金岩高新
GOLDEN ROCK

ANHUI JINYAN KAOLIN NEW MATERIALS CO., LTD.
安徽金岩高嶺土新材料股份有限公司

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

(Stock Code: 2693)

CONNECTED TRANSACTION IN RELATION TO THE ENGINEERING PROCUREMENT CONTRACT

On 27 August 2026, the Company entered into the Engineering Procurement Contract with Huaibei Mining Engineering. Pursuant to the contract, Huaibei Mining Engineering will provide the Company with defect rectification works comprising a total of 15 items, including the dismantling of racks already installed in the finished goods warehouse, addition of pile foundations and re-installation and reinforcement of racks, at a consideration of RMB7,000,000.

As at the date of this announcement, Huaibei Mining Group is one of the controlling shareholders of the Company and holds approximately 45.09% equity interest in the Company. Huaibei Mining Engineering is a wholly-owned subsidiary of Huaibei Mining Holdings, which is a company listed on the Shanghai Stock Exchange (stock code: 600985). As of 31 March 2026, Huaibei Mining Group held 60.47% interest in it, and no other shareholder held an interest of 30% or more in it. To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, the other shareholders of Huaibei Mining Holdings are independent third parties. Therefore, Huaibei Mining Engineering is a connected person of the Company under the Listing Rules, and the entering into of the Engineering Procurement Contract constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio (as defined under Rule 14.07 of the Listing Rules) in respect of the Engineering Procurement Contract entered into between the Company and Huaibei Mining Engineering exceeds 0.1% but is less than 5%, the connected transaction contemplated under the Engineering Procurement Contract is subject to the reporting and announcement requirements but is exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

The Board announces that on 27 August 2026, the Company entered into the Engineering Procurement Contract with Huaibei Mining Engineering, pursuant to which Huaibei Mining Engineering will provide the Company with defect rectification works comprising a total of 15 items, including the dismantling of racks already installed in the finished goods warehouse, addition of pile foundations and re-installation and reinforcement of racks.

ENGINEERING PROCUREMENT CONTRACT

Date

27 August 2026

Parties

(i) the Company, as the Employer; and

(ii) Huaibei Mining Engineering, as the Contractor.

Services to be provided by the Contractor

During the full-load test of the racks in the finished goods warehouse of the Jinyan High-tech No. 4 Production Line Project located at the Company's plant area, the rack structures were found to have tilted and deformed. Huaibei Mining Engineering will manage and carry out the outstanding defect rectification works. The scope of work comprises a total of 15 defect rectification items, including the dismantling of the racks already installed in the finished goods warehouse, addition of pile foundations and re-installation and reinforcement of the racks.

The duration of the Engineering Procurement Contract is 180 days, and the commencement date shall be subject to the commencement order issued by the Company. The specific content of the works includes: (1) construction of the foundation of the stereoscopic warehouse with uneven settlement (comprising: cutting, crushing and dismantling of the original reinforced concrete flooring, foundation construction, flooring restoration, disposal of construction waste, hoarding and protection, etc.); (2) dismantling and re-installation of the stereoscopic warehouse; (3) modification of the dust collection system of the valve port packing line in the packing workshop; (4) modification of product conveying in the packing workshop; (5) modification of the tailings conveying pipeline in the sand powder workshop; (6) improvement of the rotary kiln shell waste heat utilization system; (7) modification of the clinker dust collection system; (8) improvement of maintenance lifting equipment and maintenance platform passages; (9) modification of check sieve oversize conveying; and (10) other modification projects.

Consideration

RMB7,000,000 (inclusive of 9% value-added tax). In the event of adjustments to the national tax rate policy, the latest national tax rate policy shall apply.

Payment terms

The construction fees shall be paid based on progress on a monthly basis. Progress payments shall be made at 90% of the value of the completed works. Upon completion of all construction works, payment shall be made up to 100% of the value of the completed works, and the Contractor shall at the same time issue to the Employer a special value-added tax invoice for the full amount. Payment by acceptance bills shall be the preferred method of payment.

Pricing principles

The consideration under the contract was determined after arm's length negotiations between the parties with reference to the scope and nature of the services to be provided, the expected costs to be incurred in providing such services and the prevailing market prices of comparable defect rectification services provided by independent third parties. Specifically, the consideration under the contract is equal to the aggregate of the costs and remuneration. Settlement under the contract will be based on the procurement costs of the Contractor plus remuneration of 5%. The Contractor shall provide subcontracting contracts, material and equipment procurement contracts, settlement information, invoices and other documents as the basis of costs, and the procurement process shall be subject to confirmation by the Company. The remuneration includes the Contractor's profit, finance costs and salaries of management personnel.

REASONS FOR AND BENEFITS OF THE CONNECTED TRANSACTION

During the full-load test of the racks in the finished goods warehouse of the Jinyan High-tech No. 4 Production Line Project, the rack structures were found to have tilted and deformed, giving rise to safety hazards. Huaibei Mining Engineering has internal units possessing the requisite construction qualifications to carry out the rectification works, which can facilitate convenient and efficient internal communication and coordination, enable structural safety hazards to be addressed in a timely manner, ensure strict control over construction quality, accelerate the completion of the outstanding defect rectification works, ensure the safe operation of the warehouse in the future and facilitate the subsequent operation, maintenance and upkeep of the facilities.

