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淮北綠金產業投資股份有限公司
(Huaibei GreenGold Industry Investment Co., Ltd.*)

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

(Stock code: 2450)

SUPPLEMENTAL ANNOUNCEMENT

CONTINUING CONNECTED TRANSACTIONS

Reference is made to the announcement made by the Company dated 9 May 2025 (the "**Announcement**"). Unless otherwise defined herein, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcement.

THE 2025 BLASTING SERVICES

The Company and Leiming Blasting had entered into transactions relating to the procurement of blasting services (the "**2025 Blasting Services**") during January 2025 to February 2025. The amount transacted and incremented up till the date of the Announcement, on an aggregate basis, is approximately RMB2.2 million. The Company entered into the 2025 Blasting Services by way of separate monthly purchase orders and in accordance with the respective departmental procedures prior to the renewal of the Blasting Services Procurement Framework Agreement.

THE 2025 PRODUCTS SALES

During January 2025 and March 2025, the Company had supplied aggregate and concrete products (the "**2025 Products Sales**") to Huaibei Construction Investment Lutong Trading Co., Ltd* (淮北建投路通貿易有限公司) ("**Huaibei Lutong**"), a subsidiary of Huaibei Construction Investment. The Company entered into the 2025 Products Sales by way of separate purchase orders for products sales on normal commercial terms or better prior to the renewal of the Products Sales Framework Agreement. The amount transacted and incremented up till the date of the Announcement, on an aggregate basis, is approximately RMB7.3 million.

LISTING RULE IMPLICATIONS

The 2025 Blasting Services and 2025 Products Sales had not been announced by the Company in accordance with the Listing Rules due to the Company's inadvertent omission resulting from the misunderstanding that the standalone 2025 Blasting Services and 2025 Products Sales constituted part of the Framework Agreements which did not necessitate additional disclosure. As a result, the Company failed to comply with Chapter 14A of the Listing Rules, in particular Rule 14A.35, at the material time. The 2025 Products Sales were conducted prior to the entering into of the Products Sales Framework Agreement (which should have been approved by the Independent Shareholders at the EGM), without the Independent Shareholders' approval, which failed to comply with Rule 14A.36 of the Listing Rules.

The failure of the Company to consult its compliance adviser before the expiration of the Previous Blasting Services Procurement Framework Agreement and Previous Products Sales Framework Agreement and entering into of the 2025 Blasting Services and 2025 Products Sales was due to (i) its unfamiliarity with the renewal process for the Framework Agreements, and (ii) a misunderstanding that the amounts transacted under 2025 Blasting Services and 2025 Products Sales fell into the de minimis exemption under Rule 14A.76 of the Listing Rules. Therefore, the Company did not consult with and seek advice from its compliance adviser on a timely basis, which resulted in an unwitting breach of Rule 3A.23 of the Listing Rules.

REASONS FOR THE NON-COMPLIANCE IN RELATION TO THE RENEWAL OF CONTINUING CONNECTED TRANSACTIONS

The staff of business units of the Company mistakenly regarded the specific purchase orders and sales contracts signed with the relevant parties as sufficient basis for the execution of the transactions and formed part of the Framework Agreements, but are not familiar with the requirements of the Listing Rules, and that the Framework Agreements of the continuing connected transactions must be complied with the relevant Listing Rules before it can take effect. As a result, the Company failed to timely make the announcement in relation to the 2025 Blasting Services and 2025 Products Sales.

In addition, the Company failed to timely renew the Framework Agreements because of its lack of experience in handling the renewal process for the Framework Agreements as this is the first time for the Company to renew the Framework Agreements upon its listing on the Stock Exchange in January 2023, and the unexpected prolonged approval process for the renewal of the Framework Agreements.

THE CHRONOLOGY AND PROCEDURES FOR RENEWING THE FRAMEWORK AGREEMENTS

Stage I: Preparation (December 2024–January 2025)

The Company started the preparation work for the renewal of the Framework Agreements in December 2024. The Company carried out background checks and qualification reviews on the connected parties, set up a cross-departmental special working group (including legal department, finance department, Board office and Board secretary of the Company, and the management of its subsidiaries, namely Huaibei Tongming Mining Co., Ltd.* (淮北通鳴礦業有限公司) and Huaibei Liantong Municipal Engineering Co., Ltd.* (淮北連通市政工程有限公司)), promoted multiple rounds of consultations with the Business Management Department and Strategic Investment Department of Huaibei Construction Investment, reached a consensus on the plan for renewal of continuing connected transactions, and completed the collection and modeling of basic data for continuing connected transactions for the next three years.

