THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult the stockbroker or other licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your Shares in Anhui Conch Material Technology Co., Ltd., you should at once hand this circular, together with the accompanying proxy form to the purchaser(s) or the transferee(s), or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or the transferee(s).

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CONCH

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: 2560)

REVISION OF THE ANNUAL CAP UNDER THE CONCH CEMENT CEMENT ADMIXTURES SUPPLY AGREEMENT;
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING

Gram Capital Limited
嘉林資本有限公司

Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of revision of annual cap

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A notice convening the EGM of Anhui Conch Material Technology Co., Ltd. to be held at the Conference Room 206, Building B, No. 8 Fuzhou Road, Jiujiang District, Wuhu City, Anhui Province, the PRCc at 10 a.m. on Tuesday, 7 July 2026 is set out on pages 36 to 38 of this circular.

The relevant proxy form for use at the EGM is enclosed with this circular and such proxy form is also published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.conchmst.com). If you intend to appoint a proxy to attend the EGM, you shall complete and return the relevant proxy form enclosed herewith in accordance with the instructions printed thereon not less than 24 hours before the time fixed for holding the EGM or any adjournment thereof (as the case may be) (i.e. before 10 a.m. on Monday, 6 July 2026). Completion and return of the relevant proxy form will not preclude you from attending and voting in person at the meeting.

18 June 2026

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In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:

"associate(s)"	has the meaning ascribed to it under the Listing Rules
"Board" or "Board of Directors"	the board of Directors of the Company
"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
"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 Latest Practicable Date, 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
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"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 Financial Adviser" or "Gram Capital"	Gram Capital Limited, a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the SFO, being the independent financial adviser appointed by the Company to advise the Independent Board Committee and 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

"Latest Practicable Date"	17 June 2026, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time
"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, the lawful currency of the PRC
"Share(s)"	the ordinary share(s) with a nominal value of RMB1.00 each in the share capital of the Company, comprising Domestic Share(s) and H Share(s)
"Shareholder(s)"	the holder(s) of Share(s)
"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



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: 2560)

Executive Directors
Mr. Chen Feng *(General Manager and Chief Executive Officer)*
Mr. Bai Lin

Non-executive Directors
Mr. Ding Feng *(Chairman of the Board)*
Mr. Feng Fangbo *(Vice-Chairman of the Board)*
Mr. Zhao Hongyi *(Vice-Chairman of the Board)*
Mr. Jin Feng
Mr. Fan Haibin

Independent non-executive Directors
Mr. Li Jiang
Mr. Chen Jiemiao
Ms. Xu Xu
Ms. Zeng Xiangfei

Headquarter and Principal Place of Business in the PRC
No. 1-301, G Zone, Jiangbei New District Construction Headquarters
150 Meters South of Tongjiang Avenue
Wanjiang Jiangbei Emerging Industry Concentration Zone
(except the Trusteeship Area)
Wuhu City, Anhui Province
China

Principal Place of Business in Hong Kong
Room 1920, 19/F
Lee Garden One, 33 Hysan Avenue
Causeway Bay, Hong Kong

Anhui Province, the People's Republic of China
18 June 2026

To the Shareholders

Dear Sir/Madam,

REVISION OF THE ANNUAL CAP UNDER THE CONCH CEMENT CEMENT ADMIXTURES SUPPLY AGREEMENT; AND NOTICE OF EXTRAORDINARY GENERAL MEETING

INTRODUCTION

The purpose of this circular is to provide you with the notice of the EGM and to provide you with all information reasonably necessary, to enable you to make informed decisions on whether to vote for, against or abstain for the following proposed resolutions on the EGM.

Reference is made to the circular of the Company dated 15 December 2025. 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 of the Company dated 15 December 2025.

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 supplier 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. Specifically, the relevant operational staff of the Company and Conch Cement Group will jointly calculate and confirm the price adjustment in accordance with the terms of the Supplemental Agreement to ensure the authenticity and accuracy of the data. The monthly written confirmation of price adjustment will be properly retained by both parties.

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. The transaction amount of the period from 1 January 2026 to the Latest Practicable Date did not exceed the Existing Annual Cap, and it is expected that the transaction amount for the period from 1 January 2026 to the date of EGM will not exceed the Existing Annual Cap.

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 (in volume) 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), including the independent non-executive Directors who have formed 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 Latest Practicable Date, Conch Cement is owned as to 37.40% 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 Latest Practicable Date, 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.

EGM

The EGM will be held at the Conference Room 206, Building B, No. 8 Fuzhou Road, Jiujiang District, Wuhu City, Anhui Province, the PRC at 10 a.m. on Tuesday, 7 July 2026. The notice of the EGM is set out on pages 36 to 38 of this circular.

Shareholders who intend to attend the EGM by proxy are required to complete and return the accompanying proxy form, in accordance with the instructions printed thereon as soon as possible. For the proxy forms to be valid, they must be deposited with the H Share Registrar of the Company, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong (in respect of H Shareholders), or the office of the Board, at No. 1-301, G Zone, Jiangbei New District Construction Headquarters, 150 Meters South of Tongjiang Avenue, Wanjiang Jiangbei Emerging Industry Concentration Zone (except the Trusteeship Area), Wuhu City, Anhui Province, China (in respect of Domestic Shareholders), not later than 24 hours before the time fixed for holding the EGM or any adjournment thereof (as the case may be), that is, before 10 a.m. on Monday, 6 July 2026. After completing and returning the proxy form, you may still attend the EGM and vote in person.

