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ANHUI JINYAN KAOLIN NEW MATERIALS CO., LTD.
安徽金岩高嶺土新材料股份有限公司
(*A joint stock company incorporated in the People's Republic of China with Limited liability*)
(Stock Code: 2693)

ANNOUNCEMENT
RENEWAL OF CONTINUING CONNECTED TRANSACTIONS IN RELATION TO THE NATURAL GAS PROCUREMENT FRAMEWORK AGREEMENT

ENTERING INTO THE NATURAL GAS PROCUREMENT FRAMEWORK AGREEMENT WITH CR GAS

Reference is made to the Prospectus in relation to, among others, the non-exempt continuing connected transactions under the natural gas procurement framework agreement entered into between the Company and CR Gas on 28 October 2023 and its annual cap amounts. As disclosed in the Prospectus, pursuant to the natural gas procurement framework agreement, the Company may from time to time procure natural gas from CR Gas as heat source for its daily production and operation.

As the corresponding annual caps of the natural gas procurement framework agreement has been expired on 31 December 2025 and the Company expects to enter into certain transactions under the aforementioned natural gas procurement framework agreement from time to time thereafter, therefore, the Company entered into a new Natural Gas Procurement Framework Agreement with CR Gas on 16 January 2026 (after trading hours). Pursuant to the new agreement, the Company may from time to time procure natural gas from CR Gas as heat source for its daily production and operation. The term of the new Natural Gas Procurement Framework Agreement shall be three years, effective from 1 January 2026 until 31 December 2028. The Company will comply with the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules in respect of the continuing connected transactions for the following three years (from 1 January 2026 to 31 December 2028).

IMPLICATIONS UNDER THE LISTING RULES

As of the date of this announcement, CR Gas is held as to 38.08% by Huaibei Public Utilities Asset Operation Co., Ltd. (淮北市公用事業資產運營有限公司), which is wholly-owned by Huaibei Jiantou Holding, which in turn is one of the Company's Controlling Shareholders and indirectly holds approximately 29.91% of the Company's equity interest as of the date of this announcement. Therefore, CR Gas is an associate of Huaibei Jiantou Holding and hence a connected person of the Company under Chapter 14A of the Listing Rules. Therefore, the transactions under the Natural Gas Procurement Framework Agreement constitute continuing connected transactions of the Company under the Listing Rules.

As the highest applicable percentage ratio for the proposed annual caps of the Natural Gas Procurement Framework Agreement entered into between the Company and CR Gas exceeds 5% pursuant to the Listing Rules, the continuing connected transactions under the Natural Gas Procurement Framework Agreement are subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. From 1 January 2026 to the date of this announcement, the actual aggregate amount of natural gas procured by the Company from CR Gas is less than HK$3 million, and the highest applicable percentage ratio is less than 5%.

Having considered the pricing policies, the basis of determining proposed annual caps, the reasons for and benefits of the transactions and the internal control procedures of the Company, the Directors (excluding the Independent Non-executive Directors, whose opinions will be expressed in the letter from the Independent Board Committee after considering the advice from the Independent Financial Adviser) are of the view that the terms of the transactions contemplated under the Natural Gas Procurement Framework Agreement and its proposed annual caps thereunder (if applicable) are entered into on normal commercial terms and in the ordinary and usual course of business of the Group, are fair and reasonable and in the interests of the Company and all the Shareholders as a whole. In the meantime, the Company considers that it has adequate mechanisms, internal control procedures and external monitoring measures to ensure that the continuing connected transactions are in strict compliance with relevant regulatory guidelines and the terms of the Natural Gas Procurement Framework Agreement.

The Director who had a material interest in the above agreement, namely Mr. Li Zhuangzhi, has abstained from voting on the resolution of the Board concerning the approval of the above continuing connected transactions.

