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)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2026

HIGHLIGHTS

- The Group's revenue amounted to approximately RMB1,207.24 million for the six months ended 30 June 2026, representing an increase of 11.65% compared to the corresponding period of the previous year.
- The Group's profit before taxation amounted to RMB57.13 million for the six months ended 30 June 2026, representing a decrease of 22.15% compared to the corresponding period of the previous year.
- Net profit attributable to equity shareholders of the Company amounted to approximately RMB40.20 million for the six months ended 30 June 2026, representing a decrease of 23.23% compared to the corresponding period of the previous year.
- Basic earnings per share amounted to RMB0.07 for the six months ended 30 June 2026, representing a period-on-period decrease of RMB0.02.
- The Board resolved not to declare any interim dividend for the six months ended 30 June 2026.

The board (the "**Board**") of directors (the "**Directors**") of Anhui Conch Material Technology Co., Ltd. (the "**Company**") hereby presents the unaudited consolidated interim results of the Company and its subsidiaries (the "**Group**") for the six months ended 30 June 2026 (the "**Reporting Period**"), together with the comparative figures for the corresponding period in 2025.

The unaudited consolidated financial statements of the Group for the six months ended 30 June 2026 have been approved by the Board and reviewed by the audit committee of the Board (the "**Audit Committee**").

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2026 — unaudited
(Expressed in Renminbi)

		Six months ended 30 June	
	Note	**2026**	2025
		RMB'000	*RMB'000*
Revenue	*4*	**1,207,238**	1,081,301
Cost of sales		**(1,006,363)**	(868,572)
Gross profit		**200,875**	212,729
Other net income	*5*	**11,064**	17,838
Distribution costs		**(32,152)**	(27,737)
Administrative expenses		**(82,796)**	(81,292)
Research and development costs		**(23,690)**	(22,864)
Impairment losses on trade receivables		**(4,843)**	(13,999)
Profit from operations		**68,458**	84,675
Finance costs	*6(a)*	**(11,328)**	(11,292)
Profit before taxation	*6*	**57,130**	73,383
Income tax	*7*	**(9,210)**	(12,345)
Profit for the period		**47,920**	61,038
Attributable to:			
Equity shareholders of the Company		**40,201**	52,364
Non-controlling interests		**7,719**	8,674
Profit for the period		**47,920**	61,038
Earnings per share			
Basic and diluted *(RMB)*		**0.07**	0.09

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2026 — unaudited
(Expressed in Renminbi)

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Profit for the period	**47,920**	61,038
Other comprehensive income for the period (after tax and reclassification adjustments)		
Item that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of financial statements of overseas subsidiaries	**(843)**	54
Total comprehensive income for the period	**47,077**	61,092
Attributable to:		
Equity shareholders of the Company	**39,358**	52,418
Non-controlling interests	**7,719**	8,674
Total comprehensive income for the period	**47,077**	61,092

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As of 30 June 2026 — unaudited
(Expressed in Renminbi)

	Note	**30 June 2026**	31 December 2025
		RMB'000	*RMB'000*
Non-current assets			
Property, plant and equipment	*9*	**1,102,523**	1,105,574
Right-of-use assets	*9*	**175,524**	177,264
Intangible assets	*9*	**7,623**	8,850
Goodwill		**28,691**	28,691
Deferred tax assets		**26,211**	27,265
Non-current portion of trade and other receivables	*10*	**48,303**	10,362
		1,388,875	1,358,006
Current assets			
Inventories	*11*	**153,702**	143,676
Trade and other receivables	*10*	**862,160**	886,255
Financial assets measured at fair value through profit or loss ("**FVPL**")	*12*	**110,121**	100,195
Cash and cash equivalents	*13*	**343,145**	426,560
		1,469,128	1,556,686
Current liabilities			
Loans and borrowings	*14*	**676,216**	711,260
Trade and other payables	*15*	**355,731**	337,303
Contract liabilities		**28,056**	21,791
Lease liabilities		**1,712**	1,988
Income tax payables		**6,595**	10,049
		1,068,310	1,082,391
Net current assets		**400,818**	474,295
Total assets less current liabilities		**1,789,693**	1,832,301

	Note	30 June 2026 RMB'000	31 December 2025 RMB'000
Non-current liabilities			
Loans and borrowings		**262,779**	292,425
Lease liabilities		**7,769**	8,467
Deferred income		**33,449**	36,766
Deferred tax liabilities		**9,302**	9,668
		313,299	347,326
Net assets		**1,476,394**	1,484,975
Capital and reserves	*16*		
Share capital		**579,894**	579,894
Reserves		**746,744**	795,191
Equity attributable to equity shareholders of the Company		**1,326,638**	1,375,085
Non-controlling interests		**149,756**	109,890
Total equity		**1,476,394**	1,484,975

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Renminbi, unless otherwise stated)

1 General information

Anhui Conch Material Technology Co., Ltd. (安徽海螺材料科技股份有限公司) (the "**Company**") was incorporated in Wuhu, Anhui Province, People's Republic of China (the "**PRC**") as a limited liability company on 28 May 2018. In July 2022, the Company was converted from a limited liability company into a joint stock limited liability company. The Company's shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on 9 January 2025 (the "**Listing**").

The Company and its subsidiaries (collectively, the "**Group**") are principally engaged in research and development, production and sales of cement admixture, concrete admixture together with their respective in-process intermediaries.

2 Basis of preparation

This interim financial report is prepared in accordance with the applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and complies with IAS 34, "Interim Financial Reporting", issued by the International Accounting Standards Board. This interim financial report was authorized for issue on 28 August 2026.

Except for changes in accounting policies that will be reflected in the annual financial statements for 2026, this interim financial report is prepared based on the same accounting policies as those applied in the annual financial statements for 2025. For details of the changes in accounting policies, please refer to note 3.

The preparation of interim financial information in accordance with IAS 34 requires the management to make judgements, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities, income and expenses from the beginning of the year to date. Actual results may differ from these estimates.

This interim financial report comprises condensed consolidated financial statements and selected explanatory notes. The notes include explanations of events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the annual financial statements for 2025. The condensed consolidated interim financial statements and their notes do not include all the information required for full financial statements prepared in accordance with the IFRSs.

This interim financial report is unaudited but has been reviewed by the Company's Audit Committee.

3 Changes in accounting policies

The Group has applied the following new and amended IFRSs issued by the International Accounting Standards Board in the interim financial report for the current accounting period:

Amendments to IFRS 9 "Financial Instruments" and IFRS 7 "Financial Instruments: Disclosures" — Amendments to the Classification and Measurement of Financial Instruments. These amendments cover three main aspects:

- These amendments clarify the timing of recognition and derecognition of financial assets or financial liabilities, and introduce an optional exception allowing an entity to derecognise a financial liability prior to the settlement date, provided that the financial liability is settled in cash using an electronic payment system and that certain conditions are met.

