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安徽海螺水泥股份有限公司
ANHUI CONCH CEMENT COMPANY LIMITED
(a joint stock limited company incorporated in the People's Republic of China)
(Stock Code: 00914)

CONNECTED TRANSACTION: ACQUISITION OF 100% EQUITY INTERESTS IN CONCH DESIGN INSTITUTE

THE EQUITY TRANSFER AGREEMENT

On 24 June 2026, the Company (as transferee) entered into the Equity Transfer Agreement with Conch Holdings (as transferor) and Conch Design Institute (as target company), pursuant to which Conch Holdings agreed to sell and the Company agreed to acquire 100% equity interests in Conch Design Institute owned by Conch Holdings at the Acquisition Consideration of RMB561.58 million. Upon completion of the Acquisition, Conch Design Institute will become a direct wholly-owned subsidiary of the Company.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Conch Holdings, a controlling shareholder of the Company holding approximately 37.40% of the total number of issued shares of the Company, is a connected person of the Company. The Acquisition contemplated under the Equity Transfer Agreement thus constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules. As all applicable percentage ratios calculated pursuant to Chapter 14 of the Listing Rules are more than 0.1% but each of the applicable percentage ratios is less than 5%, the Acquisition contemplated under the Equity Transfer Agreement is subject to the annual review and disclosure requirements, and is exempt from independent shareholders' approval requirement under Rule 14A.76(2) of the Listing Rules.

THE EQUITY TRANSFER AGREEMENT

On 24 June 2026, the Company (as transferee) entered into the Equity Transfer Agreement with Conch Holdings (as transferor) and Conch Design Institute (as target company), pursuant to which Conch Holdings agreed to sell and the Company agreed to acquire 100% equity interests in Conch Design Institute owned by Conch Holdings at the Acquisition Consideration of RMB561.58 million.

The major terms of the Equity Transfer Agreement are summarized as follows:

Date of the Agreement:

24 June 2026

Parties to the Agreement:

(i) The Company (as transferee)

The Group is principally engaged in the production and sale of cement, commodity clinker, aggregate and commodity concrete.

(ii) Conch Holdings (as transferor)

Conch Holdings, a company established in the PRC with limited liability, is a controlling shareholder of the Company. It is principally engaged in asset operation, investment, financing, property rights transactions, import and export trade, production and sale of construction materials, chemical products (excluding hazardous products), electronic instruments and meters, and general machinery equipment, etc. Conch Holdings is beneficially owned as to 51% by the State-owned Assets Supervision and Administration Commission of the People's Government of Anhui Province (through its wholly-owned state-owned enterprise) and 49% by China Conch Venture Holdings Limited, a company listed on the Main Board of the Stock Exchange (stock code: 586) (through a hierarchy of its direct and indirect wholly-owned subsidiaries). China Conch Venture Holdings Limited is principally engaged in construction and operation of waste-to-energy projects, production and sale of new energy materials and new building materials, port logistics services.

(iii) Conch Design Institute (as target company)

Conch Design Institute is a limited liability company established in the PRC. Its principal business is set out in "**Information of Conch Design Institute**" below. As at the date of this announcement, Conch Design Institute is directly wholly-owned by Conch Holdings.

Subject matter of the Acquisition:

Pursuant to the Equity Transfer Agreement, Conch Holdings (as transferor) agreed to sell and the Company (as transferee) agreed to acquire 100% equity interests in Conch Design Institute owned by Conch Holdings. Upon completion of the Acquisition, Conch Design Institute will become a direct wholly-owned subsidiary of the Company.

Acquisition Consideration and basis for its determination:

The Acquisition Consideration is RMB561.58 million, which is determined by the Company and Conch Holdings through negotiation on the basis of equality and the principle of fairness with reference to the appraised value of the total equity interest of Conch Design Institute appraised by the Independent Valuer as at 31 March 2026 ("**Valuation Benchmark Date**"). According to the Valuation Report, as at the Valuation Benchmark Date, the appraised value of total equity interest of Conch Design Institute adopting the income approach ("**Valuation**") was RMB561.58 million.

