(簡稱「中國公司」)的章程，中國公司按照法定財務報表中歸屬於中國公司各擁有人溢利的10%提取法定盈餘公積金，當法定盈餘公積金累計額達到各中國公司註冊資本的50%時，可不再提取。儲備必須在向中國公司各擁有人分派股息之前提取。法定盈餘儲備可用於抵銷以前年度虧損(如有)且部分法定盈餘儲備可予以資本化作為各中國公司之股本，惟進行有關資本化後，法定盈餘儲備的金額應當不低於各中國公司股本的25%。

28 留存收益

		Group 本集團 RMB'000 人民幣千元
At January 1, 2018	於2018年1月1日	174,135
Profit for the year	年度利潤	163,748
Appropriation to statutory reserve (Note 27(b))	轉撥至法定儲備(附註27(b))	(16,419)
At December 31, 2018	於2018年12月31日	321,464
Profit for the year	年度利潤	203,685
Dividends to equity holders of the Company (Note 33)	股東股息(附註33)	(243,225)
Appropriation to statutory reserve (Note 27(b))	轉撥至法定儲備(附註27(b))	(18,987)
At December 31, 2019	於2019年12月31日	262,937

Notes to the Consolidated Financial Statements

合併財務報表附註

For the Year Ended December 31, 2019

截至2019年12月31日止年度

29 LEASE LIABILITIES

29 租賃負債

		As at December 31, 於12月31日	
		2019	2018
		2019年	2018年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Minimum lease payments due	於以下期間到期的最低租賃付款額		
– Within one year	— 一年以內	15,000	24,334
– Between one and two years	— 一至二年	3,174	8,100
– Between two and five years	— 二至五年	8,467	4,995
– Later than five years	— 五年以上	8,562	6,618
		35,203	44,047
Less: future finance charges	減：未來財務支出	(6,470)	(6,827)
Present value of lease liabilities	租賃負債現值	28,733	37,220

		As at December 31, 於12月31日	
		2019	2018
		2019年	2018年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Within one year	— 一年以內	13,132	21,655
Between one and two years	— 一至二年	2,198	6,902
Between two and five years	— 二至五年	6,345	3,601
Later than five years	— 五年以上	7,058	5,062
		28,733	37,220

Notes to the Consolidated Financial Statements

合併財務報表附註

For the Year Ended December 31, 2019
截至2019年12月31日止年度

29 LEASE LIABILITIES (Cont'd)

The Group leases various properties and equipment and these lease liabilities were measured at net present value of the lease payments during the lease terms that are not yet paid.

Extension options are included in a number of property leases across the Group. Extension options whether to be exercised are determined by the actual manufactory period.

Some property leases contain variable payment terms that are linked to volume of production. Variable lease payments that depend on volume of production are recognised in profit or loss in the period in which the condition that triggers those payments occurs, excluding minimising the fixed costs base for the volume of production which is less than the agreed volume.

The total cash outflows for leases including payments of lease liabilities, payments of interest expenses on leases for the year ended December 31, 2019 was RMB31,266,000 (2018: RMB42,450,000).

30 PROVISION FOR CLOSE DOWN, RESTORATION AND ENVIRONMENTAL COST

29 租賃負債(續)

本集團租賃多種物業及設備，該等租賃負債乃按於租賃期間內尚未支付的租賃付款之現值淨額計量。

本集團的多個物業租約包含續期選擇權。是否行使續期選擇權由實際生產期間決定。

若干物業租約包含於產量掛鈎的可變付款條款。取決於產量的可變租賃付款於該等付款的觸發條件發生的期間內於損益確認，不包括以低於約定量的產量為基礎的最低固定成本。

於截至2019年12月31日止年度的租賃的現金流出總額(包括租賃負債付款、租賃利息開支付款)分別為人民幣31,266,000元(2018年度：人民幣42,450,000元)。

30 關閉、復墾及環保成本撥備

		As at December 31, 於12月31日	
		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Provision for close down, restoration and environmental cost	關閉、復墾及環保成本撥備	11,865	11,653

Notes to the Consolidated Financial Statements

合併財務報表附註

For the Year Ended December 31, 2019
截至2019年12月31日止年度

30 PROVISION FOR CLOSE DOWN, RESTORATION AND ENVIRONMENTAL COST (Cont'd)

30 關閉、復墾及環保成本撥備(續)

		As at December 31, 於12月31日	
		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Beginning of the year	年初	11,653	13,690
Reversals for the year	年內轉回	(1,498)	(3,636)
Additions for the year	年內添置	1,414	1,259
Unwinding of interest expense for the year	年內折現回撥的利息費用	612	340
Payment for the year	年內支付	(316)	—
End of the year	年末	11,865	11,653

As at December 31, 2019, according to related contract maturity, RMB6,454,000 (December 31, 2018: RMB3,234,000) were reclassified into current liability respectively. Provision for close down, restoration and environmental cost represented the estimated amount and timing of future closure and restoration projects.