The Company intends to submit relevant resolution at the forthcoming extraordinary general meeting for Independent Shareholders' approval of the Natural Gas Procurement Framework Agreement and its proposed annual caps. Huaibei Jiaotou will abstain from voting on the resolution concerning the Natural Gas Procurement Framework Agreement and its proposed annual caps at the extraordinary general meeting. The total number of Shares held by Huaibei Jiaotou in respect of which voting will be abstained from is 29,066,258 Shares (representing approximately 29.91% of the Company's total voting Shares as at the date of this announcement). The resolution to be submitted will be passed by way of ordinary resolution and voting will be taken by way of poll in accordance with the requirements of the Listing Rules. As at the date of this announcement, to the knowledge and belief of the Directors having made all reasonable enquiries, save as disclosed herein, no other Shareholders will be required to abstain from voting on the relevant resolution at the extraordinary general meeting.

I. ENTERING INTO THE NATURAL GAS PROCUREMENT FRAMEWORK AGREEMENT WITH CR GAS

1. Background

Reference is made to the Prospectus in relation to, among others, the non-exempt continuing connected transactions under the natural gas procurement framework agreement entered into between the Company and CR Gas on 28 October 2023 and its annual cap amounts. As disclosed in the Prospectus, pursuant to the natural gas procurement framework agreement, the Company may from time to time procure natural gas from CR Gas as heat source for its daily production and operation.

As the corresponding annual caps of the natural gas procurement framework agreement has been expired on 31 December 2025 and the Company expects to enter into certain transactions under the aforementioned natural gas procurement framework agreement from time to time thereafter, therefore, the Company entered into a new Natural Gas Procurement Framework Agreement with CR Gas on 16 January 2026 (after trading hours). Pursuant to the new agreement, the Company may from time to time procure natural gas from CR Gas as heat source for its daily production and operation. The term of the new Natural Gas Procurement Framework Agreement shall be three years, effective from 1 January 2026 until 31 December 2028. The Company will comply with the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules in respect of the continuing connected transactions for the following three years (from 1 January 2026 to 31 December 2028).

2. Details of the Agreement

Date: 16 January 2026

Parties: CR Gas; and
The Company

Principal terms

The Company entered into the Natural Gas Procurement Framework Agreement with CR Gas on 16 January 2026, pursuant to which the Company may from time to time procure natural gas from CR Gas as heat source for its daily production and operation in the course of the ordinary and usual business of the Company.

The term of the Natural Gas Procurement Framework Agreement shall be effective from 1 January 2026, but shall not extend beyond 31 December 2028, without being renewed by mutual agreement by the parties and compliance with all applicable laws and regulations. As a public utility service provider, CR Gas would normally enter into standard natural gas procurement agreements for a term of one year with all its customers to satisfy the public demand, and the Company has entered into the natural gas procurement agreements with CR Gas per annum for the last seven years.

The Company will separately enter into specific agreements with CR Gas which will set out the specific terms and conditions, including standards and specifications of the natural gas, quantity and quality required, fees and payment methods.

Reasons for and benefits of the transaction

CR Gas is the only natural gas supplier in Huaibei City, Anhui Province, the PRC. Over the past seven years, the Company has been procuring natural gas from CR Gas as heat source for its daily production and operation. Given the Company's long-term cooperation with CR Gas, CR Gas is very familiar with the Company's production needs and capable of meeting its operation requirements. In addition, the close proximity of CR Gas will improve the transportation efficiency and reduce costs of natural gas. The Directors consider that procurement of natural gas from CR Gas would allow the Company to benefit from the consistent quality and supply of the natural gas provided by CR Gas.

Pricing terms

The price of natural gas is determined based on (i) the price document issued by the government price administration authority (the "**Price Document**") or (ii) the gas supply price filed by CR Gas with the government price administration authority (the "**Filed Price**"), and shall be implemented at RMB4.15/m^3. Where the gas supply price is adjusted in the Price Document or changes occur in the Filed Price, the adjusted or newly filed gas supply price shall apply. Where the Price Document and Filed Price document stipulate explicit time-bound provisions for the implementation of gas supply prices, such provisions shall apply.