The Acquisition Consideration is intended to be paid to Conch Holdings in cash by utilizing the internal source of funds of the Group.

Effective date of the Agreement:

The Equity Transfer Agreement was entered into by the Company with Conch Holdings and Conch Design Institute on 24 June 2026, and was approved by the Board to become effective on the same date.

Completion and payment of Acquisition Consideration:

Completion of the Acquisition shall take place on the date ("**Date of Completion of Registration of Change in Equity Ownership**") of completion of the registration of change in equity ownership of Conch Design Institute in relation to the Acquisition. Conch Holdings shall cooperate with the Company and Conch Design Institute for the application

to the relevant industry and commerce registration authority regarding the change of business registration in respect of the said equity transfer.

The Company shall pay the entire amount of consideration for the Acquisition to Conch Holdings in cash in one lump sum within ten business days after the Date of Completion of Registration of Change in Equity Ownership (i.e. the date of completion of the Acquisition).

FURTHER INFORMATION ON THE VALUATION

According to the Valuation Report, as the Valuation has adopted discounted cash flow method under the income approach, the Valuation constitutes a profit forecast ("**Profit Forecast**") under Rule 14.61 of the Listing Rules. Details of the Valuation are set out in Appendix I to this announcement.

Ernst & Young, the reporting accountant of the Company, has prepared a report on the calculation of the discounted future cash flows used in the Valuation Report and confirmed that they have reviewed the accounting policies and calculations for the Profit Forecast. The Board has reviewed the principal assumptions which the Profit Forecast and Valuation are based on and confirmed that the Profit Forecast has been made after due and careful enquiry. Pursuant to Rule 14A.68(7) and Rule 14.60A of the Listing Rules, Ernst & Young's report dated 24 June 2026 and letter from the Board dated 24 June 2026 are set out in Appendix II and Appendix III to this announcement respectively.

The qualifications of the relevant experts who have given their opinion and advice in this announcement are as follows:

Name	**Qualification**
Pan-China Assets Appraisal Co., Ltd. (北京天健興業資產評估有限公司)	Qualified and independent valuer in the PRC
Ernst & Young	Certified Public Accountants, Hong Kong

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of the Independent Valuer and Ernst & Young is a third party independent of the Group and its connected persons. As at the date of this announcement, each of the

Independent Valuer and Ernst & Young:

(i) has given and has not withdrawn its written consent to the issue of this announcement, which contains, in the form and context as published, all references to its report, statements, opinions and/or its name and qualifications; and

(ii) did not have any shareholding, directly or indirectly, in any member of the Group, or the right (whether legally enforceable or not) to subscribe for or to nominate any persons to subscribe for securities in any member of the Group.

INFORMATION OF CONCH DESIGN INSTITUTE:

The predecessor of Conch Design Institute was Anhui Conch Construction Materials Design Institute (安徽海螺建材設計研究院), an enterprise-owned-by-the-whole-people established by Conch Holdings in August 1998 in accordance with the laws of the PRC, which was restructured into a limited liability company in April 2018. As at the date of this announcement, the registered capital of Conch Design Institute is RMB150 million. It is principally engaged in the design services for building materials industry and cement technology development.

The audited consolidated financial information of Conch Design Institute for the two financial years ended 31 December 2024 and 2025 prepared in accordance with the Accounting Standards for Business Enterprises of the PRC is as follows:

	For the year ended 31 December 2025 *(RMB'000)*	**For the year ended 31 December 2024** *(RMB'000)*
Profit before tax	85,133	146,101
Profit after tax	79,912	130,371

As at 31 March 2026, the audited total asset value and net asset value of Conch Design Institute amounted to approximately RMB546.87 million and RMB284.10 million respectively. According to the Valuation Report, as at 31 March 2026, the total shareholders' equity of Conch Design Institute amounted to approximately RMB561.58 million. Conch Design Institute was established by Conch Holdings in 1998 and was not

acquired from a third party. Therefore, there is no original acquisition cost paid by Conch Holdings for the entire equity interest in Conch Design Institute. Conch Holdings contributed approximately RMB 0.5 million as the share capital of Conch Design Institute upon its incorporation.