The Directors (including the independent non-executive Directors) are of the view that the Engineering Procurement Contract is entered into on normal commercial terms and in the ordinary and usual course of business of the Group, is fair and reasonable so far as the Shareholders are concerned, and is in the interests of the Company and its Shareholders as a whole.

As Mr. Jiao Daojie and Mr. Yang Chong, non-executive Directors of the Company, hold office at Huaibei Mining Group and/or its associates, they are deemed to have material interests in the Engineering Procurement Contract and the transactions contemplated thereunder and, accordingly, they have abstained from voting on the relevant resolution at the Board meeting. Save as disclosed above, none of the other Directors has any material interest in the Engineering Procurement Contract and none of the other Directors is required to abstain from voting on the resolution for the consideration and approval of the Engineering Procurement Contract.

INFORMATION ABOUT THE COMPANY

The Company specializes in coal-series kaolin in China, with integrated capabilities spanning the value chain from mining, R&D, processing to production and sales.

INFORMATION ABOUT HUAIBEI MINING ENGINEERING

Huaibei Mining Engineering was incorporated in China in May 1993 and was formerly known as Huaibei Coal Mine Engineering Corporation (淮北煤礦工程總公司). Huaibei Mining Engineering is a wholly-owned subsidiary of Huaibei Mining Holdings, which is a company listed on the Shanghai Stock Exchange (stock code: 600985). As of 31 March 2026, Huaibei Mining Group, one of the controlling shareholders of the Company, held 60.47% interest in it; and no other shareholder held an interest of 30% or more in it. To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, the other shareholders of Huaibei Mining Holdings are independent third parties. As at the date of this announcement, the State-owned Assets Supervision and Administration Commission of the People's Government of Anhui Province holds 62.96% interests in Huaibei Mining Group and Anhui Province Energy Group Company Limited (which is wholly-owned by the State-owned Assets Supervision and Administration Commission of the People's Government of Anhui Province) holds 37.04% interests in Huaibei Mining Group. Accordingly, Huaibei Mining Engineering is a connected person of the Company under the Listing Rules.

Huaibei Mining Engineering is principally engaged in the construction, design, management and supervision of construction projects. It holds a Special Grade Qualification Certificate for General Contracting of Construction Engineering, as well as various qualification certificates including Grade I qualifications for general contracting of mining engineering construction and general contracting of municipal public works construction.

IMPLICATIONS UNDER THE LISTING RULES

As at the date of this announcement, Huaibei Mining Group is one of the controlling shareholders of the Company and holds approximately 45.09% equity interest in the Company. Huaibei Mining Engineering is a wholly-owned subsidiary of Huaibei Mining Holdings and a connected person of the Company under the Listing Rules. Therefore, the entering into of the Engineering Procurement Contract constitutes a connected transaction of the Company under the Listing Rules.

As the highest applicable percentage ratio in respect of the Engineering Procurement Contract entered into between the Company and Huaibei Mining Engineering exceeds 0.1% but is less than 5%, the connected transaction contemplated under the Engineering Procurement Contract is subject to the reporting and announcement requirements but is exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

DEFINITIONS

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

"Board"	the board of Directors of the Company
"China"	the People's Republic of China
"Company"	Anhui Jinyan Kaolin New Materials Co., Ltd. (安徽金岩高嶺土新材料股份有限公司)
"Contractor"	Huaibei Mining Engineering
"Director(s)"	the director(s) of the Company
"Employer"	the Company
"Engineering Procurement Contract"	the Contract for the Defect Rectification Project of Jinyan High-tech No. 4 Production Line entered into between Huaibei Mining Engineering and the Company on 27 August 2026 in relation to the provision of defect rectification services for the Jinyan High-tech No. 4 Production Line Defect Rectification Project
"Group"	the Company and its subsidiaries from time to time
"Hong Kong"	the Hong Kong Special Administrative Region of China

"Huaibei Mining Engineering"	Huaibei Mining (Group) Engineering Construction Co., Ltd. (淮北礦業(集團)工程建設有限責任公司)
"Huaibei Mining Group"	Huaibei Mining (Group) Co., Ltd. (淮北礦業(集團)有限責任公司)
"Huaibei Mining Holdings"	Huaibei Mining Holdings Co., Ltd. (淮北礦業控股股份有限公司)
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"RMB"	Renminbi, the lawful currency of China
"Stock Exchange"	The Stock Exchange of Hong Kong Limited

By order of the Board
Anhui Jinyan Kaolin New Materials Co., Ltd.
Mr. Zhang Kuang
Chairman of the Board and Executive Director

Beijing, the PRC
27 August 2026

As at the date of this announcement, the board of directors of the Company comprises: (i) Mr. Zhang Kuang and Ms. Chen Yan as executive directors; (ii) Mr. Jiao Daojie and Mr. Yang Chong as non-executive directors; and (iii) Mr. Jiang Weidong, Mr. Li Chenhui, Mr. Miao Guanghong and Mr. Chan Ngai Fan as independent non-executive directors.