- In respect of the assessment of whether the contractual cash flows of a financial asset are solely payments of principal and interest on the principal amount outstanding, these amendments clarify the assessment of interest and introduce additional tests for financial assets with contingent features (for example, features linked to environmental, social and governance ("**ESG**") considerations). These amendments also clarify the distinction between financial assets with non-recourse features and contractually linked instruments, which may change the applicable assessment.

- These amendments introduce new disclosure requirements regarding the disposal of investments in equity instruments designated as at fair value through other comprehensive income (FVOCI), and financial instruments that are not measured at fair value through profit or loss (FVPL) but contain contractual terms that could change the amount of contractual cash flows based on the occurrence or non-occurrence of a contingency that is not directly related to changes in the basic borrowing and loan risk and costs.

These amendments have had no material impact on how the Group's results and financial position for the current or prior periods have been prepared or presented in the interim financial report. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

4 Revenue and segment reporting

(a) Revenue

The principal activities of the Group are the research and development, production and sales of cement admixture, concrete admixture together with their respective in-process intermediaries.

(i) Disaggregation of revenue

Disaggregation of revenue from contracts with customers by major products is as follows:

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Revenue from contracts with customers within the scope of IFRS 15 and recognised at a point in time		
— Cement admixture and in-process intermediaries	**539,412**	550,864
— Concrete admixture and in-process intermediaries	**616,496**	527,719
— Others	**51,330**	2,718
	1,207,238	1,081,301

The Group's customers base is diversified. Revenue from only one customer accounted for 10% or more of the Group's revenue for the six months ended 30 June 2026, and the revenue from this customer amounted to approximately RMB313,489,000 (for the six months ended 30 June 2025: RMB289,199,700).

The Group applies the practical expedient in paragraph 121(a) of IFRS 15 of not disclosing the transaction price allocated to the remaining performance obligation as the original expected duration of substantially all the contracts of the Group is within one year or less.

(b) Segment reporting

(i) Disaggregation of revenue

Information reported to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance is more focused on the Group as a whole, as all of the Group's activities are considered to be primarily dependent on the performance on admixture product. Resources are allocated based on what is beneficial for the Group in enhancing its admixture product activities as a whole rather than any specific products. Performance assessment is based on the results of the Group as a whole. Therefore, management considers that the Group has only one operating segment under the requirements of IFRS 8 "Operating segments".

(ii) Geographic information

The following table sets out information about the geographical location of (i) the Group's revenue from external customers and (ii) the Group's property, plant and equipment, right-of-use assets, intangible assets, goodwill, right-of-use assets for the non-current portion of trade and other receivables, and specified non-current assets of the non-current portion of intangible assets, goodwill, trade and other receivables, for right-of-use assets and property, plant and equipment, the geographical location of customers' assets is based on the location at which the goods were delivered. The geographical location of the specified non-current assets is based on the operating location to which such assets are allocated.

Revenue from external customers

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Chinese mainland	**1,178,282**	1,067,547
Other regions or countries	**28,956**	13,754
	1,207,238	1,081,301

Specified non-current assets

	30 June	31 December
	2026	2025
	RMB'000	*RMB'000*
Chinese mainland	**1,330,601**	1,315,979
Other regions or countries	**23,023**	14,762
	1,353,624	1,330,741

5 Other net income

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Interest income on cash at bank	**6,131**	7,338
Government grants *(i)*	**4,347**	14,816
Net gain/(loss) on disposal of property, plant and equipment	**15**	(18)
Others *(ii)*	**571**	(4,298)
	11,064	17,838

(i) Government grants mainly represented subsidies received from the local government authorities for encouraging the Group's development in the admixture products in the respective PRC cities.

(ii) Other profits/(losses) were mainly due to the impact of financial service fees, exchange gains and losses, and non-operating income and expenses.

6 Profit before taxation

Profit before taxation is arrived at after charging:

(a) Finance costs:

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Interest on loans and other borrowings	**11,163**	11,064
Interest on lease liabilities	**165**	228
	11,328	11,292

(b) Staff costs:

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Salaries, wages and other benefits	**100,516**	98,039
Contributions to defined contribution plans *(i)*	**10,409**	9,492
	110,925	107,531

(i) Employees of the Group's PRC subsidiaries are required to participate in a defined contribution retirement scheme administered and operated by the local municipal government. The Group's PRC subsidiaries contribute funds which are calculated on certain percentages of the average employee salary as agreed by the local municipal government to the scheme to fund the retirement benefits of the employees.

The Group has no other material obligation for the payment of retirement benefits associated with the scheme beyond the annual contributions described above.

(c) *Other items:*

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Cost of inventories	**973,652**	795,531
Depreciation of owned property, plant and equipment	**31,720**	30,118
Depreciation of right-of-use assets	**3,977**	4,323
Amortisation of intangible assets	**1,227**	1,011
Loss allowance recognised for trade receivables	**4,843**	13,999

7 Income tax in the consolidated statements of profit or loss

(a) *Current taxation in the consolidated statements of profit or loss represents:*

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Current tax:		
Provision for the period	**9,870**	21,011
Over-provision in prior years	**(1,348)**	(3,825)
	8,522	17,186
Deferred tax:		
Reversal and origination of temporary differences	**688**	(4,841)
	9,210	12,345

(i) The provision for PRC income tax is based on a statutory rate of 25% of the taxable income of the Company's Chinese mainland subsidiaries as determined in accordance with the relevant income tax rules and regulations of the PRC.

Pursuant to the PRC income tax law, all of the Company's PRC subsidiaries are liable to PRC income tax at a rate of 25% except for Linyi Conch New Material Technology Co., Ltd., which is entitled to a preferential income tax rate of 15% during the six months ended 30 June 2025 and 2026, as it is certified as "High and New Technology Enterprise" ("**HNTE**"). According to Guoshuihan [2009] No. 203, if an entity is certified as a HNTE, it is entitled to a preferential income tax rate of 15% during the certified period.

(ii) Effective from 1 October 2022, an additional 100% of qualified research and development expenses incurred is allowed to be deducted from taxable income under the Enterprise Income Tax (the "**EIT**") law and its relevant regulations.

8 Earnings per share

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to ordinary equity shareholders of the Company of RMB40,201,000 (the same period in 2025: RMB52,364,000) and the weighted average number of ordinary shares in issue during the period, which was calculated as follows.

Weighted average number of ordinary shares:

	2026	2025
	'000	*'000*
Issued ordinary shares at 1 January	**579,894**	434,920
Effect of ordinary shares issued *(note 1)*	**—**	144,974
Weighted average number of ordinary shares at 30 June	**579,894**	579,894

Note 1: The Company were successfully listed on the Main Board of the Stock Exchange on 9 January 2025, with the issuance of 144,974,000 H Shares.