REASONS FOR AND BENEFITS OF THE ACQUISITION

Conch Design Institute is a national high and new technology enterprise, possessing Grade A qualification in the building materials industry and a number of engineering design and consulting qualifications. Its business covers cement engineering, non-metallic mining, new building materials, new energy power generation, ecological and environmental protection, and industrial and civil construction. It is a comprehensive engineering services provider integrating research and development, design, and engineering general contracting. The Board of the Company is of the view that:

(1) since the Company has established a high-quality development path with cement principal business as its core business and cohesive development in a variety of sectors (including engineering services), the Acquisition of Conch Design Institute is an important strategic move based on the development needs of the engineering services segment, which is beneficial to enhancing the market competitiveness of the Company's engineering services segment and promotes the professionalization and magnitude of the engineering services segment;

(2) Conch Design Institute has extensive experience in building materials industry design, design of cement and clinker production line projects and cement technology development. The completion of the Acquisition can drive Conch Design Institute's deeper involvement in serving the Group's engineering project construction, optimize the supporting capabilities of the industrial chain and the efficiency of resource allocation, and reduce the Group's project engineering design costs. At the same time, leveraging the Group's strengths and resources in industrial development at home and abroad, Conch Design Institute will be able to further enhance its own capabilities and create greater value for the Company; and

(3) as Conch Design Institute will become a wholly-owned subsidiary of the Company after

completion of the Acquisition and no longer a connected person/ connected party of the Company, the Acquisition will reduce the connected transactions of the Group with Conch Design Institute.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Conch Holdings, a controlling shareholder of the Company holding approximately 37.40% of the total number of issued shares of the Company, is a connected person of the Company. The Acquisition contemplated under the Equity Transfer Agreement thus constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules. As all applicable percentage ratios calculated pursuant to Chapter 14 of the Listing Rules are more than 0.1% but each of the applicable percentage ratios is less than 5%, the Acquisition contemplated under the Equity Transfer Agreement is subject to the annual review and disclosure requirements, and is exempt from independent shareholders' approval requirement under Rule 14A.76(2) of the Listing Rules.

According to the SSE Listing Rules, Conch Holdings is also a connected party of the Company. Therefore, the Acquisition constitutes a connected transaction. However, since the consideration of the transaction does not exceed 0.5% of the latest audited net assets of the Company, the Company is not required to publish an ad hoc announcement for the said Acquisition on the website of the SSE according to the SSE Listing Rules.

DIRECTORS' APPROVAL AND OPINIONS

The Equity Transfer Agreement and the Acquisition contemplated thereunder were approved unanimously by the Directors (including the independent non-executive Directors). During the meeting of the Board, Mr. Yang Jun, Mr. Zhu Shengli, Mr. Li Qunfeng and Mr. Wu Tiejun (by virtue of their positions as a director or senior management of Conch Holdings or Conch Design Institute, which would render them to have deemed connected relationships with Conch Design Institute) abstained from voting in respect of the relevant resolutions in connection with the Equity Transfer Agreement and the Acquisition contemplated thereunder. Save as disclosed above, none of the other Directors has any material interests in the Equity Transfer Agreement and the Acquisition contemplated thereunder, or is required to abstain from voting in respect of the aforesaid

resolutions. The Directors (including the independent non-executive Directors) are of the view that:

(1) the terms and conditions of the Equity Transfer Agreement and the Acquisition contemplated thereunder are fair and reasonable, the transaction is on normal commercial terms or better, and in the interests of the Company and its Shareholders as a whole;

(2) the determination and approval procedure of the Equity Transfer Agreement and the Acquisition contemplated thereunder are in compliance with the Company Law of the PRC, the Listing Rules, the SSE Listing Rules and the articles of association of the Company; and

(3) the terms and conditions of the Equity Transfer Agreement and the Acquisition contemplated thereunder are agreed between the parties on the basis of equality and mutual benefits and are in accordance with the principle of fair and equal consideration.

