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CHINA SHANSHUI CEMENT GROUP LIMITED
中國山水水泥集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 691)

(1) CHANGE OF DATE OF ANNUAL GENERAL MEETING AND CHANGE OF BOOK CLOSURE PERIOD; AND (2) RENEWAL OF CONTINUING CONNECTED TRANSACTIONS IN RELATION TO THE 2026 FRAMEWORK AGREEMENTS

CHANGE OF DATE OF ANNUAL GENERAL MEETING AND CHANGE OF BOOK CLOSURE PERIOD

The Company refers to the Annual Results Announcement in relation to, among others, the date of the 2026 AGM and the book closure period for the 2026 AGM.

The Board announces that the 2026 AGM will be rescheduled to Tuesday, 26 May 2026 due to administrative reason. For determining the Shareholders with entitlement to attend and vote at the forthcoming Rescheduled AGM to be held on Tuesday, 26 May 2026, the register of members of the Company will be closed from Wednesday, 20 May 2026 to Tuesday, 26 May 2026, both days inclusive, during which period no transfer of Shares will be registered.

RENEWAL OF CONTINUING CONNECTED TRANSACTIONS IN RELATION TO THE 2026 FRAMEWORK AGREEMENTS

The Company refers to the 2025 Announcement and the 2025 Circular in relation to the 2025 Framework Agreements.

As the 2025 Framework Agreements will expire on 31 May 2026 and it is currently expected that the transactions under the 2025 Framework Agreements will continue on a recurring basis, the Group entered into the following agreements with CNBMG, Shandong Quanxing, and/or Shandong Donghua, on 30 April 2026 to renew the 2025 Framework Agreements and the annual caps:

(a) the 2026 Mine Development Services Framework Agreement;

(b) the 2026 Cement Production Equipment and Supplies Framework Agreement;

(c) the 2026 Engineering and Technical Services Framework Agreement; and

(d) the 2026 Clinker and Cement Transactions Framework Agreements.

LISTING RULES IMPLICATIONS IN RELATION TO THE 2026 FRAMEWORK AGREEMENTS

As at the date of this announcement, CNBMG is the controlling shareholder of CNBM, which is a substantial shareholder holding approximately 12.94% of the issued Shares, hence CNBMG is a connected person of the Company under Chapter 14A of the Listing Rules. In addition, as disclosed in the section headed "Information on the Relevant Parties" in this announcement below, Shandong Quanxing and Shandong Donghua are each a 30%-controlled company of CNBM and hence connected persons of the Company under Chapter 14A of the Listing Rules. Therefore, the transactions contemplated under the 2026 Framework Agreements constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Since the 2026 Clinker and Cement Transactions Framework Agreements were entered into by the Group with parties who are connected with one another within a 12-month period, according to Rule 14A.81 of the Listing Rules, the transactions contemplated under the 2026 Clinker and Cement Transactions Framework Agreements are required to be aggregated as if they were one transaction.

As one or more of the applicable percentage ratios in respect of the proposed annual caps of the transactions contemplated under each of the 2026 Mine Development Services Framework Agreement, the 2026 Engineering and Technical Services Framework Agreement and the 2026 Clinker and Cement Transactions Framework Agreements exceeds 5%, the transactions contemplated thereunder are subject to the reporting, announcement, independent shareholders' approval and annual review requirements under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios in respect of the proposed annual caps of the transactions contemplated under the 2026 Cement Production Equipment and Supplies Framework Agreement is more than 0.1% but less than 5%, the transactions contemplated thereunder will therefore be exempt from the independent shareholders' approval requirements but will be subject to the reporting, announcement and annual review requirements pursuant to Chapter 14A of the Listing Rules.

The Company intends to seek approval from its Independent Shareholders in respect of the 2026 Mine Development Services Framework Agreement, the 2026 Engineering and Technical Services Framework Agreement and the 2026 Clinker and Cement Transactions Framework Agreements and the transactions contemplated thereunder at the Company's forthcoming annual general meeting.

A circular containing, among other things, (i) the details of the 2026 Mine Development Services Framework Agreement, the 2026 Engineering and Technical Services Framework Agreement and the 2026 Clinker and Cement Transactions Framework Agreements, (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders, and (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, is expected to be made available to the Shareholders on or before 30 April 2026.

CHANGE OF DATE OF THE 2026 AGM

The Company refers to the Annual Results Announcement in relation to, among others, the date of the 2026 AGM and the book closure period for the 2026 AGM.

The Board announces that the 2026 AGM which was initially scheduled to be held on Wednesday, 20 May 2026 as set out in the Annual Results Announcement will be rescheduled to Tuesday, 26 May 2026 due to administrative reason.

CHANGE OF BOOK CLOSURE PERIOD

For determining the Shareholders with entitlement to attend and vote at the forthcoming Rescheduled AGM to be held on Tuesday, 26 May 2026, the register of members of the Company will be closed from Wednesday, 20 May 2026 to Tuesday, 26 May 2026, both days inclusive, during which period no transfer of Shares will be registered. In order to qualify for attending and voting at the forthcoming Rescheduled AGM, all completed transfer forms, accompanied by the relevant share certificates, must be lodged for registration with the Company's share registrar and transfer office, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong by no later than 4:30 p.m. on Tuesday, 19 May 2026. The record date for determining Shareholders' qualification to attend and vote at the Rescheduled AGM is Tuesday, 26 May 2026.

Save as disclosed above, all other information and content set out in the Annual Results Announcement remain unchanged. A circular containing details of the resolutions to be considered at the Rescheduled AGM and a notice convening the Rescheduled AGM will be despatched to the Shareholders in due course.

RENEWAL OF CONTINUING CONNECTED TRANSACTIONS IN RELATION TO THE 2026 FRAMEWORK AGREEMENTS

The Company refers to the 2025 Announcement and the 2025 Circular in relation to the 2025 Framework Agreements.

As the 2025 Framework Agreements will expire on 31 May 2026 and it is currently expected that the transactions under the 2025 Framework Agreements will continue on a recurring basis, the Group entered into the following agreements with CNBMG, Shandong Quanxing, and/or Shandong Donghua, on 30 April 2026 to renew the 2025 Framework Agreements and the annual caps:

(a) the 2026 Mine Development Services Framework Agreement;

(b) the 2026 Cement Production Equipment and Supplies Framework Agreement;

(c) the 2026 Engineering and Technical Services Framework Agreement; and

(d) the 2026 Clinker and Cement Transactions Framework Agreements.

PRINCIPAL TERMS OF THE 2026 FRAMEWORK AGREEMENTS

The principal terms of each of the 2026 Framework Agreements are summarised as follows:

(a) 2026 Mine Development Services Framework Agreement

Date:	30 April 2026
Parties:	(i) the Company (ii) CNBMG
Scope of transactions:	Provision of mine development, maintenance and related engineering services by CNBMG Group to the Group
Term:	From 1 June 2026 to 31 May 2027 (both days inclusive), subject to Independent Shareholders' approval at the Company's forthcoming annual general meeting

Basis of pricing: The price of the services will be determined through a tender or quotation process, and will depend on the result of the tender or quotation (as the case may be) if CNBMG Group wins the tender or quotation (as the case may be). The Group will use (i) the method of public tender for projects that are commoditised and/or standardised, (ii) the method of selective tender for projects that are non-standardised, relatively specific, require detailed communications with the suppliers on technological aspects of the project, with fewer potential bidders and/or the project timetable is rather urgent, and (iii) the method of request for quotation for projects in which the supply requested is of a smaller scale and/or of a unique quality and there is a lack of competition, the Group has already used public tender recently and/or the market prices for the raw materials involved are relatively stable.

