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Anhui Conch Material Technology Co., Ltd.
安徽海螺材料科技股份有限公司
(A joint stock company incorporated in the People's Republic of China with limited liability)
(Stock Code: 02560)

CONTINUING CONNECTED TRANSACTION: THE SUPPLEMENTAL AGREEMENT IN RELATION TO THE REVISION OF THE ANNUAL CAP UNDER THE SUPPLY CHAIN LOGISTIC TRANSPORTATION SERVICE AGREEMENT

REVISION OF THE ANNUAL CAP UNDER THE SUPPLY CHAIN LOGISTIC TRANSPORTATION SERVICE AGREEMENT

Reference is made to the Prospectus and as disclosed in the sub-section headed "Partially Exempt Continuing Connected Transactions" under the section headed "Continuing Connected Transactions" thereof, on 23 December 2024, the Company entered into a supply chain logistic transportation service framework agreement with Haihui Company, in relation to the Group engaging Haihui Company to provide supply chain logistic transportation service for the Group's admixtures products, for a term from 1 January 2025 to 31 December 2025, with the Existing Annual Cap of RMB20 million.

Since it is expected that the aggregated actual transaction amount under the Supply Chain Logistic Transportation Service Agreement for the year ending 31 December 2025 will exceed the Existing Annual Cap, the relevant parties intend to adjust the relevant annual cap upwards.

On 14 November 2025, the Company entered into the Supplemental Agreement with Haihui Company to revise the Existing Annual Cap for the year ending 31 December 2025 under the Supply Chain Logistic Transportation Service Agreement from RMB20 million to RMB26 million.

LISTING RULES IMPLICATIONS

Conch Holdings holds 100% equity interest in Conch Tech Innovation and Conch Tech Innovation holds approximately 36.47% Shares of the Company, as such, Conch Holdings is a substantial shareholder and a controlling shareholder of the Company. As at the date of this announcement, Conch Holdings is beneficially owned as to 51% by the State-owned Assets Supervision and Administration Commission of the People's Government of Anhui Province (through its wholly-owned state-owned enterprise) and 49% by China Conch Venture Holdings Limited. Conch Holdings holds approximately 36.4% shares of Conch Cement, as such, Conch Cement is an associate of Conch Holdings and also a connected person of the Company. Conch Cement holds approximately 75.6% equity interest in Haihui Company. The transactions contemplated under the Supplemental Agreement to the Supply Chain Logistic Transportation Service Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.54 of the Listing Rules, if the Company proposes to revise the annual cap for the continuing connected transactions, the Company must re-comply with the provisions under Chapter 14A of the Listing Rules for the relevant connected transactions.

As the highest of all applicable percentage ratios under the Listing Rules in respect of the Revised Annual Cap is expected to be higher than 0.1% but less than 5%, the Supplemental Agreement is subject to the reporting, annual review and announcement requirements under Rules 14A.76(2)(a) of the Listing Rules but are exempt from circular (including independent financial advises) and approval by the independent Shareholders requirements.

BACKGROUND

Reference is made to the Prospectus and as disclosed in the sub-section headed "Partially Exempt Continuing Connected Transactions" under the section headed "Continuing Connected Transactions" thereof, on 23 December 2024, the Company entered into a supply chain logistic transportation service framework agreement with Haihui Company, in relation to the Group engaging Haihui Company to provide supply chain logistic transportation service for the Group's admixtures products, for a term from 1 January 2025 to 31 December 2025, with the Existing Annual Cap of RMB20 million.

According to the unaudited management account of the Group, the actual transaction amount for the nine months ended 30 September 2025 amounted to approximately RMB17.4 million. Since it is expected that the aggregated actual transaction amount under the Supply Chain Logistic Transportation Service Agreement for the year ending 31 December 2025

will exceed the Existing Annual Cap, the relevant parties intend to adjust the relevant annual cap upwards.

THE SUPPLEMENTAL AGREEMENT

Major terms and revision of the existing annual cap

On 14 November 2025, the Company entered into the Supplemental Agreement with Haihui Company to revise the Existing Annual Cap for the year ending 31 December 2025 under the Supply Chain Logistic Transportation Service Agreement from RMB20 million to RMB26 million.