Stage II: Agreement Formulation (February–March 2025)

In February 2025, upon review by the cross-departmental joint meeting of the management of the Company (including legal department, finance department, Board office and Board secretary of the Company), the relevant proposed annual caps for continuing connected transactions were preliminarily determined, and the preparation of the draft Framework Agreements started simultaneously. In late March 2025, the preliminary draft Framework Agreements, the relevant proposed annual caps and the plan for renewal of continuing connected transactions were formally submitted to the Strategic Investment Department, in particular the Strategic Investment Committee, of Huaibei Construction Investment for its compliance review. The Strategic Investment Committee subsequently approved the said renewal and confirmed the compliance and commercial rationality of the continuing connected transactions. The approval results of the Strategic Investment Committee of Huaibei Construction Investment were simultaneously sent to Leiming Blasting for its information.

Stage III: Regulatory Filing (April 2025)

In April 2025, the Company completed the filing procedure with Huaibei SASAC with the relevant materials, including among others, the draft Framework Agreements, the relevant proposed annual caps and the approval results of the Strategic Investment Committee of Huaibei Construction Investment, being formally submitted for Huaibei SASAC's compliance review.

Stage IV: Decision on Disclosure (May 2025)

In early May 2025, the Company convened decision-making meetings to finalise the statutory procedures, including special inquiry by the independent non-executive Directors on the continuing connected transactions, and the approval of the Framework Agreements and the relevant proposed annual caps by the Board.

Due to the above Stage I to Stage IV, the Company took additional time to renew the Framework Agreements.

REASONS FOR THE DELAYED RENEWAL OF THE FRAMEWORK AGREEMENTS

The Company had not clearly requested the specific timeline for the relevant departments to commence the internal procedures for the renewal of the Framework Agreements. The relevant departments commenced the renewal procedures in December 2024 and underestimated the necessary times and procedures required to finalise and approve the Framework Agreements. The Company admitted that it should have started the renewal of the Framework Agreements earlier, failure of which led to the non-compliance of the Listing Rules.

As a result of the Company's unfamiliarity with the renewal process and circumstantial impediments, the Company was unable to timely renew the Framework Agreements:

(a) the Company was inexperienced in handling the renewal process for the Framework Agreements as this is the first time for the Company to renew the Framework Agreements upon its listing on the Stock Exchange in January 2023. Taking into account the fact that the Company's internal control reforms were only completed in April 2025, the Company failed to initiate the preparation work earlier than December 2024 as (i) there was a lack of internal policy and/or mechanism to timely remind the relevant personnel to kickstart and renew the Framework Agreements within the required timeline; and (ii) such relevant personnel were unfamiliar with the procedures and were unaware of the time required to complete the process. Further, there were complications or unexpected hurdles arising from the renewal process (such as the difficulties to determine the annual caps required more time than expected) that led to inefficiencies and delays in completing the necessary steps to timely renew the Framework Agreements;

(b) the prolonged required approval process for the renewal of the Framework Agreements involved the internal discussions and approval from various departments of the Company, including the legal and business units and the Board, the special review by the Strategic Investment Committee of Huaibei Construction Investment, and the compliance check of Huaibei SASAC. It is evident that the time required for the Company, as a state-owned enterprise, to obtain approval for the Framework Agreements is longer than that of normal private enterprises as it has to go through standard and established protocol before approving a transaction; and

(c) in relation to the Products Sales Framework Agreement, the organisational restructuring of Huaibei Construction Investment Group, which commenced in November 2024, required the reassessment of the group structure and business segments of Huaibei Construction Investment Group, and the identification of the connected parties which would be involved in the relevant connected transactions. Therefore, the time for obtaining internal approval was longer than the Company's expectation.