CLOSURE OF REGISTER OF MEMBERS

In order to determine the qualification of Shareholders to attend and vote at the EGM, the register of members of the Company will be closed from Thursday, 2 July 2026 to Tuesday, 7 July 2026, during which period no transfer of Shares will be registered. In order for Shareholders to be eligible to attend and vote at the EGM, all completed share transfer forms together with the relevant share certificates shall be lodged with the H Share Registrar of the Company, Tricor Investor Services Limited, at 17/ F, Far East Finance Centre, 16 Harcourt Road, Hong Kong (in respect of Shareholders of H shares), or the office of the Board of the Company, at No. 1-301, G Zone, Jiangbei New District Construction Headquarters, 150 Meters South of Tongjiang Avenue, Wanjiang Jiangbei Emerging Industry Concentration Zone (except the Trusteeship Area), Wuhu City, Anhui Province, China (in respect of Shareholders of domestic shares) for registration not later than 4:30 p.m. Tuesday, 30 June 2026. Shareholders whose names are listed on the register of members of the Company on Tuesday, 7 July 2026 are entitled to attend and vote at the EGM.

VOTING BY POLL

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of Shareholders at the EGM must be taken by poll.

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. To the best knowledge, information and belief of the Directors after having made all reasonable enquiries, as at the Latest Practicable Date, Conch Tech Innovation and its associates were interested in, in aggregate, 211,470,000 Shares (comprising 198,470,000 Domestic Shares and 13,000,000 H Shares), representing approximately 36.47% of the issued share capital of the Company.

Save as disclosed above, to the best knowledge, information and belief of the Directors after having made all reasonable enquiries, as at the Latest Practicable Date, no Shareholder is required to abstain from voting on the resolution to be proposed at the EGM.

RESPONSIBILITY STATEMENT

This circular, for the information contained in which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make this circular or any statement herein misleading.

RECOMMENDATIONS

The Directors are of the view that the resolution proposed for consideration and approval by the Shareholders at the EGM is in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the resolution as set out in the notice of the EGM.

Your attention is drawn to (i) the letter from the Independent Board Committee containing its recommendations to the Independent Shareholders on the terms of the Supplemental Agreement and the Revised Annual Cap; and (ii) the letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders containing its advice in respect of the fairness and reasonableness on the terms of the Supplemental Agreement and the Revised Annual Cap. The Directors and the Independent Board Committee are of the view that the Supplemental Agreement was entered into on normal commercial terms or better and in the ordinary and usual course of business of the Group, and the terms of the Supplemental Agreement and the Revised Annual Cap are fair and reasonable and are in the interest of the Company and the

Shareholders as a whole. Accordingly, the Directors and the Independent Board Committee recommend the Independent Shareholders to vote in favour of the relevant resolution to be proposed at the EGM.

By order of the Board
Anhui Conch Material Technology Co., Ltd.
Ding Feng
Chairman of the Board and Non-executive Director

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: 2560)

18 June 2026

To the Independent Shareholders

Dear Sir or Madam,

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

We refer to the circular dated 18 June 2026 (the "**Circular**") of which this letter forms part. Terms used in this letter shall have the same meanings as defined in the Circular unless the context otherwise requires.

We have been appointed by the Board as the Independent Board Committee to consider and advise you as to whether, in our opinion, the terms of the Supplemental Agreement and the Revised Annual Cap are fair and reasonable so far as the Independent Shareholders are concerned. Gram Capital has been appointed by the Board as the Independent Financial Adviser to advise the Independent Board Committee and Independent Shareholders on the fairness and reasonableness of the terms of the Supplemental Agreement and the Revised Annual Cap. Details of the advice from the Independent Financial Adviser, together with the principal factors taken into consideration in arriving at such advice, are set out on pages 16 to 27 of the Circular.

Your attention is also drawn to the letter from the Board set out on pages 4 to 13 of the Circular and the additional information set out in Appendix I of this circular.

Having considered (i) the terms of the Supplemental Agreement; (ii) the discussion with the management of the Company about the background to and nature of the continuing connected transactions under the Conch Cement Cement Admixtures Supply Agreement with Conch Cement Group; (iii) the reasons for the Revised Annual Cap and the basis upon which the Revised Annual Cap has been determined; (iv) the business and financial effects of the continuing connected transactions under the Conch Cement Cement Admixtures Supply Agreement with Conch Cement Group to the Group; and (v) the interests of the Independent Shareholders and the advice given by

the Independent Financial Adviser and the principal factors and reasons taken into consideration by them in arriving at their advice, we are of the view that the Supplemental Agreement was entered into on normal commercial terms or better and in the ordinary and usual course of business of the Group, and the terms of the Supplemental Agreement and the Revised Annual Cap are fair and reasonable and are in the interest of the Company and the Shareholders as a whole.

Yours faithfully,
For and on behalf of
the Independent Board Committee of
Anhui Conch Material Technology Co., Ltd.
Mr. Li Jiang, Mr. Chen Jiemiao, Ms. Xu Xu and Ms. Zeng Xiangfei
Independent Non-executive Directors

Set out below is the text of a letter received from Gram Capital, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Supplemental Agreement for the purpose of inclusion in this circular.

Gram Capital Limited
嘉林資本有限公司

Room 1209, 12/F.
Nan Fung Tower
88 Connaught Road Central/
173 Des Voeux Road Central
Hong Kong

18 June 2026

To: The independent board committee and the independent shareholders of Anhui Conch Material Technology Co., Ltd.

