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Anhui Conch Material Technology Co., Ltd.

安徽海螺材料科技股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 02560)

**CONTINUING CONNECTED TRANSACTION
THE SUPPLEMENTAL AGREEMENT IN RELATION TO THE
REVISION OF THE ANNUAL CAP UNDER THE EXPORT SALES AND
SERVICES FRAMEWORK AGREEMENT**

**REVISION OF THE ANNUAL CAP UNDER THE EXPORT SALES AND
SERVICES FRAMEWORK AGREEMENT**

Reference is made to the Circular. On 27 November 2025, the Company entered into the Export Sales and Services Framework Agreement with Anhui Tech Import & Export, in relation to the export of the Group's products, including but not limited to admixture products (including cement admixtures and concrete admixtures) and their respective in-process intermediaries, and raw materials, for a term from 1 January 2026 to 31 December 2026, with the Existing Annual Cap of RMB90.0 million.

Since it is expected that the aggregated actual transaction amount under the Export Sales and Services Framework Agreement for the year ending 31 December 2026 will exceed the Existing Annual Cap, the relevant parties intend to adjust the relevant annual cap upwards.

On 10 July 2026, the Company entered into the Supplemental Agreement with Anhui Tech Import & Export to revise the Existing Annual Cap for the year ending 31 December 2026 under the Export Sales and Services Framework Agreement from RMB90.0 million to RMB180.0 million.

LISTING RULES IMPLICATIONS

Conch Holdings holds 100% equity interest in Conch Tech Innovation and Conch Tech Innovation holds approximately 36.47% equity interest of the Company as at the date of this announcement, as such, Conch Holdings is a substantial shareholder and a controlling shareholder of the Company. Conch Holdings is beneficially owned as to 51% by the State-owned Assets Supervision and Administration Commission of the People's Government of Anhui Province (through its wholly-owned state-owned enterprise) and 49% by Conch Venture. Conch Holding holds approximately 55% equity interest of Anhui International Trade Group (Holding) Co., Ltd. (安徽國貿集團控股有限公司), which holds 47.95% equity interest of Anhui Tech Import & Export as at the date of this announcement. Anhui Tech Import & Export is hence a connected person of the Company. The transactions contemplated under the Export Sales and Services Framework Agreement and the Supplemental Agreement constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

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

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

GENERAL

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

The Independent Board Committee has been formed by the Company to advise the Independent Shareholders on the Supplemental Agreement and the Revised Annual Cap. Pelican has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

A circular containing, among other things, (i) further details of the terms of the Supplemental Agreement and the Revised Annual Cap; (ii) the advice from the Independent Board Committee; (iii) the advice to the Independent Board Committee and the Independent Shareholders from the Independent Financial Adviser; and (iv) the notice convening the EGM, will be published on the Stock Exchange's website (www.hkexnews.hk) and the Company's website (www.conchmst.com) and despatched to the Shareholders who request the printed copies on or before 18 August 2026 as additional time is required for the preparation and finalization of certain information to be included in the circular.

BACKGROUND

Reference is made to the Circular. On 27 November 2025, the Company entered into the Export Sales and Services Framework Agreement with Anhui Tech Import & Export, in relation to the export of the Group's products, including but not limited to admixture products (including cement admixtures and concrete admixtures) and their respective in-process intermediaries, and raw materials, for a term from 1 January 2026 to 31 December 2026, with the Existing Annual Cap of RMB90.0 million.

According to the unaudited management accounts of the Group, the actual transaction amount for the six months ended 30 June 2026 amounted to approximately RMB70.4 million. Since it is expected that the aggregated actual transaction amount under the Export Sales and Services Framework 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

On 10 July 2026, the Company entered into the Supplemental Agreement with Anhui Tech Import & Export to revise the Existing Annual Cap for the year ending 31 December 2026 under the Export Sales and Services Framework Agreement from RMB90 million to RMB180 million. Among other things, the Revised Annual Cap is subject to the approval of the shareholders' general meeting of the Company.