The pricing procedures are as follows:

- **Public tender:** When using the method of public tender, a tender committee will be established by the procurement and supply management department at Group level, comprising relevant experts from the requesting entity, the corresponding operating region, the production technology department, the legal compliance department at Group level and the audit department at Group level, to ensure that the evaluation of tenders will be fair and reasonable. The tender committee will review the tender documents and technical requirements and publish a tender notice via an online platform (e.g., Daqihui).

  The public tender process will need to have at least three valid tenders. Tenders will be considered valid if all required documents are submitted, the content of the tender fulfills all substantive requirements (such as technical specifications and service standards), the tenderer is legally qualified to submit a tender and does not have records of major illegal acts, the tender is submitted before the deadline, and the tender guarantee (if any) is valid.

To ensure that the process is independent, the Company verifies the ultimate beneficial owners of the tenderer through third-party tools and requires members of the tender committee to disclose their conflict of interest and withdraw from the evaluation if such conflicts exist. To prevent tampering, tender documents can only be processed by representatives from two or more departments.

If the number of valid tenders is less than three, a re-tendering will be conducted. If after the re-tendering, the number of valid tenders is still less than three, the tender committee will review and process the available tenders in the same manner as stated herein. The tender committee will review each tender and provide its feedback based on a number of factors including the participant's quality, costs, timing and services. After the procurement and supply management department at Group level consolidates all relevant feedback, it will prepare a tender award request (including the relevant documents such as feedback on the tender, proposed tender participant to be awarded the tender, pricing comparison list and pricing quotation list) and submit it to the vice president of the procurement and supply management department at Group level for approval. Furthermore, if CNBMG Group wins the public tender, each and every Director who does not have a material interest in the 2026 Framework Agreements is required to approve the tender award request.

- **Selective tender:** The method of selective tender is similar to public tender, with the key difference being that there is no public tender via an online platform. Procurement and supply management departments at all levels may recommend participants who meet the qualification requirements of the tender (such as technical specifications and service standards). These participants will be further approved by the procurement and supply management department at Group level and the legal department. Once approved, the participants will join the selective tender by way of invitation, with the minimum number of tenders being at least three.

  To ensure that the tendering process is fair and reasonable, the tenders will be evaluated by the tender committee, composed in the same way as public tender. To ensure that the process is independent, the Company verifies the ultimate beneficial owners of the tenderer through third-party tools and requires members of the tender committee to disclose their conflict of interest and withdraw from the evaluation if such conflicts exist. To prevent tampering, tender documents can only be processed by representatives from two or more departments. Furthermore, as in the case of public tender, the tender award request is required to be approved by each and every Director who does not have a material interest in the 2026 Framework Agreements, if CNBMG Group wins the selective tender.

- **Request for quotation:** When using the method of request for quotation, the procurement and supply management department at Group level will shortlist suppliers, based on their quality, from the Group's supplier database and invite these suppliers to provide quotations, with the minimum number of quotations being at least three. After the production technology department and the legal compliance department at Group level review the quotation and provide their feedback, the procurement and supply management department at Group level will prepare an award request (including the relevant documents such as feedback on the quotation, pricing comparison list and pricing quotation list) to be submitted to the vice president of the procurement and supply management department at Group level for approval.

If CNBMG Group wins the tender or quotation (as the case may be), the exact price will be determined based on the specific work involved for the project, after the actual costs of CNBMG Group have been ascertained by the Group's technical personnel.

In light of the above procedures, the Board considers that the transactions will be conducted on normal commercial terms and not prejudicial to the interests of the Company and its minority shareholders.

(b) 2026 Cement Production Equipment and Supplies Framework Agreement

Date:	30 April 2026
Parties:	(i) the Company (ii) CNBMG
Scope of transactions:	Purchase of cement production equipment and supplies by the Group from CNBMG Group
Term:	From 1 June 2026 to 31 May 2027 (both days inclusive)
Basis of pricing:	The price of the Cement Production Equipment and Supplies will be determined based on the following:

- The Group will seek quotes from at least two comparable independent suppliers other than CNBMG Group through public tender or price inquiry to determine whether the price and terms offered by CNBMG Group are fair and reasonable and comparable to those offered by independent suppliers. When using the method of public tender, the Group will issue the information in relation to the potential transactions, and obtain the bidding documents and details of their qualification and pricing from the suppliers. After the procurement and supply management department at Group level consolidates all relevant feedback, it will prepare an award request (including the relevant documents such as feedback on the tender/quotation, pricing comparison list and pricing quotation list) and submit it to the vice president of the procurement and supply management department at Group level for approval. Furthermore, if CNBMG Group wins the tender/quotation, each and every Director who does not have a material interest in the 2026 Framework Agreements is required to approve the award request.

- For cement production equipment and supplies of unique services or products that cannot be provided by other companies, the Group will negotiate the price with CNBMG by reference to the prices of the Group's historical purchases and purchase prices paid by other major industry participants in the nearby area (at least three) to CNBMG on similar services or products.

In light of the above procedures, the Board considers that the transactions will be conducted on normal commercial terms and not prejudicial to the interests of the Company and its minority shareholders.

(c) 2026 Engineering and Technical Services Framework Agreement

Date:	30 April 2026
Parties:	(i) the Company (ii) CNBMG
Scope of transactions:	Provision of engineering services (including design, construction and technical upgrade services) and technical services (including inspection and product specification comparison services) by CNBMG Group to the Group
Term:	From 1 June 2026 to 31 May 2027 (both days inclusive), subject to Independent Shareholders' approval at the Company's forthcoming annual general meeting
Basis of pricing:	The price of the services (other than inspection services) will be determined through a tender or quotation process, and will depend on the result of the tender or quotation (as the case may be) if CNBMG Group wins the tender or quotation (as the case may be). The Group will use (i) the method of public tender for projects that are commoditised and/or standardised, (ii) the method of selective tender for projects that are non-standardised, relatively specific, require detailed communications with the suppliers on technological aspects of the project, with fewer potential bidders and/or the project timetable is rather urgent, and (iii) the method of request for quotation for projects in which the supply requested is of a smaller scale and/or of a unique quality and there is a lack of competition, the Group has already used public tender recently and/or the market prices for the raw materials involved are relatively stable.

In ensuring that the pricing is on normal commercial terms, the Group follows the following grid in determining its internal department that will run the pricing process and approve the final result:

Monetary amount involved	**Unit that will run tender/ quotation process**	**Unit that will approve the final result**
Less than RMB1,000,000	Procurement and supply management department at subsidiary (or branch) level	General manager at subsidiary (or branch) level
RMB1,000,000 or above but below RMB2,000,000	Procurement and supply management office at operating region level	General manager at operating region level
RMB2,000,000 and above	Procurement and supply management department at Group level	Vice president of the procurement and supply management department at Group level

The pricing procedures are as follows:

- **Public tender:** When using the method of public tender, a tender committee will be established by the unit running the tender process (in accordance with the requisite levels as set out in the preceding sub-paragraph above), comprising experts from the production, technology, legal and audit departments at the corresponding corporate level, to ensure that the evaluation of tenders will be fair and reasonable. The tender committee will review the tender documents and technical requirements and publish a tender notice via an online platform (e.g., Daqihui).

  The public tender process will need to have at least three valid tenders. Tenders will be considered valid if all required documents are submitted, the content of tender fulfills all substantive requirements (such as technical specifications and service standards), the tenderer is legally qualified to submit a tender and does not have records of major illegal acts, the tender is submitted before the deadline, and the tender guarantee (if any) is valid.

  To ensure that the process is independent, the Company verifies the ultimate beneficial owners of the tenderer through third-party tools and requires members of the tender committee to disclose their conflict of interest and withdraw from the evaluation if such conflicts exist. To prevent tampering, tender documents can only be processed by representatives from two or more departments.