於2019年12月31日，根據相關合同屆滿，人民幣6,454,000元(2018年12月31日：人民幣3,234,000元)被重新分類至流動負債。關閉、復墾及環境成本撥備指未來關閉及復墾項目的估計金額及時間。

31 TRADE AND OTHER PAYABLES

31 應付賬款及其他應付款

		As at December 31, 於12月31日	
		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Notes payable	應付票據	50,080	62,050
Trade payables – related parties (Note 36 (I))	應付賬款 — 關聯方(附註36 (I))	112,643	145,918
Trade payables – third parties	應付賬款 — 第三方	1,806,451	1,470,721
Other payables – related parties (Note 36 (I))	其他應付款 — 關聯方(附註36 (I))	14,871	74,601
Other payables – third parties	其他應付款 — 第三方	54,859	50,303
Staff salaries and welfare payable	應付員工薪酬及福利	79,262	84,556
Interest payable	應付利息	138	148
Dividends payable	應付股息	—	82,810
Accrued taxes other than income tax	應計稅項(所得稅除外)	10,322	31,480
		2,128,626	2,002,587

Notes to the Consolidated Financial Statements

合併財務報表附註

For the Year Ended December 31, 2019
截至2019年12月31日止年度

31 TRADE AND OTHER PAYABLES (Cont'd)

- (a) As at December 31, 2019 and 2018, 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) Ageing analysis of trade and other payables at the respective statement of financial position dates is as follows:

31 應付賬款及其他應付款 (續)

- (a) 於2019年12月31日以及2018年12月31日，本集團所有應付賬款及其他應付款均免息，且除不屬金融負債的應付員工薪酬及福利及應計稅項(所得稅除外)外，應付賬款及其他應付款系因短期內到期，其公允價值與其賬面值相近。
- (b) 於各報告期末，本集團的應付賬款及其他應付款以人民幣計值。
- (c) 於各資產負債表日，應付賬款及其他應付款賬齡分析如下：

		As at December 31, 於12月31日	
		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
- Within one year	— 一年以內	1,757,677	1,632,689
- One to two years	— 一至二年	278,745	294,718
- Two to three years	— 二至三年	57,968	28,117
- Three to four years	— 三至四年	23,789	14,753
- Four to five years	— 四至五年	6,863	27,973
- Over five years	— 五年以上	3,584	4,337
		2,128,626	2,002,587

Notes to the Consolidated Financial Statements

合併財務報表附註

For the Year Ended December 31, 2019
截至2019年12月31日止年度

32 BORROWINGS

32 借款

		As at December 31, 於12月31日	
		2019	2018
		2019年	2018年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Bank borrowings guaranteed by YCIH (Note (b))	由雲南建投集團作擔保的銀行借款 (附註(b))	—	80,000
Secured bank borrowings (Note (b))	有抵押銀行借款(附註(b))	34,618	—
Unsecured bank borrowings	無抵押銀行借款	80,000	—
Total borrowings	總借款	114,618	80,000

(a) All the borrowings were denominated in RMB.

(a) 所有借款均以人民幣計值。

(b) As at December 31, 2019 and 2018, analysis of secured and guaranteed borrowings are as follows:

(b) 於2019年12月31日以及2018年12月31日，有抵押及有擔保借款分析如下：

		As at December 31, 於12月31日	
		2019	2018
		2019年	2018年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Secured by notes receivable	由應收票據抵押	34,618	—
Guaranteed by YCIH (i)	由雲南建投集團(i)作擔保	—	80,000
		34,618	80,000

(i) All guarantees from YCIH have been released on March 19, 2019.

(i) 雲南建投集團的所有擔保已經於2019年3月19日解除。

Notes to the Consolidated Financial Statements

合併財務報表附註

For the Year Ended December 31, 2019
截至2019年12月31日止年度

32 BORROWINGS (Cont'd)

(c) The maturity of borrowings is as follows:

		As at December 31, 於12月31日	
		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
On demand or within 1 year	按要求或一年內	114,618	80,000

(d) The weighted average effective interest rates for borrowings at each statement of financial position date are as follows:

		As at December 31, 於12月31日	
		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Borrowings	借款	5.66%	6.68%

(e) The fair values of current borrowings equal their carrying amounts as the discounting impact is not significant.

(e) 由於折現的影響不重大，因此流動借款的公允價值與其賬面值相等。

(f) The Group had the following bank borrowing facilities:

(f) 本集團有下列未動用的授信額度：

		As at December 31, 於12月31日	
		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Total facilities	授信總額	455,000	275,000
Utilised facilities	已動用額度	(110,848)	(111,350)
Undrawn facilities	剩餘額度	344,152	163,650

Undrawn facilities at December 31, 2019 amounted to RMB344,152,000 (December 31, 2018: RMB163,650,000).

於2019年12月31日未動用的授信額度分別為人民幣344,152,000元(2018年12月31日：人民幣163,650,000元)。

Notes to the Consolidated Financial Statements

合併財務報表附註

For the Year Ended December 31, 2019
截至2019年12月31日止年度

33 DIVIDENDS

(a) Ordinary shares

		As at December 31, 於12月31日	
		2019	2018
		2019年	2018年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Final dividend for the year ended 31 December 2018 of RMB0.7785 per fully paid share (2017: nil)	2018年度期末股息每股人民幣0.7785元(2017度：無)	243,225	—

The dividend of RMB243,225,000 was declared to the equity holders of the Company during the year ended December 31, 2019. The Company settled RMB243,225,000 during the year ended December 31, 2019. The Group also settled a dividend of RMB60,317,000 in cash which was declared in previous years.

就截至2019年12月31日止年度向本公司股東派發股息人民幣243,225,000元而言，本公司於截至2019年12月31日止年度已結付人民幣243,225,000元，且本集團現金結付以前年度向本公司股東派發的股息人民幣60,317,000元。

(b) Dividends not recognised at the end of the respective reporting period

		As at December 31, 於12月31日	
		2019	2018
		2019年	2018年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
In addition to the above dividends, since year end the directors have recommended the payment of a final dividend of RMB0.1355 per fully paid ordinary share for the year ended December 31, 2019 (2018: RMB0.7785). The aggregate amount of the proposed dividend for 2019 is expected to be paid before August 26, 2020 out of the retained earnings as at December 31, 2019, but not recognised as a liability at year end, is	除上述股息，本公司董事建議分派2019年度本期股息每股人民幣0.1355元(2018年度：人民幣0.7785元)，上述建議股息將從截至2019年12月31日的留存收益中分派但不確認為年末負債，預計於2020年8月26日前支付，金額合計為	60,473	243,225