Except for the revision of the Existing Annual Cap as set out above, all other terms under the Export Sales and Services Framework Agreement shall remain unchanged and in full force and effect. Set forth below are the principal terms of the Export Sales and Services Framework Agreement, details of which are set out in the Circular.

Products to be sold

The Group will enter into individual export sales and/or services sub-contracts with Anhui Tech Import & Export regarding the export of the Group's products, including but not limited to admixture products (including cement admixtures and concrete admixtures) and their respective in-process intermediaries, and raw materials (the **"Products"**), according to the actual needs for products, products' specifications, settlement prices for products and other specified arrangements of overseas customers of the Group.

Services to be provided by Anhui Tech Import & Export

Anhui Tech Import & Export provides export services for the Products, which covers mainly export agency services, custom filing and clearance, settlement services (結算服務) and arrangements for transportation services for the export of Products, if so required (**"Export Services"**).

The Group will enter into individual sub-contracts with Anhui Tech Import & Export regarding the sales of import & export service according to their respective actual needs for import & export.

The major terms of the individual sub-contracts shall be in line with those of the Export Sales and Services Framework Agreement.

Pricing policy and internal control

(a) Resale of Products

The settlement sum to be paid by Anhui Tech Import & Export for the resale of Products under the Export Sales and Services Framework Agreement will be determined based on arm's length negotiation between the Group and Anhui Tech Import & Export, taking into account of the sales contract sum for the Products to be exported, the pricing policies, the fair market price and the unit price of similar products being sold to other import and export providers under comparable conditions on fair basis.

Price range for intermediates products (alcohol amine, polyether monomers and polycarboxylic acid mother liquor for concrete admixtures) will be set weekly by each subsidiary after taking into account of the market price (with reference to prices quoted by commodities information service providers, production costs, variation of different specification and the expected gross profit margin, and submitted for approval by the head of sales department of the Company for implementation every Monday. Pricing for sale of cement admixture products and concrete admixture products will be set monthly on similar basis for implementation on the first day of each month.

Internal control

Pricing going beyond the price range (under or above the price range) in routine or periodically as mentioned above shall be approved by the pricing management committee.

The person-in-charge of the sales department of the relevant subsidiaries engaging in the relevant sales, would be responsible for the monitoring whether the sales adhere to the prices set, and report to the head of sales of the Company monthly.

(b) Export Services provided by Anhui Tech Import & Export

The service fee for providing export services for the Products will be determined on arm's length basis with reference to prevailing market rates available from independent third parties under comparable conditions, as well as the pricing and terms between the Group and the Independent Third Parties for similar services. Such service fee should be no less favourable than those offered by Anhui Tech Import & Export to any other third parties under comparable condition/other Independent Third Party suppliers to the Group, or the fair market price (whichever is more favourable).

Internal control

Before entering into any transactions in relation to the Export Sales and Services Framework Agreement, the sales team of the relevant subsidiary of the Group who procure the export services for its products sold will make reference to the pricing and terms between the Group and the Independent Third Parties for similar services and conduct research on the prevailing market conditions and practices. As such, the unit price of various types of services should be on arm's length basis and at the fair market price.

REVISION OF THE ANNUAL CAP

Historical amount and the existing annual cap

For the six months ended 30 June 2026, the historical transaction amounts (tax inclusive) between Anhui Tech Import & Export and the Group in relation to the resale of products amounted to approximately RMB70.4 million. For the year ending 31 December 2026, the Existing Annual Cap under the Export Sales and Services Framework Agreement is RMB90 million.