If the number of valid tenders is less than three, a re-tendering will be conducted. If after the re-tendering, the number of valid tenders is still less than three, the tender committee will review and process the available tenders in the same manner as stated herein.

The tender committee will review each tender and provide its feedback based on a number of factors including the participant's quality, costs, timing and services. After the unit running the tender process (depending on the requisite levels as set out in the preceding sub-paragraph above) consolidates all relevant feedback, it will prepare a tender award request (including the relevant documents such as feedback on the tender, proposed tender participant to be awarded the tender, pricing comparison list and pricing quotation list) and submit it to the head of the corresponding unit for approval. Furthermore, if CNBMG Group wins the public tender, each and every Director who does not have a material interest in the 2026 Framework Agreements is required to approve the tender award request.

- **Selective tender:** The method of selective tender is similar to public tender, with the key difference being that there is no public tender via an online platform. Procurement and supply management departments at all levels may recommend participants who meet the qualification requirements of the tender (such as technical specifications and service standards). These participants will be further approved by the procurement and supply management department at the requisite levels (as set out in the preceding sub-paragraph above) and the legal department. Once approved, the participants will join the tender by way of invitation, with the minimum number of tenders being at least three.

To ensure that the tendering process is fair and reasonable, the tenders will be evaluated by the tender committee, composed in the same way as public tender. To ensure that the process is independent, the Company verifies the ultimate beneficial owners of the tenderer through third-party tools and requires members of the tender committee to disclose their conflict of interest and withdraw from the evaluation if such conflicts exist. To prevent tampering, tender documents can only be processed by representatives from two or more departments. Furthermore, as in the case of public tender, the tender award request is required to be approved by each and every Director who does not have a material interest in the 2026 Framework Agreements, if CNBMG Group wins the selective tender.

- **Request for quotation:** When using the method of request for quotation, the unit running the quotation process (in accordance with the requisite levels as set out in the preceding sub-paragraph above) will shortlist suppliers, based on their quality, from the Group's supplier database and invite these suppliers to provide quotations, with the minimum number of quotations being at least three. After the production, technology and legal departments at the corresponding corporate level review the quotation and provide their feedback, the unit running the quotation process (in accordance with the requisite levels as set out above) will prepare an award request (including the relevant documents such as feedback on the quotation, pricing comparison list and pricing quotation list) to be submitted to the head of the corresponding unit for approval.

The price of the inspection services will be determined based on the prices prescribed by the National Quality Supervision and Testing Center for Cement from time to time. The National Quality Supervision and Testing Center for Cement was established in 1987, which is subordinate to China Building Material Test & Certification Group Co., Ltd.. It is one of the first batch of national product quality supervision and testing organizations, the only cement quality inspection organization that has the qualification of traceability and transmission of measurement values with the international ISO organization, and is the highest traceability unit of cement quality inspection. In 1997, it was accredited with "three-in-one" examination and approval (organization accreditation, metrology certification and laboratory accreditation) by the China National Accreditation Board for Laboratories ("**CNAL**").

In light of the above procedures, the Board considers that the transactions will be conducted on normal commercial terms and not prejudicial to the interests of the Company and its minority shareholders.

(d) 2026 CNBMG Clinker and Cement Transactions Framework Agreement

Date:	30 April 2026
Parties:	(i) the Company (ii) CNBMG
Scope of transactions:	Sale and purchase of clinker and cement (including aggregates and commercial concrete) between the Group and CNBMG Group
Term:	From 1 June 2026 to 31 May 2027 (both days inclusive), subject to Independent Shareholders' approval at the Company's forthcoming annual general meeting
Basis of pricing – procurement:	The price of the clinker and cement (including aggregates and commercial concrete) purchased from CNBMG Group will be determined with reference to the quotation from other independent clinker and cement companies in the nearby area (at least three) through price inquiry, and determine the price based on comparing the quotes obtained, taking into account the shipment distance and freight. In light of the above procedures, the Board considers that the transactions will be conducted on normal commercial terms and not prejudicial to the interests of the Company and its minority shareholders.
Basis of pricing – sales:	The basis of pricing for selling clinker and cement (including aggregates and commercial concrete) to CNBMG Group is divided into two models. Cement and clinker local sales business: The marketing department at Group level sets the minimum sales price in its procurement system, which is applicable to both general customers and connected persons, based on industry pricing and prevailing market prices within 100 – 200 kilometer radius from the production enterprise. The Group monitors prices through daily market research by its sales personnel, internal data sharing within industry associations, and data published by industry channels such as CCement.com.

For each proposed connected transaction, additional approval is obtained in advance from the sales manager and general manager of the selling enterprise, the marketing manager and general manager of the operating region, and the marketing department at Group level.

For each transaction involving a sales price lower than the set minimum price, whether with general customers or connected persons, the price must be separately approved by the sales manager, financial manager, and general manager of the selling enterprise; the marketing manager and general manager of the operating region; and the marketing department at Group level and its supervising vice president. The approval processes ensure that the prices charged to connected persons are not more favourable than those offered to independent customers in comparable circumstances.

Key project supply: The contract price is based on the winning bid price at the time of tender. Due to the typically long duration of key projects, if market fluctuations occur, subsequent price adjustments will be settled based on the agreed sales price in the contract, following the price increase or decrease published by CCement.com or Digital Cement.

In light of the above procedures, the Board considers that the transactions will be conducted on normal commercial terms and not prejudicial to the interests of the Company and its minority shareholders.

(e) 2026 Shandong Quanxing Clinker and Cement Transactions Framework Agreement

Date:	30 April 2026
Parties:	(i) the Company (ii) Shandong Quanxing
Scope of transactions:	Sale and purchase of clinker and cement (including aggregates and commercial concrete) between the Group and Shandong Quanxing's subsidiaries, Shandong Quanxing Cement Co., Ltd. and Shandong Shenfeng Cement Co., Ltd.
Term:	From 1 June 2026 to 31 May 2027 (both days inclusive), subject to Independent Shareholders' approval at the Company's forthcoming annual general meeting
Basis of pricing – procurement:	The price of the clinker and cement (including aggregates and commercial concrete) purchased from Shandong Quanxing's subsidiaries will be determined with reference to the quotation from other independent clinker and cement companies in the nearby area (at least three) through price inquiry, and determine the price based on comparing the quotes obtained, taking into account the shipment distance and freight. In light of the above procedures, the Board considers that the transactions will be conducted on normal commercial terms and not prejudicial to the interests of the Company and its minority shareholders.

Basis of pricing – sales:

The sale of clinker and cement (including aggregates and commercial concrete) to Shandong Quanxing's subsidiaries is the local sales business. The marketing department at Group level sets the minimum sales price in its procurement system, which is applicable to both general customers and connected persons, based on industry pricing and prevailing market prices within 100 – 200 kilometer radius from the production enterprise. The Group monitors prices through daily market research by its sales personnel, internal data sharing within industry associations, and data published by industry channels such as CCement.com.

For each proposed connected transaction, additional approval is obtained in advance from the sales manager and general manager of the selling enterprise, the marketing manager and general manager of the operating region, and the marketing department at Group level.

For each transaction involving a sales price lower than the set minimum price, whether with general customers or connected persons, the price must be separately approved by the sales manager, financial manager, and general manager of the selling enterprise; the marketing manager and general manager of the operating region; and the marketing department at Group level and its supervising vice president. The approval processes ensure that the prices charged to connected persons are not more favourable than those offered to independent customers in comparable circumstances.

In light of the above procedures, the Board considers that the transactions will be conducted on normal commercial terms and not prejudicial to the interests of the Company and its minority shareholders.