(b) 不確認為年末負債的股息

Notes to the Consolidated Financial Statements

合併財務報表附註

For the Year Ended December 31, 2019
截至2019年12月31日止年度

34 CASH GENERATED FROM OPERATIONS

(a) Reconciliation of profit before income tax to cash generated from operations

34 經營產生的現金

(a) 將除所得稅前利潤調節為經營產生的現金

		Year ended December 31, 截至12月31日止年度	
		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Profit for the year before income tax	除所得稅前利潤	244,195	217,082
Adjustments for:	調整項目：		
- Depreciation of property, plant and equipment (Note 14)	— 不動產、工廠及設備的折舊(附註14)	104,302	114,705
- Depreciation of investment properties (Note 15)	— 投資性房地產折舊(附註15)	213	213
- Amortisation of intangible assets (Note 16)	— 無形資產攤銷(附註16)	94	34
- Amortisation of land use rights (Note 13)	— 土地使用權攤銷(附註13)	500	500
- Finance costs (Note 10)	— 財務費用—淨額(附註10)	9,004	7,591
- Losses/(gains) on disposal of property, plant and equipment (Note 6)	— 處置不動產、工廠及設備的虧損/(利潤)(附註6)	144	(550)
- Listing expenses	— 上市開支	3,154	280
		361,606	339,855
Changes in working capital:	營運資金變動：		
- Restricted cash (Note 24)	— 受限制現金(附註24)	(5,092)	(4,224)
- Trade and other receivables	— 應收賬款及其他應收款	(111,400)	(481,484)
- Inventories (Note 20)	— 存貨(附註20)	(1,770)	(2,351)
- Trade and other payables	— 應付賬款及其他應付款	177,896	297,074
Cash generated from operations	經營產生的現金	421,240	148,870

Notes to the Consolidated Financial Statements

合併財務報表附註

For the Year Ended December 31, 2019
截至2019年12月31日止年度

34 CASH GENERATED FROM OPERATIONS (Cont'd)

(b) Net cash reconciliation

This section sets out an analysis of net cash and the movements in net cash for each of the years presented.

		As at December 31, 於12月31日	
		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Cash and cash equivalents	現金及現金等價物	640,009	240,026
Restricted cash	受限制現金	20,772	15,680
Borrowings	借款	(114,618)	(80,000)
Lease liabilities	租賃負債	(28,733)	(37,220)
Net cash	現金淨額	517,430	138,486

34 經營產生的現金(續)

(b) 淨現金額對賬

本節載列淨現金額分析及所呈列各年度淨現金額變動。

		As at December 31, 於12月31日	
		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Cash and restricted cash	現金及受限制現金	660,781	255,706
Gross debt – fixed interest rate	總債務 — 固定利率	(8,000)	—
Gross debt – variable interest rate	總債務 — 浮動利率	(135,351)	(117,220)
Net cash	現金淨額	517,430	138,486

Notes to the Consolidated Financial Statements

合併財務報表附註

For the Year Ended December 31, 2019

截至2019年12月31日止年度

34 CASH GENERATED FROM OPERATIONS (Cont'd)

(b) Net cash reconciliation (Cont'd)

34 經營產生的現金(續)

(b) 淨現金額對賬(續)

		Assets		Liabilities			Total
		資產		負債			
		Cash	Restricted	Borrowings	Lease	Lease	
		and cash	cash	due within	Liabilities	Liabilities	
		equivalents		1 year	due within	due after	
					1 year	1 year	
		現金及	受限制現金	一年內到期	一年內到期	一年後到期	
		現金等價物		之借款	之租賃負債	之租賃負債	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Amounts as at January 1, 2018	於2018年1月1日的金額	331,801	11,456	(80,000)	(31,130)	(23,530)	208,597
Cash flows	現金流量	(91,775)	4,224	(1,489)	42,450	—	(46,590)
Non-cash change	非現金變動						
- Acquisitions of leases	— 取得租賃標的	—	—	—	—	(21,391)	(21,391)
- Interest expenses on lease liabilities	— 租賃負債之利息開支	—	—	—	—	(3,619)	(3,619)
- Offset notes receivable	— 抵銷應收票據	—	—	1,489	—	—	1,489
- Reclassification	— 重新分類	—	—	—	(32,975)	32,975	—
Amounts as at December 31, 2018	於2018年12月31日的金額	240,026	15,680	(80,000)	(21,655)	(15,565)	138,486
Amounts as at January 1, 2019	於2019年1月1日的金額	240,026	15,680	(80,000)	(21,655)	(15,565)	138,486
Cash flows	現金流量	399,983	5,092	(67,368)	31,266	—	368,973
Non-cash change	非現金變動	—	—	—	—	—	—
- Acquisitions of leases	— 取得租賃標的	—	—	—	—	(20,054)	(20,054)
- Interest expenses on lease liabilities	— 租賃負債之利息開支	—	—	—	—	(2,725)	(2,725)
- Offset notes receivable	— 抵銷應收票據	—	—	32,750	—	—	32,750
- Reclassification	— 重新分類	—	—	—	(22,743)	22,743	—
Amounts as at December 31, 2019	於2019年12月31日的金額	640,009	20,772	(114,618)	(13,132)	(15,601)	517,430

Notes to the Consolidated Financial Statements

合併財務報表附註

For the Year Ended December 31, 2019
截至2019年12月31日止年度

35 COMMITMENTS

Significant capital expenditure contracted for at the end of reporting period but not recognised as liabilities is as follows:

	As at December 31, 於12月31日	
	2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Property, plant and equipment 不動產、工廠及設備	11,053	—

36 RELATED PARTY TRANSACTIONS

Parties are considered to be related to the Group if the party has the ability, directly or indirectly, to exercise control or significant influence over the Group in making financial and operating decisions. YCIH is the Company's controlling shareholder.