Basis of determination and reasons for the revised annual cap

The Revised Annual Cap of RMB180 million is determined with reference to (among others) the following factors and assumptions:

(a) *Resale of Products*

- (i) the historical transaction amount of the Products sold to Anhui Tech Import & Export of approximately RMB70.4 million for the six months ended 30 June 2026, and payment and settlement terms under the Export Sales and Service Framework Agreement, which are determined based on the pricing policy as mentioned above;
- (ii) the expected sales amount of the Products to be exported to overseas market, where
 - a total of approximately RMB104.5 million for covering existing ultimate overseas customers in overseas markets including but not limited to France, Switzerland, Taiwan, Turkey, Saudi Arabia and Uzbekistan for the rest of 2026, taking into account that (a) the historical transaction amount of the Products sold to Anhui Tech Import & Export for covering existing ultimate overseas customers for the six months ended 30 June 2026 was approximately RMB70.4 million; and (b) the recurring purchases and incremental orders from the existing ultimate overseas customers are expected to grow steadily in the rest of 2026;
 - a total of approximately RMB4.0 million for covering two potential new ultimate overseas customers in Turkey and Vietnam for the rest of 2026. Such estimation is made based on the expected demand for the Products of the potential new ultimate overseas customers for the rest of 2026;
 - a buffer of approximately RMB1.1 million for covering (a) unexpected increase in demand from the existing ultimate overseas customers and the two potential new ultimate customers; and (b) unexpected new ultimate overseas customers for the rest of 2026; and
- (iii) the assumption that there will be no other material changes to (a) general socio-economic environment of the PRC and the location of potential overseas customers of the Group that may affect the demand of construction projects; and (b) the expected demand of existing and new overseas customers of the Group for the Products under their procurement plan for the rest of 2026.

(b) *Export Services provided by Anhui Tech Import & Export*

The fees for the Export Services provided by Anhui Tech Import & Export to the Group for the year ending 31 December 2026 in aggregate are expected to be no more than RMB400,000.

The transactions relating to the Export Services provided by Anhui Tech Import & Export are different in nature from the resale of Products under the Export Sales and Services Framework Agreement. The expected fees for Export Services for the year ending 31 December 2026 are below HK\$3 million and should be fully exempted pursuant to Rule 14A.76(1) of the Listing Rule. The information regarding the transactions relating to Export Services is disclosed herein for completeness and shareholders' information purposes only.

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

Anhui Tech Import & Export was established in 1985 with more than 400 employees. It is a licensed and experienced import and export company in the PRC and experienced in providing general import and export related services with scale. It could ensure smooth clearance process for our products like cement admixture and concrete admixture, provide timely services for delivery of our products to end customers in order to accommodate the operating needs of the Group, catering for day-to-day business and administrative schedule. The Group will in turn benefit from organised, efficient and cost-effective export sales and services, which helps enhance the market competitiveness and facilitates plan to expand into the overseas market. For sale of Products to Anhui Tech Import & Export, the terms are comparable to other Independent Third Parties, and where credit terms are provided for products sold, Anhui Tech Import & Export is with higher credibility than others taking into account of the related party relationship with the Group with long term history, which lowers the Group's credit risks of products which are ultimately sold to overseas markets. For Export Services, the Group compare terms of the resale of products and export services with Independent Third Parties from time to time and it may at its discretion to opt for another service provider for similar services if the terms offered by Anhui Tech Import & Export are less favourable than those offered by the Independent Third Parties.

Considering the historical transaction amount generated during the six months ended 30 June 2026, and based on the judgement and communication with the ultimate overseas customers on the expected sales amount of the Products to be exported to overseas markets under the Export Sales and Services Framework Agreement as well as the recent increase in the number of ultimate overseas customers, it is expected that the total transaction amount under the Export Sales and Services Framework Agreement will exceed the Existing Annual Cap. Therefore, it is necessary for the relevant parties to enter into the Supplemental Agreement to revise the Existing Annual Cap for the year ending 31 December 2026.