	January–June 2026	January–June 2025
Profit attributable to ordinary equity shareholders of the Company for the period *(in RMB'000)*	**40,201**	52,364
Weighted average number of ordinary shares *(in '000)*	**579,894**	579,894
Basic earnings per share *(in RMB)*	**0.07**	0.09

(b) Diluted earnings per share

The Company had no dilutive potential ordinary shares in issue during the six months ended 30 June 2025 and 2026, therefore, diluted earnings per share are the same as the basic earnings per share.

9 Property, plant and equipment, right-of-use assets and intangible assets

(a) Acquisition and disposal of owned property, plant and equipment

For the six months ended 30 June 2026, the Group's newly added property, plant and equipment was RMB28,965,000, and the net book value of the Group's disposal of property, plant and equipment was RMB296,000.

(b) Right-of-use assets

Right-of-use assets refer to properties leased for own use and land leased for own use. For the six months ended 30 June 2026, the leases of two factories expired and were renewed by the Group.

(c) Intangible assets

Intangible assets include software, pollutant discharge permits and non-patented technologies, etc. For the six months ended 30 June 2026, there was no increase or disposal in intangible assets.

10 Trade and other receivables

	30 June 2026 *RMB'000*	31 December 2025 *RMB'000*
Trade receivables		
— Third parties	**237,497**	287,203
— Related parties	**227,273**	201,100
Less: allowance for doubtful debts	**(40,188)**	(35,345)
	424,582	452,958
Bills receivable, carried at amortised cost	**306,999**	297,632
Bills receivable, measured at FVOCI	**23,488**	34,800
Other receivables from third parties		
— Prepayments	**45,106**	22,789
— Bank-guaranteed receivables#	**22,197**	51,106
— Deductible input tax	**9,552**	7,444
— Income tax recoverable	**3,909**	2,737
Others	**21,788**	6,873
	857,621	876,339
Other receivables from related parties	**4,539**	9,916
Current portion of trade and other receivables	**862,160**	886,255
Non-current portion of trade and other receivables	**48,303**	10,362
Total current and non-current trade and other receivables	**910,463**	896,617

During the period ended 30 June 2026, a subsidiary of the Group requested certain customers to provide bank payment guarantees in respect of their overdue trade receivables. Under this arrangement, the bank will unconditionally settle the outstanding receivables upon the expiry of the guarantee period, which is within one year. As the credit quality of the bank remained sound, no impairment loss was recognised during the period.

All of the current portion of trade and other receivables are expected to be recovered within one year.

All amounts due from related parties are unsecured, non-interest bearing and repayable on demand.

(a) Ageing analysis

The following table sets out an ageing analysis of trade receivables, net of loss allowance based on the due date indicated:

	30 June 2026	31 December 2025
	RMB'000	*RMB'000*
Current	**360,597**	400,332
1–6 months past due	**52,871**	42,142
7–12 months past due	**9,825**	5,606
12–18 months past due	**1,289**	4,878
	424,582	452,958

11 Inventories

	30 June 2026	31 December 2025
	RMB'000	*RMB'000*
Raw materials	**63,460**	64,839
Finished goods	**90,242**	78,837
	153,702	143,676

12 Financial assets measured at FVPL

As at 30 June 2026, financial assets measured at FVPL held by the Group were wealth management products issued by certain financial institutions in the PRC. Neither the principal amount nor the expected returns of these wealth management products are guaranteed.

13 Cash and cash equivalents

	30 June 2026 *RMB'000*	31 December 2025 *RMB'000*
Cash at bank and on hand	**343,145**	426,560
Cash and cash equivalents in the consolidated statement of financial position and the consolidated cash flow statement	**343,145**	426,560

14 Loans and borrowings

	30 June 2026 *RMB'000*	31 December 2025 *RMB'000*
Current	**676,216**	711,260
Non-current	**262,779**	292,425
Total	**938,995**	1,003,685

As at the end of each reporting period, the bank loans were repayable as follows:

	30 June 2026 *RMB'000*	31 December 2025 *RMB'000*
Within one year	**676,216**	711,260
After one year but within two years	**66,852**	97,460
After two years but within five years	**195,927**	194,965
Total	**938,995**	1,003,685

As at 30 June 2026, the bank loans were guaranteed and secured as follows:

	30 June 2026 *RMB'000*	31 December 2025 *RMB'000*
Unsecured	**876,063**	970,150
Bills discounted	**62,932**	33,535
Total	**938,995**	1,003,685

15 Trade and other payables

	30 June 2026 *RMB'000*	31 December 2025 *RMB'000*
Trade payables		
— Third parties	**259,028**	212,765
— Related parties	**5,738**	3,176
	264,766	215,941
Other payables and accruals		
— Construction and equipment payables	**18,592**	41,193
— Deposits	**18,248**	23,040
— Other taxes and surcharges payables	**7,787**	4,529
— Accrued payroll and other benefits	**22,138**	42,183
— Dividend payable to minority shareholders	**11,000**	—
— Other accrued expenses	**13,082**	9,133
	355,613	336,019
Other payables to related parties	**118**	1,284
Trade and other payables	**355,731**	337,303

An ageing analysis of trade and bills payables of the Group, based on the invoice date, is as follows:

The Group	**30 June 2026** *RMB'000*	31 December 2025 *RMB'000*
Within 1 year	**264,766**	215,412
Over 1 year	**—**	529
	264,766	215,941

As at the end of the Reporting Period, all payables are due within one year, and are unsecured, non-interest bearing and repayable on demand.

16 Share capital, reserves and dividends

(a) Dividends

Dividend payable to equity shareholders attributable to the previous financial year, approved during the interim period:

	Note	**Six months ended 30 June 2026** *RMB'000*	2025 *RMB'000*
Final dividend in respect of the previous financial year, approved during the interim period, of RMB0.16 per share (six months ended 30 June 2025: RMB0.17 per share)	*(i)*	**92,783**	98,582

(i) Pursuant to a resolution passed at the annual general meeting on 20 May 2026, a final dividend in respect of the previous financial year of RMB0.16 per ordinary share totaling RMB92,783,000 (equivalent to approximately HK$106,198,000) was approved (2025: RMB98,582,000), which was paid in June 2026.

The Board has resolved not to declare an interim dividend for the six months ended 30 June 2026 (six months ended 30 June 2025: Nil).