DEFINITIONS

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

"Acquisition"	the Company's proposed acquisition of 100% equity interests in Conch Design Institute owned by Conch Holdings pursuant to the Equity Transfer Agreement
"Acquisition Consideration"	the consideration of RMB561.58 million payable by the Company to Conch Holdings for the Acquisition
"Board"	the board of Directors of the Company
"Company"	Anhui Conch Cement Company Limited (安徽海螺水泥股份有限公司), a joint stock limited company established in the PRC, with its H shares listed on the Stock Exchange and its A shares listed on the SSE
"Conch Design Institute"	Anhui Conch Construction Materials Design Institute Co., Ltd. (安徽海螺建材設計研究院有限責任公司), a limited liability company established in the PRC and a direct wholly-owned subsidiary of Conch Holdings as at the date of

	this announcement
"Conch Holdings"	Anhui Conch Holdings Company Limited (安徽海螺集團有限責任公司), a company established in the PRC with limited liability and a controlling shareholder and connected person of the Company
"connected person(s)"	has the meaning ascribed thereto under the Listing Rules
"controlling shareholder"	has the meaning ascribed thereto under the Listing Rules
"Directors"	the directors of the Company
"Equity Transfer Agreement"	the equity transfer agreement in respect of Anhui Conch Construction Materials Design Institute Co., Ltd.《安徽海螺建材設計研究院有限責任公司股權轉讓協議》entered into between the Company (as transferee), Conch Holdings (as transferor) and Conch Design Institute (as target company) on 24 June 2026
"Group"	the Company and its subsidiaries
"Independent Valuer"	Pan-China Assets Appraisal Co., Ltd. (北京天健興業資產評估有限公司), a qualified and independent valuer in the PRC
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"PRC"	the People's Republic of China, which for the purpose of this announcement excludes the Hong Kong Special Administrative Region, the Macau Special Administrative Region and Taiwan
"RMB"	Renminbi, the lawful currency of the PRC
"Shareholder(s)"	registered holder(s) of A shares and/or H shares of the Company
"SSE"	Shanghai Stock Exchange
"SSE Listing Rules"	the Rules Governing the Listing of Stocks on SSE
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Valuation Report"	the asset valuation report prepared by the Independent Valuer, in respect of the total equity interest of Conch Design

	Institute for the purpose of the Acquisition (Tianxing Ping Bao Zi [2026] No. 837) with Valuation Benchmark Date as at 31 March 2026
「%」	per cent

By Order of the Board
Anhui Conch Cement Company Limited
Yu Shui
Joint Company Secretary

Wuhu City, Anhui Province, the PRC
24 June 2026

As at the date of this announcement, the Board comprises (i) Mr. Yang Jun, Mr. Zhu Shengli, Mr. Li Qunfeng, Mr. Yu Shui and Mr. Wu Tiejun as executive Directors; (ii) Mr. Qu Wenzhou, Ms. Ho Shuk Yee, Samantha and Ms. Han Xu as independent non-executive Directors; (iii) Mr. Fan Zhan as staff Director.

APPENDIX I DETAILS OF THE VALUATION

Background to the Valuation Methods

According to the Valuation Report, the Independent Valuer has considered the applicability of three basic asset valuation methods, namely the asset-based approach, the income approach and the market approach. The asset-based approach refers to a method that determines the value of the subject of valuation based on the value of its assets and liabilities as of a specific valuation date. The income approach refers to a method that determines the value of the subject of valuation by capitalizing or discounting its expected income. The market approach refers to a method that determines the value of the subject of valuation by comparing it with comparable listed companies or comparable transactions and with reference to the market value of those comparables.

Selection of the method for valuation of Conch Design Institute

Asset-based approach

The Independent Valuer is of the view that the information required for the asset-based approach can be obtained, and a comprehensive identification and valuation of the assets and liabilities of Conch Design Institute can be conducted. Therefore, the asset-based approach is considered as an appropriate valuation method.

Income approach

Since Conch Design Institute has the ability to generate profits independently and its management has provided profit forecast data for future years, the Independent Valuer is of the view that future profit levels can be reasonably projected based on Conch Design Institute's historical operating data and internal and external business environment, and the risks associated with future profitability can be reasonably quantified. Therefore, the income approach is considered as an appropriate valuation method.