Mr. Jin Feng (being a director or senior management of certain other subsidiaries of Conch Holdings) is 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. Jin Feng, who shall abstain from voting on the relevant Board resolution, and the independent non-executive Directors who will form their opinion after reviewing the advice from the Independent Financial Adviser) are of the view that the Supplemental Agreement and the Revised Annual Cap have been entered into in the ordinary and usual course of business of the Group on normal commercial terms, and the terms of the Supplemental Agreement and the Revised Annual Cap are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

INFORMATION ON THE GROUP

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

INFORMATION ON ANHUI TECH IMPORT & EXPORT

Anhui Tech Import & Export is a licensed import and export company in the PRC and experienced in providing general import and export related services, which is held as to 47.95% by Anhui International Trade Group (Holding) Co., Ltd. (安徽國貿集團控股有限公司) in which Conch Holdings held approximately 55% as at the date of this announcement.

To the best information and knowledge of the Directors, as at the date of this announcement, (i) each of Anhui Shun An De Enterprise Management Centre (Limited Partnership) (安徽順安得企業管理中心(有限合夥)), Anhui Shun An Yi Enterprise Management Centre (Limited Partnership) (安徽順安易企業管理中心(有限合夥)), Anhui Shun An She Enterprise Management Centre (Limited Partnership) (安徽順安舍企業管理中心(有限合夥)), Anhui Shun An He Enterprise Management Centre (Limited Partnership) (安徽順安和企業管理中心(有限合夥)), Anhui Shun An Heng Enterprise Management Centre (Limited Partnership) (安徽順安恆企業管理中心(有限合夥)), Anhui Shun An Sheng Enterprise Management Centre (Limited Partnership) (安徽順安盛企業管理中心(有限合夥)) and Zuo Bing (左兵) held as to 12.04%, 8.53%, 7.68%, 7.25%, 8.14%, 7.78% and 0.63% of the interests in Anhui Tech Import & Export, respectively; and (ii) the respective managing partners of Anhui Shun An De Enterprise Management Centre (Limited Partnership) (安徽順安得企業管理中心(有限合夥)), Anhui Shun An Yi Enterprise Management Centre

(Limited Partnership) (安徽順安易企業管理中心(有限合夥)), Anhui Shun An She Enterprise Management Centre (Limited Partnership) (安徽順安舍企業管理中心(有限合夥)), Anhui Shun An He Enterprise Management Centre (Limited Partnership) (安徽順安和企業管理中心(有限合夥)), Anhui Shun An Heng Enterprise Management Centre (Limited Partnership) (安徽順安恆企業管理中心(有限合夥)), and Anhui Shun An Sheng Enterprise Management Centre (Limited Partnership) (安徽順安盛企業管理中心(有限合夥)) are Zhuang Binbing (莊斌兵), Diao Rong (刁嶸), Sun Hongqing (孫宏慶), Wang Jinggan (汪精幹), Hua Tian (華甜), and Wang Heng (王恆), respectively.

To the best information and knowledge of the Directors, as at the date of this announcement, the remaining 45% in Anhui International Trade Group (Holding) Co., Ltd. (安徽國貿集團控股有限公司) was held as to 39.71% by Anhui Provincial State-owned Capital Operation Holdings Group Co., Ltd. (安徽省國有資本運營控股集團有限公司) and 5.29% by Anhui Provincial Department of Finance (安徽省財政廳), respectively.

LISTING RULES IMPLICATIONS

Conch Holdings holds 100% equity interest in Conch Tech Innovation and Conch Tech Innovation holds approximately 36.47% equity interest of the Company as at the date of this announcement, as such, Conch Holdings is a substantial shareholder and a controlling shareholder of the Company. Conch Holdings is beneficially owned as to 51% by the State-owned Assets Supervision and Administration Commission of the People's Government of Anhui Province (through its wholly-owned state-owned enterprise) and 49% by Conch Venture. Conch Holdings holds approximately 55% equity interest of Anhui International Trade Group (Holding) Co., Ltd., which holds 47.95% equity interest of Anhui Tech Import & Export as at the date of this announcement. Anhui Tech Import & Export is hence a connected person of the Company. The transactions contemplated under the Export Sales and Services Framework Agreement and the Supplemental Agreement constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