BUSINESS REVIEW

1. OVERALL OVERVIEW

In the first half of 2026, against the backdrop of multiple intersecting domestic and international factors, China's economy maintained stable operation, with the gross domestic product (GDP) for the first half reaching RMB69.6 trillion, representing a year-on-year increase of 4.7% at constant prices, which falls within the annual macroeconomic regulation target range. Benefiting from the continued efforts of proactive fiscal policy and prudent monetary policy, infrastructure investment received effective support, major projects were accelerated, and the leveraging effect of special-purpose bond funds was significant, driving steady growth in demand for engineering admixtures. At the same time, affected by the ongoing adjustment of the real estate sector, real estate development investment in the first half decreased by 18.0% year-on-year, while the area of newly commenced property declined by 23.4% year-on-year. Demand for admixtures in the civil construction sector continued to weaken, exerting a certain degree of constraint on overall market demand.

In response to the objective pressure on demand in the construction sector, the Group, while stabilizing its core admixture business, has leveraged its industrial chain advantages to actively expand into high-value-added fine chemical sectors, with a focus on cultivating three new product arenas, including surfactants, polyether polyols and ethylene carbonate, aiming at continuously optimizing and upgrading the business structure.

In the first half of 2026, the three major categories of new products demonstrated different growth momentum amid divergent market demand. Surfactants are essential raw materials for daily chemical and industrial applications, with broad market space both globally and domestically. Non-ionic products led the growth, while exports remained stable and positive in the first half, maintaining a net export pattern. Polyether polyols, as a core raw material for polyurethanes, have seen their role as an export pillar continue to strengthen, becoming an important channel for absorbing domestic production capacity. Ethylene carbonate, as a core solvent for lithium battery electrolytes, benefited from the continued high prosperity of the new energy and energy storage industries, with strong demand for electronic-grade products and a relatively tight supply-demand balance across the industry. The market growth potential of these three new arenas provides a solid market foundation for the Group's expansion into the fine chemical sector.

2. BUSINESS REVIEW

Building on its prior strategic planning and industry validation, the Group has accelerated the capacity construction and industrialization of its new products. During the Reporting Period, the Ningbo company's 60,000-ton epoxy derivative fine chemicals project commenced commercial production. The Group's product portfolio, which originally comprised cement admixtures, concrete admixtures and their in-process intermediaries, has been further expanded to include three major product series: surfactants, polyether polyols and ethylene carbonate. This marks the achievement of a preliminary milestone in the Group's exploration of the industrialization of epoxy derivative fine chemicals, with the new product system taking initial shape.

The Group has deepened its R&D and innovation in response to market demands, continuously iterating and upgrading its green and high-performance products, while providing customized products and supporting technical services to upstream and downstream customers, thereby consistently reinforcing its brand's core competitiveness. In the face of intensifying competition and accelerating consolidation in the market, the Group has leveraged its dual-category, full-chain integrated industrial chain advantages, from polyether monomers to concrete admixtures, and from alkanolamines to cement admixtures, to stabilize its existing customer base and systematically expand into incremental markets. At the same time, it has advanced the commercialization of its new fine chemical products and steadily cultivated a second growth curve. During the Reporting Period, the Group achieved operating revenue of RMB1,207.24 million, representing a year-on-year increase of 11.65%, marking a solid start in terms of revenue. However, the competition in traditional products remains intense, and the market penetration of new products needs to be accelerated.

(I) Cement Admixture and In-process Intermediaries Business

As a major supplier in the cement admixture sector, the Group leverages its strengths in technological R&D, product portfolio and customer resources to provide green and efficiency-enhancing products as well as full-process technical services to cement enterprises. During the Reporting Period, the Group deepened its presence among existing customers and expanded into incremental markets, maintaining long-term and stable cooperation with numerous industry-leading and regionally significant cement enterprises. In the alkanolamine intermediate business, the Group closely tracked raw material price trends and effectively mitigated price fluctuation risks by flexibly adjusting procurement and sales strategies, optimizing procurement pacing and inventory management.

However, due to the continued contraction in cement demand and intensifying competition across the industrial chain, the overall downstream market experienced pressure on both volume and prices. Despite the partial offset achieved through customer penetration and procurement optimization strategies of the Company, the operating revenue from cement admixtures and alkanolamine intermediates business declined by 2.08% year-on-year.

(II) Concrete Admixture and In-process Intermediaries Business

As a key enterprise in the domestic polyether intermediates and concrete admixtures sector, the Group has fully leveraged its integrated full-chain advantages spanning "polyether monomers — polycarboxylate mother liquor — finished concrete admixtures." By precisely capturing downstream demand trends and focusing on core scenarios such as new infrastructure and high-quality real estate, the Group has intensified its market development efforts and steadily increased its external market share, making this business the core pillar supporting the Group's revenue growth.

Polyether monomers are supplied on a stable basis to domestic admixture compounding enterprises and large building materials groups, with deep engagement in tendered projects of central state-owned enterprises and major infrastructure projects, leading to a continuous expansion in supply volumes. Polycarboxylate mother liquor is primarily supplied to large-scale infrastructure projects and leading admixture enterprises, with enhanced technical customization and tailored services, resulting in a steady increase in supply share to core customers. Finished concrete admixtures are offered to regional ready-mix stations and construction enterprises through integrated "product + technology" solutions, with regional coverage expanded through diversified business models, and customer stickiness steadily strengthened.

During the Reporting Period, revenue from the concrete admixtures and intermediate business increased by 16.82% year-on-year.

(III) Overseas Business

The Group has steadily advanced its strategy of "developing overseas business," leveraging its core domestic production capacity and technological advantages to expand into overseas markets, while dynamically assessing fluctuations in raw material and shipping costs and flexibly adjusting its export strategy. In terms of business coverage, the Group has deepened its presence in regions with strong infrastructure demand, including Southeast Asia, the Middle East and Africa. Its products are now exported to 44 countries and regions, effectively improving capacity utilization and continuously refining its global footprint.

In terms of overseas production capacity, the Tashkent plant has become one of the leading admixture suppliers in Uzbekistan in terms of scale, and leverages its local base to radiate into Central Asian markets such as Tajikistan and Kyrgyzstan. The Indonesia plant, after commencing production, quickly achieved local adaptation, secured its sales base with existing customer resources, and seized infrastructure opportunities in Southeast Asia to continue expanding its market share.

During the Reporting Period, overseas local operations and export trade (encompassing business realized through localized overseas operations, direct exports and agency exports) increased by nearly 150% year-on-year.

(IV) Commissioning of New Fine Chemical Products

The Group's three major new fine chemical products progressed as planned, with overall developments in line with expectations. Surfactants were operated under a dual-model approach combining direct sales and toll processing, with production lines and deliveries running smoothly and orderly, stable customer cooperation, and sustained and steady sales. Polyether polyols have completed the first batch of product deliveries, with production lines becoming more stable. Going forward, the focus will be on expanding sales channels and releasing production capacity. Ethylene carbonate has completed sample validation with multiple customers and is about to commence bulk sales.