The Company is controlled by YCIH, which is a government-related enterprise established in the PRC by Yunnan SASAC. In accordance with IAS 24 (Revised), "Related Party Disclosures", issued by the IASB, government-related entities and their subsidiaries, directly or indirectly controlled, jointly controlled or significantly influenced by the government are defined as related parties of the Group. On that basis, related parties include YCIH and its subsidiaries (other than the Group), entities controlled by Yunnan SASAC, other entities and corporations in which the Group is able to exercise significant influence and key management personnel of the Company and as well as their close family members. The Group's significant transactions and balances with the PRC government and other entities controlled, jointly controlled or significantly influenced by the PRC government mainly include deposits and borrowings, trade and other receivables, trade and other payables and cash and cash equivalents. The directors of the Company believe that the meaningful information of related party transactions has been adequately disclosed in the consolidated financial statement.

Management believes that all material related party transactions and balances, of which they are aware of, have been adequately disclosed. Sales of goods to related parties are at market prices or prices that are also available to other customers. The Group considers that these sales are activities in the ordinary course of business. In addition to the transactions detailed elsewhere in the consolidated financial statement, the Group had the following material transactions or balances with related parties.

35 承諾

於各資產負債表日已訂約但尚未產生的資本性支出如下：

36 關聯方交易

倘有關方可直接或間接對本集團的財務及經營決策行使控制權或施加重大影響，該方均視作本集團的關聯方。雲南建投集團乃本公司之控股股東。

本公司受雲南建投集團控制，後者為由雲南省國資委於中國成立之政府企業。根據國際會計準則理事會發佈之國際會計準則第24號(經修訂)「關聯方披露」，直接或間接受政府控制、共同控制或受其重大影響的政府實體及其子公司乃界定為本集團之關聯方。基於此，關聯方包括雲南建投集團及其子公司(本集團除外)、雲南省國資委控制的實體、本集團可行使重大影響力之其他實體及法團、本公司主要管理人員及其緊密家庭成員。本集團與中國政府、受中國政府控制、共同控制或受其重大影響之其他實體之間的重大交易及結餘主要包括存款及借款、應收賬款及其他應收款、應付賬款及其他應付款以及現金及現金等價物。本公司董事認為具有意義之關連人士交易資料已於合併財務報告內作出充分披露。

管理層相信其知悉的所有重大關聯方交易及餘額均已作出充分披露。貨品是以現行價單和第三方亦可取得的條款出售。本集團認為此等銷售屬日常業務活動。除合併財務報告其他地方所詳述的交易外，本集團與關聯方有以下重大交易或結餘。

Notes to the Consolidated Financial Statements

合併財務報表附註

For the Year Ended December 31, 2019
截至2019年12月31日止年度

36 RELATED PARTY TRANSACTIONS (Cont'd)

- (a) The directors of the Company are of the view that the following parties/companies were related parties that had transactions or balances with the Group:

List of related parties

Name of related parties

關聯方名稱

YCIH Group, including YCIH and its subsidiaries
雲南建投集團(雲南建投及其子公司)

KMEIC Group, including KMEIC and its subsidiaries
經投集團(包括經投及其子公司)

Yongchang Investment Group, including Yongchang Investment Co., Ltd
and its subsidiaries
永昌投資集團(包括保山市永昌投資開發(集團)有限公司及其子公司)

Save as disclosed elsewhere in this report, during the years ended December 31, 2019 and 2018, the Group had the following significant transactions with related parties.

36 關聯方交易(續)

- (a) 本公司董事認為以下各方/公司
乃與本集團存在交易或餘額的關
聯方：

關聯方列表

Relationship with the Group

與本集團的關係

Controlling shareholder of the Group
本集團之控股股東

A minority shareholder of the Company
本公司之少數股東

Significant non-controlling interest

重大非控股權益

除本報告其他地方披露者外，於
截至2019年及2018年12月31日止
年度，本集團與關聯方有以下重
大交易。

Notes to the Consolidated Financial Statements

合併財務報表附註

For the Year Ended December 31, 2019

截至2019年12月31日止年度

36 RELATED PARTY TRANSACTIONS (Cont'd)

(b) Sales and purchase with related parties

YCIH Group

		雲南建投集團	
		Year ended December 31, 截至12月31日止年度	
		2019	2018
		2019年	2018年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Purchase of raw materials	購買原材料	155,389	166,912
Purchase of construction service	購買工程服務款	5,412	16,933
Purchase of services	購買服務	3,939	5,775
Purchase of equipment	購買設備	1,531	320
		166,271	189,940
Sales of ready-mixed concrete	銷售預拌混凝土	2,520,850	2,457,028
Sales of polycarboxylic admixtures	銷售聚羧酸外加劑	1,428	—
Sales of aggregates	銷售砂石料	118	2,786
		2,522,396	2,459,814

Other related parties

		其他關聯方	
		Year ended December 31, 截至12月31日止年度	
		2019	2018
		2019年	2018年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Sales of ready-mixed concrete	銷售預拌混凝土		
– Yongchang Investment Group	— 永昌投資集團	17	20,467
– KMEIC Group	— 經投集團	251	—
		268	20,467

36 關聯方交易(續)

(b) 與關聯方的買賣

雲南建投集團

Year ended December 31,
截至12月31日止年度

2019
2019年
RMB'000
人民幣千元

2018
2018年
RMB'000
人民幣千元

Purchase of raw materials	購買原材料	155,389	166,912
Purchase of construction service	購買工程服務款	5,412	16,933
Purchase of services	購買服務	3,939	5,775
Purchase of equipment	購買設備	1,531	320
		166,271	189,940
Sales of ready-mixed concrete	銷售預拌混凝土	2,520,850	2,457,028
Sales of polycarboxylic admixtures	銷售聚羧酸外加劑	1,428	—
Sales of aggregates	銷售砂石料	118	2,786
		2,522,396	2,459,814