Except for the revision of annual cap, all other terms under the Supply Chain Logistic Transportation Service Agreement shall remain unchanged and in full force and effect. Following sets forth principal terms of the Supply Chain Logistic Transportation Service Agreement, please refer to the sub-section headed "Partially Exempt Continuing Connected Transactions" under the section headed "Continuing Connected Transactions" in the Prospectus for details.

Services to be provided by Haihui Company

Haihui Company, through its Haihui supply chain logistic platform (the "**Haihui Platform**"), integrates and consolidates logistic resources, identifies transportation service carriers for the Group's products and provides corresponding management services. Haihui Company will review the qualifications of transportation service carriers (the "**Carriers**") who have registered on the Haihui Platform, and approved Carriers can bid for and undertake transportation requests announced on the Haihui Platform. Haihui Company conduct open tender for the Group in relation to the transportation services through the Haihui Platform. Eligible Carriers will submit tenders. The successful Carrier will provide supply chain logistic transportation services to the Group in accordance with the agreed tender proposal.

The relevant subsidiaries of the Company will enter into individual sub-contracts with Haihui Company with respect to supply chain logistic transportation business. The major terms of the individual sub-contracts shall be in line with the agreed tender proposal and the Supply Chain Logistic Transportation Service Agreement, and the aggregate contract amount under the individual sub-contracts shall not exceed the annual cap in the Supply Chain Logistic Transportation Service Agreement.

Pricing policies

The transportation unit price of various types of products was determined through open tender to be conducted by the relevant subsidiaries of the Company through Haihui Company. During the public tender through Haihui Company, the Group will provide tender criteria such as the quantity of consigned products, the mode of transportation and transportation distance. Qualified Carriers will submit their tenders which will be reviewed by Haihui Company. Haihui Company will select the successful bidder and may further negotiate with them on an arm's length basis regarding the proposed transportation unit price.

Before entering into any transactions in relation to the Supply Chain Logistic Transportation Service Agreement, the Group will make reference to the pricing and terms between the Group and the Independent Third Parties for similar services and conduct research on the prevailing market conditions and practices. As such, the transportation unit price of various types of products should be no less favourable than those offered by other Independent Third Party suppliers to the Group, or the fair market price (whichever is more favourable).

REVISION OF THE ANNUAL CAP

Historical amount and the existing annual cap

For the financial years ended 31 December 2023 and 2024 and the nine months ended 30 September 2025, the historical transaction amount (tax inclusive) between Haihui Company and the Group in relation to the provision of supply chain logistic transportation service by the Haihui Company for the Group's admixtures products amounted to approximately RMB1.4 million, RMB16.6 million and RMB17.4 million, respectively. For the year ending 31 December 2025, the Existing Annual Cap (tax inclusive) for the transactions contemplated under the Supply Chain Logistic Transportation Agreement is RMB20 million.

Basis of determination and reasons for the revised annual cap

According to the unaudited management account of the Group, the actual transaction amount of the transactions contemplated under the new framework agreement for the nine months ended 30 September 2025 amounted to approximately RMB17.4 million.

The Revised Annual Cap of RMB26 million is determined with reference to (among others) (i) the above historical transaction amount for the nine months ended 30 September 2025, (ii) the updated production plan for admixtures products of the Group for the year ending 31 December 2025, (iii) the increase in number of subsidiaries of the Group procuring supply chain logistic transportation service on the Haihui Platform during the year, (iv) estimation of the updated required transportation volume (with reference to the production and transportation volume of various products in the previous year), and (v) the assumption that based on the historical unit price for the services provided by Haihui Company as disclosed in the Prospectus, there will not be material changes in the transportation unit price under the Supply Chain Logistic Transportation Service Agreement. It is expected that for the year ending 31 December 2025, the aggregated total transaction amount under the Supply Chain Logistic Transportation Service Agreement will exceed the original expectation.

