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

CONTINUING CONNECTED TRANSACTION
THE SUPPLEMENTAL AGREEMENT IN RELATION TO THE REVISION OF THE ANNUAL CAP UNDER THE CONCH CEMENT CEMENT ADMIXTURES SUPPLY AGREEMENT

REVISION OF THE ANNUAL CAP UNDER THE CONCH CEMENT CEMENT ADMIXTURES SUPPLY AGREEMENT

Reference is made to the Circular. On 27 November 2025, the Company entered into the Conch Cement Cement Admixtures Supply Agreement with Conch Cement, in relation to the Group supplying cement admixture products to Conch Cement Group, for a term from 1 January 2026 to 31 December 2026, with the Existing Annual Cap of RMB700 million.

Since it is expected that the aggregated actual transaction amount under the Conch Cement Cement Admixtures Supply Agreement for the year ending 31 December 2026 will exceed the Existing Annual Cap, the relevant parties intend to adjust the relevant annual cap upwards.

On 7 May 2026, the Company entered into the Supplemental Agreement with Conch Cement to adjust the pricing terms of the Conch Cement Cement Admixtures Supply Agreement and revise the Existing Annual Cap for the year ending 31 December 2026 under the Cement Admixtures Supply Agreement from RMB700 million to RMB780 million.

LISTING RULES IMPLICATIONS

Conch Holdings holds 100% equity interest in Conch Tech Innovation and Conch Tech Innovation holds approximately 36.47% equity interest of the Company as at the date of this announcement, as such, Conch Holdings is a substantial shareholder and a controlling shareholder of the Company. Conch Holdings is beneficially owned as to 51% by the State-owned Assets Supervision and Administration Commission of the People's Government of Anhui Province (through its wholly-owned state-owned enterprise) and 49% by China Conch Venture Holdings Limited. Conch Holdings holds approximately 36.40% equity interest in Conch Cement. Conch Cement is hence an associate of Conch Holdings and hence a connected person of the Company. The transactions contemplated under the Conch Cement Cement Admixtures Supply Agreement and the Supplemental Agreement constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

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

As the highest of all applicable percentage ratios (other than the profit ratio) under the Listing Rules in respect of the Revised Annual Cap is more than 5%, and there exist no exemptions, the Supplemental Agreement and the Revised Annual Cap are subject to the reporting, annual review, announcement, circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

GENERAL

An EGM will be convened for the Shareholders to consider, and if thought fit, approve the Supplemental Agreement and the Revised Annual Cap. Each of Conch Tech Innovation and its associates will abstain from voting on the resolution(s) in respect of the Supplemental Agreement and the Revised Annual Cap at the EGM.

The Independent Board Committee has been formed by the Company to advise the Independent Shareholders on the Supplemental Agreement and the Revised Annual Cap. The Company will appoint an independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

A circular containing, among other things, (i) further details of the terms of the Supplemental Agreement and the Revised Annual Cap; (ii) the advice from the Independent Board Committee; (iii) the advice to the Independent Board Committee and the Independent Shareholders from the independent financial adviser; and (iv) the notice convening the EGM, will be published on the Stock Exchange's website (www.hkexnews.hk) and the Company's website (www.conchmst.com) and despatched to the Shareholders who request the printed copies on or before 19 June 2026 as additional time is required for the preparation and finalization of certain information to be included in the circular.

BACKGROUND

Reference is made to the Circular. On 27 November 2025, the Company entered into the Conch Cement Cement Admixtures Supply Agreement with Conch Cement, in relation to the Group supplying cement admixture products to Conch Cement Group, for a term from 1 January 2026 to 31 December 2026, with the Existing Annual Cap of RMB700 million.

According to the unaudited management accounts of the Group, the actual transaction amount for the four months ended 30 April 2026 amounted to approximately RMB167 million. Since it is expected that the aggregated actual transaction amount under the Conch Cement Cement Admixtures Supply Agreement for the year ending 31 December 2026 will exceed the Existing Annual Cap, the relevant parties intend to adjust the relevant annual cap upwards.

THE SUPPLEMENTAL AGREEMENT

Major terms and revision of the existing annual cap

On 7 May 2026, the Company entered into the Supplemental Agreement with Conch Cement to adjust the pricing terms of the Conch Cement Cement Admixtures Supply Agreement and revise the Existing Annual Cap for the year ending 31 December 2026 under the Cement Admixtures Supply Agreement from RMB700 million to RMB780 million. Among other things, the adjustment to the pricing terms shall take effect from 7 May 2026, and the Revised Annual Cap is subject to the approval of the shareholders' general meeting of the Company.