(f) 2026 Shandong Donghua Clinker and Cement Transactions Framework Agreement

Date:	30 April 2026
Parties:	(i) the Company (ii) Shandong Donghua
Scope of transactions:	Sale and purchase of clinker and cement (including aggregates and commercial concrete) between the Group and the branches and subsidiaries of Shandong Donghua (namely Jinan Wanhua Cement Co., Ltd., Zibo Wanhua Branch of Shandong Donghua Technology Co., Ltd., and Shandong Donghua Technology Development Co., Ltd.)
Term:	From 1 June 2026 to 31 May 2027 (both days inclusive), subject to Independent Shareholders' approval at the Company's forthcoming annual general meeting
Basis of pricing – procurement:	The price of the clinker and cement (including aggregates and commercial concrete) purchased from Shandong Donghua's branches and subsidiaries will be determined with reference to the quotation from other independent clinker and cement companies in the nearby area (at least three) through price inquiry, and determine the price based on comparing the quotes obtained, taking into account the shipment distance and freight. In light of the above procedures, the Board considers that the transactions will be conducted on normal commercial terms and not prejudicial to the interests of the Company and its minority shareholders.

Basis of pricing – sales:	The sale of clinker and cement (including aggregates and commercial concrete) to Shandong Donghua' s branches and subsidiaries is the local sales business. The marketing department at Group level sets the minimum sales price in its procurement system, which is applicable to both general customers and connected persons, based on industry pricing and prevailing market prices within 100 – 200 kilometer radius from the production enterprise. The Group monitors prices through daily market research by its sales personnel, internal data sharing within industry associations, and data published by industry channels such as CCement.com. For each proposed connected transaction, additional approval is obtained in advance from the sales manager and general manager of the selling enterprise, the marketing manager and general manager of the operating region, and the marketing department at Group level. For each transaction involving a sales price lower than the set minimum price, whether with general customers or connected persons, the price must be separately approved by the sales manager, financial manager, and general manager of the selling enterprise; the marketing manager and general manager of the operating region; and the marketing department at Group level and its supervising vice president. The approval processes ensure that the prices charged to connected persons are not more favourable than those offered to independent customers in comparable circumstances. In light of the above procedures, the Board considers that the transactions will be conducted on normal commercial terms and not prejudicial to the interests of the Company and its minority shareholders.

Each of the 2026 Framework Agreements was entered into in the ordinary and usual course of business of the Company. The terms of the 2026 Framework Agreements were negotiated on an arm's length basis and on normal commercial terms.

EXISTING ANNUAL CAPS

The table below summarises the existing annual caps in respect of the transactions under the 2025 Framework Agreements:

Existing annual cap	**For the seven months ended 31 December 2025** *(RMB'000)*	**For the five months ending 31 May 2026**
Mine Development Services	381,225	272,786
Cement Production Equipment and Supplies	9,600	6,400
Engineering and Technical Services	221,254	99,236
Clinker and Cement Transactions		
Procurement of the Group	193,130	50,620
Sales of the Group	730,402	193,370

HISTORICAL TRANSACTION AMOUNTS

The table below summarises the actual historical transaction amounts in respect of the transactions under the 2025 Framework Agreements:

Historical transaction amounts	**For the seven months ended 31 December 2025** *(RMB'000)*	**For the three months ended 31 March 2026**
Mine Development Services	379,724	63,837
Cement Production Equipment and Supplies	1,931	2,325
Engineering and Technical Services	49,479	2,301
Clinker and Cement Transactions		
Procurement of the Group	0	0
Sales of the Group	74,155	17,604

In respect of the Mine Development Services, the actual transaction amount for the seven months ended 31 December 2025 was RMB379.7 million, being 99.61% of the annual cap of RMB381.2 million for the seven months ended 31 December 2025. The actual transaction amount for the three months ended 31 March 2026 was significantly lower than the annual cap of RMB272.8 million for the five months ending 31 May 2026, which was mainly due to the impact on off-peak production, where only individual kilns were in operation for the three months ended 31 March 2026, resulting in a lower demand for limestone and a consequent reduction in mining output. Meanwhile, a large number of the slope treatment and exploration projects were unable to commence due to the temperature conditions. It is expected that the actual transaction amount will gradually approach the cap amount with the successive operation of rotary kilns and the rising temperature after the first quarter of 2026.

In respect of the Cement Production Equipment and Supplies, the actual transaction amounts for the seven months ended 31 December 2025 and the three months ended 31 March 2026 were substantially lower than the annual caps of RMB9.6 million for the seven months ended 31 December 2025 and RMB6.4 million for the five months ending 31 May 2026, which were mainly due to reasons such as continual decline in cement demand, increase in off-peak production, continual decrease of equipment operating rate, and decrease of equipment parts damage rate.

In respect of the Engineering and Technical Services, the actual transaction amounts for the seven months ended 31 December 2025 and the three months ended 31 March 2026 were substantially lower than the annual caps of RMB221.3 million for the seven months ended 31 December 2025 and RMB99.2 million for the five months ending 31 May 2026, which were mainly due to the fact that the progress of certain projects varied considerably from expectations as a result of the impact of factors such as the overall economic situation, the industry condition, policies and the Company's development.

In respect of the Clinker and Cement Transactions, the Group did not procure any clinker and cement from the connected persons and the actual transaction amounts in respect of the sales of the Group for the seven months ended 31 December 2025 and the three months ended 31 March 2026 were substantially lower than the annual cap of RMB730.4 million for the seven months ended 31 December 2025 and RMB193.4 million for the five months ending 31 May 2026 due to the following reasons:

In respect of the procurement of the Group:

(i) due to the sluggish cement market and a sharp decline in sales, clinker was sourced from within the Group by the grinding enterprises as far as possible;

(ii) for the seven months ended 31 December 2025, when enquiring about market prices for externally purchased clinker, the prices quoted by connected persons were consistently higher than those of other industry suppliers. Consequently, purchases were made from lower-priced suppliers;

In respect of the sales of the Group:

(iii) the Group's operations are concentrated in northern regions in China, where demand in 2025 declined by a far greater percentage year-on-year than the national average;

(iv) to ensure the operation of its own clinker production lines, the CNBMG Group adopted a strategy of prioritising internal allocation over external procurement even in the event of a clinker shortage. In general, the overall volume of connected transactions decreased and prices failed to recover to the anticipated levels, resulting in a significant shortfall in the value of clinker-related transactions compared to the plan;

(v) in 2025, due to tight capital constraints, the construction progress of key projects supplied by the Group was generally slow; cement consumption fell short of expectations, and prices did not recover to the anticipated high levels, resulting in a significant shortfall in cement-related connected transaction value compared to the plan; and

(vi) the ready-mix concrete stations under Huadong New Materials, with which cooperation was originally planned, continued to be supplied primarily by another enterprise due to their strategic considerations. Consequently, a business partnership could not be established, and the connected transaction value for this part was not achieved.

PROPOSED ANNUAL CAPS

The proposed annual caps in respect of the transactions under the 2026 Framework Agreements are as follows:

	For the seven months ending 31 December 2026	**For the five months ending 31 May 2027**
	(RMB'000)	
Mine Development Services	387,802	216,453
Cement Production Equipment and Supplies	8,100	5,800
Engineering and Technical Services	236,653	96,935
Clinker and Cement Transactions		
Procurement of the Group	34,300	21,230
Sales of the Group	117,460	77,707

Same as last year, the proposed annual caps are split into the seven months ending 31 December and the five months ending 31 May.

The arrangement is to align with the timing of the Company's annual general meetings, which are typically held around May every year, so that the Company can seek the approval of the annual caps together with all other resolutions at the relevant annual general meeting.

Moore CPA Limited, the auditors of the Company, have confirmed that they do not foresee any issues in reporting on the transactions contemplated under the 2026 Framework Agreements in accordance with Rules 14A.56 and 14A.71 of the Listing Rules. The relevant transaction amounts for the seven months ending 31 December 2026 will be disclosed in the Company's annual report for the year ending 31 December 2026, and the relevant transaction amounts for the five months ending 31 May 2027 will be disclosed in the Company's annual report for the year ending 31 December 2027.