REASONS FOR AND BENEFITS OF ENTERING INTO THE SUPPLEMENTAL AGREEMENT AND REVISED ANNUAL CAP

As disclosed in the Prospectus, Haihui Company is an intelligent logistic supply chain platform established in the PRC. The Group would be able to further reduce its transportation costs and enhance market competitiveness by attracting more transportation service providers to participate in the bidding and tender for transportation service through Haihui Company. On the other hand, the Group would be able to further strengthen its management and control over the cargo transportation process through Haihui Company, so as to reduce the transportation risks while ensuring safety and efficiency of product delivery. We believe it is beneficial to the Group to continue to purchase supply chain logistic transportation service from Haihui Company to generate stable revenue.

Considering the aggregated historical transaction amount generated during the nine months ended 30 September 2025 and based on the judgement on the Group's need for supply chain logistic transportation service, it is expected that the total transaction amount under the Supply Chain Logistic Transportation Service Agreement will be increased. Therefore, it is necessary for each relevant party to enter into the Supplemental Agreement to revise the Existing Annual Cap for the year ending 31 December 2025.

The Directors, including the independent non-executive Directors (excluding Mr. Ding Feng and Mr. Jin Feng, who shall abstain from voting on the relevant Board resolutions) are of the view that the Supplemental Agreement and the Revised Annual Cap have been entered into in the ordinary and usual course of business of the Group, and the terms of the Supplemental Agreement and the Revised Annual Cap are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Save for Mr. Ding Feng (deputy general manager, chief economist and deputy chief accountant of Conch Holding; director of Conch Tech Innovation; and director or senior management of certain other subsidiaries of Conch Holdings) and Mr. Jin Feng (deputy general manager and director of Conch Tech Innovation; and director or senior management of certain other subsidiaries of Conch Holdings) (both of them are deemed to have material interests in the Supplemental Agreement and the transactions contemplated thereunder due to the aforementioned positions and have abstained from voting on the Board resolutions approving the Supplemental Agreement and the transactions contemplated thereunder and the Revised Annual Cap), the Directors have confirmed, no other Directors have material interests in the Supplemental Agreement and the transactions contemplated thereunder.

INFORMATION ON THE GROUP

The Group is a fine chemical materials supplier which produces and sells cement admixture, concrete admixture and their respective upstream raw materials.

INFORMATION ON HAIHUI COMPANY

Haihui Company is an intelligent logistic supply chain platform established in the PRC. Through the Haihui Platform, Haihui Company integrates and consolidates logistic resources, and provides customers with supply chain logistic transportation service through utilisation of available freight vehicles in the community in an efficient manner.

LISTING RULES IMPLICATIONS

Conch Holdings holds 100% equity interest in Conch Tech Innovation and Conch Tech Innovation holds approximately 36.47% Shares of the Company, as such, Conch Holdings is a substantial shareholder and a controlling shareholder of the Company. As at the date of this announcement, Conch Holdings is beneficially owned as to 51% by the State-owned Assets Supervision and Administration Commission of the People's Government of Anhui Province (through its wholly-owned state-owned enterprise) and 49% by China Conch Venture Holdings Limited. Conch Holdings holds approximately 36.4% shares of Conch Cement, as such, Conch Cement is an associate of Conch Holdings and also a connected person of the Company. Conch Cement holds approximately 75.6% equity interest in Haihui Company. The transactions contemplated under the Supplemental Agreement to the Supply Chain Logistic Transportation Service Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.54 of the Listing Rules, if the Company proposes to revise the annual cap for the continuing connected transactions, the Company must re-comply with the provisions under Chapter 14A of the Listing Rules for the relevant connected transactions.

As the highest of all applicable percentage ratios under the Listing Rules in respect of the Revised Annual Cap is expected to be higher than 0.1% but less than 5%, the Supplemental Agreement is subject to the reporting, annual review and announcement requirements under Rules 14A.76(2)(a) of the Listing Rules but are exempt from circular (including independent financial advises) and approval by the independent Shareholders requirements.