Pursuant to the Supplemental Agreement, during the period from 7 May 2026 to 31 December 2026, the unit prices of the cement admixture products supplied by the Group to Conch Cement Group will be adjusted by adding a price adjustment mechanism linked to the key raw material costs of cement admixtures on the basis of the fixed unit prices (i.e. the existing unit prices) under the Conch Cement Cement Admixtures Supply Agreement pursuant to the results of the open tender, and the purchase unit price will be adjusted once every month. Specifically, in accordance with the standard formula ratio of cement admixtures, the cost of key raw materials consumed by the admixture products (i.e. the base raw material cost) will be calculated based on the raw material prices published by

SCI Price Center (www.sci99.com) ("**SCI Price Center**") on 31 December 2025. At the beginning of each month, the cost of key raw materials consumed by the admixture products (i.e. the comparative raw material cost) will be calculated based on the average raw material prices for the preceding month published by SCI Price Center. If the impact of the difference between the comparative raw material cost and the base raw material cost (the "**Difference**") on the existing unit price exceeds ±5%, the purchase price (i.e. the revised unit price) of cement admixtures for that month shall consist of the existing unit price plus the portion of the Difference that exceeds ±5% of the existing unit price. SCI Price Center is a widely recognised information website in the commodity information industry in China.

Except for the adjustments to the pricing terms of the Conch Cement Cement Admixtures Supply Agreement and the revision of the Existing Annual Cap as set out above, all other terms under the Conch Cement Cement Admixtures Supply Agreement shall remain unchanged and in full force and effect. Set forth below are the principal terms of the Conch Cement Cement Admixtures Supply Agreement, details of which are set out in the Circular.

Products to be provided by the Group and main terms

Conch Cement Group may purchase cement grinding aid (type 1) and cement grinding aid (type 2), the quantity and quality of which shall be determined by Conch Cement according to its actual needs for its production at the prices stated in the tender document.

The sales of the products to Conch Cement Group will be based on the purchase order(s) placed by Conch Cement Group, according to their respective actual needs of the products, procurement schedule and other specified arrangements. The purchase order shall set out specific terms and arrangements regarding the procurement of products, including product type, price, production and delivery schedule and other arrangements.

Pricing policies

The unit prices of the cement admixture products in which the Company quoted in the tender relating to the Conch Cement Cement Admixtures Supply Agreement were determined with reference to the pricing policies, fair market price by conducting research on the prevailing market conditions and practices, as well as, the prices and terms of similar products being sold to other Independent Third Party customers by the Group, taking into account the cost involved, the complexity level of the techniques and procedures needed to produce the required quality of cement admixture products in which the Group quoted in the tender and resources required (including human resources and materials) and the quantity to be procured by Conch Cement Group.

Conch Cement conducted an open tender for the procurement of cement admixtures in accordance with the Tendering and Bidding Law of the PRC (《中華人民共和國招標投標法》) and the Implementing Regulations on the Tendering and Bidding Law of the PRC (《中華人民共和國招標投標法實施條例》). The Company participated in the relevant open tender in late November 2025.

The Company participated in the tender relating to the Conch Cement Cement Admixtures Supply Agreement. As disclosed in the Company's announcement dated 27 November 2025 regarding procurement of cement admixtures, concrete admixtures and other admixtures, a total of three suppliers (one of which being the Company and the other two being Independent Third Parties) participated in the relevant open tender. The tenders were rated based on technical evaluation and commercial evaluation. Technical evaluation included ratings on the operation results, credibility of 5 contract performance, project management capabilities, credit status, overall strengths, and after-sales service of the tenderers; commercial evaluation included ratings on the price quotations of the products, ranking from the lowest to the highest. According to the overall rating results based on the technical evaluation and commercial evaluation, the Company has been selected as the cement admixture suppliers of Conch Cement. The unit prices of the cement admixture products under the Conch Cement Cement Admixtures Supply Agreement were determined based on the results of the tender and on arm's length basis.

The adjustment of the pricing terms under the Supplemental Agreement is based on an adjustment of the existing unit prices under the Conch Cement Cement Admixtures Supply Agreement, which were determined in accordance with the above pricing policy. There is no material change to the above pricing policy.

Internal control

Pricing for sale of cement admixture products to Conch Cement Group under the Conch Cement Cement Admixtures Supply Agreement must accord to the prices as the result of the relevant tender. The person-in-charge of the sales department of the relevant subsidiaries engaging in the relevant sales, would be responsible for monitoring whether the sales adhere to the prices set, and report to the head of sales of the Company monthly.

REVISION OF THE ANNUAL CAP

Historical amount and the existing annual cap

For the four months ended 30 April 2026, the historical transaction amounts (tax inclusive) between Conch Cement Group and the Group in relation to the supply of cement admixture products amounted to approximately RMB167 million. For the year ending 31 December 2026, the Existing Annual Cap under the Cement Admixtures Supply Agreement is RMB700 million.