Dear Sirs,

REVISION OF ANNUAL CAP OF EXISTING CONTINUING CONNECTED TRANSACTION

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Revised Annual Cap, details of which are set out in the letter from the Board (the "**Board Letter**") contained in the circular dated 18 June 2026 issued by the Company to the Shareholders (the "**Circular**"), of which this letter forms part. Terms used in this letter shall have the same meanings as defined in the Circular unless the context requires otherwise.

On 27 November 2025, the Company entered into the Conch Cement Cement Admixtures Supply Agreement with Conch Cement, in relation to the supply of cement admixture products to the Conch Cement Group by the Group for the year ending 31 December 2026 ("**FY2026**"). 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 FY2026 from RMB700 million to RMB780 million.

With reference to the Board Letter, the transactions contemplated under the Conch Cement Cement Admixtures Supply Agreement and the Supplemental Agreement (the "**Transaction**") constitute continuing connected transactions for the Company under Chapter 14A of the Listing

Rules, 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.

The Independent Board Committee comprising Mr. Li Jiang, Mr. Chen Jiemiao, Ms. Xu Xu and Ms. Zeng Xiangfei (all being independent non-executive Directors) has been established to advise the Independent Shareholders on (i) whether the Supplemental Agreement was entered into in the ordinary and usual course of business of the Group and on normal commercial terms; (ii) whether the terms of the Supplemental Agreement and the transactions contemplated thereunder (including the Revised Annual Cap) are fair and reasonable and in the interests of the Company and the Shareholders as a whole; and (iii) how the Independent Shareholders should vote in respect of the resolution to approve the Supplemental Agreement and the transactions contemplated thereunder (including the Revised Annual Cap) at the EGM. We, Gram Capital Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this respect.

INDEPENDENCE

During the past two years immediately preceding the Latest Practicable Date, Gram Capital was engaged as the independent financial adviser to the independent board committee and independent shareholders of the Company in relation to the Company's continuing connected transactions as set out in the Company's circular dated 15 December 2025 (the "**IFA Engagement**"). Save for the IFA Engagement, there was no other service provided by Gram Capital to the Company relating to any transaction of the Company with executed agreement during the past two years immediately preceding the Latest Practicable Date.

Notwithstanding the IFA Engagement, as at the Latest Practicable Date, we were not aware of any relationships or interests between Gram Capital and the Company, or any other parties that could be reasonably regarded as hindrance to Gram Capital's independence to act as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders.

Besides, apart from the advisory fee payable to us in connection with this engagement as the Independent Financial Adviser, there is no arrangement whereby we shall be entitled to receive any other fees or benefits from the Company, the Company's connected persons or any of their respective associates.

BASIS OF OUR OPINION

In formulating our opinion to the Independent Board Committee and the Independent Shareholders, we have relied on the statements, information, opinions and representations contained or referred to in the Circular and the information and representations as provided to us by the Directors. We have assumed that all information and representations that have been provided by the Directors, for which they are solely and wholly responsible, are true and accurate at the time when they were made and continue to be so as at the Latest Practicable Date. We have also assumed that all statements of belief, opinion, expectation and intention made by the Directors in the Circular were reasonably made after due enquiry and careful consideration. We have no reason to suspect that any material facts or information have been withheld or to doubt the truth, accuracy and completeness of the information and facts contained in the Circular, or the reasonableness of the opinions expressed by the Company, its advisers and/or the Directors, which have been provided to us. Our opinion is based on the Directors' representation and confirmation that there is no undisclosed private agreement/arrangement or implied understanding with anyone concerning the Supplemental Agreement. We consider that we have taken sufficient and necessary steps on which to form a reasonable basis and an informed view for our opinion in compliance with Rule 13.80 of the Listing Rules.

The Circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in the Circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or the Circular misleading. We, as the Independent Financial Adviser, take no responsibility for the contents of any part of the Circular, save and except for this letter of advice.

We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, conducted any independent in-depth investigation into the business and affairs of the Company, Conch Cement or their respective subsidiaries or associates, nor have we considered the taxation implication on the Group or the Shareholders as a result of entering into of the Supplemental Agreement. Our opinion is necessarily based on the financial, economic, market and other conditions in effect and the information made available to us as at the Latest Practicable Date. Shareholders should note that subsequent developments (including any material change in market and economic conditions) may affect and/or change our opinion and we have no obligation to update this opinion to take into account events occurring after the Latest Practicable Date or to update, revise or reaffirm our opinion. In addition, nothing contained in this letter should be construed as a recommendation to hold, sell or buy any Shares or any other securities of the Company.

Lastly, where information in this letter has been extracted from published or otherwise publicly available sources, it is the responsibility of Gram Capital to ensure that such information has been correctly extracted from the relevant sources while we are not obligated to conduct any independent in-depth investigation into the accuracy and completeness of those information.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion in respect of the Supplemental Agreement and the transactions contemplated thereunder, we have taken into consideration the following principal factors and reasons:

1. Background of and reasons for entering into the Supplemental Agreement

Information on the Group

With reference to the Board Letter, the Group is a fine chemical materials supplier which produces and sells cement admixture, concrete admixture and their respective upstream raw materials.