DEFINITIONS

In this announcement, the following expressions shall, unless the context requires otherwise, have the following meanings:

"associate(s)"	has the meaning ascribed to it under the Listing Rules
"Board"	the board of Directors
"Company"	Anhui Conch Material Technology Co., Ltd. (安徽海螺材料科技股份有限公司), a joint stock limited liability company established under the laws of the PRC, with its H Shares listed on the main board of the Stock Exchange (stock code: 2560)
"Conch Cement"	Anhui Conch Cement Company Limited (安徽海螺水泥股份有限公司), a joint stock limited company established under the laws of the PRC, with its A Shares listed on the Shanghai Stock Exchange (stock code: 600585) and H Shares listed on the Stock Exchange (stock code: 914)
"Conch Cement Group"	Conch Cement and its subsidiaries
"Conch Holdings"	Anhui Conch Holdings Company Limited* (安徽海螺集團有限責任公司), a limited liability company established under the laws of the PRC
"Conch Tech Innovation"	Anhui Conch Technology Innovation Material Co., Ltd.* (安徽海螺科創材料有限責任公司) (formerly known as Anhui Conch Investment Co., Ltd.* (安徽海螺投資有限責任公司)), a limited liability company established under the laws of the PRC, which is wholly-owned by Conch Holdings as at the date of this announcement, and is one of the controlling shareholders of the Company holding approximately 36.47% equity interest in the Company
"connected person(s)"	has the meaning ascribed to it under the Listing Rules

"Director(s)"	the director(s) of the Company
"Domestic Share(s)"	the ordinary share(s) issued by the Company with a nominal value of RMB1.00 each, which are subscribed for or credited as fully paid in RMB, which are not listed on any stock exchange
"Existing Annual Cap"	the existing highest annual monetary value of the transactions contemplated under the Supply Chain Logistic Transportation Service Agreement for the year ending 31 December 2025
"Group"	the Company and its subsidiaries
"H Share(s)"	overseas listed foreign share(s) in the ordinary share capital of the Company with a nominal value of RMB1.00 each, which are traded in Hong Kong dollars and listed on the Stock Exchange
"Haihui Company"	Anhui Haihui Supply Chain Technology Co., Ltd.* (安徽海慧供應鏈科技有限公司), a company established under the laws of the PRC, as of the date of this announcement, its 75.6% equity interest is held by Conch Cement
"Haihui Platform"	Haihui Company's supply chain logistic platform
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time
"PRC" or "China"	the People's Republic of China, for the purposes of this announcement, excluding Hong Kong, the Macau Special Administrative Region and Taiwan
"Prospectus"	the prospectus of the Company dated 31 December 2024 in relation to its initial public offering
"Revised Annual Cap"	the proposed revised highest annual monetary value of the transactions contemplated under the Supply Chain Logistic Transportation Service Agreement (as amended by the Supplemental Agreement) for the year ending 31 December 2025
"RMB"	Renminbi yuan, the lawful currency of the PRC

"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subsidiary(ies)"	has the meaning ascribed to it under the Listing Rules
"Supplemental Agreement"	the conditional supplemental agreement to the Supply Chain Logistic Transportation Service Agreement dated 14 November 2025
"Supply Chain Logistic Transportation Service Agreement"	the supply chain logistic transportation service framework agreement entered into between Haihui Company and the Company on 23 December 2024, in relation to the Group engaging Haihui Company to provide supply chain logistic transportation service for the Group's admixtures products, from 1 January 2025 to 31 December 2025 (its details are set forth in the sub-section headed "Partially Exempt Continuing Connected Transactions" under the section headed "Continuing Connected Transactions" in the Prospectus)
"%"	per cent

By order of the Board
Anhui Conch Material Technology Co., Ltd.
Ding Feng
Chairman of the Board and non-executive Director

Anhui Province, the People's Republic of China
14 November 2025

As at the date of this announcement, the Board comprises Mr. Ding Feng as the Chairman of the Board and non-executive Director; Mr. Chen Feng and Mr. Bai Lin as executive Directors; Mr. Feng Fangbo, Mr. Zhao Hongyi, Mr. Jin Feng and Mr. Fan Haibin as non-executive Directors; and Mr. Li Jiang, Mr. Chen Jiemiao, Ms. Xu Xu and Ms. Zeng Xiangfei as independent non-executive Directors.

* *For identification purpose only*