Market approach

Since the Independent Valuer has difficulty to obtain a sufficient number of cases of equity transaction of listed companies which are comparable to Conch Design Institute in terms of factors such as industry, business structure, operating model, enterprise size, and stage of

development, the market approach is not considered as an appropriate valuation method.

Adoption of the income approach

The asset-based approach evaluates the fair market value of assets from the perspective of asset replacement, and can only reflect the intrinsic value of the enterprise; the income approach evaluates enterprise value by discounting expected earnings and can fully reflect the value of intangible assets, including contract execution, customer resources, sales networks, and human resources, of the subject being valued, thereby better reflecting the overall growth potential and profitability of the enterprise. Based on the review of Conch Design Institute's financial condition and analysis of its operating performance, and taking into account the objective of this valuation, the income approach provides a more comprehensive and reasonable reflection of the intrinsic value of Conch Design Institute, given its stable customer base. Accordingly, the valuation results derived from the income approach are adopted as the final valuation as of the Valuation Benchmark Date.

Valuation Assumptions under the Income Approach

Key assumptions on which the Valuation is based are set out below:

(I) General assumptions

The Valuation is conducted based on the following general assumptions:

1. Transaction assumption: assumes that all assets being valued are already in the transaction process and that the Independent Valuer has conducted valuation based on the simulated market, including the conditions of the transactions of the assets being valued.

2. Open market assumption: the open market assumption is a presumption regarding the conditions of the market that the asset is intended to enter and the manner in which the asset is affected under such market conditions. An open market refers to sufficiently developed and well-established market conditions, specifically a competitive market in which there are willing buyers and willing sellers. In such a market, buyers and sellers have equal bargaining power and both possess the opportunity and time to obtain adequate market information. Transactions between

buyers and sellers are conducted under voluntary, rational, non-coercive, and unrestricted conditions.

3. Continued use assumption: the continued use assumption is a presumption regarding the conditions of the market that the asset is intended to enter and the state of the asset under such market conditions. First, the asset being valued is currently in a state of use. Second, it is assumed that the asset in such a state of use will continue in the future. Under the continued use assumption, neither conversion of the asset's use nor its best application is considered. Therefore, the application scope of the valuation results is restricted.

4. Going concern assumption: it is a valuation assumption made when the entire enterprise's assets are treated as the valuation subject. That is, the enterprise, as an operating entity, will continue to operate in accordance with its business objectives within the external environment in which it operates. The management of the enterprise is responsible and capable of fulfilling its duties; the enterprise operates legally and is able to generate appropriate profits to maintain its ability to continue as a going concern.

(II) Special assumptions

The Valuation is conducted based on the following special assumptions:

1. There are no material changes in the relevant existing laws, regulations and policies of the State and the situation of the national macro-economy; there are no material changes in the political, economic and social environments of the jurisdictions where the parties to this transaction operate; there are no other significant adverse impacts caused by unforeseeable factors or force majeure events.

2. Given the actual condition of the assets as of the Valuation Benchmark Date, the enterprise is assumed to carry on as a going concern.

3. It is assumed that the enterprise's operators are responsible and that the management of the enterprise has the ability to perform its duties.

4. Unless otherwise stated, it is assumed that the enterprise fully complies with all

relevant laws and regulations.

5. It is assumed that the accounting policies to be adopted by the enterprise in the future are basically consistent, in all material respects, with those applied in the preparation of the Valuation Report.

6. It is assumed that, based on the enterprise's existing management approach and management standard, its business scope and methods will remain consistent with the current direction.

7. It is assumed that no material changes occur in interest rates, tax bases and tax rates, policy-related levies, etc.

8. No other force majeure events or unforeseeable factors that have significant adverse impacts on the enterprise.

9. Unless otherwise specified, it is assumed that all transactions in the capital market are conducted on an open, equal, voluntary, and fair basis.