Set out below are the Group's audited consolidated financial information for the two years ended 31 December 2025 as extracted from the Company's annual report for the year ended 31 December 2025 (the "**2025 Annual Report**"):

	For the year ended 31 December 2025 ("FY2025")	**For the year ended 31 December 2024 ("FY2024")**	**Year-on-year change**
	RMB'000	*RMB'000*	*%*
Revenue	2,314,260	2,384,149	(2.93)
– *Cement admixture and in-process intermediaries*	1,126,887	1,256,135	(10.29)
– *Concrete admixture and in-process intermediaries*	1,181,661	1,124,194	5.11
– *Others*	5,712	3,820	49.53
Gross profit	420,172	459,680	(8.59)
Profit attributable to equity shareholders of the Company	109,371	125,637	(12.95)

As depicted from the above table, there was a slight decrease of approximately 2.93% in the Group's revenue from FY2024 to FY2025. With reference to the 2025 Annual Report, such decrease was mainly attributable to reduction in total cement consumption, which impacted downstream product pricing and sales volume. Alongside with the aforesaid decrease in Group's revenue, the Group's gross profit and profit for attributable to equity shareholders of the Company also decreased by approximately 8.59% and 12.95% respectively from FY2024 to FY2025.

With reference to the 2025 Annual Report, the Group will closely align with the Company's "15th Five-Year" Plan and various work arrangements, take "driving revenue growth and enhancing profitability" as the core focus, and adopt a multi-pronged approach to promote the high-quality development of its business. In the domestic market, the Group will closely monitor the implementation of relevant national policies and investment projects, focus on key domestic economic circles such as Xinjiang, the Pearl River Delta, the Beijing-Tianjin-Hebei region, and the Chengdu-Chongqing area, while deepening its presence in core markets around existing factories to build scalable sales pillars.

Information on Conch Cement

With reference to the Board Letter, 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 Latest Practicable Date, 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.

Reasons for and benefits of entering into of the Supplemental Agreement and the Revised Annual Cap

With reference to the Board Letter:

(i) 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.

(ii) 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 (including the outbreak of the Iran War in February 2026), 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.

Pursuant to the Supplemental Agreement, the unit prices of cement admixture products under the Conch Cement Cement Admixtures Supply Agreement will be adjusted according to formulae based on the costs of two key raw materials (the "**Key Materials**") with reference to SCI Price Center data (the "**Formulae**"). Upon our enquiry, the Company advised us that (i) the costs of the Key Materials account for significant proportion of raw material costs for the production of cement admixture products; and (ii) the costs of the Key Materials are strongly correlated to crude oil price as they are direct downstream derivatives of petroleum cracking. As fair market prices of the Key Materials increased due to force majeure factors of international geopolitical conflicts, it is in the interest of the Group to incorporate a price adjustment mechanism linked to the costs of the Key Materials for the Transaction.

Based on the current prices of the Key Materials, the Company expects the sale prices of cement admixture products to increase according to the Formulae. Accordingly, it is necessary to revise the Existing Annual Cap.

Given the above, we are of the view that the Supplemental Agreement was entered into under the ordinary and usual course of business of the Group and is in the interests of the Company and the Shareholders as a whole.

2. Principal terms of the Supplemental Agreement

The tables below summarise the major terms of the Supplemental Agreement (details of which are set out in the Board Letter):

Date:	7 May 2026
Parties:	The Company and Conch Cement
Subject matter:	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.

Pricing policies

With reference to the Board Letter:

(i) 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.

(ii) 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.

(iii) 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 supplier 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.

(iv) 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.

As aforementioned, the unit prices of cement admixture products under the Conch Cement Cement Admixtures Supply Agreement will be adjusted according to the Formulae as set out in the Supplemental Agreement. As fair market prices of the Key Materials increased due to force majeure factors of international geopolitical conflicts, it is in the interest of the Group to incorporate a price adjustment mechanism linked to the costs of the Key Materials for the Transaction. We noted from the Supplemental Agreement and confirmed with the Directors that the key parameters of the Formulae include: (i) coefficients determined with reference to proportions of the Key Materials used in production of cement admixtures products; and (ii) prices of the Key Materials with reference to SCI Price Center data.

As aforementioned, the costs of the Key Materials are strongly correlated to crude oil price as they are direct downstream derivatives of petroleum cracking. Set out below are the crude oil price quoted on the Shanghai International Energy Exchange as extracted from Wind financial terminal from December 2025 to April 2026:

	As at the end of				
	December 2025	**January 2026**	**February 2026**	**March 2026**	**April 2026**
Closing price per barrel (RMB)	442.1	479.8	493.1	742.8	695.7
Changes		8.53%	2.77%	50.64%	(6.34)%

Sources: Wind financial terminal

As depicted from the above table, the crude oil price quoted on the Shanghai International Energy Exchange increased by approximately 68% from RMB442.1 per barrel as at the end of December 2025 to RMB742.8 per barrel as at the end of March 2026 (after the outbreak of the Iran War in February 2026). Despite a slight retreat from March 2026 to April 2026, the crude oil price quoted on the Shanghai International Energy Exchange as at the end of April 2026 still represented a significant increase of approximately 57% as compared to that as at the end of December 2025. Furthermore, we also noted from the information provided by the Company that prices of the two Key Materials in December 2025 and April 2026 as extracted from the SCI Price Center increased by approximately 53% and 75% respectively.

Based on the above, we consider that the pricing terms of the Transaction as adjusted by the Supplemental Agreement to be on normal commercial term, fair and reasonable.

With reference to the 2025 Annual Report, the independent non-executive Directors confirmed that (i) the Group's continuing connected transactions (including the Transaction) for FY2025 had been entered into in the ordinary and usual course of business of the Group, and were entered into on normal commercial terms or better and on an arm's length basis. Such transactions (including the Transaction) were conducted in accordance with relevant agreements, and the terms thereof are fair and reasonable to the Group and in the interests of the Shareholders as a whole, and did not exceed the caps (if any) disclosed in the previous announcements. Furthermore, the independent external auditor of the Company also confirmed that: Nothing had come to their attention that caused them to believe that the Group's continuing connected transactions (including the Transaction) for FY2025 (i) had not been approved by the Board; (ii) were not conducted, in all material aspects, in accordance with the pricing policies of the Group if the continuing

connected transactions involve the provision of goods or services by the Group; (iii) were not conducted, in all material aspects, in accordance with the relevant agreement governing the continuing connected transactions; and (iv) had exceeded the caps. Given the above, we do not doubt the efficiency of the Company's internal control measures in relation to the pricing and annual cap of the Transaction.