The Price Document and Filed Price are determined and published by Huaibei Municipal Commission of Development and Reform of Anhui Province, the PRC from time to time through notices and announcements on its website. There is no fixed timeframe for government authority to update government-guided price. CR Gas is the only natural gas supplier in Huaibei City, Anhui Province, the PRC. The pricing and other terms of its gas supply are under strict supervision of local government price administration authority. As required by local laws and regulations, the pricing and terms provided by CR Gas to the Company are no less favourable than those provided by CR Gas to other similar gas users.

Historical amounts

Regarding the Company's procurement of natural gas from CR Gas, the historical amounts for the three years ended 31 December 2023, 31 December 2024, and 31 December 2025 are set out below:

	Historical amounts for the year ended 31 December *(RMB thousand)*		
	2023	**2024**	**2025** *(unaudited)*
Procurement of natural gas	28,601.0	21,168.0	17,989.6[Note]

Note: The annual cap for the year ended 31 December 2025 was RMB20,000 thousand, and the historical amount for the year ended 31 December 2025 was within this cap.

Annual caps

The maximum aggregate annual transaction amounts under the Natural Gas Procurement Framework Agreement for the three years ending 31 December 2026, 2027, and 2028 shall not exceed the caps set out below:

	Proposed annual cap for the year ending 31 December *(RMB thousand)*		
	2026	**2027**	**2028**
Procurement of natural gas	30,460.0	30,460.0	30,460.0

Basis of annual caps

The above proposed annual caps are determined with reference to:

(i) the historical transaction amounts for the procurement of natural gas between the Company and CR Gas for the three years ended 31 December 2023, 31 December 2024, and 31 December 2025. The decrease of procurement costs of natural gas from 2023 to 2025 was because the Company adopted a mixed energy supply structure of coal and natural gas for its current production, and adjusted allocation between natural gas and coal based on their market price to save production cost; and

(ii) the expected demand of the Company for natural gas as heat source to meet its production needs. The Company has constructed a new rotary kiln, a part of the new production line for precision casting mullite products, which has commenced operations in 2025, and the Company utilizes natural gas as its energy source, therefore its natural gas consumption is expected to rise in future.

II. INTERNAL CONTROL PROCEDURES AND CORPORATE GOVERNANCE MEASURES

In order to further safeguard the interests of the Shareholders as a whole, the Company has implemented the following internal control measures in relation to the continuing connected transactions under the Natural Gas Procurement Framework Agreement:

- the Company has approved internal guidelines which provide that if the value of any proposed connected transaction is expected to exceed certain thresholds, the relevant staff must report the proposed transactions to the head of the relevant business in order for the Company to commence the necessary additional assessment and approval procedures and ensure that the Company will comply with the applicable requirements under Chapter 14A of the Listing Rules. The Board and other internal departments of the Company will be jointly responsible for evaluating the terms under the Natural Gas Procurement Framework Agreement, in particular, the fairness of the pricing policies and annual caps under the Natural Gas Procurement Framework Agreement;

- the Company will provide information and supporting documents to the Independent Non-executive Directors and the auditors in order for them to conduct an annual review of the continuing connected transactions entered into by the Company. In accordance with the requirements under the Listing Rules, the Independent Non-executive Directors will provide an annual confirmation to the Board as to whether the continuing connected transactions have been entered into in the ordinary and usual course of business of the Company, are on normal commercial terms and are in accordance with the Natural Gas Procurement Framework Agreement, are on terms that are fair and reasonable and in the interests of the Shareholders as a whole, and the auditors will provide an annual confirmation to the Board as to whether anything has come to their attention that causes them to believe that the continuing connected transactions have not been approved by the Board, are not in accordance with the pricing policies of the Company in all material respects, are not entered into in accordance with the Natural Gas Procurement Framework Agreement governing the transactions in all material respects or have exceeded the cap;