References are also made to the announcements made by the Company dated (i) 29 November 2023 and 5 December 2023 in relation to, among other things, the continuing connected transactions conducted by the Company pursuant to the Previous Blasting Services Procurement Framework Agreement which exceeded the designated annual cap (the "**November 2023 Non-Compliance**"), and (ii) 21 January 2025 and 9 April 2025, in relation to, among other things, the connected transaction between the Company and Huaibei Construction Investment by way of advance payments (the "**December 2024 Non-Compliance**"), both of which constituted non-compliances with the Listing Rules, respectively.

The Company is of the view that the non-compliance in relation to the renewal of the Framework Agreements was occurred prior to the internal control review and reforms for the December 2024 Non-Compliance in relation to funds management and loan arrangements of the Company:

(a) in respect of the November 2023 Non-Compliance: the previous remedial measures taken by the Company to address its failure to timely make the announcement before exceeding the cap of the continuing connected transactions under the Previous Blasting Services Procurement Framework Agreement mainly concerned the failure to closely monitor the actual transaction amounts under the Previous Blasting Services Procurement Framework Agreement to ensure the strict adherence to Rule 14A.54(1) of the Listing Rules which requires the re-compliance with the announcement and shareholders' approval requirements before the cap is exceeded. The remedial

measures adopted by the Company included, among others, (i) if the actual transaction amount reaches 90% or more of the relevant annual cap at any time of the year, the personnel who are dedicated to closely monitor the actual transaction amounts will inform the Board as soon as possible; and (ii) the Board would then consider taking appropriate measures in accordance with the requirements of the Listing Rules; and

(b) in respect of the December 2024 Non-Compliance: the internal control remedial reforms which were completed in April 2025 for the non-compliance in relation to the advance payments made to Huaibei Construction Investment during December 2024 mainly concerned the funds management and loan arrangements of the Company, which are not related to the ordinary business of the Company. Among such internal control remedial reforms, certain remedial measures have been implemented in relation to the connected transactions management of the Company, which primarily focuses on the funds transfer with its connected persons, including the controlling shareholder of the Company, namely Huaibei Construction Investment. The Company has implemented the measures, among others, to safeguard online bank transfers, including (i) designating the finance department to keep custody of the security keys for online banking transfer, (ii) adopting a dynamic verification code payment mechanism when the amount of the fund transfer reaches or exceeds a certain amount, and (iii) imposing a collective completion requirement.

Notwithstanding that this is the first time for the Company to renew the Framework Agreements upon its listing on the Stock Exchange in January 2023, the complexity of the internal procedures of the Company, as a state-owned enterprise, required for the renewal of continuing connected transactions, led to the current non-compliance, which was concerned of the delay in renewing continuing connected transactions. The prolonged required approval process involved multiple levels of discussion, review and confirmation, which led to delays in renewal of the continuing connected transactions within the stipulated timeframe under the Listing Rules, despite that the Group paid attention on the annual caps under the relevant continuing connected transactions.

For the reason set out above, despite that the Company had put in place remedial measures and internal control mechanisms following the November 2023 Non-Compliance and the December 2024 Non-Compliance, the Company was unable to timely renew the Framework Agreements due to its unfamiliarity with the renewal process and circumstantial impediments in relation to the renewal of continuing connected transactions.

INTERNAL CONTROL MEASURES

The Company has implemented/plans to implement the following internal control measures (the "**Internal Control Measures**") to enhance its internal control mechanisms:

(a) to strengthen the provision of internal training for the management and staff of the Company, in particular in relation to connected transactions under the Listing Rules, the Company has, as at the date of this announcement, arranged compliance trainings during January 2025 to May 2025 to cover, among other things, (i) the legal framework for connected transactions, including the roles and responsibilities of Directors and the management; (ii) detailed interpretation of Chapters 14 and 14A of the Listing Rules with emphasis on the calculation of size tests, definition and scope of connected persons and consequences of non-compliance; and (iii) breakdown and guidance on the Company's enhanced internal control policy on continuing connected transactions, in particular the mechanism in place for identifying, monitoring and tracking all relevant transactions, and the respective responsibilities of the legal, finance and business departments of the Company. The internal trainings were conducted by the Company's legal department and securities investment department to the management of the Company, the managers and officers of the business units, finance department, legal department and the securities investment department, the officers of the Board office, and the management of the Company's subsidiaries;