BASIS OF DETERMINATION OF PROPOSED ANNUAL CAPS

The proposed annual caps in respect of the transactions under the 2026 Framework Agreements have been determined by reference to the following factors:

(a) 2026 Mine Development Services Framework Agreement

The proposed annual caps in respect of the transactions contemplated under the 2026 Mine Development Services Framework Agreement have been determined based on:

(i) the historical fees for the Mine Development Services paid by the Group to CNBMG Group since January 2025;

(ii) the Group' s corresponding demand for the Mine Development Services from CNBMG Group in 2026, in view of (x) mining and maintenance costs contributed by the six mining sites, i.e. Mayuanshan Mine in Yantai Company, Xidan Mine in Weishan Company, Yigeziya Mine in Yingjisha Company, Guangxia Mine in Taiyuan Company, Limestone Mine in Linfen Company, and Limestone Mine in Lvliang Company, which have commenced operation upon the completion of infrastructure construction or the application of mining licenses and safety certificates and the related costs for handling "exploration-to-mining" procedures for Lianjiawa Mine in Kazuo Company (with the specific locations and scales of the seven mining sites set out below):

Name of company	**Name of mining site**	**Location**	**Production scale** *(10,000 tonnes/year)*
Yantai Company	Mayuanshan	500 meters west of the intersection of Provincial Road 802 and Jiangsu Road, Fushan District Economic Development Zone, Yantai, Shandong Province	380
Weishan Company	Xidan Mine	Section 104-176-9 of Provincial Road 104, Liangcheng Town, Weishan County, Jining, Shandong Province	172.60
Yingjisha Company	Yigeziya Mine	Village 3, Yigeziya Township, Yingjisha County, Kashgar, Xinjiang Uygur Autonomous Region	150
Taiyuan Company	Guangxia Mine	Xixingzhuang Village, Gaocun Township, Yangqu County, Taiyuan, Shanxi Province	90
Linfen Company	Limestone Mine	East Xingwangyu Village, Mingjiang Town, Hongdong County, Linfen, Shanxi Province	200
Lvliang Company	Limestone Mine	Chunshumao Village, Zaolin Township, Lishi District, Lvliang, Shanxi Province	150
Kazuo Company	Lianjiawa Mine	Zhongsanjia Town, Kazuo County, Chaoyang, Liaoning Province	150

and (y) restoration and maintenance on mine management of enterprises imposed by the governmental authorities; and

(iii) the estimated fee of consulting with third party vendors in relation to mine development, maintenance and related engineering services based on the mining area, the surrounding environment, geological conditions, the difficulty in mining and shipment distance of each mine. However, as the geology, mining difficulty and shipment distance vary from mine to mine, the price will be determined based on tenders.

The proposed annual caps mainly consist of the following breakdown of estimated transaction amounts, which are based on estimates of (ii) and (iii) above and taking into account the factor as set out in (i) above:

	For the seven months ending 31 December 2026	**For the five months ending 31 May 2027**
	(RMB'000)	
Mining, stripping, clamping stone for aggregates (including infrastructure)	348,699	208,730
Green-mining construction	1,705	956
Restoration and maintenance	27,857	4,944
Exploration and technical services	9,541	1,823
Total	387,802	216,453

(b) 2026 Cement Production Equipment and Supplies Framework Agreement

The proposed annual caps in respect of the transactions contemplated under the 2026 Cement Production Equipment and Supplies Framework Agreement have been determined based on:

(i) the historical expenditures for the Cement Production Equipment and Supplies paid by the Group to CNBMG Group since January 2025;

(ii) an acceleration in equipment upgrading as a result of the ongoing improvement of national energy conservation, environmental protection and consumption reduction standards. In addition, as the service life of such production equipment is extended, the replacement for component equipment will increase; however, due to the decline in cement demand, the equipment operating rate continues to decrease, the equipment parts damage rate decreases, and the equipment maintenance rate decreases; and

(iii) the ongoing increase in the cost of materials and prevailing market prices for the provision of similar Cement Production Equipment and Supplies.

(c) 2026 Engineering and Technical Services Framework Agreement

The proposed annual caps in respect of the transactions contemplated under the 2026 Engineering and Technical Services Framework Agreement have been determined based on:

(i) the historical fees for the Engineering and Technical Services paid by the Group to CNBMG Group since January 2025;

(ii) the Group's corresponding demand for the Engineering and Technical Services from CNBMG Group, in view of the construction, relocation and productivity replacement of multiple significant infrastructure projects by the Group (detailed below) in response to development in industry policies and the 14th Five Year Plan of the PRC, of which the construction period will be expanded to continue into 2026 and 2027, as well as the development pace of these significant technological transformation projects:

- key projects, including civil engineering, mechanical and electrical installation, slope treatment, and raw coal shed projects for relocation for clinker production line and cement grinding production line, and equipment for relocation and grate cooler modification projects (14 projects committed);

- ultra-low emissions, including ultra-low emission assessments, SCR denitration retrofit, ultra-low emission modification on-site assessment and data upgrades, and group integrated platform construction (14 projects committed, 11 projects under planning); and

- other projects, including hazardous waste co-processing project, safety intelligent construction projects and technical service fees (4 projects under planning);

(iii) based on the 2% increase in CPI in 2026 as proposed in the Government Work Report for 2026 and taking into account the gradual increase in environmental protection requirements, it is expected that the corporate environmental protection costs and labour costs will increase by 1%; and

(iv) the prevailing market prices for the provision of similar engineering and technical services.

The proposed annual caps mainly consist of the following breakdown of estimated transaction amounts, which are based on estimates of (ii) above and taking into account the factors as set out in (i), (iii) and (iv) above:

	For the seven months ending 31 December 2026	For the five months ending 31 May 2027
	(RMB'000)	
Key projects	100,739	61,341
Ultra-low emissions	107,914	17,094
Other projects	28,000	18,500
Total	236,653	96,935

(d) 2026 Clinker and Cement Transactions Framework Agreements

The proposed annual caps in respect of the transactions contemplated under the 2026 Clinker and Cement Transactions Framework Agreements have been determined based on:

Procurement by the Group from Connected Persons

(i) since January 2025, the historical expenditures paid by the Group for purchasing clinker and cement of CNBMG Group and its affiliates;

(ii) based on the current market conditions in the Group's operating regions and an assessment of future market trends, the Group expects the demand will continue to decline, and there will be high uncertainty regarding the coopetition between large enterprises, significantly reducing its demand for clinker and cement procurement in 2026. The primary reasons for this decrease are the sluggish cement market and a sharp drop in sales, with clinker being allocated from within the Group as much as possible; at the same time, when enquiring about market prices for externally purchased clinker, the prices quoted by connected persons were consistently higher than those of other industry suppliers, hence purchases were made from lower-priced suppliers;

(iii) the Group's latest annual budget and internal allocation plan for clinker, forecasting a demand of around 155,000 tonnes of clinker to be purchased from external parties in the seven months ending 31 December 2026, subject to market conditions;

(iv) the cost of raw materials and prevailing market prices for the provision of similar clinker and cement. Based on current market research and price forecasts, the price of clinker for the seven months ending 31 December 2026 is estimated to be approximately RMB200 to RMB240 per tonne, taking into account the quotations from both connected persons and other external parties, subject to future market developments; and

(v) in relation to the proposed cap for the five months ending 31 May 2027, the annual forecast of 2026 and the market conditions described in (ii) above.

