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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)

**(1) REVISION OF ANNUAL CAPS FOR TRANSACTIONS UNDER THE
PROCUREMENT OF SERVICES FRAMEWORK AGREEMENT;
AND
(2) REVISION OF ANNUAL CAPS FOR TRANSACTIONS UNDER
THE COAL AND MATERIALS PROCUREMENT FRAMEWORK
AGREEMENT**

Reference is made to the section headed “Connected Transactions” in the Prospectus in relation to, among others, the Procurement of Services Framework Agreement and the Coal and Materials Procurement Framework Agreement entered into between the Company and Huaibei Mining Group on 21 November 2025.

**REVISION OF ANNUAL CAPS FOR TRANSACTIONS UNDER THE
PROCUREMENT OF SERVICES FRAMEWORK AGREEMENT**

As disclosed in the Prospectus, the original annual caps for the years ending 31 December 2026 and 2027 under the Procurement of Services Framework Agreement were RMB3,000,000 and RMB3,000,000, respectively.

The Board has reviewed and evaluated the existing continuing connected transactions under the Procurement of Services Framework Agreement, and expects that the original annual caps for the year ending 31 December 2026 and the year ending 31 December 2027 as stated in the Prospectus will be insufficient to meet the Company’s demand for the procurement of certain types of services (including but not limited to equipment inspection service, onsite examination service, design service, and maintenance service) required for our daily operation from Huaibei Mining Group and/or its associates. Therefore, the Board resolved to revise the annual caps for the transactions under the Procurement of Services Framework Agreement to RMB8,000,000 for the year ending 31 December 2026 and RMB12,000,000 for the year ending 31 December 2027.

REVISION OF ANNUAL CAPS FOR TRANSACTIONS UNDER THE COAL AND MATERIALS PROCUREMENT FRAMEWORK AGREEMENT

As disclosed in the Prospectus, the original annual caps for the years ending 31 December 2026 and 2027 under the Coal and Materials Procurement Framework Agreement were RMB3,500,000 and RMB4,000,000, respectively.

The Board has reviewed and evaluated the existing continuing connected transactions under the Coal and Materials Procurement Framework Agreement, and expects that the original annual caps for the year ending 31 December 2026 and the year ending 31 December 2027 as stated in the Prospectus will be insufficient to meet the Company's demand for the procurement of coal and auxiliary materials for production to be used in the daily business operation of the Company from Huaibei Mining Group and/or its associates. Therefore, the Board resolved to revise the annual caps for the transactions under the Coal and Materials Procurement Framework Agreement to RMB6,500,000 for the year ending 31 December 2026 and RMB10,000,000 for the year ending 31 December 2027.

Save for the revised annual caps disclosed above, all other terms and conditions of the Procurement of Services Framework Agreement and the Coal and Materials Procurement Framework Agreement remain unchanged. For the principal terms and conditions of the two agreements, please refer to the Prospectus of the Company.

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% of the equity interests in the Company. Therefore, Huaibei Mining Group is a connected person of the Company under the Listing Rules, and the Procurement of Services Framework Agreement and the Coal and Materials Procurement Framework Agreement constitute continuing connected transactions of 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 caps for continuing connected transactions, the Company will be required to re-comply with the relevant provisions of Chapter 14A of the Listing Rules in relation to the relevant continuing connected transactions.

As the highest applicable percentage ratio (as defined under Rule 14.07 of the Listing Rules) in respect of each of the revised annual caps disclosed above is more than 0.1% but less than 5%, the transactions under the Procurement of Services Framework Agreement and the Coal and Materials Procurement Framework Agreement are subject to the reporting and announcement requirements but are exempt from the circular, independent financial advice and independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

Reference is made to the section headed “Connected Transactions” in the Prospectus, in relation to, among others, the Procurement of Services Framework Agreement and the Coal and Materials Procurement Framework Agreement entered into between the Company and Huaibei Mining Group on 21 November 2025.

(1) REVISION OF ANNUAL CAPS FOR TRANSACTIONS UNDER THE PROCUREMENT OF SERVICES FRAMEWORK AGREEMENT

As disclosed in the Prospectus, pursuant to the Procurement of Services Framework Agreement, the Company may from time to time procure from Huaibei Mining Group and/or its associates certain types of services (including but not limited to equipment inspection service, onsite examination service, design service, and maintenance service) for our daily operation. The initial term of the agreement commenced on the Listing Date until 31 December 2027. The original annual caps for the years ending 31 December 2026 and 2027 under the agreement were RMB3,000,000 and RMB3,000,000, respectively.