其他關聯方

Year ended December 31,
截至12月31日止年度

2019
2019年
RMB'000
人民幣千元

2018
2018年
RMB'000
人民幣千元

Sales of ready-mixed concrete	銷售預拌混凝土		
– Yongchang Investment Group	— 永昌投資集團	17	20,467
– KMEIC Group	— 經投集團	251	—
		268	20,467

Notes to the Consolidated Financial Statements

合併財務報表附註

For the Year Ended December 31, 2019
截至2019年12月31日止年度

36 RELATED PARTY TRANSACTIONS (Cont'd)

(c) Leasing

Additions of right-of-use assets

		Year ended December 31, 截至12月31日止年度	
		2019	2018
		2019年	2018年
Classification of leasing assets		RMB'000	RMB'000
租賃資產種類		人民幣千元	人民幣千元
YCIH Group	Property and land		
雲南建投集團	房屋和土地	7,022	3,748

Interest expenses relating to lease liabilities

租賃負債利息支出

		Year ended December 31, 截至12月31日止年度	
		2019	2018
		2019年	2018年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
YCIH Group			
雲南建投集團		608	355

Property rental fee paid

支付的房屋租賃費

		Year ended December 31, 截至12月31日止年度	
		2019	2018
		2019年	2018年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
YCIH Group			
雲南建投集團		5,167	5,307
Yongchang Investment Group			
永昌投資集團		18	18
		5,185	5,325

Equipment rental fee paid

支付的設備租賃費

		Year ended December 31, 截至12月31日止年度	
		2019	2018
		2019年	2018年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
YCIH Group			
雲南建投集團		1,719	—

Notes to the Consolidated Financial Statements

合併財務報表附註

For the Year Ended December 31, 2019

截至2019年12月31日止年度

36 RELATED PARTY TRANSACTIONS (Cont'd)

(d) Guarantees provided by related parties

	Year ended December 31, 截至12月31日止年度	
	2019	2018
	2019年	2018年
	RMB'000	RMB'000
	人民幣千元	人民幣千元
YCIH Group 雲南建投集團	—	250,000

All guarantees from the controlling shareholder have been released on March 19, 2019.

來自控股股東的全部擔保已於2019年3月19日解除。

(e) Deposits placed in YCIH Financial Company

	Year ended December 31, 截至12月31日止年度	
	2019	2018
	2019年	2018年
	RMB'000	RMB'000
	人民幣千元	人民幣千元
YCIH Group 雲南建投集團	2,047,718	1,590,650

(f) Deposits withdraw from YCIH Financial Company

	Year ended December 31, 截至12月31日止年度	
	2019	2018
	2019年	2018年
	RMB'000	RMB'000
	人民幣千元	人民幣千元
YCIH Group 雲南建投集團	2,085,489	1,637,526

(g) Interest income and expenses

Interest income from deposits placed in YCIH Financial Company

	Year ended December 31, 截至12月31日止年度	
	2019	2018
	2019年	2018年
	RMB'000	RMB'000
	人民幣千元	人民幣千元
YCIH Group 雲南建投集團	665	788

36 關聯方交易(續)

(d) 關聯方提供之擔保

	Year ended December 31, 截至12月31日止年度	
	2019	2018
	2019年	2018年
	RMB'000	RMB'000
	人民幣千元	人民幣千元
YCIH Group 雲南建投集團	—	250,000

來自控股股東的全部擔保已於2019年3月19日解除。

(e) 存入建投財務公司的存款

	Year ended December 31, 截至12月31日止年度	
	2019	2018
	2019年	2018年
	RMB'000	RMB'000
	人民幣千元	人民幣千元
YCIH Group 雲南建投集團	2,047,718	1,590,650

(f) 提取建投財務公司的存款

	Year ended December 31, 截至12月31日止年度	
	2019	2018
	2019年	2018年
	RMB'000	RMB'000
	人民幣千元	人民幣千元
YCIH Group 雲南建投集團	2,085,489	1,637,526

(g) 利息收入及開支

存置於建投財務公司存款的利息收入

	Year ended December 31, 截至12月31日止年度	
	2019	2018
	2019年	2018年
	RMB'000	RMB'000
	人民幣千元	人民幣千元
YCIH Group 雲南建投集團	665	788

Notes to the Consolidated Financial Statements

合併財務報表附註

For the Year Ended December 31, 2019
截至2019年12月31日止年度

36 RELATED PARTY TRANSACTIONS (Cont'd)

(h) Acquisition of subsidiaries under common control

	Year ended December 31, 截至12月31日止年度	
	2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
YCIH Group (Note 27(a)) 雲南建投集團(附註27(a))	—	18,215

(i) Financial services provided by YCIH Financial Company
(a) Service charge on assistance in fund receipt and payment

	Year ended December 31, 截至12月31日止年度	
	2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
YCIH Group 雲南建投集團	502	58

(b) Letter of guarantee provided by YCIH Financial Company

	Year ended December 31, 截至12月31日止年度	
	2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
YCIH Group 雲南建投集團	800	800

36 關聯方交易(續)

(h) 收購同一控制下的子公司

	Year ended December 31, 截至12月31日止年度	
	2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
YCIH Group (Note 27(a)) 雲南建投集團(附註27(a))	—	18,215

(i) 接受建投財務公司提供的服務
(a) 建投財務公司協助資金收付服務費用

	Year ended December 31, 截至12月31日止年度	
	2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
YCIH Group 雲南建投集團	502	58

(b) 建投財務公司提供的保函業務

	Year ended December 31, 截至12月31日止年度	
	2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
YCIH Group 雲南建投集團	800	800