During the Reporting Period, the Group's new fine chemical products business achieved operating revenue of RMB46.99 million, accounting for approximately 37% of the incremental operating revenue for the Reporting Period.

MANAGEMENT DISCUSSION AND ANALYSIS

(I) FINANCIAL PROFITABILITY

Item	**January–June 2026 Amount** ***(RMB'000)***	January–June 2025 Amount *(RMB'000)*	Changes between the Reporting Period and the corresponding period of the previous year *(%)*
Revenue	**1,207,238**	1,081,301	11.65
Profit before taxation	**57,130**	73,383	-22.15
Profit for the period	**47,920**	61,038	-21.49
Net profit attributable to the equity shareholders of the Company	**40,201**	52,364	-23.23

During the Reporting Period, the Group's operating revenue amounted to RMB1,207.24 million, representing a period-on-period increase of 11.65%. Profit before taxation amounted to RMB57.13 million, representing a period-on-period decrease of 22.15%. Profit for the period amounted to RMB47.92 million, representing a period-on-period decrease of 21.49%. Net profit attributable to the equity shareholders of the Company amounted to RMB40.20 million, representing a period-on-period decrease of 23.23%, and basic earnings per share were RMB0.07, a decrease of RMB0.02 period-on-period.

1. *Revenue by Business Stream*

Item	January–June 2026 Amount (RMB'000)	Percentage (%)	January–June 2025 Amount (RMB'000)	Percentage (%)	Change in amount (%)
Cement admixture and in-process intermediaries	**539,412**	**44.68**	550,864	50.95	-2.08
Concrete admixture and in-process intermediaries	**616,496**	**51.07**	527,719	48.80	16.82
Others	**51,330**	**4.25**	2,718	0.25	1,788.51
Total	**1,207,238**	**100.00**	1,081,301	100.00	11.65

During the Reporting Period, the Group's revenue was derived from three streams of business: (1) cement admixture and in-process intermediaries, (2) concrete admixture and in-process intermediaries, and (3) others. A breakdown by business is as follows:

(1) The revenue from cement admixture and in-process intermediates amounted to RMB539.41 million for the Reporting Period, representing a decrease of 2.08% compared to the corresponding period of the previous year, mainly due to (i) the national cement output in the first half of the year, which stood at 736 million tons, a year-on-year decrease of 8% (data source: National Bureau of Statistics), leading to a decline in demands for our products; and (ii) downward adjustments in contract pricing with certain core customers for cement admixture.

(2) The revenue from concrete admixture and in-process intermediates amounted to RMB616.50 million for the Reporting Period, representing an increase of 16.82% compared to the corresponding period of the previous year, primarily due to (i) the Company's proactive expansion in concrete admixture and in-process intermediates, leading to an increase in market share; and (ii) the increase in market prices of raw materials, which in turn led to a corresponding increase in product prices.

(3) The revenue from others amounted to RMB51.33 million for the Reporting Period, representing an increase of 1,788.51% compared to the corresponding period of the previous year, mainly due to the Company's new sales of surfactants and other series of products.

— *Geographic information*

Revenue from external customers

	Six months ended 30 June	
	2026	2025
	(RMB'000)	*(RMB'000)*
Chinese mainland	**1,178,282**	1,067,547
Other regions or countries	**28,956**	13,754
	1,207,238	1,081,301

Specified non-current assets

	30 June 2026	31 December 2025
	(RMB'000)	*(RMB'000)*
Chinese mainland	**1,330,601**	1,315,979
Other regions or countries	**23,023**	14,762
	1,353,624	1,330,741

2. *Gross Profit and Gross Profit Margin*

	January–June 2026		January–June 2025		
Item	**Amount** ***(RMB'000)***	**Gross profit margin** ***(%)***	Amount *(RMB'000)*	Gross profit margin *(%)*	Change in amount *(%)*
Admixture and in-process intermediaries	**197,197**	**17.06**	210,992	19.56	-6.54
Others	**3,678**	**7.17**	1,737	63.91	111.74
Total	**200,875**	**16.64**	212,729	19.67	-5.57

During the Reporting Period, the Group's products achieved a gross profit of RMB200.88 million, representing a decrease of 5.57% compared to the corresponding period of the previous year.

During the Reporting Period, the gross profit margin of admixture and in-process intermediates was 17.06%, representing a decrease of 2.5 percentage points compared to the corresponding period of the previous year, mainly due to the Company's core raw material costs kept at high levels driven by the significant and sustained upward trend in international crude oil prices resulted from factors such as geopolitical conflicts and tightening global crude oil supply, and the pass-through of such cost increases to downstream prices was subject to a time lag. Although the Company actively implemented various cost reduction measures, it was unable to fully hedge against the adverse impact of raw material price fluctuations in the market.

3. *Other Net Income*

During the Reporting Period, other operating income of the Group amounted to RMB11.06 million, representing a decrease of RMB6.77 million, or 37.98%, compared to the corresponding period of the previous year, mainly due to a year-on-year decrease in government subsidies during the Reporting Period.

4. *Distribution Costs*

During the Reporting Period, the Group's distribution costs amounted to RMB32.15 million, representing an increase of RMB4.42 million, or 15.92%, compared to the corresponding period of the previous year, mainly due to: (i) the increased staff remuneration included in distribution costs due to organizational restructuring; and (ii) a corresponding increase in sales service fees driven by the increase in sales volume.

5. *Administrative Expenses*

During the Reporting Period, the Group's administrative expenses amounted to RMB82.80 million, representing an increase of RMB1.50 million, or 1.85%, compared to the corresponding period of the previous year, remaining basically stable compared to the corresponding period of the previous year.

6. Research and Development Expenses

During the Reporting Period, the Group's research and development costs amounted to RMB23.69 million, representing a period-on-period increase of 3.61%, mainly due to the Group's increased investment in research and development projects.

7. Finance Costs

During the Reporting Period, the Group's finance costs amounted to RMB11.33 million, remaining basically stable compared to the corresponding period of the previous year.

(II) FINANCIAL POSITION

As at the end of the Reporting Period, the Group's total assets amounted to RMB2,858.00 million, representing a decrease of RMB56.69 million as compared to the end of the previous year; the equity attributable to equity shareholders of the Company amounted to RMB1,326.64 million, representing a decrease of RMB48.45 million as compared to the end of the previous year; the gearing ratio of the Group calculated as total liabilities divided by total assets at the end of the period was 48.34%, representing a decrease of 0.71 percentage points as compared to the end of the previous year. The balance sheet items of the Group are as follows:

Item	**30 June 2026** *(RMB'000)*	31 December 2025 *(RMB'000)*	Change between the end of the Reporting Period and the end of the previous year *(%)*
Non-current assets	**1,388,875**	1,358,006	2.27
Current assets	**1,469,128**	1,556,686	-5.62
Non-current liabilities	**313,299**	347,326	-9.80
Current liabilities	**1,068,310**	1,082,391	-1.30
Net current assets	**400,818**	474,295	-15.49
Equity attributable to equity shareholders of the Company	**1,326,638**	1,375,085	-3.52
Total assets	**2,858,003**	2,914,692	-1.94
Total liabilities	**1,381,609**	1,429,717	-3.36

1. Non-current Assets and Current Assets

As at the end of the Reporting Period, the Group's non-current assets amounted to RMB1,388.88 million, remaining basically stable as compared to the end of the previous year.