Basis of determination and reasons for the revised annual cap

The Revised Annual Cap of RMB780 million is determined with reference to (among others): (i) the historical transaction amount of the supply of cement admixture products of approximately RMB167 million for the four months ended 30 April 2026; (ii) there is no material change in the total demand of cement admixtures indicated by Conch Cement Group on cement grinding aid (type 1) and cement grinding aid (type 2) for the year ending 31 December 2026; (iii) based on the basis for determining the revised unit price and the average prices of key raw materials of cement admixtures published by SCI Price Center in the past month, the reasonable expectation of the purchase unit price of cement admixtures for the period from the date of signing of the Supplemental Agreement to 31 December 2026; and (iv) a buffer of less than 10% to cater for any unexpected demand of cement grinding aid (type 1) and cement grinding aid (type 2) from Conch Cement Group.

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

Conch Cement is principally engaged in the production and sales of cement, commodity clinker, aggregate and concrete. The Group has been providing various admixture products to Conch Cement Group since 2018. The Group has a well-established and ongoing business relationship with Conch Cement Group and it has been the Group's largest customer for many years. Conch Cement was on the list of world's top 2,000 companies as announced by Forbes and on the list of China's top 500 companies as announced by Fortune China. Over years of cooperation both the Group and Conch Cement Group have developed a mutual and deep understanding of their respective business operations. Given the stable and close relationship, the Group is familiarised with Conch Cement Group's specific requirements and expected deliverables. Leveraging on Conch Cement's reputation and ranking in the cement and concrete industry in the world and its demand in high-quality admixture products which the Group has been capable of providing throughout the past few years, the Group believes it is beneficial to the Group to continue to supply cement admixture products to Conch Cement Group to generate stable revenue.

Considering the historical transaction amount generated during the four months ended 30 April 2026, and based on the judgement on the Group's supply obligations under the Conch Cement Cement Admixtures Supply Agreement as well as the recent increase in fair market prices of major raw materials due to force majeure factors of international geopolitical conflicts, it is expected that the contract prices as set out under the Conch Cement Cement Admixtures Supply Agreement cannot reflect the fair and reasonable prices of cement admixture products supplied by the Group, and the total transaction amount under the Conch Cement Cement Admixtures Supply Agreement will exceed the Existing Annual Cap. Therefore, it is necessary for the relevant parties to enter into the Supplemental Agreement to add a price adjustment mechanism linked to the key raw material costs of cement admixtures (with reference to SCI Price Center data as the basis) and revise the Existing Annual Cap for the year ending 31 December 2026.

Mr. Ding Feng (being the vice general manager of Conch Holdings, the chairman of the Board 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 general manager, director of Conch Tech Innovation and a director or senior management of certain other subsidiaries of Conch Holdings) are regarded to be materially interested in the Supplemental Agreement and therefore have abstained from voting on the relevant board resolution.

Save as disclosed above, no other Directors have material interests in the Supplemental Agreement.

The Directors (excluding Mr. Ding Feng and Mr. Jin Feng, who shall abstain from voting on the relevant Board resolution, and the independent non-executive Directors who will form their opinion after reviewing the advice from the independent financial adviser) are of the view that the Supplemental Agreement and the Revised Annual Cap have been entered into in the ordinary and usual course of business of the Group on normal commercial terms, and the terms of the Supplemental Agreement and the Revised Annual Cap are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

INFORMATION ON THE GROUP

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

INFORMATION ON CONCH CEMENT

Conch Cement is a joint stock limited company established under the laws of the PRC, with its A Shares listed on the Shanghai Stock Exchange (stock code: 600585) and H Shares listed on the Stock Exchange (stock code: 914). Conch Cement Group is principally engaged in the production and sales of cement, commodity clinker, aggregates and commodity concrete. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, as at the date of this announcement, Conch Cement is owned as to 36.40% by Conch Holdings. Conch Holdings is ultimately 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 as to 49% by China Conch Venture Holdings Limited (中國海螺創業控股有限公司) (the shares of which are listed on the Stock Exchange (stock code: 586)). To the best information and knowledge of the Directors, there is no other single shareholder or group of shareholders holding 30% or more interests in Conch Cement, and there is no single shareholder or group shareholder holding 30% or more interest in Conch Venture.