10. It is assumed that the enterprise's forecasted annual cash flows are generated at mid-year.

11. The entity being valued is a high and new technology enterprise, and the applicable income tax rate is 15%. This valuation assumes that the entity being valued is able to continue to be qualified as a high and new technology enterprise, and accordingly, a income tax rate of 15% is applied in the forecast for the perpetuity period.

12. Among the patents and pending patent applications included in the scope of the valuation, there are jointly owned patents. In respect of such jointly owned patents, each patent owner enjoys equal rights and each has the independent right to dispose of the patent. Each party has the right to receive the income generated from its own operation of the patent.

Key input parameters for the Valuation

According to the Valuation Report, the appraised value of total equity interest of Conch

Design Institute in accordance with the valuation method adopted as at the Valuation Benchmark Date was the sum of (i) the appraised value of operating assets; (ii) the appraised value of surplus assets and non-operating assets; and (iii) the appraised value of long-term equity investments, and minus (iv) the appraised value of interest-bearing debt.

Valuation Model

$$E = V - D \qquad \text{Formula 1}$$

$$V = P + C_1 + C_2 + E' \qquad \text{Formula 2}$$

In the above formulas:

E: Total equity interest value

V: Enterprise value

D: Appraised value of interest-bearing debt

P: Appraised value of operating assets

C_1: Appraised value of surplus assets

C_2: Appraised value of non-operating assets

E': Appraised value of long-term equity investments

Of which, P, the appraised value of operating assets, in formula 2 is derived from the following formula:

$$P = \sum_{t=1}^{n} \left[R_t \times (1 + r)^{-t} \right] + \frac{R_{n+1}}{(r - g)} \times (1 + r)^{-n} \qquad \text{Formula 3}$$

The first part of the above formula represents the value during the explicit forecast period, and the second part of the above formula represents the value during the perpetuity period (terminal value)

In formula 3:

R_t: free cash flow to the enterprise in period t during the explicit forecast period

t: explicit forecast period comprises periods 1,2,3, …, n

r: discount rate

R_{n+1} : free cash flow to the enterprise during the perpetuity period

g: growth rate for the perpetuity period; it is assessed to be 0 in this valuation

n: the final year of the explicit forecast period

Earnings metric

Free cash flow to the enterprise is used as the quantitative metric for the enterprise's expected earnings in this Valuation.

Free cash flow to the enterprise = net profit after tax + depreciation and amortisation + interest expenses x (1- tax rate T) – capital expenditure – change (increase) in working capital

Capital expenditure, i.e., additional capital investment, mainly comprises asset expenditures for replacement of asset needed for ongoing operations and asset expenditures associated with the addition of new production capacity

Increase in working capital = working capital as at the Valuation Benchmark Date – working capital of the previous period

Of which: working capital as at the Valuation Benchmark Date = current assets as at the Valuation Benchmark Date - current liabilities as at the Valuation Benchmark Date – surplus assets and non-operating assets as at the Valuation Benchmark Date (only the portions of current assets and current liabilities are included)

Current assets as at the Valuation Benchmark Date: including operating monetary funds, operating inventories and operating receivables, among which operating receivables mainly include accounts receivable, prepayments and other receivables related to operations and production.

Current liabilities as at the Valuation Benchmark Date: including operating payables, which mainly include accounts payable, notes payable, receipts in advance, wages payable, tax payable, and other payables related to operations and production.

Surplus assets and non-operating assets as at the Valuation Benchmark Date: only the non-operating and surplus portions of current assets and current liabilities are included.

In this Valuation, the working capital for the forecast period is projected based on historical turnover ratios and the turnover velocity analysed for the forecast period. Details are as follows:

Minimum cash balance = total cash operating costs / cash turnover ratio

Receivables = Total operating revenue / accounts receivable turnover ratio

Inventories = Total cash operating costs / inventory turnover ratio

Payables = Total cash operating costs / accounts payable turnover ratio

Cash operating costs = Operating costs + business taxes and surcharges + selling expenses + administrative expenses + financial expenses – depreciation – amortisation

Of which, payables mainly include accounts payable, notes payable, receipts in advance, wages payable, tax payable and other payables related to operations and production.