The Board has reviewed and evaluated the existing continuing connected transactions under the Procurement of Services Framework Agreement, and expects that the existing annual caps will be insufficient to meet the Company’s demand for services required for daily operations. Therefore, the Board resolved to revise the annual caps under the Procurement of Services Framework Agreement to RMB8,000,000 for the year ending 31 December 2026 and RMB12,000,000 for the year ending 31 December 2027.

Pricing terms

The price for each type of services will be determined on a cost plus basis with reference to the actual costs and expenses incurred by Huaibei Mining Group and/or its associates in providing the relevant services to us and the market price of relevant services.

Set out below are the specific pricing policies for different types of services under the Procurement of Services Framework Agreement:

Type of services	Pricing policy
Equipment inspection service	Price to be determined with reference to the type of equipment inspection, the complexity of the inspection steps, and the cost and salaries of personnel needed of the inspection
Physical examination service	Fixed examination fee per person
Design services	Price to be determined with reference to project complexity and negotiations between the parties and specific field of work
Maintenance services	Price to be determined with reference to the type of maintenance object and the salaries of personnel needed for the maintenance

For the purpose of ascertaining market prices, the procurement team of our Company will (i) conduct public bidding procedure in which at least three bidders (including bidders that are independent third parties) will participate. Our Company will review and evaluate terms and conditions (including pricing of relevant service) submitted by the bidders and select the most favourable terms to the Company; or (ii) conduct price inquiry and obtain quotations from at least two suppliers that are independent third parties. This would ensure that the terms provided by Huaibei Mining Group and/or its associates are no less favourable to our Company than available to independent third parties.

Historical transaction amounts

Unit: RMB thousand

	For the year ended 31 December			For the eight months ended
	2023	2024	2025	31 August 2026
Procurement of services	996.0	2,043.0	1,095.0	2,237.9

From 1 January 2026 to the date of this announcement, the accumulated transaction amounts have not exceeded the existing annual cap for the year ending 31 December 2026. However, based on the reasons and benefits disclosed below, the Company expects that the existing annual caps for the year ending 31 December 2026 and the year ending 31 December 2027 may not be sufficient to meet the business needs of the Group. Therefore, both parties agreed to revise the annual caps under the Procurement of Services Framework Agreement to RMB8,000,000 for the year ending 31 December 2026 and RMB12,000,000 for the year ending 31 December 2027.

Reasons for and benefits of revising the annual caps for transactions under the Procurement of Services Framework Agreement

With the expansion of the Company's business scale, its production capacity has steadily increased and project construction has continued to advance, resulting in a further increase in the Company's demand for services provided by Huaibei Mining Group. In addition, given our long-term cooperation with Huaibei Mining Group and/or its associates, Huaibei Mining Group and/or its associates are very familiar with our service requirements relating to production and operation and have continuously provided the Company with services of consistent quality since the listing of the Company. The Company expects to continue to procure labor services, maintenance services and other services from Huaibei Mining Group and its associates under the Procurement of Services Framework Agreement to advance technological transformation and improve production quality. Specifically, the revised annual caps for the transactions under the Procurement of Services Framework Agreement are determined with reference to the following factors:

- (i) the historical transaction amounts for the procurement of services by the Company from Huaibei Mining Group and/or its associates pursuant to the Procurement of Services Framework Agreement, in particular, the historical transaction amount for the eight months ended 31 August 2026 has reached 74% of the original annual cap for 2026, which is insufficient to meet the Company's future business development needs;
- (ii) the expected labor cost for provision of services by Huaibei Mining Group and/or its associates and other independent third party service providers in general for the year ending 31 December 2027, including but not limited to increase of salary of service staff;

- (iii) the demand of our Company for relevant services to meet our expected business needs in the year ending 31 December 2027. In particular, as our Company commenced the operation of our expanded Chamotte Plant for crystal phase transformation and development of the deep processing project of mullite-based aluminosilicate materials, resulting in an expected increase in production capacity, therefore our demand for the relevant services such as equipment inspection service, onsite examination service and maintenance service may increase accordingly;
- (iv) following the listing of the Company, the Company adjusted the product strategy of the Mullite Precision Casting Sand and Powder Plant based on market conditions and continued to produce its existing products with special specifications, thereby requiring more labor personnel to participate in processing and production; in addition, following the listing of the Company, the Company has continued to strengthen the daily maintenance of its production facilities to ensure production safety, strengthen technological transformation and improve product quality, and therefore the demand for the procurement of relevant services from Huaibei Mining Group and its associates will further increase; and
- (v) the Company has also considered the estimated amounts, recurring nature and fluctuations in business demand in respect of certain new or expanded service items, and has provided for an appropriate buffer in the revised annual cap to meet the actual operational needs of the Group for the year ending 31 December 2027.

