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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)

INSIDE INFORMATION
THE POTENTIAL DEEMED DISPOSAL IN RELATION TO THE CAPITAL INCREASE AND SHARE EXPANSION OF A SUBSIDIARY THROUGH PUBLIC TENDER

This announcement is made by Anhui Conch Material Technology Co., Ltd. (the "**Company**", together with its subsidiaries, the "**Group**") pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "**SFO**").

POTENTIAL CAPITAL INCREASE AND SHARE EXPANSION OF A SUBSIDIARY THROUGH PUBLIC TENDER

The board of directors (the "**Board**") of the Company announces that Ningbo Conch New Material Technology Co., Ltd. (寧波海螺新材料科技有限公司) (the "**Ningbo Conch New Material**"), a 90%-owned subsidiary of the Company, proposes to increase capital and expand shares by introducing investors through public tender (the "**Capital Increase and Share Expansion**") in February 2026.

The Capital Increase and Share Expansion contemplates the introduction of one investor (the "**Investor**"), with a proposed increase in registered capital of RMB36.25 million. Set out below are the shareholding structures of Ningbo Conch New Material before and after the completion of the Capital Increase and Share Expansion, respectively:

Shareholders	Prior to the Completion of the Capital Increase and Share Expansion and as at the Date of This Announcement		Upon the Completion of the Capital Increase and Share Expansion	
	Subscribed Registered Capital *(RMB'0,000)*	Shareholding Percentage	Subscribed Registered Capital *(RMB'0,000)*	Shareholding Percentage
the Company	26,100	90.0%	26,100	80.0%
Ningbo Industrial Investment Group Co., Ltd.* (寧波工業投資集團有限公司)	2,900	10.0%	2,900	8.9%
the Investor	/	/	3,625	11.1%
Total	29,000	100.0%	32,625	100.0%

Upon the completion of the Capital Increase and Share Expansion, Ningbo Conch New Material will remain a subsidiary of the Company, and the scope of the Company's consolidated financial statements will not change. The Capital Increase and Share Expansion will be processed through a public tender at the Anhui Assets and Equity Exchange. The public tender of the Capital Increase and Share Expansion is expected to be conducted in February 2026 and completed in March 2026.

BASIS FOR DETERMINING THE CONSIDERATION

The initial tender price for the Capital Increase and Share Expansion will be based on the appraised value as determined by an independent professional valuer. According to the valuation results of Anhui Zhonglian Guoxin Assets Valuation Company Limited (安徽中聯國信資產評估有限責任公司) with the valuation date as 30 November 2025, the appraised net asset value of Ningbo Conch New Material using the income approach is RMB385 million, the appraised net asset value of Ningbo Conch New Material using the asset-based approach is RMB366.5129 million. Based on this, the price for the Capital Increase and Share Expansion (the capital increase price corresponding to each RMB1 of registered capital) shall not be less than RMB1.3276 and shall not be lower than the appraised net asset value of Ningbo Conch New Material as audited and filed or approved by the competent authority after assessment/the registered capital of Ningbo Conch New Material prior to the Capital Increase and Share Expansion. Upon the completion of the public tender and the signing of the Capital Increase Agreement, the Company will, if necessary, issue an announcement in a timely manner in accordance with the requirements of the Listing Rules and disclose the details of the valuation.

REASONS FOR AND BENEFITS OF THE CAPITAL INCREASE AND SHARE EXPANSION

The Group is principally engaged in the research and development, production and sale of cement additives, concrete additives and their respective process intermediates.

The Capital Increase and Share Expansion will enable the Group to optimise its capital structure, reduce its gearing level and enhance its operational quality. The Board considers that the Capital Increase and Share Expansion (if materialised) will provide a solid foundation for the Group to achieve overall stable operation and promote the sustainable development of the Group, which is in the interests of the Company and its shareholders as a whole.

GENERAL INFORMATION

THE COMPANY

The Company is principally engaged in the research and development, production and sale of cement additives, concrete additives and their respective process intermediates.

NINGBO CONCH NEW MATERIAL

Ningbo Conch New Material is a limited liability company established in China on 15 July 2019, principally engaged in the research and development, production and sale of fine chemicals derived from epoxy derivatives.

IMPLICATIONS UNDER THE LISTING RULES

Upon the completion of the Capital Increase and Share Expansion, the Company's equity interest in Ningbo Conch New Material will be diluted from 90.0% to 80.0%. Pursuant to Rule 14.29 of the Listing Rules, the Capital Increase and Share Expansion (if materialised) will constitute a deemed disposal of an interest in a subsidiary. The Capital Increase and Share Expansion (if materialised) is subject to the terms of the final agreement to be entered into by the parties and may constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules. If the Investor identified through the public tender is a connected person of the Company, the Capital Increase and Share Expansion (if materialised) may also constitute a connected transaction of the Company and be subject to the reporting, announcement, circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules. Accordingly, the Company will make further announcement(s) (if necessary) in due course in accordance with the Listing Rules and/or the SFO.

As at the date of this announcement, the Company has not entered into any binding agreement, arrangement or commitment in relation to the Capital Increase and Share Expansion. As the Capital Increase and Share Expansion may or may not proceed, shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

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
25 February 2026

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.