- when considering the fees and amounts payable by the Company in respect of transactions, services or goods provided by its connected persons, the Company will regularly review and consider the prevailing market conditions and practices, and make reference to the pricing and terms between the Company and independent third parties for comparable services or similar transactions (if available), to make sure that the terms and conditions offered by/to its connected persons based on commercial negotiations are fair and reasonable and are based on normal commercial terms or no less favorable terms to the Company; and

- when considering any renewal or revision to the agreements in the future, the interested Directors and Shareholders shall abstain from voting on the resolutions to approve such transactions at Board meetings or Shareholders' general meetings (as the case may be). If the disinterested Directors' or Independent Shareholders' approvals cannot be obtained, the Company will not continue the transactions under the Natural Gas Procurement Framework Agreement to the extent that they constitute non-exempt continuing connected transactions under Chapter 14A of the Listing Rules.

Having considered the aforementioned pricing policies, the basis of determining proposed annual caps, the reasons and benefits and the internal control procedures, the Directors (including Independent Non-executive Directors) are of the view that the terms of the transactions contemplated under the Natural Gas Procurement Framework Agreement and its proposed annual caps thereunder are entered into on normal commercial terms and in the ordinary and usual course of business of the Group, are fair and reasonable and in the interest of the Company and all the Shareholders as a whole. In the meantime, the Company considers that it has adequate mechanisms, internal control procedures and external monitoring measures to ensure that the continuing connected transactions are in strict compliance with relevant regulatory guidelines and the terms of the Natural Gas Procurement Framework Agreement.

III. IMPLICATIONS UNDER THE LISTING RULES

As of the date of this announcement, CR Gas is held as to 38.08% by Huaibei Public Utilities Asset Operation Co., Ltd. (淮北市公用事業資產運營有限公司), which is wholly-owned by Huaibei Jiantou Holding, which in turn is one of the Company's Controlling Shareholders and indirectly holds approximately 29.91% of the Company's equity interest as of the date of this announcement. Therefore, CR Gas is an associate of Huaibei Jiantou Holding and hence a connected person of the Company under Chapter 14A of the Listing Rules. Therefore, the transactions under the Natural Gas Procurement Framework Agreement constitute continuing connected transactions of the Company under the Listing Rules.

As the highest applicable percentage ratio for the proposed annual caps of the Natural Gas Procurement Framework Agreement entered into between the Company and CR Gas exceeds 5% pursuant to the Listing Rules, the continuing connected transactions under the Natural Gas Procurement Framework Agreement are subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. From 1 January 2026 to the date of this announcement, the actual aggregate amount of natural gas procured by the Company from CR Gas is less than HK$3 million, and the highest applicable percentage ratio is less than 5%.

IV. OPINION OF THE BOARD

As Mr. Li Zhuangzhi, a non-executive Director of the Company, is holding office at Huaibei Jiantou Holding and/or its associates, he is deemed to be connected with the Natural Gas Procurement Framework Agreement and the transactions contemplated thereunder, and accordingly, he has abstained from voting on the resolution of the Board concerning the approval of the above continuing connected transactions. Save as disclosed above, none of the other Directors have any material interests in the Natural Gas Procurement Framework Agreement and none of the other Directors are required to abstain from voting on the resolution of the Board for the consideration and approval of the Natural Gas Procurement Framework Agreement and its proposed annual caps.

Having considered the pricing policies, the basis of determining proposed annual caps, the reasons for and benefits of the transactions and the internal control procedures of the Company, the Directors (excluding the Independent Non-executive Directors, whose opinions will be expressed in the letter from the Independent Board Committee after considering the advice from the Independent Financial Adviser) are of the view that the terms of the transactions contemplated under the Natural Gas Procurement Framework Agreement and its proposed annual caps thereunder (if applicable) are entered into on normal commercial terms and in the ordinary and usual course of business of the Group, are fair and reasonable and in the interests of the Company and all the Shareholders as a whole. In the meantime, the Company considers that it has adequate mechanisms, internal control procedures and external monitoring measures to ensure that the continuing connected transactions are in strict compliance with relevant regulatory guidelines and the terms of the Natural Gas Procurement Framework Agreement.