The Directors (including the independent non-executive Directors) are of the view that the transactions under the Procurement of Services Framework Agreement (as supplemented and amended by the supplemental agreement) are entered into on normal commercial terms and in the ordinary and usual course of business of the Group, are fair and reasonable and in the interests of the Company and its Shareholders as a whole, and the revised annual caps are fair and reasonable.

(2) REVISION OF ANNUAL CAPS FOR TRANSACTIONS UNDER THE COAL AND MATERIALS PROCUREMENT FRAMEWORK AGREEMENT

As disclosed in the Prospectus, pursuant to the Coal and Materials Procurement Framework Agreement, the Company may from time to time procure from Huaibei Mining Group and/or its associates coal and auxiliary materials for production, which will be used in the daily business operation of our Company. The initial term of the agreement commenced on the Listing Date until 31 December 2027. The original annual caps for the years ending 31 December 2026 and 2027 under the agreement were RMB3,500,000 and RMB4,000,000, respectively.

The Board has reviewed and evaluated the existing continuing connected transactions under the Coal and Materials Procurement Framework Agreement, and expects that the existing annual caps will be insufficient to meet the Company's demand for coal and auxiliary materials for production required for its daily business operation. Therefore, the Board resolved to revise the annual caps under the Coal and Materials Procurement Framework Agreement to RMB6,500,000 for the year ending 31 December 2026 and RMB10,000,000 for the year ending 31 December 2027.

Pricing terms

The price for coal is calculated by multiplying the unit price by actual weight. The unit price of coal shall be determined with reference to (i) market price and conditions; (ii) relevant local industry index prices, including but not limited to the BSPI (Bohai Rim Thermal Coal Price Index), the CCTD Qinhuangdao 5500 Kcal Comprehensive Transaction Price and the NCEI 5500 Kcal Comprehensive Price published by the National Coal Exchange Center; (iii) coal quality characteristics; and (iv) transportation costs. In addition, the Company will use quality adjustment mechanism (including parameters such as moisture, sulfur percentage, volatile matter, ash content and calorific value) to determine the price of coals.

The price for each type of auxiliary materials for production will be determined with reference to (i) the prevailing market price of such material; and (ii) the price of such material provided by independent third parties to our Company.

For the purpose of ascertaining market prices, the procurement team of our Company will (i) conduct public bidding procedure in which at least three bidders (including bidders that are independent third parties) will participate. Our Company will review and evaluate terms and conditions (including pricing of relevant material) submitted by the bidders and select the most favourable terms to the Company; or (ii) conduct price inquiry and obtain quotations from at least two providers that are independent third parties. This would ensure that the terms provided by Huaibei Mining Group and/or its associates are no less favourable to our Company than those provided by independent third parties.

Historical transaction amounts

Unit: RMB thousand

	For the year ended 31 December			For the eight months ended 31 August
	2023	2024	2025	2026
Procurement of coal and auxiliary materials for production	7,791.0	18.0	2,024.0	3,431.6

From 1 January 2026 to the date of this announcement, the accumulated transaction amounts have not exceeded the existing annual cap for the year ending 31 December 2026. However, based on the reasons and benefits disclosed below, the Company expects that the existing annual caps for the year ending 31 December 2026 and the year ending 31 December 2027 may not be sufficient to meet the business needs of the Group. Therefore, both parties agreed to revise the annual caps under the Coal and Materials Procurement Framework Agreement to RMB6,500,000 for the year ending 31 December 2026 and RMB10,000,000 for the year ending 31 December 2027.