Based on the review of the operating conditions of the subject of valuation, as well as the statistical analysis of its assets and profit and loss, income, and cost expenses, and the estimation results of revenue and costs for each year during the future operating period, the operating cash (minimum cash balance), inventories, receivables, payables, and the increase in working capital for each year during the future operating period can be derived in accordance with the above definitions.

Based on the operating history and future market development of the entity being valued and the company's business plans, the free cash flows for the forecast period are estimated. The operating asset value of the enterprise is determined by discounting and summing the free cash flows over the future operating period.

Income generating period

The income generating period in enterprise valuation generally refers to the number of years over which the enterprise is expected to generate future earnings. As at the Valuation Benchmark Date, Conch Design Institute operates as a normal going concern. No

restrictions are imposed on the useful life of its core assets that affect the enterprise's continued operations, nor are there any limits on the enterprise's production and operating period or the term of investor ownership. It can continue in perpetuity through renewal. Therefore, the Independent Valuer assumes that Conch Design Institute will continue as a going concern in perpetuity from the Valuation Benchmark Date, and the corresponding income generating period is therefore indefinite. During the forecast period, being 1 April 2026 to 31 December 2031, Conch Design Institute's earnings performance is subject to change; during the perpetuity period, which commences on 1 January 2032, Conch Design Institute's profitability will remain stable.

Discount rate

The discount rate should align with the basis of the expected earnings. As this Valuation Report adopts the discounted cash flow model of the enterprise, and the expected earnings are measured based on the enterprise cash flows, the weighted average cost of capital (WACC) model is used to determine the discount rate (10.06%) for this Valuation. The calculation formula is as follows:

$$WACC = K_e \times \frac{E}{D+E} + K_d \times (1-t) \times \frac{D}{D+E}$$

where:

$WACC$: weighted average cost of capital

E: market value of equity

D: market value of debt

K_e: cost of equity

K_d: cost of debt

t: corporate income tax rate of the entity being valued

In the formula for calculating the weighted average cost of capital (WACC), the cost of equity (Ke) is estimated using the capital asset pricing model (CAPM), in accordance with international practice. The calculation formula is as follows:

$$K_e = R_f + \beta \times MRP + R_c$$

where:

K_e: cost of equity

R_f: risk-free rate of return

β: equity beta

MRP: market risk premium

R_c: company-specific risk premium

Appraised value of surplus assets and non-operating assets

Surplus assets and non-operating assets mainly include idle monetary funds, financial assets held for trading, other current assets irrelevant to the principal business, and other non-operating receivables and payables. These types of assets do not generate operating cash flows and are therefore excluded from the aforementioned discounted cash flow valuation, with their appraised value determined at fair market value.

Appraised value of long-term equity investments

As at the Valuation Benchmark Date, Conch Design Institute did not have external long-term equity investments.

Appraised value of interest-bearing debt

As at the Valuation Benchmark Date, Conch Design Institute did not have interest-bearing debt.

Valuation results

After the Independent Valuer performing the required valuation procedures, including verification, site inspection, market research, enquiries, and estimation, and in accordance with the valuation methods set out in the section titled "Key input parameters for the Valuation" above, as at the Valuation Benchmark Date, the appraised value of total equity interest of Conch Design Institute adopting the income approach was RMB561.58 million.

REPORT FROM REPORTING ACCOUNTANTS ON THE DISCOUNTED CASH FLOW FORECAST IN CONNECTION WITH THE VALUATION OF ANHUI CONCH CONSTRUCTION MATERIALS DESIGN INSTITUTE CO., LTD.