V. INFORMATION ABOUT THE TRANSACTION PARTIES

(1) Information about the Company

The Company specializes in coal-series kaolin in China, with integrated capabilities spanning the value chain from mining, R&D, processing to production and sales.

(2) Information about CR Gas

CR Gas was incorporated in the PRC in November 2006 and is principally engaged in the sale of gas. It is held as to 57.11% by China Resources Gas Investment (China) Company Limited (華潤燃氣投資(中國)有限公司), 38.08% by Huaibei Public Utilities Asset Operation Co., Ltd. (淮北市公用事業資產運營有限公司), and 4.81% by Suixi County Public Utilities Asset Operation Co., Ltd. (濉溪縣公用事業資產運營有限公司). China Resources Gas Investment (China) Company Limited (華潤燃氣投資(中國)有限公司) is an indirect wholly-owned subsidiary of China Resources Gas Group Limited (whose shares are listed on the Main Board of the Stock Exchange, stock code: 1193). Huaibei Public Utilities Asset Operation Co., Ltd. (淮北市公用事業資產運營有限公司) is wholly-owned by Huaibei Jiantou Holding, which in turn is one of the Company's Controlling Shareholders and directly wholly-owned by the State-owned Assets Supervision and Administration Commission of Huaibei Municipal People's Government (淮北市人民政府國有資產監督管理委員會). Suixi County Public Utilities Asset Operation Co., Ltd. (濉溪縣公用事業資產運營有限公司) is indirectly wholly-owned by the Finance Bureau of Suixi County, Huaibei City, Anhui Province, the PRC. Therefore, the ultimate beneficial owner of CR Gas is China Resources Gas Group Limited.

VI. EXTRAORDINARY GENERAL MEETING

The Company intends to submit relevant resolution at the forthcoming extraordinary general meeting for Independent Shareholders' approval of the Natural Gas Procurement Framework Agreement and its proposed annual caps. Huaibei Jiaotou will abstain from voting on the resolution concerning the Natural Gas Procurement Framework Agreement and its proposed annual caps at the extraordinary general meeting. The total number of Shares held by Huaibei Jiaotou in respect of which voting will be abstained from is 29,066,258 Shares (representing approximately 29.91% of the Company's total voting Shares as at the date of this announcement). The resolution to be submitted will be passed by way of ordinary resolution and voting will be taken by way of poll in accordance with the requirements of the Listing Rules. As at the date of this announcement, to the knowledge and belief of the Directors having made all reasonable enquiries, save as disclosed herein, no other Shareholders will be required to abstain from voting on the relevant resolution at the extraordinary general meeting.

The Independent Board Committee (comprised of all Independent Non-executive Directors, namely Mr. Jiang Weidong, Mr. Li Chenhui, Mr. Miao Guanghong and Mr. Chan Ngai Fan) has been established to provide advice to the Independent Shareholders on the Natural Gas Procurement Framework Agreement and its proposed annual caps.

The Company will appoint the Independent Financial Adviser to advise the Independent Board Committee and Independent Shareholders in respect of the above matter. The Independent Board Committee will provide its recommendation in the circular of the extraordinary general meeting upon having received the advice from the Independent Financial Adviser.

A circular containing, among other things, (1) details of the Natural Gas Procurement Framework Agreement and its proposed annual caps; (2) the recommendation of the Independent Board Committee to the Independent Shareholders; (3) the advice of the Independent Financial Adviser to the Independent Board Committee and Independent Shareholders in respect of the Natural Gas Procurement Framework Agreement and its proposed annual caps; and (4) the notice of convening the extraordinary general meeting, will be published on the website of HKExnews of the Stock Exchange (www.hkexnews.hk) and website of the Company (www.grkaolin.com) and despatched to the H Shareholders of the Company in the manner in which the H Shareholders of the Company have elected to receive communications from the Company in compliance with the applicable requirements of the Listing Rules. As more time will be needed for the preparation of certain information to be included in the circular, the date of the circular is expected to be more than 15 business days after the publication of this announcement.