Sales by the Group to Connected Persons

(i) since January 2025, the historical expenditures paid by CNBMG Group and its affiliates for purchasing clinker and cement of the Group;

(ii) due to the imbalance in the production capacity distribution of enterprises, the Group has clinker surplus in some regions; and due to the overlapping effects of multiple factors such as the imbalance in the production capacity distribution of enterprises and the withdrawal of some inefficient production capacity, the clinker gap will continue to exist for certain enterprises within the connected persons. It is expected that the clinker sales volume sold by the Group to the connected persons will be approximately 290,000 tonnes. At the same time, since 2024, China National Building Material International Products Co., Ltd. (中建材國際物產有限公司) has become the cement procurement party for multiple key projects. In 2026, these projects supplied by the Group will remain in a critical construction phase, leading to a continuation in the volume of cement-related transactions, with an expected sales volume of 137,000 tonnes;

(iii) due to the pressure of rising production costs in the cement industry and the expectation that the industry's ecology will gradually improve, market prices are expected to slightly increase compared to 2025; and

(iv) the cost of raw materials and prevailing market prices for the provision of similar clinker and cement.

APPROVAL BY THE BOARD

The Directors (including the independent non-executive Directors) are of the view that the terms of the 2026 Cement Production Equipment and Supplies Framework Agreement and the transactions contemplated thereunder (including the proposed annual caps) are (i) fair and reasonable; and (ii) are on normal commercial terms or better, in the ordinary course of business of the Group, and in the interests of the Company and the Shareholders as a whole.

As (1) the Company's tender and quotation procedures ensure that the Group is not obligated to enter into transactions with the CNBMG Group if there are other counterparties offering better terms; (2) the annual caps for each of the framework agreements are determined with reference to, amongst others, the Company's estimated demand (and related costs) for the services and materials under each of the framework agreements, with reference to the quantitative information set out in the section "Basis of Determination of Proposed Annual Caps" of this announcement; and (3) the Company will be able to leverage CNBMG's strengths with regard to the factors disclosed in the section "Reasons For and Benefits of Entering into the 2026 Framework Agreements" in this announcement, the Directors (excluding the independent non-executive Directors, who will give their opinion after considering the advice from the Independent Financial Adviser) are of the view that the terms of the 2026 Mine Development Services Framework Agreement, the 2026 Engineering and Technical Services Framework Agreement and the 2026 Clinker and Cement Transactions Framework Agreements, and the transactions contemplated thereunder (including the proposed annual caps) are (i) fair and reasonable; and (ii) are on normal commercial terms or better, in the ordinary course of business of the Group, and in the interests of the Company and the Shareholders as a whole.

Mr. TENG Yongjun, the Chairman of the Board, abstained from voting on the 2026 Framework Agreements and the transactions contemplated thereunder due to his concurrent role as a senior management of CNBM (details of which have been set out in page 56 of the annual report of the Company for the financial year ended 31 December 2025).

Ms. WU Ling-ling, an executive Director, abstained from voting on the 2026 Framework Agreements and the transactions contemplated thereunder in view of the fact that she is involved in an ongoing litigation involving the Company, CNBM and Asia Cement Corporation (details of which have been set out in pages 96 to 99 of the annual report of the Company for the financial year ended 31 December 2025).

Save for the above, none of the Directors has a material interest in the 2026 Framework Agreements and the transactions contemplated thereunder (including the proposed annual caps) nor is any of them required to abstain from voting on the relevant board resolutions.

LISTING RULES IMPLICATIONS IN RELATION TO THE 2026 FRAMEWORK AGREEMENTS

As at the date of this announcement, CNBMG is the controlling shareholder of CNBM, which is a substantial shareholder holding approximately 12.94% of the issued Shares, hence CNBMG is a connected person of the Company under Chapter 14A of the Listing Rules. In addition, as disclosed in the section headed "Information on the Relevant Parties" in this announcement below, Shandong Quanxing and Shandong Donghua are each a 30%-controlled company of CNBM and hence connected persons of the Company under Chapter 14A of the Listing Rules. Therefore, the transactions contemplated under the 2026 Framework Agreements constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Since the 2026 Clinker and Cement Transactions Framework Agreements were entered into by the Group with parties who are connected with one another within a 12-month period, according to Rule 14A.81 of the Listing Rules, the transactions contemplated under the 2026 Clinker and Cement Transactions Framework Agreements are required to be aggregated as if they were one transaction.

As one or more of the applicable percentage ratios in respect of the proposed annual caps of the transactions contemplated under each of the 2026 Mine Development Services Framework Agreement, the 2026 Engineering and Technical Services Framework Agreement and the 2026 Clinker and Cement Transactions Framework Agreements exceeds 5%, the transactions contemplated thereunder are subject to the reporting, announcement, independent shareholders' approval and annual review requirements under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios in respect of the proposed annual caps of the transactions contemplated under the 2026 Cement Production Equipment and Supplies Framework Agreement is more than 0.1% but less than 5%, the transactions contemplated thereunder will therefore be exempt from the independent shareholders' approval requirements but will be subject to the reporting, announcement and annual review requirements pursuant to Chapter 14A of the Listing Rules.

The Company intends to seek approval from its Independent Shareholders in respect of the 2026 Mine Development Services Framework Agreement, the 2026 Engineering and Technical Services Framework Agreement and the 2026 Clinker and Cement Transactions Framework Agreements and the transactions contemplated thereunder at the Company's forthcoming annual general meeting.

A circular containing, among other things, (i) the details of the 2026 Mine Development Services Framework Agreement, the 2026 Engineering and Technical Services Framework Agreement and the 2026 Clinker and Cement Transactions Framework Agreements, (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders, and (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, is expected to be made available to the Shareholders on or before 30 April 2026.

REASONS FOR AND BENEFITS OF ENTERING INTO THE 2026 FRAMEWORK AGREEMENTS

The Board considers that the 2026 Framework Agreements will bring the following benefits to the Company:

(a) 2026 Mine Development Services Framework Agreement

To support the Company's day-to-day operations, the Company will need to extract limestones to serve as raw materials for its cement production. To ensure safe and proper extraction of limestones, mine development, maintenance and related engineering services are necessary. Local environmental laws also require the land conditions of the extraction sites to be restored during the extraction process.

Compared to other companies the Company has previously cooperated with, CNBMG possesses competitive advantages on its mining technology, management standards and infrastructure construction qualities in terms of its (i) market profile, (ii) technological capabilities, (iii) compliance with state environmental laws and (iv) cost efficiency, as evidenced by the following qualities and achievements of its subsidiary and engineering services provider unit, CNBM:

- CNBM is a tier-one service provider in the mining construction in the Chinese mining industry measured by aggregate contracted project value, an industry standard established by the Ministry of Housing and Urban-Rural Development of the PRC. CNBM has been engaged in limestone development and extraction projects for (i) an overwhelming majority of the cement corporations in China and (ii) various other overseas cement corporations;

- CNBM has the technology and expertise in mining to utilise limestones of both superior and sub-par qualities, thereby maximising the utilisation rate of limestones extracted. In addition, CNBM meets the requirements of the local governments and authorities, thereby avoiding the risk of suspension and rectification in production as a result of non-compliant mining; and

- CNBM has established and implemented a strict policy and adheres to the concept of "Simultaneous Mining, Maintenance and Green-mining Construction" (「邊開採、邊治理、邊進行綠色礦山建設」) to ensure the land conditions of the extraction sites are restored simultaneously during the extraction process, thereby reducing the risk of suspension and rectification in production as a result of non-compliant mining and reducing the need for investment in "green-mining" projects and minimising the overall restoration costs for extraction sites.

In light of the above, the Board believes that the Company can leverage on CNBMG's strengths to:

- enhance the mine development, maintenance and related engineering services quality of the Company;

- ensure (i) compliance with local environmental laws for simultaneous restoration of the land conditions of extraction sites and (ii) minimal restoration costs as a result of CNBM's strict policy for simultaneous restoration; and

- lower its overall production cost as a result of the mixed utilisation of limestones of both superior and sub-par qualities.