As at the end of the Reporting Period, the Group's current assets amounted to RMB1,469.13 million, representing a decrease of 5.62% as compared to the end of the previous year, mainly due to capital expenditure on ongoing projects, repayments of bank borrowings and dividend payments, which reduced the Group's cash balance, together with strengthened collection of trade receivables.

2. *Non-current Liabilities and Current Liabilities*

As at the end of the Reporting Period, the Group's non-current liabilities amounted to RMB313.30 million, representing a decrease of 9.8% as compared to the end of the previous year, mainly due to the repayment of bank borrowings by its subsidiary, Ningbo Conch New Material Technology Co., Ltd.

As at the end of the Reporting Period, the Group's current liabilities amounted to RMB1,068.31 million, remaining basically stable as compared to the end of the previous year.

3. *Equity Attributable to Equity Shareholders of the Company*

As at the end of the Reporting Period, the equity attributable to equity shareholders of the Company amounted to RMB1,326.64 million, representing a decrease of 3.52% as compared to the end of the previous year, mainly due to the distribution of profits for the year 2025 in the first half of the year, which resulted in a reduction in shareholders' equity.

(III) LIQUIDITY AND CAPITAL SOURCES

During the Reporting Period, the Group fully leveraged its funding scale advantage by strengthening fund planning management, optimizing financing structure, lowering loan interest rates, and properly arranging project financing to meet the Company's capital needs. As of 30 June 2026, the Group's cash and cash equivalents amounted to RMB343.15 million, which were mainly denominated in Hong Kong dollars and RMB.

1. Loans and Borrowings

As at the end of each reporting period, the bank loan was repayable as follows.

Item	**30 June 2026** ***(RMB'000)***	31 December 2025 *(RMB'000)*
Within one year	**676,216**	711,260
After one year but within two years	**66,852**	97,460
After two years but within five years	**195,927**	194,965
Total	**938,995**	1,003,685

As at the end of the Reporting Period, the Group had balance of loans and borrowings of RMB939.00 million, representing a decrease of RMB64.69 million compared to the end of the previous year, primarily due to the repayment of short-term borrowings by the subsidiary, Ningbo Conch New Material Technology Co., Ltd.

As at the end of the Reporting Period, all of the Group's loans and borrowings were denominated in RMB, with the interests calculated based on fixed rates.

2. Cash Flows

Item	**Six months ended 30 June 2026** ***(RMB'000)***	Six months ended 30 June 2025 *(RMB'000)*
Net cash generated from operating activities	**122,894**	79,182
Net cash used in investing activities	**-86,804**	-19,065
Net cash used in financing activities	**-118,519**	298,626
Effect of exchange rate changes on cash	**-986**	—
Net change in cash and cash equivalents	**-83,415**	358,743
Cash and cash equivalents at beginning of period	**426,560**	131,387
Cash and cash equivalents at end of period	**343,145**	490,130

— *Net cash generated from operating activities*

During the Reporting Period, the Group had net cash generated from operating activities of RMB122.89 million, representing an increase of RMB43.71 million compared to the corresponding period of the previous year, mainly due to the Group's enhanced control over accounts receivable and accelerated the recovery of payments for goods during the Reporting Period, resulting in increased operating cash inflows compared to the corresponding period of the previous year.

— *Net cash used in investing activities*

During the Reporting Period, the Group had net cash used in investing activities of RMB86.8 million, representing an increase of RMB67.74 million compared to the corresponding period of the previous year, mainly due to the construction and purchase of equipment for the Phase II project of the subsidiary Ningbo Conch New Material Technology Co., Ltd. and new projects such as Maoming Conch Material Technology Co., Ltd.

— *Net cash used in financing activities*

During the Reporting Period, the Group had net cash used in financing activities of RMB-118.52 million, representing a decrease of RMB417.15 million compared to the corresponding period of the previous year, mainly due to the repayment of long-term and short-term loans and dividend payments of RMB92.78 million.

(IV) TREASURY MANAGEMENT POLICY

The Company continues to adopt a prudent financial management approach towards its treasury policy. The Board will closely monitor the liquidity position to ensure that the liquidity structure of the Company's assets, liabilities and other commitments can meet the funding requirements from time to time.

(V) FOREIGN EXCHANGE RISK AND EXCHANGE RATE RISK

The Group's functional currency is RMB. Most of the assets and transactions of the Group were denominated in RMB, and the capital expenditures of the domestic business were generally funded with the revenue in RMB. As a result, the Group is not exposed to significant foreign exchange risks.

(VI) CAPITAL COMMITMENTS

As at 30 June 2026, the Group had capital commitments not provided for in the consolidated financial statements as follows:

	30 June 2026 ***(RMB'000)***	31 December 2025 *(RMB'000)*
Contracted for	**47,442**	112,286

(VII) CONTINGENT LIABILITIES

As at the end of the Reporting Period, the Group did not have any material contingent liabilities.

(VIII) PLEDGE ON ASSETS

As at the end of the Reporting Period, the Group did not have any pledge on assets.

(IX) SIGNIFICANT INVESTMENTS

On 15 May 2026, Maoming Conch Material Technology Co., Ltd., a wholly-owned subsidiary of the Company, acquired, through a public bidding procedure, the land use rights to a parcel of land located in Maoming City, the PRC, which was offered for sale by the Maoming Municipal Natural Resources Bureau (茂名市自然資源局) through public listing, at a consideration of RMB45.20 million, for the purpose of the planning and construction of the production plant of Maoming Conch Material Technology Co., Ltd. For details, please refer to the announcement of the Company dated 15 May 2026. In July 2026, the registration of change in property title and ownership transfer procedures for the land were completed.

Save as disclosed above, the Group had no significant investments during the Reporting Period.

(X) FUTURE PLAN FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save as disclosed in (i) the section headed "Future Plans and Use of Proceeds" in the prospectus of the Company dated 31 December 2024 (the "**Prospectus**"); and (ii) the announcement dated 31 March 2026 and the circular dated 27 April 2026 (both in relation to the change of use of proceeds), as of the date of this announcement, the Group did not have any plans for material investments or capital assets.