To prevent non-compliance incidents in the future and ensure ongoing compliance and continuous enhancement of compliance culture, the Company will arrange training sessions at least once per month to be provided by the Board office, legal department and securities investment department of the Company to the management of the Company, the managers and officers of the business units, finance department, legal department and the securities investment department, the officers of the Board office, and the management of the Company's subsidiaries, which shall cover, among others:

(i) analysis and identification of disclosure obligations under Chapter 13 of the Listing Rules;

(ii) detailed guidance on connected and notifiable transactions under Chapters 14 and 14A of the Listing Rules, including identification, classification, and shareholders' approval requirements;

(iii) clarification of the definition and scope of connected persons, procedures for identifying and handling connected transactions, and ongoing monitoring obligations under the Company's internal control and compliance systems;

(iv) strengthening understanding of knowledge and requirements under the Listing Rules, and practical compliance solutions through interactive case studies to illustrate risks and effective preventive measures; and

(v) reinforcing awareness of the serious legal and regulatory consequences of non-compliance.

To maintain alignment with regulatory requirements, the legal department of the Company will conduct reviews and updates of training materials on a quarterly basis, incorporating any updates to the Listing Rules or new guidance issued by the Stock Exchange. These initiatives collectively reinforce the Company's commitment to strengthening compliance awareness and internal controls.

(b) to establish a dynamic monitoring system to issue work reminders 180 days prior to the expiration of the agreements in relation to the connected transactions, such that the renewal procedures for the framework agreements will commence, allowing ample time for obtaining internal approval and filing. This has been established in the middle of June 2025 and issued to the subsidiaries of the Company for implementation;

(c) to optimise the decision-making process, to establish a joint pre-examination mechanism with Huaibei SASAC to shorten the administrative review procedure, and to implement a dual-line parallel approval system (i.e. business approval and compliance review to be carried out simultaneously); the offline pre-examination and filing process has been completed, and the online system must be approved by State-owned Assets Supervision and Administration Commission of Anhui Province, which is expected to be completed in the fourth quarter of 2025;

(d) to strengthen compliance assurance, to conduct periodic risk assessments to identify emerging risks and updating internal controls accordingly, implement the "Management Compliance Improvement Plan for Connected Transactions" from June 2025, and conduct special internal audits on connected transactions every quarter; such policies have been enacted as at the date of this announcement;

(e) to appoint an executive Director and several personnel of the legal and the securities investment department of the Company to monitor the connected transactions, including its compliance with the relevant Listing Rules, and to review the ongoing compliance such as the annual caps and to update the list of connected persons on a quarterly basis; as at the date of this announcement, the appointments have been completed and the list of connected persons for the first and second quarters of 2025 has been reviewed;

(f) to review, maintain and update a list of connected persons from time to time based on the shareholding structure of the respective connected persons; and

(g) to have DeHeng Law Offices (Hong Kong) LLP, the Company's Hong Kong legal adviser conduct trainings in relation to the regulatory requirements under Listing Rules on a bi-annual basis, to the management of the Company and the Company's subsidiaries (including general manager and deputy general manager), and the responsible personnel of business units. The first training on details of Chapter 14A of the Listing Rules has been conducted in July 2025.

The Internal Control Measures aim to strengthen the compliance capacity of the Company in relation to the strict adherence to the Listing Rules, ensure the enforcement of the internal control mechanisms and remedial measures, shorten the compliance procedures and improve the internal compliance efficiency, so that the Company is able to comply with the requirements of the Listing Rules in a timely manner. The Board confirms that it is sufficient to commence the renewal procedures 180 days prior to the expiration of the Framework Agreements and ensure the compliance with the Listing Rules, and is of the view that the Company's internal controls as amended and supplemented are adequate and effective to monitor its business and daily operation to comply with the Listing Rules.

By Order of the Board
Huaibei GreenGold Industry Investment Co., Ltd.*
Liu Yong
Chairman of the Board and Executive Director

Anhui, the PRC, 25 July 2025

As at the date of this announcement, the executive Directors are Mr. Liu Yong, Mr. Mao Hongxian, Mr. Qin Jiapeng and Mr. Yao Minglei, and the independent non-executive Directors are Mr. Gao Wei, Mr. Liu Chaotian and Ms. Xing Mengwei.

* *for identification purposes only*