Revised Annual Cap

With reference to the Board Letter, for the four months ended 30 April 2026, the historical amount of the Transaction (tax inclusive) amounted to approximately RMB167 million. The Existing Annual Cap for FY2026 under the Conch Cement Cement Admixtures Supply Agreement is RMB700 million, which was determined by the Company according to the then estimated amount of Transaction with a buffer of approximately 3%.

As advised by the Directors, the expected increase unit prices of cement admixture products under the Conch Cement Cement Admixtures Supply Agreement will lead to increase in amount of the Transaction. Accordingly, it is necessary to revise the Existing Annual Cap. The Revised Annual Cap of RMB780 million was determined with reference to the factors as set out under the section headed "Basis of determination and reasons for the revised annual cap" of the Board Letter (including (i) historical amount of the Transaction for the four months ended 30 April 2026; (ii) no material change in total demand (in volume) of the cement admixtures for FY2026; (iii) expected increases in unit prices of cement admixture products; and (iv) a buffer of less than 10% (which is the same with the Existing Annual Cap)). The Revised Annual Cap represents an increase of approximately 11% as compared to the Existing Annual Cap (the "**Cap Increase**").

To assess the fairness and reasonableness of the Revised Annual Cap of RMB780 million, we obtained from the Company:

(i) the historical volume (cement admixture products) of the Transaction corresponding to the historical amount of the Transaction for the four months ended 30 April 2026, together with the expected volume of the Transaction for the remaining months of FY2026;

(ii) prices of the Key Materials in December 2025 and April 2026 as extracted from the SCI Price Center; and

(iii) the calculation of adjusted unit prices of cement admixture products under the Conch Cement Cement Admixtures Supply Agreement by adopting (a) the Formulae; and (b) the differences between prices of the Key Materials in December 2025 and April 2026 (which are the key parameters under the Formulae).

Based on item (i) above, we noted that the expected volume (cement admixture products) of the Transaction for FY2026 is the same with the expected volume that the Company formulated the Existing Annual Cap with (i.e. there is no material change in total demand (in volume) of the cement admixtures for FY2026).

Based on items (ii) & (iii) above, the adjusted unit prices of cement admixture products under the Conch Cement Cement Admixtures Supply Agreement increased by approximately 13% to approximately 18% as compared to the original prices.

With (a) the same underlying expected volume for FY2026 and buffer for the Existing Annual Cap and the Revised Annual Cap; and (b) the expected increase in adjusted unit prices of cement admixture products as illustrated above, we consider the Cap Increase of approximately 11% to be a prudent estimate and we are of the view that the Revised Annual Cap is fair and reasonable.

Shareholders should note that as the Revised Annual Cap for FY2026 is relating to future events and were estimated based on assumptions which may or may not remain valid for the entire period up to 31 December 2026, and they do not represent forecasts of revenue to be generated from the Transaction. Consequently, we express no opinion as to how closely the actual revenue to be generated from the Transaction will correspond with the Revised Annual Cap.

Having considered the pricing of the Supplemental Agreement and Revised Annual Cap for FY2026 as aforementioned, we are of the view that the terms of the Supplemental Agreement (including the Revised Annual Cap) are on normal commercial terms and are fair and reasonable.

3. Listing Rules requirements

The Directors confirmed that the Company shall comply with the requirements of Rules 14A.53 to 14A.59 of the Listing Rules pursuant to which (i) the value of the Transaction must be restricted by the Revised Annual Cap; (ii) the terms of the Transaction must be reviewed by the independent non-executive Directors annually; and (iii) details of independent non-executive Directors' annual review on the terms of the Transaction must be included in the Company's subsequent published annual reports and financial accounts. Furthermore, it is also required by the Listing Rules that the auditors of the Company must provide a letter to the Board confirming, among other things, whether anything has come to their attention that causes them to believe that the Transaction (i) has not been approved by the Board; (ii) was not, in all material respects, in accordance with the pricing policies of the Group; (iii) was not entered into, in all material respects, in accordance with the relevant agreement governing the Transaction; and (iv) has exceeded the Revised Annual Cap. In the event that the amount of the Transaction is expected to exceed the Revised Annual Cap, or that there is any material amendment to the terms of the Conch

Cement Cement Admixtures Supply Agreement and the Supplemental Agreement, as confirmed by the Directors, the Company shall comply with the applicable provisions of the Listing Rules governing continuing connected transactions.

Given the above stipulated requirements for continuing connected transactions pursuant to the Listing Rules, we are of the view that there are adequate measures in place to monitor the Transaction and thus the interest of the Independent Shareholders would be safeguarded.

RECOMMENDATION

Having taken into consideration the factors and reasons as stated above, we are of the opinion that (i) the terms of the Supplemental Agreement (including Revised Annual Cap) are on normal commercial terms and are fair and reasonable; and (ii) the Transaction is conducted in the ordinary and usual course of business of the Company and in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders to vote in favour of the resolutions to be proposed at the EGM to approve the Supplemental Agreement and the transactions contemplated thereunder and we recommend the Independent Shareholders to vote in favour of the resolutions in this regard.