(XI) MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATED COMPANIES AND JOINT VENTURES

As at 8 April 2026, Ningbo Conch New Material Technology Co., Ltd., a non-wholly-owned subsidiary of the Company, carried out a capital increase and share expansion of the subsidiary through a public tender process. Ningbo Industrial Investment Group Co., Ltd. (寧波工業投資集團有限公司) (the "**Investor**") entered into a capital increase and share expansion agreement with the Company, pursuant to which the Investor agreed to subscribe for RMB36.25 million of the registered capital of Ningbo Conch New Material Technology Co., Ltd. at a price of RMB48.13 million, and the Company's equity interest in Ningbo Conch New Material Technology Co., Ltd. was diluted from 90.0% to 80.0%. For details, please refer to the announcements of the Company dated 8 April 2026 and 17 April 2026.

Save as disclosed above, during the Reporting Period, the Group had no material acquisitions and disposals of subsidiaries, associated companies and joint ventures.

(XII) HUMAN RESOURCES

The Group attached great importance to the construction and development of human resources management system, consistently adhered to the strategy of strengthening enterprises with talents. Guided by value creation, it actively explored diversified incentive measures and implemented a mechanism for sharing excess profits, aiming to stimulate employee motivation and fully utilize the incentivizing and regulatory effects of the Group's compensation mechanism. Simultaneously, with the goal of enhancing human resource efficiency, it steadfastly advanced management innovation, fostered the management orientation that respects knowledge, talent, and innovation, thereby providing human resource support and assurance for the Group's high-quality development. The Group provides its employees with a comprehensive training program which it believes will enable them to effectively acquire the necessary skills and professional ethics. For details of the training program, please refer to the environmental, social and governance report published on the website of the Company (www.conchmst.com) and the website of the Stock Exchange (www.hkexnews.hk).

As at the end of the Reporting Period, the Group had 904 employees (31 December 2025: 908). The remuneration of employees is based on qualifications, experience, work performance and market conditions. As required by the PRC regulations on social insurance, the Group participated in the social insurance schemes managed by local government authorities which include pension insurance, medical insurance, unemployment insurance, work-related injury insurance and maternity insurance.

During the Reporting Period, the total employee remuneration (including Directors' compensation) amounted to approximately RMB110.93 million (the corresponding period in 2025: RMB107.53 million).

(XIII) USE OF PROCEEDS FROM THE GLOBAL OFFERING

The Company's H shares were successfully listed on the Main Board of the Stock Exchange on 9 January 2025, with 144,974,000 H shares issued at HK$3.0 per H share. From the Listing Date up to 30 June 2026, the Group has progressively applied the proceeds from the initial public offering in accordance with the intended uses as set out in (i) the section headed "Future Plans and Use of Proceeds" in the Prospectus; and (ii) the announcement of the Company dated 31 March 2026 and the circular dated 27 April 2026 (both relating to the change (the "**Change**") of use of proceeds). Details are set out below:

Use of net proceeds	Allocation as set out in the Prospectus *HK$ million*	Amount adjusted *HK$ million*	Revised allocation of net proceeds immediately after the Change *HK$ million*	Percentage after the Change	Net amount utilized as of 30 June 2026 *HK$ million*	Actual net amount utilized during the Reporting Period *HK$ million*	Net amount unutilized as of 30 June 2026 *HK$ million*	Expected timeline for utilizing the unutilized net amount
Optimise production capacity and extend the Group's geographical presence	**138.5**	**109.3**	**247.8**	**62.6%**	**108.6**	**29.2**	**139.2**	**December 2028**
Partially finance the production activities of a production plant located in Huludao, Liaoning	12.5	-12.5	—	—	—	—	—	N/A
Acquire and install production machinery in the Group's Ningbo Production Plant	71.3	—	71.3	18.0%	71.3	—	—	N/A
Construct overseas production plants located in Uzbekistan and Indonesia	42.8	-22.0	20.8	5.3%	17.3	9.2	3.5	June 2028
Enhance the extent of automation and digitalisation in production processes	7.9	—	7.9	2.0%	—	—	7.9	December 2028
Strengthen the production infrastructure	4.0	—	4.0	1.0%	—	—	4.0	December 2026

Use of net proceeds	Allocation as set out in the Prospectus *HK$ million*	Amount adjusted *HK$ million*	Revised allocation of net proceeds immediately after the Change *HK$ million*	Percentage after the Change	Net amount utilized as of 30 June 2026 *HK$ million*	Actual net amount utilized during the Reporting Period *HK$ million*	Net amount unutilized as of 30 June 2026 *HK$ million*	Expected timeline for utilizing the unutilized net amount
Construct production plants located in Maoming, Guangdong	—	143.8	143.8	36.3%	20.0	20.0	123.8	December 2028
Implement marketing initiatives	**39.6**	**-39.6**	**—**	**—**	**—**	**—**	**—**	**N/A**
Devote further resources to the Group's research and development initiatives	**59.4**	**—**	**59.4**	**15.0%**	**—**	**—**	**59.4**	**June 2028**
Support the Group's various research and development initiatives	52.7	—	52.7	13.3%	—	—	52.7	June 2028
Develop and commercialise the Group's new product, ethylene carbonate (碳酸乙烯酯)	6.7	—	6.7	1.7%	—	—	6.7	December 2026
Repay certain bank loans	**59.4**	**-39.4**	**20.0**	**5.1%**	**20.0**	**—**	**—**	**N/A**
Acquire companies or establish joint ventures	**59.4**	**—**	**59.4**	**15.0%**	**—**	**—**	**59.4**	**December 2026**
General working capital	**39.6**	**-30.3**	**9.3**	**2.3%**	**9.3**	**—**	**—**	**N/A**
Total	**395.9**	**—**	**395.9**	**100.0%**	**137.9**	**29.2**	**258.0**	

Reasons for and Benefits of Change in Use of Net Proceeds from the Global Offering

The intended use of the proceeds from the global offering as disclosed in the Prospectus was prepared based on the Company's estimates of the then-current and future market conditions as of the date of the Prospectus. The Board continuously evaluates the plans for the use of the unutilized net proceeds and, in light of developments in global and domestic economic conditions, revises or amends such plans when necessary to determine the most effective use of the net proceeds, thereby facilitating the Group's better growth and development.

After comprehensively considering the Group's current financial condition and business plans, the Company has made the following adjustments to the use of the unutilized net proceeds. Please refer to the announcement dated 31 March 2026 and the circular dated 27 April 2026 of the Company for details.

- The remaining proceeds originally intended for "repay certain bank loans", amounting to approximately HK$39.4 million, are no longer needed for their originally intended purpose, as the parent company's interest-bearing bank loans have been fully repaid, and there are currently no applicable interest-bearing bank loans within the Group available for repayment.