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

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

GENERAL

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

The Independent Board Committee has been formed by the Company to advise the Independent Shareholders on the Supplemental Agreement and the Revised Annual Cap. Pelican has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

A circular containing, among other things, (i) further details of the terms of the Supplemental Agreement and the Revised Annual Cap; (ii) the advice from the Independent Board Committee; (iii) the advice to the Independent Board Committee and the Independent Shareholders from the Independent Financial Adviser; and (iv) the notice convening the EGM, will be published on the Stock Exchange's website (www.hkexnews.hk) and the Company's website (www.conchmst.com) and despatched to the Shareholders who request the printed copies on or before 18 August 2026 as additional time is required for the preparation and finalization of certain information to be included in the circular.

DEFINITIONS

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

“Anhui Tech Import & Export”	Anhui Technology Import & Export Company Limited* (安徽省技術進出口股份有限公司), a limited company established under the laws of the PRC, which is held as to 47.95% by Anhui International Trade Group (Holding) Co., Ltd.* (安徽國貿集團控股有限公司) in which Conch Holdings held approximately 55%
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Circular”	the circular of the Company dated 15 December 2025

“Company”	Anhui Conch Material Technology Co., Ltd. (安徽海螺材料科技股份有限公司), a joint stock limited liability company established under the laws of the PRC, with its H Shares listed on the main board of the Stock Exchange (stock code: 2560)
“Conch Holdings”	Anhui Conch Holdings Company Limited* (安徽海螺集團有限責任公司), a limited liability company established under the laws of the PRC
“Conch Tech Innovation”	Anhui Conch Technology Innovation Material Co., Ltd.* (安徽海螺科創材料有限責任公司) (formerly known as Anhui Conch Investment Co., Ltd.* (安徽海螺投資有限責任公司)), a limited liability company established under the laws of the PRC, which is wholly-owned by Conch Holdings as at the date of this announcement, and is one of the controlling shareholders of the Company holding approximately 36.47% equity interest in the Company
“Conch Venture”	China Conch Venture Holdings Limited* (中國海螺創業控股有限公司), a listed company established under the laws of the Cayman Islands, and the shares of which are listed on the Stock Exchange (stock code: 586)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be held on 4 September 2026 to approve, among other things, the Supplemental Agreement and the Revised Annual Cap
“Existing Annual Cap”	the existing annual cap of RMB90.0 million for the transactions contemplated under the Export Sales and Services Framework Agreement for the year ending 31 December 2026

“Export Sales and Services Framework Agreement”	the framework agreement for the export of products entered into between Anhui Tech Import & Export and the Company on 27 November 2025, with major terms as set out in the Circular
“Export Services”	export services provided by Anhui Tech Import & Export under the Export Sales and Services Framework Agreement
“Group”	the Company and its subsidiaries
“Independent Board Committee”	an independent committee of the Board comprising all independent non-executive Directors to advise the Independent Shareholders in respect of the terms of the Supplemental Agreement and the Revised Annual Cap
“Independent Financial Adviser” or “Pelican”	Pelican Financial 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
“Independent Third Party”	any entity(ies) or person(s) who is not a connected person of the Company or an associate of any such entity(ies) or person(s) within the meanings ascribed thereto under the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“PRC” or “China”	the People’s Republic of China

“Revised Annual Cap”	the proposed revised annual cap of RMB180.0 million for the transactions contemplated under the Export Sales and Services Framework Agreement (as amended by the Supplemental Agreement) for the year ending 31 December 2026
“RMB”	Renminbi yuan, the lawful currency of the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“Supplemental Agreement”	the supplemental agreement to the Export Sales and Services Framework Agreement
“%”	percent

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

Anhui Province, the People’s Republic of China
10 July 2026

As at the date of this announcement, the Board comprises Mr. Jin 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 and Mr. Fan Haibin as non-executive Directors; and Mr. Li Jiang, Mr. Chen Jiemiao, Ms. Xu Xu and Ms. Zeng Xiangfei as independent non-executive Directors.

* *For identification purpose only*