Yours faithfully,
For and on behalf of
Gram Capital Limited
Graham Lam
Managing Director

Note: Mr. Graham Lam is a licensed person registered with the Securities and Futures Commission and a responsible officer of Gram Capital Limited to carry out Type 6 (advising on corporate finance) regulated activity under the SFO. He has over 30 years of experience in investment banking industry.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURES OF INTERESTS

(i) Interests and Short Positions of Substantial Shareholders

As at the Latest Practicable Date, to the best knowledge of the Directors, the following persons (other than a Director or chief executive of the Company) had interests or short positions in the Shares or underlying Shares which fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or recorded in the register required to be kept by the Company under Section 336 of the SFO:

Name	Capacity/Nature of interest	Class of Shares[1]	Number of Shares held[1]	Approximate percentage of shareholding in the class of Shares in issue [1] *(%)*	Approximate percentage of shareholding in Shares in issue[1] *(%)*
Conch Tech Innovation[2]	Beneficial owner	Domestic Shares	198,470,000 (L)	50.31	34.23
	Beneficial owner	H Shares	13,000,000 (L)	7.01	2.24
Conch Holdings[2]	Interest in controlled corporation	Domestic Shares	198,470,000 (L)	50.31	34.23
	Interest in controlled corporation	H Shares	13,000,000 (L)	7.01	2.24

Name	Capacity/Nature of interest	Class of Shares[1]	Number of Shares held[1]	Approximate percentage of shareholding in the class of Shares in issue [1] *(%)*	Approximate percentage of shareholding in Shares in issue[1] *(%)*
Anhui Provincial Investment Group Holding Co., Ltd. (安徽省投資集團控股有限公司) ("**Anhui Investment Group**")[2]	Interest in controlled corporation	Domestic Shares	198,470,000 (L)	50.31	34.23
	Interest in controlled corporation	H Shares	13,000,000 (L)	7.01	2.24
Wuhu Conch Venture Industrial Company Limited (蕪湖海創實業有限責任公司) ("**Wuhu Conch Venture**")[2]	Interest in controlled corporation	Domestic Shares	198,470,000 (L)	50.31	34.23
	Interest in controlled corporation	H Shares	13,000,000 (L)	7.01	2.24
China Conch Venture Holdings Limited (中國海螺創業控股有限公司) ("**Conch Venture**")[2]	Interest in controlled corporation	Domestic Shares	198,470,000 (L)	50.31	34.23
	Interest in controlled corporation	H Shares	13,000,000 (L)	7.01	2.24
Hubei Xintongling Equity Investment Co., Ltd. (湖北鑫統領股權投資有限公司) ("**Hubei Xintongling**")[3]	Beneficial owner	Domestic Shares	96,101,600 (L)	24.36	16.57
	Beneficial owner	H Shares	8,698,400 (L)	4.69	1.50
Mr. Ming Jinlong (明金龍) [3]	Interest in controlled corporation	Domestic Shares	96,101,600 (L)	24.36	16.57

Name	Capacity/Nature of interest	Class of Shares[1]	Number of Shares held[1]	Approximate percentage of shareholding in the class of Shares in issue [1] *(%)*	Approximate percentage of shareholding in Shares in issue[1] *(%)*
	Interest in controlled corporation	H Shares	8,698,400 (L)	4.69	1.50
Ms. Li Yang (李楊) [4]	Interest of Spouse	Domestic Shares	96,101,600 (L)	24.36	16.57
	Interest of Spouse	H Shares	8,698,400 (L)	4.69	1.50
Ms. Feng Li (馮莉) [5]	Interest of Spouse	Domestic Shares	96,101,600 (L)	24.36	16.57
	Interest of Spouse	H Shares	8,698,400 (L)	4.69	1.50
Linyi Haihong New Material Technology Co., Ltd. (臨沂海宏新型材料科技有限公司) ("**Linyi Haihong**")[6]	Beneficial owner	Domestic Shares	64,661,600 (L)	16.39	11.15
	Beneficial owner	H Shares	8,698,400 (L)	4.69	1.50
Ms. Han Lili (韓麗利) [7]	Interest of Spouse	Domestic Shares	64,661,600 (L)	16.39	11.15
	Interest of Spouse	H Shares	8,698,400 (L)	4.69	1.50
Wuhu Artec Biotechnology Co., Ltd. (蕪湖阿泰克生物科技有限公司)	Beneficial owner	H Shares	17,675,000 (L)	9.53	3.05

Name	Capacity/Nature of interest	Class of Shares[1]	Number of Shares held[1]	Approximate percentage of shareholding in the class of Shares in issue [1] *(%)*	Approximate percentage of shareholding in Shares in issue[1] *(%)*
Shenzhen Gaodeng Computer Technology Co., Ltd. (深圳高燈計算機科技有限公司)	Beneficial owner	H Shares	20,351,000 (L)	10.98	3.51
Anhui Shengchang Chemical Co., Ltd. (安徽盛昌化工有限公司)	Beneficial owner	H Shares	23,342,000 (L)	12.59	4.03
Gotion High-tech Co., Ltd. (國軒高科股份有限公司)	Beneficial owner	H Shares	17,543,000 (L)	9.46	3.03
SCGC Capital Holding Company Limited	Beneficial owner	H Shares	15,703,000 (L)	8.47	2.71

Notes:

(1) As at the Latest Practicable Date, the total number of issued Shares of the Company was 579,894,000 Shares, comprising 394,523,200 Domestic Shares and 185,370,800 H Shares. The letter (L) refers to long position in the Shares.