LISTING RULES IMPLICATIONS

Conch Holdings holds 100% equity interest in Conch Tech Innovation and Conch Tech Innovation holds approximately 36.47% equity interest of the Company as at the date of this announcement, as such, Conch Holdings is a substantial shareholder and a controlling shareholder of the Company. 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 Conch Venture. Conch Holdings holds approximately 36.40% equity interest in Conch Cement. Conch Cement is hence an associate of Conch Holdings and hence a connected person of the Company. The transactions contemplated under the Conch Cement Cement Admixtures Supply Agreement and the Supplemental Agreement constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

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

As the highest of all applicable percentage ratios (other than the profit ratio) under the Listing Rules in respect of the Revised Annual Cap is more than 5%, and there exist no exemptions, the Supplemental Agreement and the Revised Annual Cap are subject to the reporting, annual review, announcement, circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

GENERAL

An EGM will be convened for the Shareholders to consider, and if thought fit, approve the Supplemental Agreement and the Revised Annual Cap. Each of Conch Tech Innovation and its associates will abstain from voting on the resolution(s) in respect of the Supplemental Agreement and the Revised Annual Cap at the EGM.

The Independent Board Committee has been formed by the Company to advise the Independent Shareholders on the Supplemental Agreement and the Revised Annual Cap. The Company will appoint an independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

A circular containing, among other things, (i) further details of the terms of the Supplemental Agreement and the Revised Annual Cap; (ii) the advice from the Independent Board Committee; (iii) the advice to the Independent Board Committee and the Independent Shareholders from the independent financial adviser; and (iv) the notice convening the EGM, will be published on the Stock Exchange's website (www.hkexnews.hk) and the Company's website (www.conchmst.com) and despatched to the Shareholders who request the printed copies on or before 19 June 2026 as additional time is required for the preparation and finalization of certain information to be included in the circular.

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
"Circular"	the circular of the Company dated 15 December 2025
"Company"	Anhui Conch Material Technology Co., Ltd. (安徽海螺材料科技股份有限公司), a joint stock limited liability company established under the laws of the PRC, with its H Shares listed on the main board of the Stock Exchange (stock code: 2560)
"Conch Cement"	Anhui Conch Cement Company Limited (安徽海螺水泥股份有限公司), a joint stock limited company established under the laws of the PRC, with its A Shares listed on the Shanghai Stock Exchange (stock code: 600585) and H Shares listed on the Stock Exchange (stock code: 914)
"Conch Cement Cement Admixtures Supply Agreement"	the cement admixtures supply agreement entered into between the Company and Conch Cement on 27 November 2025, in relation to the Group supplying cement admixture products to Conch Cement Group, for a term from 1 January 2026 to 31 December 2026 (details of which are set out in the Circular)
"Conch Cement Group"	Conch Cement and its subsidiaries
"Conch Holdings"	Anhui Conch Holdings Company Limited* (安徽海螺集團有限責任公司), a limited liability company established under the laws of the PRC
"Conch Tech Innovation"	Anhui Conch Technology Innovation Material Co., Ltd.* (安徽海螺科創材料有限責任公司) (formerly known as Anhui Conch Investment Co., Ltd.* (安徽海螺投資有限責任公司)), a limited liability company established under the laws of the PRC, which is wholly-owned by Conch Holdings as at the date of this announcement, and is one of the controlling shareholders of the Company holding approximately 36.47% equity interest in the Company

"Conch Venture"	China Conch Venture Holdings Limited (中國海螺創業控股有限公司), a listed company established under the laws of the Cayman Islands, and the shares of which are listed on the Stock Exchange (stock code: 586)
"connected person(s)"	has the meaning ascribed to it under the Listing Rules
"Director(s)"	the director(s) of the Company
"EGM"	the extraordinary general meeting of the Company to be held on 7 July 2026 to approve, among other things, the Supplemental Agreement and the Revised Annual Cap
"Existing Annual Cap"	the existing annual cap of RMB700 million for the transactions contemplated under the Conch Cement Cement Admixtures Supply Agreement for the year ending 31 December 2026
"Group"	the Company and its subsidiaries
"Independent Board Committee"	an independent committee of the Board comprising all independent non-executive Directors to advise the Independent Shareholders in respect of the terms of the Supplemental Agreement and the Revised Annual Cap
"Independent Shareholder(s)"	Shareholders other than Conch Tech Innovation and its associates
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"PRC" or "China"	the People's Republic of China
"Revised Annual Cap"	the proposed revised annual cap of RMB780 million for the transactions contemplated under the Conch Cement Cement Admixtures Supply Agreement (as amended by the Supplemental Agreement) for the year ending 31 December 2026
"RMB"	Renminbi yuan, the lawful currency of the PRC
"Stock Exchange"	The Stock Exchange of Hong Kong Limited

"subsidiary(ies)"	has the meaning ascribed to it under the Listing Rules
"Supplemental Agreement"	the supplemental agreement to the Conch Cement Cement Admixtures Supply Agreement
"%"	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
7 May 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*