(b) 2026 Cement Production Equipment and Supplies Framework Agreement

The cement production equipment used by the Company is subject to wear and tear and needs to be replaced over time. Apart from equipment demand, the Company will also need to source supplies to support the cement production and packaging processes.

Compared to other suppliers, CNBMG possesses competitive advantages in the provision of cement production equipment and supplies in terms of its (i) scale, (ii) technological capabilities and (iii) cost-to-performance ratio of its manufactured equipment, as evidenced by the following qualities and achievements of CNBMG:

- CNBMG Group is a well-known manufacturer for cement production equipment in the world;

- CNBMG Group has 26 national scientific research and design institutes, 38,000 scientific research and development and technical engineering employees, 55 national industrial quality inspection centres and authoritative inspection and certification organisations in the industry, 28,000 patents, 3 national key laboratories, 8 national engineering (technology) research centres and 17 national standardisation technical committees; and

- CNBMG Group owns 7 first class State Science and Technology Progress Awards and 4 China Grand Awards for Industry (together with the preceding sub-paragraph, the "**Capabilities**").

In light of the above, the Board believes that the Company can leverage on CNBMG's strength to increase the quality of its cement production equipment, and ensure stable operations and the longevity and quality of supplies purchased, thereby reducing the overall cement production costs.

(c) 2026 Engineering and Technical Services Framework Agreement

From time to time, the Company requires (i) design services when it establishes new production lines, (ii) technical upgrade services when it decides to improve the quality and scale of its cement production and (iii) technical services in compliance with environmental and safety regulations and for purposes of participating in routine specification comparison inspections conducted by state authorities in accordance with cement industry regulations.

Compared to other service providers, CNBMG possesses competitive advantages in the provision of engineering and technical services in terms of its (i) scale, (ii) technological capabilities and (iii) cost-to-performance ratio of its upgrade services, as evidenced by the following qualities and achievements of CNBMG:

- CNBMG is a well-known and market-leading integrated building materials developer and service provider in the world in terms of scale;

- CNBMG Group has 26 national scientific research and design institutes, 38,000 scientific research and development and technical engineering employees, 55 national industrial quality inspection centres and authoritative inspection and certification organisations in the industry, 28,000 patents, 3 national key laboratories, 8 national engineering (technology) research centres and 17 national standardisation technical committees;

- CNBMG Group owns 7 first class State Science and Technology Progress Awards and 4 China Grand Awards for Industry; and

- CNBMG is able to provide engineering services at a higher cost-to-performance ratio compared with its competitors.

In light of the above, the Board believes that the Company can leverage on CNBMG's strength to ensure its engineering quality, increase production quality and volume, ensure stable operations, thereby increasing overall revenue for the Group.

(d) 2026 Clinker and Cement Transactions Framework Agreements

Purchase of clinker and cement from CNBMG Group's companies and its affiliates

From time to time, various clinker and cement companies in the Group in the western and southern regions of Shandong Province (collectively, the "**Deficit Regions**") experienced deficit in clinker and cement supply. In addition, for some of the Group's operations, the closest clinker and cement production unit within the Group are still distant. This means for such operations, it will not be cost-efficient to rely on internal supply of clinker and cement, as this will result in higher transportation costs which may take up a significant portion of the overall cement production cost. Meanwhile, some of the CNBMG Group's companies and its affiliates are geographically close to the clinker and cement companies in the Group within the Deficit Regions.

The Board believes that purchasing clinker and cement from such CNBMG Group and its affiliates can bring the following benefits to the Company:

- reducing the overall procurement and transportation costs for the Group in the Deficit Regions; and

- the clinker and cement produced by CNBMG Group and its affiliates are reliable and of high quality, as evidenced by CNBMG Group and its affiliates being consistently named as one of the designated clinker and cement suppliers for large scale projects in the cement industry and key national cement projects.

Sale of clinker and cement to CNBMG Group's companies and its affiliates

CNBMG Group and its affiliates have similar transportation costs concerns due to the lack of geographical proximity among certain of their clinker and cement production units and clinker and cement companies, and therefore would need to purchase clinker and cement from suppliers in closer proximity from time to time.

The Group owns clinker and cement production units that are close to quite a few clinker and cement companies within CNBMG Group and by selling clinker and cement to CNBMG Group and its affiliates, the Board believes that the Company can increase its overall sales volume, thereby effectively generating higher revenue and profits.

Based on the abovementioned reasons, the Company believes that entering into such transactions with CNBMG Group and its affiliates will be beneficial to the Group.

INTERNAL CONTROLS

In order to further safeguard the interests of the Shareholders as a whole, the Group has implemented the following internal approval and monitoring procedures in relation to the transactions contemplated under the 2026 Framework Agreements:

(a) before confirming the pricing and the terms of the Mine Development Services, the Cement Production Equipment and Supplies, the Engineering and Technical Services or the Clinker and Cement Transactions (as the case may be), the Group will review and consider the basis of pricing in accordance with the pricing principles set out in the section "Principal Terms of the 2026 Framework Agreements" of this announcement;

(b) the Group has adopted internal guidelines which provide that:

  (i) the procurement and supply management department at Group level and the finance department of the Company will collate and monitor the transaction amounts of the Mine Development Services, the Cement Production Equipment and Supplies, the Engineering and Technical Services or the Clinker and Cement Transactions (as the case may be) and any relevant information requiring disclosure from the relevant business unit, and report to the Company's management on a monthly basis;

  (ii) Shandong Shanshui's management team is also required to report connected transaction issues to the Board and the Board's Audit Committee on a regular basis, including the categories, transaction amount and rationale of continuing connected transactions conducted during the covered period; and

  (iii) if the value of any Mine Development Services, the Cement Production Equipment and Supplies, the Engineering and Technical Services or the Clinker and Cement Transactions (as the case may be) is expected to exceed the annual cap in the next three months, the procurement and supply management department at Group level, finance department and legal compliance department of the Company must (i) follow up and report to the Company's management after discussion with the relevant business unit and (ii) commence the necessary additional assessment and approval procedures to ensure that the Company will comply with the applicable requirements under Chapter 14A of the Listing Rules in relation to annual cap; and

(c) the Company will provide information and supporting documents to its independent non-executive Directors and 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 Mine Development Services, the Cement Production Equipment and Supplies, the Engineering and Technical Services or the Clinker and Cement Transactions (as the case may be) have been entered into in the ordinary and usual course of business of the Group, are on normal commercial terms and are in accordance with the agreements governing them on terms that are fair and reasonable and in the interests of the Shareholders as a whole, and the Company will procure that its auditors will provide confirmation to the Board on an annual basis as to whether anything has come to their attention that causes them to believe that the Mine Development Services, the Cement Production Equipment and Supplies, the Engineering and Technical Services or the Clinker and Cement Transactions (as the case may be) have not been approved by the Board, or are not conducted in accordance with the pricing policies of the Group in all material respects, or are not entered into in accordance with the relevant agreement governing the Mine Development Services, the Cement Production Equipment and Supplies, the Engineering and Technical Services or the Clinker and Cement Transactions (as the case may be) in all material respects or have exceeded the annual caps applicable to these services.

INFORMATION ON THE RELEVANT PARTIES

The Company

The Company is a public limited company incorporated in Cayman Islands. It engages in the production of clinker, cement and concrete in the PRC.

Shandong Shanshui

Shandong Shanshui is a limited liability company incorporated in the PRC and is engaged in investment holding. It is the Company's main operating entity and indirect wholly-owned subsidiary.