VII. DEFINITIONS

Unless the context otherwise requires, the following expressions shall have the following meanings in this announcement:

"associate"	has the meaning ascribed to it under the Listing Rules
"Board"	the board of Directors of the Company
"Company"	Anhui Jinyan Kaolin New Materials Co., Ltd. (安徽金岩高嶺土新材料股份有限公司)
"connected person(s)"	has the meaning ascribed to it under the Listing Rules
"connected transaction(s)"	has the meaning ascribed to it under the Listing Rules
"continuing connected transaction(s)"	has the meaning ascribed to it under the Listing Rules
"Controlling Shareholder(s)"	has the meaning ascribed to it under the Listing Rules

"CR Gas"	Huaibei China Resources Gas Co., Ltd. (淮北華潤燃氣有限公司), a limited liability company established under the laws of the PRC in November 2006, and an associate of Huaibei Jiantou Holding
"Director(s)"	the director(s) of the Company
"Group"	the Company and its subsidiaries (or the Company and any one or more of its subsidiaries, as the context may require)
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Huaibei Jiantou Holding"	Huaibei Jiantou Holding Group Co., Ltd. (淮北市建投控股集團有限公司), a limited liability company established under the laws of the PRC in April 2008, wholly owns Huaibei Jiaotou, and one of the Controlling Shareholders of the Company
"Huaibei Jiaotou"	Huaibei Jiantou Transportation Investment Co., Ltd. (淮北市建投交通投資有限公司), a limited liability company established under the laws of the PRC in July 2013 and wholly owned by Huaibei Jiantou Holding and one of the Controlling Shareholders of the Company
"Independent Board Committee"	the independent committee of the Board, comprising all Independent Non-executive Directors, i.e., Mr. Jiang Weidong, Mr. Li Chenhui, Mr. Miao Guanghong, and Mr. Chan Ngai Fan. The establishment of this committee is to provide advice to the Independent Shareholders in respect of the Natural Gas Procurement Framework Agreement and its proposed annual caps

"Independent Financial Adviser"	a licensed corporation to carry on Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), who will provide advice to the Independent Board Committee and the Independent Shareholders on the Natural Gas Procurement Framework Agreement and its proposed annual caps
"Independent Non-executive Director(s)"	independent non-executive Director(s) of the Company
"Independent Shareholder(s)"	Shareholder(s) who is not required to abstain from voting on the Natural Gas Procurement Framework Agreement and its proposed annual caps
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"Natural Gas Procurement Framework Agreement"	the natural gas procurement framework agreement entered into between the Company and CR Gas on 16 January 2026
"PRC"	the People's Republic of China, in this announcement, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
"Prospectus"	the prospectus dated 25 November 2025 of the Company
"RMB"	the lawful currency of the PRC
"Share(s)"	ordinary share(s) with nominal value RMB1.00 each in the share capital of the Company, including both domestic shares and H shares of the Company

"Shareholder(s)"	holder(s) of our Share(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"%"	per cent

By order of the Board
Anhui Jinyan Kaolin New Materials Co., Ltd.
Mr. Zhang Kuang
Chairman of the Board and Executive Director

Beijing, the People's Republic of China
16 January 2026

As at the date of this announcement, the Board of Directors of the Company comprises: (i) Mr. Zhang Kuang, Ms. Wang Yuli and Ms. Chen Yan as executive Directors; (ii) Mr. Jiao Daojie, Mr. Yang Chong, and Mr. Li Zhuangzhi as non-executive Directors; and (iii) Mr. Jiang Weidong, Mr. Li Chenhui, Mr. Miao Guanghong and Mr. Chan Ngai Fan as independent non-executive Directors.