Notes to the Consolidated Financial Statements

合併財務報表附註

For the Year Ended December 31, 2019

截至2019年12月31日止年度

36 RELATED PARTY TRANSACTIONS (Cont'd)

- (j) Borrowings from discounting notes receivable which were not derecognised

		Year ended December 31, 截至12月31日止年度	
		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
YCIH Group 雲南建投集團		22,750	1,489

- (k) Dividends declared and paid

		Year ended December 31, 截至12月31日止年度	
		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
YCIH Group	雲南建投集團		
- Dividends declared	— 已宣派股息	218,052	—
- Dividends settled	— 已派付股息	278,369	19,752
Yongchang Investment Group	永昌投資集團		
- Dividends declared	— 已宣派股息	24,464	8,000
- Dividends settled	— 已派付股息	42,671	—
KMEIC Group	經投集團		
- Dividends declared	— 已宣派股息	25,174	—
- Dividends settled	— 已派付股息	25,174	1,536

36 關聯方交易(續)

- (j) 尚未終止確認的應收票據貼現對應的借款

		Year ended December 31, 截至12月31日止年度	
		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
YCIH Group 雲南建投集團		22,750	1,489

- (k) 已宣派及派付股息

		Year ended December 31, 截至12月31日止年度	
		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
YCIH Group	雲南建投集團		
- Dividends declared	— 已宣派股息	218,052	—
- Dividends settled	— 已派付股息	278,369	19,752
Yongchang Investment Group	永昌投資集團		
- Dividends declared	— 已宣派股息	24,464	8,000
- Dividends settled	— 已派付股息	42,671	—
KMEIC Group	經投集團		
- Dividends declared	— 已宣派股息	25,174	—
- Dividends settled	— 已派付股息	25,174	1,536

Notes to the Consolidated Financial Statements

合併財務報表附註

For the Year Ended December 31, 2019
截至2019年12月31日止年度

36 RELATED PARTY TRANSACTIONS (Cont'd)

(i) Balances arising from related party transactions

		As at December 31, 於12月31日	
		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Receivables from related parties	應收關聯方款項		
Trade receivables	應收賬款		
– YCIH Group	— 雲南建投集團	1,602,221	1,727,083
– Yongchang Investment Group	— 永昌投資集團	226	21,294
– KMEIC Group	— 經投集團	1,948	4,976
		1,604,395	1,753,353
Other receivables	其他應收款		
– YCIH Group	— 雲南建投集團	3,891	2,302
– Yongchang Investment Group	— 永昌投資集團	20	20
		3,911	2,322
Notes receivable	應收票據		
– YCIH Group	— 雲南建投集團	54,695	29,230
Deposits placed in YCIH Financial Company	存置於建投財務公司的存款		
– YCIH Group (Notes 24, 25)	— 雲南建投集團(附註24、附註25)	108,010	145,781
Payables to related parties	應付關聯方的款項		
Trade payables	應付賬款		
– YCIH Group	— 雲南建投集團	112,643	145,900
– Yongchang Investment Group	— 永昌投資集團	—	18
		112,643	145,918
Other payables	其他應付款		
– YCIH Group	— 雲南建投集團	14,871	74,601
Dividends payables	應付股息		
– YCIH Group	— 雲南建投集團	—	60,317
– Yongchang Investment Group	— 永昌投資集團	—	18,207
		—	78,524
Contract liabilities	合同負債		
– YCIH Group	— 雲南建投集團	10,806	45,185
Lease liabilities	租賃負債		
– YCIH Group	— 雲南建投集團	6,988	3,511

Notes to the Consolidated Financial Statements

合併財務報表附註

For the Year Ended December 31, 2019

截至2019年12月31日止年度

36 RELATED PARTY TRANSACTIONS (Cont'd)

(m) Key management compensation

Key management includes directors (executive and non-executive), supervisors and senior management (includes vice presidents, chief financial officer, chief engineer and chief economist). The compensation paid or payable to key management for employee services is shown below:

36 關聯方交易(續)

(m) 關鍵管理人員酬金

關鍵管理人員酬金包括董事(執行董事與非執行董事)、監事及高級管理層人員(包括副總經理、財務總監、總工程師和總經濟師)。向關鍵管理人員支付作為僱員服務的已付或應付酬金如下:

		Year ended December 31, 截至12月31日止年度	
		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Salaries, wages and bonuses	薪金、工資及花紅	9,875	7,401
Contributions to pension plans and other social insurance	向退休金計劃及其他社會保險供款	1,370	1,314
Other benefits	其他福利	250	287
		11,495	9,002

Notes to the Consolidated Financial Statements

合併財務報表附註

For the Year Ended December 31, 2019
截至2019年12月31日止年度

37 SUBSIDIARIES

At the date of this report, the Company had direct interests in the following subsidiaries:

37 子公司

於本報告日期，本公司直接持有以下子公司權益：

Directly held 直接持有	Place and date of establishment 註冊成立地及日期	Issue and paid-up capital 已發行及已繳資本	Percentage of equity attributable to the Company 本公司應佔權益百分比		Date of this report 本報告日期	Principle activities 主營活動	Note 附註
			December 31, 2019 2019年12月31日				
YCIH Aggregate Co., Ltd.	PRC, September 30, 1999	RMB 23,000,000	100%	100%	100%	production and sale of construction sand and stone	(4)
雲南建投砂石料有限公司	中國， 1999年9月30日	人民幣 23,000,000元	100%	100%	100%	生產及銷售建築砂石料	(4)
YCIH Polymer Material Co., Ltd.	PRC, September 3, 2013	RMB 33,000,000	100%	100%	100%	research and development, production and sales of concrete admixtures	(4)
雲南建投高分子材料有限公司	中國， 2013年9月3日	人民幣 33,000,000元	100%	100%	100%	研發、生產及銷售混凝土外加劑	(4)
YCIH Qujing Building Material Co., Ltd. ("Qujing Building Material")	PRC, August 19, 2014	RMB 40,000,000	50%	50%	50%	research and development, production, sale, transportation and pumping of commercial concrete	(2), (4)
雲南建投曲靖建材有限公司 (「曲靖建材」)	中國， 2014年8月19日	人民幣 40,000,000元	50%	50%	50%	研發、生產、銷售、運輸及泵送商品混凝土	(2), (4)
YCIH Baoshan Yongchang Building Material Co., Ltd. ("Baoshan Building Material")	PRC, January 21, 2015	RMB 26,000,000	50%	50%	50%	research and development, production, sale, transportation and pumping of commercial concrete	(3), (4)
雲南建投保山永昌建材有限公司 (「保山建材」)	中國， 2015年1月21日	人民幣 26,000,000元	50%	50%	50%	研發、生產、銷售、運輸及泵送商品混凝土	(3), (4)