CNBMG

CNBMG is a state-owned limited liability company incorporated in the PRC and is engaged in the business of building materials in the PRC. It is the controlling shareholder of CNBM.

CNBM

CNBM is a company incorporated in the PRC. It implemented a restructuring with the former China National Building Material Company Limited in May 2018 and is a world leader in the materials sector with influential positions in the fields of cement, commercial concrete, glass fibre, electronic cloth, gypsum board, light steel keel, wind turbine blades and cement technology and equipment engineering system integration services. Its shares are listed on the Stock Exchange (stock code: 3323). It is a substantial shareholder of the Company. Its controlling shareholder and ultimate beneficial owner is CNBMG.

Shandong Quanxing

Shandong Quanxing is a limited liability company incorporated in the PRC, and is engaged in the business of the operations of cement, sandstone and aggregate products under the "Shenfeng" and "Quanxing" brands, the production and processing of cement products, and provision of cement technology services.

As at the date of this announcement, Shandong Quanxing is owned as to 51% by Shandong Quanxing Energy Group Co., Ltd. and 49% by China United Cement Corporation.

Shandong Quanxing Energy Group Co., Ltd., a state-owned company incorporated in the PRC, is owned as to 91.20% by State-owned Assets Supervision and Administration Commission of Zaozhuang Municipal People's Government and 8.80% by Shandong Province Caixin Asset Management Co., Ltd. As China United Cement Corporation is an 81.14% indirect subsidiary of CNBM, Shandong Quanxing is regarded as a 30%-controlled company of CNBM, the Company's substantial shareholder, for the purpose of Chapter 14A of the Listing Rules and therefore a connected person of the Company.

Shandong Donghua

Shandong Donghua is a company incorporated in the PRC and is engaged in the business of producing cement, clinker, functional powder materials, and calcium-based new materials.

As at the date of this announcement, Shandong Donghua is owned as to 50% by Shandong Energy Group New Material Co., Ltd. and 50% by China United Cement Corporation.

Shandong Energy Group New Material Co., Ltd. is a wholly-owned subsidiary of Shandong Energy Group Co., Ltd., which is indirectly wholly owned by Shandong Provincial Department of Finance. As China United Cement Corporation is an 81.14% indirect subsidiary of CNBM, Shandong Donghua is regarded as a 30%-controlled company of CNBM, the Company's substantial shareholder, for the purpose of Chapter 14A of the Listing Rules and therefore a connected person of the Company.

"2025 Announcement"	the announcement of the Company dated 25 April 2025
"2025 Circular"	the circular of the Company dated 25 April 2025
"2025 Framework Agreements"	the mine development services framework agreement, the cement production equipment and supplies framework agreement, the engineering and technical services framework agreement and the clinker and cement transactions framework agreements, each dated 25 April 2025, details of which are set out in the 2025 Announcement and 2025 Circular
"2026 AGM"	the annual general meeting of the Company, initially scheduled to be held on Wednesday, 20 May 2026
"2026 Cement Production Equipment and Supplies Framework Agreement"	the framework agreement in relation to the Cement Production Equipment and Supplies dated 30 April 2026
"2026 Clinker and Cement Transactions Framework Agreements"	the 2026 CNBMG Clinker and Cement Transactions Framework Agreement, the 2026 Shandong Quanxing Clinker and Cement Transactions Framework Agreement and 2026 Shandong Donghua Clinker and Cement Transactions Framework Agreement
"2026 CNBMG Clinker and Cement Transactions Framework Agreement"	the framework agreement with CNBMG in relation to the Clinker and Cement Transactions dated 30 April 2026
"2026 Engineering and Technical Services Framework Agreement"	the framework agreement in relation to the Engineering and Technical Services dated 30 April 2026
"2026 Framework Agreements"	the 2026 Mine Development Services Framework Agreement, the 2026 Cement Production Equipment and Supplies Framework Agreement, the 2026 Engineering and Technical Services Framework Agreement and the 2026 Clinker and Cement Transactions Framework Agreements

"2026 Mine Development Services Framework Agreement"	the framework agreement in relation to the Mine Development Services dated 30 April 2026
"2026 Shandong Donghua Clinker and Cement Transactions Framework Agreement"	the framework agreement with Shandong Donghua in relation to the Clinker and Cement Transactions dated 30 April 2026
"2026 Shandong Quanxing Clinker and Cement Transactions Framework Agreement"	the framework agreement with Shandong Quanxing in relation to the Clinker and Cement Transactions dated 30 April 2026
"Annual Results Announcement"	the annual results announcement of the Company dated 4 March 2026
"Board"	the board of directors of the Company
"Cement Production Equipment and Supplies"	the purchase of cement production equipment and supplies by the Group from CNBMG Group
"Clinker and Cement Transactions"	the sale and purchase of clinker and cement between the Group and CNBMG Group, Shandong Donghua and/or Shandong Quanxing (as the case may be)
"CNBM"	China National Building Material Company Limited, a joint stock company incorporated in the PRC with limited liability with its shares listed on the Stock Exchange (stock code: 3323) and a substantial shareholder of the Company
"CNBMG"	China National Building Material Group Co., Ltd, a state-owned limited liability company incorporated in the PRC which is engaged in the business of building materials in the PRC, and is the controlling shareholder of CNBM
"CNBMG Group"	CNBMG and its subsidiaries
"Company"	China Shanshui Cement Group Limited, a public limited company incorporated in Cayman Islands

"Directors"	the directors of the Company
"Engineering and Technical Services"	the provision of engineering services (including design, construction and technical upgrade services) and technical services (including inspection and product specification comparison services) by CNBMG Group to the Group
"Group"	the Company and its subsidiaries
"Independent Board Committee"	the independent committee of the Board, comprising all of the independent non-executive directors of the Company formed to consider the 2026 Mine Development Services Framework Agreement, the 2026 Engineering and Technical Services Framework Agreement and the 2026 Clinker and Cement Transactions Framework Agreements and the transactions contemplated thereunder
"Independent Financial Adviser"	Giraffe Capital Limited, a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and the independent financial adviser appointed to advise the Independent Board Committee and the Independent Shareholders in relation to the 2026 Mine Development Services Framework Agreement, the 2026 Engineering and Technical Services Framework Agreement and the 2026 Clinker and Cement Transactions Framework Agreements and the transactions contemplated thereunder
"Independent Shareholders"	the Shareholders other than CNBM and its associates
"Listing Rules"	The Rules Governing the Listing of Securities on the Stock Exchange
"Mine Development Services"	the provision of mine development, maintenance and related engineering services by CNBMG Group to the Group
"PRC"	the People's Republic of China, which for the purpose of this announcement only (unless otherwise indicated) excludes Hong Kong, the Macau Special Administrative Region and Taiwan

"Rescheduled AGM"	the annual general meeting of the Company, rescheduled to be held on Tuesday, 26 May 2026
"RMB"	Renminbi, the lawful currency of the PRC
"Shandong Donghua"	Shandong Donghua Technology Co., Ltd., an associate of CNBM
"Shandong Quanxing"	Shandong Quanxing Jingshi Cement Co., Ltd., an associate of CNBM
"Shandong Shanshui"	Shandong Shanshui Cement Group Company Limited, the Company's main operating entity and indirect wholly-owned subsidiary
"Share(s)"	the ordinary share(s) of the Company
"Shareholder(s)"	the holder(s) of the Share(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited

By Order of the Board
China Shanshui Cement Group Limited
TENG Yongjun
Chairman

Hong Kong, 30 April 2026

As at the date of this announcement, the Board comprises three executive Directors, namely Mr. TENG Yongjun, Ms. WU Ling-ling and Ms. ZHENG Yingying; and three independent non-executive Directors, namely Mr. CHANG Ming-cheng, Mr. LI Jianwei and Mr. HSU You-yuan.