To the Directors of Anhui Conch Cement Company Limited

We have been engaged to report on the arithmetical accuracy of the calculations of the discounted cash flow forecast (the "**Forecast**") on which the valuation dated 7 May 2026 prepared by PAN-CHINA ASSETS APPRAISAL CO., LTD. in respect of Anhui Conch Construction Materials Design Institute Co., Ltd. ("**Conch Design Institute**") as at 31 March 2026 is based. The valuation is set out in the announcement of Anhui Conch Cement Company Limited (the "**Company**") dated 24 June 2026 (the "**Announcement**") in connection with the acquisition of 100% equity interests in Conch Design Institute. The valuation based on the Forecast is regarded as a profit forecast under paragraph 14.61 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

Directors' responsibilities

The directors of the Company (the "**Directors**") are solely responsible for the preparation of the Forecast in accordance with the bases and assumptions (the "**Assumptions**") determined by the Directors and as set out in Appendix I "Details of the Valuation" to the Announcement. This responsibility includes carrying out appropriate procedures relevant to the preparation of the discounted future cash flows for the Forecast and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

Our independence and Quality Management

We have complied with the independence and other ethical requirements of the *Code of Ethics for Professional Accountants* issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Management 1 *Quality Management for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements* which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountants' responsibilities

Our responsibility is to express an opinion on the arithmetical accuracy of the calculations of the Forecast based on our work. The Forecast does not involve the adoption of accounting policies.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* issued by the HKICPA. This standard requires that we plan and perform our work to obtain reasonable assurance as to whether, so far as the arithmetical accuracy of the calculations are concerned, the Directors have properly compiled the Forecast in accordance with the Assumptions adopted by the Directors. Our work consisted primarily of checking the arithmetical accuracy of the calculations of the Forecast prepared based on the Assumptions made by the Directors. Our work is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing issued by the HKICPA. Accordingly, we do not express an audit opinion.

We are not reporting on the appropriateness and validity of the Assumptions on which the Forecast are based and thus express no opinion whatsoever thereon. Our work does not constitute any valuation of Conch Design Institute. The Assumptions used in the preparation of the Forecast include hypothetical assumptions about future events and management actions that may or may not occur. Even if the events and actions anticipated do occur, actual results are still likely to be different from the Forecast and the variation may be material. Our work has been undertaken for the purpose of reporting solely to you under paragraph 14.60A of the Listing Rules and for no other purpose. We accept no

responsibility to any other person in respect of our work, or arising out of or in connection with our work.

Opinion

Based on the foregoing, in our opinion, so far as the arithmetical accuracy of the calculations of the Forecast is concerned, the Forecast has been properly compiled in all material respects in accordance with the Assumptions adopted by the Directors.

Ernst & Young
Certified Public Accountants
Hong Kong
24 June 2026

24 June 2026

The Listing Division

The Stock Exchange of Hong Kong Limited

12/F, Two Exchange Square

8 Connaught Place

Central

Hong Kong

Dear Sirs,

CONNECTED TRANSACTION – ACQUISITION OF 100% EQUITY INTERESTS IN CONCH DESIGN INSTITUTE

We refer to (i) the announcement of Anhui Conch Cement Company Limited ("**Company**") dated 24 June 2026; and (ii) the asset valuation report (Tianxing Ping Bao Zi [2026] No. 837) ("**Valuation Report**") dated 7 May 2026 in relation to the valuation ("**Valuation**") of the total equity interest of Anhui Conch Construction Materials Design Institute Co., Ltd. (安徽海螺建材設計研究院有限責任公司) as at the valuation benchmark date of 31 March 2026 prepared by Pan-China Assets Appraisal Co., Ltd. (北京天健興業資產評估有限公司) ("**Independent Valuer**").

As discounted cash flow method under the income approach was applied in the Valuation, the Valuation constitutes a profit forecast under Rule 14.61 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**"). We have discussed with the Independent Valuer about various aspects including the bases and assumptions upon which the Valuation was prepared, and reviewed the Valuation for which the Independent Valuer is responsible. We have also considered the report from Ernst & Young regarding whether the discounted future cash flows, so far as the calculations are concerned, have been properly complied with the bases and assumptions as set out in the Valuation Report.

Pursuant to the requirements of Rules 14A.68(7) and 14.60A(3) of the Listing Rules, we are of the opinion that the profit forecast as set out in the Valuation Report prepared by the Independent Valuer has been made after due and careful enquiry.

Yours faithfully,
For and on behalf of the board of directors of
ANHUI CONCH CEMENT COMPANY LIMITED
Mr. Yu Shui
Executive Director