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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 TRANSACTIONS
POLYETHER PRODUCTS FRAMEWORK AGREEMENT

POLYETHER PRODUCTS FRAMEWORK AGREEMENT

For the purpose of facilitating the business operations of Ningbo Conch New Material and accommodating the actual needs of Hengguang, Ningbo Conch New Material and Hengguang have entered into a polyether products sales agreement (the "**Polyether Products Sales Agreement**") on 1 January 2026 for a term commencing from 1 January 2026 to 31 March 2026. As all applicable percentage ratios are less than 5% and the transaction amounts under the Polyether Products Sales Agreement are less than HK$3 million, the transaction under the Polyether Products Sales Agreement is fully exempt from the requirements of a connected transaction under Chapter 14A of the Listing Rules.

In view of the expected increase in demand of polyether products from Hengguang, on 31 March 2026, Ningbo Conch New Material, a non-wholly owned subsidiary of the Company, entered into the Polyether Products Framework Agreement with Hengguang, for a term from 1 April 2026 to 31 December 2026, in relation to sales of polyether products.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Conch Tech Innovation holds approximately 36.47% equity interest of the Company. As such, Conch Tech Innovation is a substantial shareholder of the Company. Conch Innovation holds approximately 51.88% equity interest of Hengguang. Therefore, Hengguang is an associate of Conch Tech Innovation and hence a connected person of the Company. The transactions contemplated under the Polyether Products Framework Agreement constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.81 of the Listing Rules, the transactions under the Polyether Products Sales Agreement and the Polyether Products Framework Agreement shall be aggregated as if they were one transaction, since they were entered into within a 12-month period by Ningbo Conch New Material and the same party. As the highest of all percentage ratio (other than the profits ratio) under the Listing Rules in respect of the proposed annual cap for the transactions contemplated under the Polyether Products Framework Agreement (after aggregating the transaction amounts under the Polyether Products Sales Agreement) exceeds 0.1%, but all applicable percentage ratios are less than 5%, the transactions contemplated under the Polyether Products Framework Agreement are subject to announcement, reporting and annual review requirements, but is exempt from the circular and independent shareholders' approval requirements, under Chapter 14A of the Listing Rules.

1. INTRODUCTION

For the purpose of facilitating the business operations of Ningbo Conch New Material and accommodating the actual needs of Hengguang, Ningbo Conch New Material and Hengguang have entered into a polyether products sales agreement (the "**Polyether Products Sales Agreement**") on 1 January 2026 for a term commencing from 1 January 2026 to 31 March 2026. As all applicable percentage ratios are less than 5% and the transaction amounts under the Polyether Products Sales Agreement are less than HK$3 million, the transaction under the Polyether Products Sales Agreement is fully exempt from the requirements of a connected transaction under Chapter 14A of the Listing Rules.

In view of the expected increase in demand of polyether products from Hengguang, on 31 March 2026, Ningbo Conch New Material, a non-wholly owned subsidiary of the Company, entered into the Polyether Products Framework Agreement with Hengguang, for a term from 1 April 2026 to 31 December 2026, in relation to sales of polyether products.

2. POLYETHER PRODUCTS FRAMEWORK AGREEMENT

The principal terms of the Polyether Products Framework Agreement are summarized as follows:

Date:	31 March 2026
Parties:	(i) Ningbo Conch New Material; and (ii) Hengguang
Terms:	1 April 2026 to 31 December 2026
Products to be provided by the Group and main terms:	Hengguang may purchase polyether products (including polyether polyols, allyl alcohol ethers, etc.) from Ningbo Conch New Material from time to time. Ningbo Conch New Material will enter into individual sub-contracts with Hengguang regarding the sales of polyether products, according to Hengguang's actual needs, procurement schedule and other specified arrangements. The major terms of the individual sub-contracts shall be in line with those of the Polyether Products Framework Agreement, and the aggregate contract amount under the individual sub-contracts shall not exceed the annual cap in the Polyether Products Framework Agreement.

Pricing policy: The unit price of polyether products is to be determined on arm's length basis with reference to the prevailing market price of similar products, taking into account the cost involved, the complexity level of the techniques and procedures needed to produce the required quality of polyether products and resources required. The unit price should be no less favourable to the Group than the fair market price.

3. ANNUAL CAP

The historical transaction amount under the Polyether Products Sales Agreement for the three months ended 31 March 2026 was approximately RMB2.6 million.

Set out below is the proposed annual cap under the Polyether Products Framework Agreement for the period from 1 April 2026 to 31 December 2026:

	Annual cap for the period from 1 April 2026 to 31 December 2026 *(RMB million)*
Polyether Products Framework Agreement	39.4

The proposed annual cap was determined by reference to the following factors:

(1) the demand indicated by Hengguang for polyether products for the period from 1 April 2026 to 31 December 2026;

(2) the estimated unit price of polyether products which was determined based on the pricing policy as mentioned above;

(3) the storage conditions of polyether products and the expected market conditions for the main raw materials of polyether products; and

(4) the assumptions that there will be no material changes to Hengguang's demand for polyether products for the period from 1 April 2026 to 31 December 2026 and the general socio-economic environment of the PRC.