- The remaining proceeds originally intended for "partially finance the production activities of a production plant located in Huludao, Liaoning", amounting to approximately HK$12.5 million, are no longer needed for their originally intended use, as the plan to establish the manufacturing plant in Huludao, Liaoning through an outward investment has been completed, such originally designated project will no longer utilize the proceeds.

- The remaining proceeds originally intended for "construct overseas production plants located in Uzbekistan and Indonesia" amount to approximately HK$30.0 million. In view of the fact that the construction of the Uzbekistan production plant has been completed, and part of the investment in the Indonesian overseas production plant has already been paid through the proceeds and the Group's own funds, the remaining funding requirement is estimated to be approximately HK$8 million. In order to avoid idle funds and duplicate allocation, and after careful assessment by the Board, it is proposed to reduce the remaining net proceeds originally allocated to this project by HK$22.0 million and reallocate that amount to the Maoming Project.

- The net proceeds originally intended for "Implement marketing initiatives", amounting to approximately HK$39.6 million, are no longer needed for their originally intended purpose, as the Group has already initiated relevant marketing and promotional activities using its own funds in accordance with business development needs and has achieved the expected results. In order to avoid duplicate allocation of resources and to enhance the efficiency of the use of the proceeds, and after careful assessment by the Board, such portion of the proceeds is no longer required for its originally intended use. Accordingly, it is proposed to reallocate such unutilized funds to other more urgent and strategically significant projects under construction, so as to optimise the capital allocation structure and ensure that the limited resources are deployed to maximum benefit, which is in the best interests of the Company and its shareholders as a whole.

- The net proceeds originally intended for "Enhance the extent of automation and digitalisation in production processes" amount to approximately HK$7.9 million. In order to further improve the digital and intelligent capabilities of the production plant in Maoming City, Guangdong Province, and taking into account the construction progress of the plant, following a prudent assessment by the Board, the expected timeline for utilization is proposed to be adjusted to December 2028.

In order to enhance the efficiency of the use of proceeds, the Company has uniformly reallocated the above-mentioned net proceeds of approximately HK$113.5 million, which no longer have their originally intended use, together with approximately HK$30.3 million originally set aside for general working capital, to the "Construct production plants located in Maoming, Guangdong" project. According to the project schedule of the Maoming project, the full utilization of the unutilized net proceeds allocated to the construction of the production plant in Maoming, Guangdong is expected to occur by December 2028. Such funds will be exclusively applied to land acquisition, equipment procurement, and plant construction for the Maoming project, which will help ensure the timely progress of the key project and improve the efficiency of the use of proceeds, thereby aligning with the overall best interests of the Company and its shareholders. The expansion of the Maoming project is in line with the Group's long-term development strategy, facilitates capacity expansion and enhancement of market competitiveness, and is expected to bring better economic returns to the Group.

Save for the above changes, there have been no other changes to the use of the unutilized net proceeds. The nature of the Group's business remains unchanged from that previously disclosed. The Group intends to apply the unutilised net proceeds according to the allocations as set out in the circular of the Company dated 27 April 2026. The Board considers that the proposed changes are fair and reasonable, will enhance the efficiency of resource utilization, and are in the overall interests of the Group and its shareholders.

FUTURE PLAN AND PROSPECTS

2026 marks the opening year of the nation's "15th Five-Year Plan." The industry is poised to embrace two core opportunities: the deepening of the low-carbon transition and the expansion of overseas markets. At the same time, this opens up incremental space for enterprises with full-industry-chain advantages to extend into the fine chemical sector. In light of these industry opportunities and its own industrial chain foundation, the Group has adopted an overall operational direction centered on "stabilizing the domestic base, deepening overseas growth, strengthening technology-driven development, and diversifying into multiple arenas." It will reinforce the synergistic effects of its integrated industry chain, deepen its core business in green and environmentally friendly building materials, steadily cultivate new growth poles in fine chemical segments such as surfactants, polyether polyols and ethylene carbonate, and promote the coordinated development of its full product range. The Group will constantly consolidate its core competitiveness, consistently create long-term value for its shareholders, and strive to become an internationally leading benchmark enterprise in epoxy derivative fine chemicals.

INTERIM DIVIDEND

The Board resolved not to declare any interim dividend for the six months ended 30 June 2026.

NO MATERIAL CHANGE

Since the publication of the Company's annual report for the year ended 31 December 2025, there have been no material changes to the Company's business.

CORPORATE GOVERNANCE CODE

The Company is committed to achieving high standard of corporate governance in order to protect the interests of the Shareholders and improve corporate value and accountability. The Company acknowledges the importance of the Board in effectively leading and managing the business of the Company and ensuring the transparency and accountability of the Company's operation. The Company has adopted the principles and code provisions of the CG Code set out in Appendix C1 to the Listing Rules as its own corporate governance code. During the Reporting Period, the Company has complied with principles and all applicable code provisions set out in Part 2 of the CG Code.

Under the guidance of the regulatory documents, including the Listing Rules and the Articles of Association, the Group will continue to improve its corporate governance structure, foster good investor relations, and improve communication with the Shareholders and investors, so as to ensure continuous compliance with the provisions of the CG Code.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code in Appendix C3 to the Listing Rules as its own code of conduct for securities transactions by the Directors. Having made specific enquiries to all Directors, the Company confirms that all Directors have complied with the required standards as set out in the Model Code during the Reporting Period and up to the date of this announcement.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the Reporting Period and up to the date of this announcement, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares (as defined in the Listing Rules)). As at the end of the Reporting Period, the Company did not hold any treasury shares.

AUDIT COMMITTEE

The Audit Committee comprised four independent non-executive Directors, namely Ms. Xu Xu (Chairlady of the Audit Committee), Mr. Li Jiang, Mr. Chen Jiemiao and Ms. Zeng Xiangfei. The Audit Committee has reviewed the interim results of the Group for the six months ended 30 June 2026. The Audit Committee has no disagreement with the accounting treatment adopted by the Company.

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

Due to other work arrangements, Mr. Ding Feng has resigned as the Chairman of the Board and a non-executive director of the Company, effective from 10 July 2026. Following Mr. Ding Feng's resignation, he ceased to serve as the Chairman of the Company's Nomination Committee. Mr. Jin Feng, a non-executive director, has been elected as the Chairman of the Board and the Chairman of the Nomination Committee, effective from 10 July 2026. For details, please refer to the announcement published by the Company on 10 July 2026.

Save as disclosed in this announcement, the Group has no significant events requiring disclosure affecting the Group during the period subsequent to the end of the Reporting Period and up to the date of this announcement.

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This results announcement is published on the website of the Company (www.conchmst.com) and the website of the Stock Exchange (www.hkexnews.hk). The interim report of the Company for the six months ended 30 June 2026 containing all the information required by the Listing Rules will be published on the websites of the Stock Exchange and the Company in due course, and will be, where necessary, despatched to the Shareholders.

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
28 August 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.