(2) Conch Tech Innovation was wholly-owned by Conch Holdings, which was in turn held as to 51% by Anhui Investment Group and 49% by Wuhu Conch Venture, an independent third party. Anhui Investment Group was wholly-owned by the State-owned Assets Supervision and Administration Commission of the People's Government of Anhui Province (安徽省人民政府國有資產監督管理委員會), while Wuhu Conch Venture was wholly-owned by Conch Venture (the shares of which are listed on the Main Board of the Stock Exchange (stock code: 586)). By virtue of the SFO, Conch Holdings, Anhui Investment Group, Wuhu Conch Venture and Conch Venture are deemed to be interested in the Shares held by Conch Tech Innovation.

(3) Hubei Xintongling was owned as to 60% by Mr. Feng Fangbo (馮方波), a non-executive Director, and 40% by Mr. Ming Jinlong. By virtue of the SFO, Mr. Feng Fangbo and Mr. Ming Jinlong are deemed to be interested in the Shares held by Hubei Xintongling.

(4) Ms. Li Yang is the spouse of Mr. Feng Fangbo, a non-executive Director. By virtue of the SFO, Ms. Li Yang is deemed to be interested in the Shares in which Mr. Feng Fangbo is interested.

(5) Ms. Feng Li is the spouse of Mr. Ming Jinlong. By virtue of the SFO, Ms. Feng Li is deemed to be interested in the Shares in which Mr. Ming Jinlong is interested.

(6) Linyi Haihong was owned as to 88% by Mr. Zhao Hongyi (趙洪義), a non-executive Director, and 12% by Mr. Chen Jun (陳軍). By virtue of the SFO, Mr. Zhao Hongyi is deemed to be interested in the Shares held by Linyi Haihong.

(7) Ms. Han Lili is the spouse of Mr. Zhao Hongyi, a non-executive Director. By virtue of the SFO, Ms. Han Lili is deemed to be interested in the Shares in which Mr. Zhao Hongyi is interested.

Save as disclosed above, as at the Latest Practicable Date, the Directors were not aware of any other persons, other than the Directors and the chief executives of the Company, who had interests or short positions in the Shares or underlying Shares which fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or recorded in the register required to be kept by the Company under Section 336 of the SFO.

(ii) Interests and Short Position of Each of the Directors and Chief Executives in Shares, Underlying Shares and Debentures

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company under Section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

Name	Position	Capacity/Nature of interest	Class of Shares[1]	Number of Shares held[1]	Approximate percentage of shareholding in the class of Shares in issue [1] *(%)*	Approximate percentage of shareholding in Shares in issue [1] *(%)*
Mr. Feng Fangbo[2]	Non-executive Director	Interest in controlled corporations	Domestic Shares	96,101,600 (L)	24.36	16.57
		Interest in controlled corporations	H Shares	8,698,400 (L)	4.69	1.50

Name	Position	Capacity/Nature of interest	Class of Shares[1]	Number of Shares held[1]	Approximate percentage of shareholding in the class of Shares in issue [1] *(%)*	Approximate percentage of shareholding in Shares in issue [1] *(%)*
Mr. Zhao Hongyi[3]	Non-executive Director	Interest in controlled corporations	Domestic Shares	64,661,600 (L)	16.39	11.15
		Interest in controlled corporations	H Shares	8,698,400 (L)	4.69	1.50

Notes:

(1) As at the Latest Practicable Date, the total number of issued Shares of the Company was 579,894,000 Shares, comprising 394,523,200 Domestic Shares and 185,370,800 H Shares. The letter (L) refers to long position in the Shares.

(2) Hubei Xintongling was owned as to 60% by Mr. Feng Fangbo and 40% by Mr. Ming Jinlong. By virtue of the SFO, Mr. Feng Fangbo is deemed to be interested in the Shares held by Hubei Xintongling.

(3) Linyi Haihong was owned as to 88% by Mr. Zhao Hongyi and 12% by Mr. Chen Jun. By virtue of the SFO, Mr. Zhao Hongyi is deemed to be interested in the Shares held by Linyi Haihong.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or the chief executives of the Company had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) that was required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have taken under such provisions of the SFO), or required to be recorded in the register required to be kept by the Company under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

3. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered or was proposing to enter into any service contracts with any member of the Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation other than statutory compensation).

4. DIRECTORS' EMPLOYMENT WITH SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, to the knowledge of the Board, none of the Directors is a director or employee of a company which has an interest in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

5. COMPETING INTERESTS OF DIRECTORS

As at the Latest Practicable Date, so far as the Directors were aware, none of the Directors or their respective close associates had interest in any business which competed or was likely to compete, either directly or indirectly, with the business of the Group.

6. DIRECTORS' INTEREST IN ASSETS

Since 31 December 2025, being the date to which the latest published audited accounts of the Company were made up, until the Latest Practicable Date, none of the Directors or proposed Directors and their respective associates had or had proposed to acquire or dispose or lease any interest, direct or indirect, in any assets to any member of the Group.

7. DIRECTORS' INTEREST IN CONTRACTS

As at the Latest Practicable Date, there were no contract or arrangement subsisting in which a Director was materially interested and which was significant in relation to the business of the Group.

8. EXPERT AND CONSENT

The following is the qualification of the expert who has given opinion or advice, which is contained in this circular:

Name	Qualification
Gram Capital	A licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the SFO

Gram Capital has given and has not withdrawn his written consent to the issue of the listing document with the expert's statement included in the form and context in which it is included.