Notes to the Consolidated Financial Statements

合併財務報表附註

For the Year Ended December 31, 2019

截至2019年12月31日止年度

37 SUBSIDIARIES (Cont'd)

37 子公司(續)

	Place and date of establishment	Issue and paid-up capital	Percentage of equity attributable to the Company		Date of this report	Principle activities	Note
			December 31, 2019	本公司應佔權益百分比			
Directly held	註冊成立地及日期	已發行及已繳資本	2019年12月31日		本報告日期	主營活動	附註
YCIH Yuxi Building Material Co., Ltd.	PRC, July 10, 2015	RMB 12,000,000	55%		55%	research and development, production, sale, transportation and pumping of commercial concrete	(4)
雲南建投玉溪建材有限公司	中國， 2015年7月10日	人民幣 12,000,000元	55%		55%	研發、生產、銷售、運輸及泵送商品混凝土	(4)
YCIH 14th Metallurgical Green New Material Co., Ltd.	PRC, January 3, 2014	RMB 30,000,000	100%		100%	research and development, production, sale, transportation and pumping of commercial concrete	(4)
雲南建投十四冶綠色新材料有限公司	中國， 2014年1月3日	人民幣 30,000,000元	100%		100%	研發、生產、銷售、運輸及泵送商品混凝土	(4)

Notes:

- (1) All the companies comprising the Group are with limited liability, and have adopted December 31 as their financial year end date.
- (2) Pursuant to agreements with other shareholders who hold 50% in Qijing Building Material, these shareholders would act in concert with the Company in exercise of their voting power at the general meetings. In addition, the Company has power to appoint majority of the board members. Thus the Company has controlled operational and financial decision of Qijing Building Material.

附註：

- (1) 本集團旗下的所有公司均為有限公司，並採納12月31日作為彼等財政年度截止日期。
- (2) 根據與持有曲靖建材50%股權的其他股東的協議，該等股東於股東大會上與本公司一致行動，行使投票權。此外，本公司有權委任大多數董事會成員。故本公司管控曲靖建材的營運及財務決策。

Notes to the Consolidated Financial Statements

合併財務報表附註

For the Year Ended December 31, 2019
截至2019年12月31日止年度

37 SUBSIDIARIES (Cont'd)

- (3) Pursuant to agreement with the other shareholder who hold 50% in Baoshan Building Material, the directors nominated by that shareholder would act in concert with the directors nominated by the Company in exercise of their voting power at the board meeting. According to Articles of Association of Baoshan Building Material, although the percentage of equity interests held by the Company is 50%, general meetings are controlled by the Company unilaterally. Thus the Company has controlled operational and financial decision of Baoshan Building Material.
- (4) The statutory financial statements of the subsidiaries of the Group for the year ended December 31, 2019 have been audited by Mazars Certified Public Accountants LLP Yunnan Yatai Branch.
- (5) None of subsidiaries had issued any debt securities at the end of the year.

38 EVENTS AFTER THE REPORTING PERIOD

- (a) Pursuant to a resolution of the Board of Directors dated March 27, 2020, the Company has proposed dividend of RMB0.1355 per share, which is RMB60,472,800 in total. The proposal is subject to approval in the annual general meeting.
- (b) Since the outbreak of Coronavirus Disease 2019 ("COVID-19 outbreak") in early 2020, a series of precautionary and control measures have been and continued to be implemented across China. The Group paid and will continue to pay close attention to the development of the COVID-19 outbreak and evaluate its impact on the financial position and operating results of the Group. As at the date on which these consolidated financial statements were authorised for issue, the Group was not aware of any material adverse effects on the consolidated financial statements as a result of the COVID-19 outbreak.

37 子公司(續)

- (3) 根據與持有保山建材50%股權的其他股東的協議，該股東提名的董事將於董事會會議上與本公司提名的董事一致行動，行使投票權。根據保山建材的《公司章程》，儘管本公司持有50%的股權，本公司可單方面把控股東大會。故本公司管控保山建材的營運及財務決策。
- (4) 本集團子公司於截至2019年12月31日止年度各年之法定財務報表已經中審眾環會計師事務所(特殊普通合伙)雲南亞太分所審計。
- (5) 截至2019年12月31日止，本公司的子公司未發行債務工具。

38 報告期後事項

- (a) 根據2020年3月27日作出的董事會決議，本公司擬派發股息每股人民幣0.1355元，合計人民幣60,472,800元。該議案將提交股東週年大會批准。
- (b) 新型冠狀病毒肺炎疫情於2020年初在中國爆發，相關防控工作在中國範圍內持續進行。本集團密切關注此次疫情發展情況，評估其對本集團財務狀況、經營成果等方面的影響，截至本合併財務報表批准報出日，本集團尚未發現對合併財務報表有重大不利影響。