Reasons for and benefits of revising the annual caps for transactions under the Coal and Materials Procurement Framework Agreement

With the expansion of the Company's business scale, the demand for coal and auxiliary materials for production has increased, and the scale of connected transactions with Huaibei Mining Group continues to expand. In addition, given our long-term cooperation with Huaibei Mining Group and/or its associates, Huaibei Mining Group and/or its associates are very familiar with our production and operation requirements, and their locations are in close proximity to the Company, which facilitates improvement in the transportation efficiency of coal and materials. Since the listing of the Company, Huaibei Mining Group and/or its associates have continuously provided the Company with coal and auxiliary materials for production of consistent quality and supply. The Company plans to further expand the scale of transactions involving the procurement of coal and other materials from Huaibei Mining Group and/or its associates. Specifically, the revised annual caps for the transactions under the Coal and Materials Procurement Framework Agreement are determined with reference to the following factors:

- (i) the historical transaction amounts for the procurement of coal and auxiliary materials for production by the Company from Huaibei Mining Group and/or its associates pursuant to the Coal and Materials Procurement Framework Agreement, in particular, the historical transaction amount for the eight months ended 31 August 2026 has nearly reached the original annual cap for 2026, which is insufficient to meet the Company's future business development needs;

- (ii) the demand of our Company for coal and auxiliary materials for production to meet our expected business needs. In particular, our Company expects to expand our production capacity, including the commencement of operation of the expanded Chamotte Plant for crystal phase transformation and development of the deep processing project of mullite-based aluminosilicate materials. We plan to expand the annual production capacity of mullite particles for refractories to 70,000 tonnes, and construct a new fine kaolin rock powder production line with an annual capacity of 60,000 tonnes. The deep processing project of mullite-based aluminosilicate materials requires further consumption of coal and auxiliary materials for production to maintain production, resulting in an increase in demand for coal and auxiliary materials for production for the year ending 31 December 2027; as the Company's production capacity increases, the Company plans to actively develop new customers and overseas markets, and future sales are expected to increase accordingly. Coupled with the development of certain new projects and the commencement of operation of the deep processing project of mullite-based aluminosilicate materials, the Company expects an increase in its demand for coal and auxiliary materials for production in the fourth quarter of 2026 and in 2027; and
- (iii) the estimated increase in the cost of coal and auxiliary materials for production (including but not limited to the estimated increase in logistics costs by 3% to 5% over the three years from 2025 to 2027 due to expected increases in labor costs according to Frost & Sullivan), which will lead to an increase in the procurement prices of coal and auxiliary materials for production.

The Directors (including the independent non-executive Directors) are of the view that the transactions under the Coal and Materials Procurement Framework Agreement (as supplemented and amended by the supplemental agreement) are entered into on normal commercial terms and in the ordinary and usual course of business of the Group, are fair and reasonable and in the interests of the Company and its Shareholders as a whole, and the revised annual caps are fair and reasonable.

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 Procurement of Services Framework Agreement, the Coal and Materials Procurement Framework Agreement and the transactions contemplated thereunder and, accordingly, they have abstained from voting on the relevant resolutions at the Board meeting. Save as disclosed above, none of the other Directors has any material interest in the Procurement of Services Framework Agreement, the Coal and Materials Procurement Framework Agreement and the transactions contemplated thereunder, and none of the other Directors is required to abstain from voting on the resolutions for the consideration and approval of the relevant resolutions.

INTERNAL CONTROL PROCEDURES AND CORPORATE GOVERNANCE MEASURES

In order to further safeguard the interests of the Shareholders as a whole, the Company has implemented the following internal control measures in relation to the continuing connected transactions under the Procurement of Services Framework Agreement and the Coal and Materials Procurement Framework Agreement:

- the Company has approved internal guidelines which provide that if the value of any proposed connected transaction is expected to exceed certain thresholds, the relevant staff must report the proposed transactions to the head of the relevant business in order for the Company to commence the necessary additional assessment and approval procedures and ensure that the Company will comply with the applicable requirements under Chapter 14A of the Listing Rules. The Board and other internal departments of the Company will be jointly responsible for evaluating the terms under the Procurement of Services Framework Agreement and the Coal and Materials Procurement Framework Agreement, in particular, the fairness of the pricing policies and annual caps under the Procurement of Services Framework Agreement and the Coal and Materials Procurement Framework Agreement;
- the Company will provide information and supporting documents to the independent non-executive Directors and the auditors in order for them to conduct an annual review of the continuing connected transactions entered into by the Company. In accordance with the requirements under the Listing Rules, the independent non-executive Directors will provide an annual confirmation to the Board as to whether the continuing connected transactions have been entered into in the ordinary and usual course of business of the Company, are on normal commercial terms and are in accordance with the Procurement of Services Framework Agreement and the Coal and Materials Procurement Framework Agreement, are on terms that are fair and reasonable and in the interests of the Shareholders as a whole, and the auditors will provide an annual confirmation to the Board as to whether anything has come to their attention that causes them to believe that the continuing connected transactions have not been approved by the Board, are not in accordance with the pricing policies of the Company in all material respects, are not entered into in accordance with the Procurement of Services Framework Agreement or the Coal and Materials Procurement Framework Agreement governing the transactions in all material respects or have exceeded the cap;
- when considering the fees and amounts payable by the Company in respect of transactions, services or goods provided by its connected persons, the Company will regularly review and consider the prevailing market conditions and practices, and make reference to the pricing and terms between the Company and independent third parties for comparable services or similar transactions (if available), to make sure that the terms and conditions offered by/to its connected persons based on commercial negotiations