4. REASONS FOR AND BENEFITS OF THE POLYETHER PRODUCTS FRAMEWORK AGREEMENT

Ningbo Conch New Material is principally engaged in the research and development, production and sale of fine chemicals derived from epoxy derivatives. The sales of polyether products constitutes a major business segment of the Group, among which polyether polyols and allyl alcohol ethers are newly established business segments. Leveraging on years of experience in polyether products industry, the Group possesses strong market procurement bargaining power, stable production capacity and comprehensive after-sales service that can guarantee a stable supply of polyether products to Hengguang in a cost and time efficient way. In addition, the sales of polyether products to Hengguang will enable Ningbo Conch New Material to gain both market share and incumbency in the field of polyether products, and thus is advantageous to the Group.

Save and except for Mr. Ding Feng (being the vice general manager, chief economist and vice chief accountant of Conch Holdings, a director of Conch Tech Innovation and is a director or a senior management of certain other subsidiaries of Conch Holdings) and Mr. Jin Feng (being a vice general manager, director of Conch Tech Innovation and a director or senior management of certain other subsidiaries of Conch Holdings), who are deemed to have material interests in the Polyether Products Framework Agreement and the transactions contemplated thereunder and therefore had abstained from voting on the relevant board resolution, the Directors have confirmed, no other Directors have material interests in the Polyether Products Framework Agreement and the transactions contemplated thereunder.

The Directors (excluding two non-executive Directors Mr. Ding Feng and Mr. Jin Feng who are required to abstain from voting on the board resolution), including the independent non-executive Directors, are of the view that the Polyether Products Framework Agreement has been entered into in the ordinary and usual course of business of the Group on normal commercial terms, and the terms of the Polyether Products Framework Agreement and the proposed annual cap are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

5. INFORMATION ON THE PARTIES

The Group

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

Ningbo Conch New Material

Ningbo Conch New Material is a non-wholly owned subsidiary of the Company. Ningbo Conch New Material is principally engaged in the research and development, production and sale of fine chemicals derived from epoxy derivatives.

Hengguang

Hengguang is a non-wholly owned subsidiary of Conch Tech Innovation, one of the controlling shareholders of the Company. As at the date of this announcement, Conch Tech Innovation is wholly-owned by Conch Holdings. 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 (a listed company established under the laws of Cayman Islands, and the shares of which are listed on the Stock Exchange (stock code: 586)). Hengguang is principally engaged in the research and development, production and sale of polyurethane foam, polyurethane additives, and catalysts.

6. INTERNAL CONTROL

Before entering into any transactions in relation to the Polyether Products Framework Agreement, the sales team of Ningbo Conch New Material would take into account our pricing policies, make reference to the pricing and terms of similar products in the market, and conduct research on the prevailing market conditions and practices. As such, the unit price for the polyether products sold to Hengguang should be on arm's length basis and at the fair market price.

7. LISTING RULES IMPLICATIONS

As at the date of this announcement, Conch Tech Innovation holds approximately 36.47% equity interest of the Company. As such, Conch Tech Innovation is a substantial shareholder of the Company. Conch Tech Innovation holds approximately 51.88% equity interest of Hengguang. Therefore, Hengguang is an associate of Conch Tech Innovation and hence a connected person of the Company. The transactions contemplated under the Polyether Products Framework Agreement constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.81 of the Listing Rules, the transactions under the Polyether Products Sales Agreement and the Polyether Products Framework Agreement shall be aggregated as if they were one transaction, since they were entered into within a 12-month period by Ningbo Conch New Material and the same party. As the highest of all percentage ratio (other than the profits ratio) under the Listing Rules in respect of the proposed annual cap for the transactions contemplated under the Polyether Products Framework Agreement (after aggregating the transaction amounts under the Polyether Products Sales Agreement) exceeds 0.1%, but all applicable percentage ratios are less than 5%, the transactions contemplated under the Polyether Products Framework Agreement are subject to announcement, reporting and annual review requirements, but is exempt from the circular and independent shareholders' approval requirements, under Chapter 14A of the Listing Rules.

8. 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 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
"Hengguang"	Hengguang New Materials (Jiangsu) Co., Ltd.* (恒光新材料(江蘇)有限公司), a limited liability company established under the laws of the PRC
"Independent Third Party"	any entity(ies) or person(s) who is not a connected person of the Company or an associate of any such entity(ies) or person(s) within the meanings ascribed thereto under the Listing Rules

"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time
"Ningbo Conch New Material"	Ningbo Conch New Material Technology Co., Ltd.* (寧波海螺新材料科技有限公司), a limited liability company established under the laws of the PRC
"Polyether Products Framework Agreement"	the framework agreement for the sales of polyether products entered into between Ningbo Conch New Material and Hengguang on 31 March 2026, with major terms as set out in the sub-section headed "2. Polyether Products Framework Agreement" in this announcement
"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
"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
"substantial shareholder"	has the meaning ascribed to it under the Listing Rules
"%"	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
31 March 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.

* *For identification purpose only*