Notes to the Consolidated Financial Statements

合併財務報表附註

For the Year Ended December 31, 2019
截至2019年12月31日止年度

39 STATEMENT OF FINANCIAL POSITION AND RESERVES MOVEMENTS OF THE COMPANY

Statement of financial position of the Company

		As at December 31, 於12月31日	
		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
ASSETS	資產		
Non-current assets	非流動資產		
Land use rights	土地使用權	20,101	20,602
Property, plant and equipment	不動產、工廠及設備	127,332	163,406
Investment properties	投資性房地產	2,821	3,011
Intangible assets	無形資產	931	20
Investments in subsidiaries	於子公司之投資	149,278	149,278
Other non-current assets	其他非流動資產	3,600	—
Deferred income tax assets	遞延所得稅資產	8,850	7,843
		312,913	344,160
Current assets	流動資產		
Inventories	存貨	37,429	33,969
Financial assets at fair value through other comprehensive income	以公允價值計量且其變動計入其他綜合收益的金融資產	112,399	43,137
Trade receivables	應收賬款	2,084,835	1,898,772
Prepayments and other receivables	預付款項及其他應收款	41,214	74,606
Restricted cash	受限制現金	20,498	15,624
Cash and cash equivalents	現金及現金等價物	585,495	209,723
		2,881,870	2,275,831
Total assets	總資產	3,194,783	2,619,991

39 本公司財務狀況表及儲備變動

本公司財務狀況表

		As at December 31, 於12月31日	
		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
ASSETS	資產		
Non-current assets	非流動資產		
Land use rights	土地使用權	20,101	20,602
Property, plant and equipment	不動產、工廠及設備	127,332	163,406
Investment properties	投資性房地產	2,821	3,011
Intangible assets	無形資產	931	20
Investments in subsidiaries	於子公司之投資	149,278	149,278
Other non-current assets	其他非流動資產	3,600	—
Deferred income tax assets	遞延所得稅資產	8,850	7,843
		312,913	344,160
Current assets	流動資產		
Inventories	存貨	37,429	33,969
Financial assets at fair value through other comprehensive income	以公允價值計量且其變動計入其他綜合收益的金融資產	112,399	43,137
Trade receivables	應收賬款	2,084,835	1,898,772
Prepayments and other receivables	預付款項及其他應收款	41,214	74,606
Restricted cash	受限制現金	20,498	15,624
Cash and cash equivalents	現金及現金等價物	585,495	209,723
		2,881,870	2,275,831
Total assets	總資產	3,194,783	2,619,991

Notes to the Consolidated Financial Statements

合併財務報表附註

For the Year Ended December 31, 2019
截至2019年12月31日止年度

39 STATEMENT OF FINANCIAL POSITION AND RESERVES MOVEMENTS OF THE COMPANY (Cont'd)

39 本公司財務狀況表及儲備變動(續)

Statement of financial position of the Company (Cont'd)

本公司財務狀況表(續)

		As at December 31, 於12月31日	
		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
EQUITY	權益		
Share capital	股本	446,272	312,390
Reserves (a)	儲備(a)	538,234	325,192
Retained earnings (a)	留存收益(a)	154,033	214,127
Total equity	總權益	1,138,539	851,709
LIABILITIES	負債		
Non-current liabilities	非流動負債		
Lease liabilities	租賃負債	11,535	11,233
Provision for close down, restoration and environmental cost	關閉、復墾及環保成本撥備	5,148	8,165
		16,683	19,398
Current liabilities	流動負債		
Trade and other payables	應付賬款及其他應付款	1,887,006	1,620,085
Lease liabilities	租賃負債	12,228	19,382
Provision for close down, restoration and environmental cost	關閉、復墾及環保成本撥備	6,454	3,234
Contract liabilities	合同負債	11,295	7,389
Current income tax liabilities	當期所得稅負債	7,960	18,794
Borrowings	借款	114,618	80,000
		2,039,561	1,748,884
Total liabilities	總負債	2,056,244	1,768,282
Total equity and liabilities	總權益及負債	3,194,783	2,619,991

The statement of financial position of the Company was approved by the Board of Directors on March 27, 2020 and was signed on its behalf.

本公司財務狀況表已於二零二零年三月二十七日獲董事會批核，並由下列董事代為簽署。

Chairman / **Ma Minchao**
董事長 / 馬敏超

Director / **Rao Ye**
董事 / 饒燁

Notes to the Consolidated Financial Statements

合併財務報表附註

For the Year Ended December 31, 2019
截至2019年12月31日止年度

39 STATEMENTS OF FINANCIAL POSITION AND RESERVES MOVEMENTS OF THE COMPANY (Cont'd)

39 本公司資產負債表及儲備變動(續)

(a) Reserves movements of the Company

(a) 公司儲備變動

		Capital surplus	Statutory reserve	Other reserve	Total	Retained earnings
		資本公積	法定儲備	其他儲備	總計	留存收益
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
At January 1, 2018	於2018年1月1日	301,120	7,653	—	308,773	82,583
Profit for the year	年度利潤	—	—	—	—	147,963
Appropriation to statutory reserve	轉撥至法定儲備	—	16,419	—	16,419	(16,419)
At December 31, 2018	於2018年12月31日	301,120	24,072	—	325,192	214,127
Profit for the year	年度利潤	—	—	—	—	202,118
Increase in share premium upon issue of new shares	發行新股股本溢價增加	195,615	—	—	195,615	—
Appropriation to statutory reserve	轉撥至法定儲備	—	18,987	—	18,987	(18,987)
Changes in the fair value of FVOCI	以公允價值計量且其變動計入其他綜合收益的金融資產公允價值變動	—	—	(1,560)	(1,560)	—
Dividends to equity holders of the Company	向本公司股東宣派及支付股息	—	—	—	—	(243,225)
At December 31, 2019	於2019年12月31日	496,735	43,059	(1,560)	538,234	154,033



雲建綠砦

— GHPC —