are fair and reasonable and are based on normal commercial terms or no less favourable terms to the Company; and

- when considering any renewal or revision to the agreements in the future, the interested Directors and Shareholders shall abstain from voting on the resolutions to approve such transactions at Board meetings or Shareholders' general meetings (as the case may be). If the disinterested Directors' or independent Shareholders' approvals cannot be obtained, the Company will not continue the transactions under the Procurement of Services Framework Agreement and the Coal and Materials Procurement Framework Agreement to the extent that they constitute non-exempt continuing connected transactions under Chapter 14A of the Listing Rules.

Having considered the aforementioned pricing policies, the reasons for revising the proposed annual caps, the basis of determining the proposed annual caps and the internal control procedures, the Company considers that it has adequate mechanisms, internal control procedures and external monitoring measures to ensure that the continuing connected transactions are in strict compliance with relevant regulatory guidelines and the terms of the Procurement of Services Framework Agreement and the Coal and Materials Procurement Framework Agreement.

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 GROUP

Huaibei Mining Group is one of the controlling shareholders of the Company, holding approximately 45.09% of the equity interests in the Company, and is a party to the Procurement of Services Framework Agreement and the Coal and Materials Procurement Framework Agreement (for itself and on behalf of its associates). Under the Listing Rules, Huaibei Mining Group is a connected person of the Company. Huaibei Mining Group was established on 15 March 1993, and is a large group with coal-fired power generation, chemical products and modern services as its leading industries, and its principal business involves external equity investment. As at the date of this announcement, Huaibei Mining Group is ultimately owned as to 100% by the State-owned Assets Supervision and Administration Commission of the People's Government of Anhui Province.

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% of the equity interests in the Company. Therefore, Huaibei Mining Group is a connected person of the Company under the Listing Rules, and the transactions contemplated under the Procurement of Services Framework Agreement and the Coal and Materials Procurement Framework Agreement constitute continuing connected transactions of 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 caps for continuing connected transactions, the Company will be required to re-comply with the relevant provisions of Chapter 14A of the Listing Rules in relation to the relevant continuing connected transactions.

As the highest applicable percentage ratio (as defined under Rule 14.07 of the Listing Rules) in respect of each of the aforementioned revised annual caps is more than 0.1% but less than 5%, the transactions under the Procurement of Services Framework Agreement and the Coal and Materials Procurement Framework Agreement are subject to the reporting, announcement and annual review requirements but are exempt from the circular, independent financial advice and independent Shareholders' approval requirements 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” or “PRC”	the People’s Republic of China
“Coal and Materials Procurement Framework Agreement”	the framework agreement entered into between Huaibei Mining Group and the Company on 21 November 2025 in relation to the procurement of coal and auxiliary materials for production from Huaibei Mining Group and/or its associates
“Company”	Anhui Jinyan Kaolin New Materials Co., Ltd. (安徽金岩高嶺土新材料股份有限公司)
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries from time to time

“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Huaibei Mining Group”	Huaibei Mining (Group) Co., Ltd. (淮北礦業(集團)有限責任公司)
“Prospectus”	the prospectus dated 25 November 2025 of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Procurement of Services Framework Agreement”	the framework agreement entered into between Huaibei Mining Group and the Company on 21 November 2025 in relation to the procurement of certain types of services required for the daily operations of the Company from Huaibei Mining Group and/or its associates
“RMB”	Renminbi, the lawful currency of China
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Listing Date”	3 December 2025, the date on which the Company’s H shares were listed on the Main Board of the Stock Exchange

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
22 September 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.