As at the Latest Practicable Date, Gram Capital was not beneficially interested in the share capital in any member of the Group nor did it have any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities of any member of the Group.

As at the Latest Practicable Date, Gram Capital was not interested, directly or indirectly, in any assets which had since 31 December 2025 (being the date to which the latest published audited accounts of the Company were made up) been acquired or disposed of by or leased to any member of the Group or which were proposed to be acquired or disposed of by or leased to any member of the Group.

9. MATERIAL ADVERSE CHANGE

The Directors confirm that, as at the Latest Practicable Date, there were no material adverse changes in the financial or trading positions of the Company since 31 December 2025, the date to which the latest published audited financial statements of the Company were made up.

10. DOCUMENTS ON DISPLAY

Copy(ies) of the following document will be published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.conchmst.com) during the period of 14 days from the date of this circular:

(a) the Conch Cement Cement Admixtures Supply Agreement; and

(b) the Supplemental Agreement.

11. MISCELLANEOUS

(a) The registered office of the Company is situated at No. 1-301, Zone G, Jiangbei New Area Construction Headquarters in Tongjiang Avenue, Wuhu, Anhui Province.

(b) The joint company secretaries of the Company are Mr. Sun Huadong and Ms. Chan Hei.

(c) The principal place of business in Hong Kong is situated at Room 1920, 19/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong.

12. LANGUAGE

In the event of inconsistency, the English text of this circular will prevail over the Chinese text.

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: 2560)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT extraordinary general meeting (the "**EGM**") of Anhui Conch Material Technology Co., Ltd. (the "**Company**") will be held at the Conference Room 206, Building B, No. 8 Fuzhou Road, Jiujiang District, Wuhu City, Anhui Province, the People's Republic of China (the "**PRC**") at 10 a.m. on Tuesday, 7 July 2026 for the purpose of considering and, if thought fit, approving the following resolution. Unless the context otherwise requires, terms used in this notice shall have the same meanings as those defined in the circular of the Company dated 18 June 2026.

ORDINARY RESOLUTION

1. To consider and approve the Supplemental Agreement with Conch Cement to revise the existing annual cap under the Conch Cement Cement Admixtures Supply Agreement to RMB780 million.

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
18 June 2026

Notes:

1. CLOSURE OF REGISTER OF MEMBERS

In order to determine the qualification of Shareholders to attend and vote at the EGM, the register of members of the Company will be closed from Thursday, 2 July 2026 to Tuesday, 7 July 2026, during which period no transfer of Shares will be registered. In order for Shareholders to be eligible to attend and vote at the EGM, all completed share transfer forms together with the relevant share certificates shall be lodged with the H Share Registrar of the Company, Tricor Investor Services Limited, at 17/ F, Far East Finance Centre, 16 Harcourt Road, Hong Kong (in respect of Shareholders of H shares), or the office of the Board of the Company, at No. 1-301, G Zone, Jiangbei New District Construction Headquarters, 150 Meters South of Tongjiang Avenue, Wanjiang Jiangbei Emerging Industry Concentration Zone (except the Trusteeship Area), Wuhu City, Anhui Province, China (in respect of Shareholders of domestic shares) for registration not later than 4:30 p.m. Tuesday, 30 June 2026. Shareholders whose names are listed on the register of members of the Company on Tuesday, 7 July 2026 are entitled to attend and vote at the EGM.

2. APPOINTMENT OF PROXY

Any Shareholder entitled to attend and vote at the EGM is entitled to appoint one or more proxies to attend and vote at the meeting on him/her behalf. A proxy need not be a Shareholder of the Company.

The proxy form shall be in writing and signed by the Shareholder or his/her attorney duly authorized in writing or, if the Shareholder is a corporate body, either executed under its common seal or signed by its legal representative, director or duly authorized attorney. If the proxy form is signed by the attorney of the Shareholder, the power of attorney or other authorization document authorizing the attorney to sign the proxy form must be notarized.

In order to be valid, the proxy form together with the notarized power of attorney or other authorization document (if any) should be lodged with the H Share Registrar of the Company, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong (in respect of H Shareholders), or the Company's Board office, at No. 1-301, G Zone, Jiangbei New District Construction Headquarters, 150 Meters South of Tongjiang Avenue, Wanjiang Jiangbei Emerging Industry Concentration Zone (except the Trusteeship Area), Wuhu City, Anhui Province, China (in respect of Domestic Shareholders) not less than 24 hours before the scheduled time for holding of the EGM (i.e. before 10 a.m. on Monday, 6 July 2026) or any adjournment thereof (as the case may be) . Completion and return of the proxy form will not preclude you from attending and voting in person at the EGM if you so wish at the time.

3. APPOINTED CONTACT PERSON FOR THE MEETING

Contact Address: No. 1-301, G Zone, Jiangbei New District Construction Headquarters, 150 Meters South of Tongjiang Avenue, Wanjiang Jiangbei Emerging Industry Concentration Zone (except the Trusteeship Area), Wuhu City, Anhui Province, China

Contact Person: Ning Jitai

Contact Telephone: (86) 0553 8396352

Contact Email: (86) hlkjgf_conch@163.com

4 VOTING BY POLL

According to Rule 13.39(4) of the Listing Rules, any vote of Shareholders at the EGM must be taken by poll.

5. OTHER MATTERS

The EGM is expected to last for approximately half a day. Shareholders (in person or by proxy) attending the EGM are responsible for their own transportation and accommodation expenses.

The details of the aforesaid resolution proposed at the EGM are set out in the circular of the Company dated 18 June 2026.

As at the date of this notice, 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.