

## CONTINUING CONNECTED TRANSACTIONS

### OVERVIEW

We have entered into certain transactions with our connected persons, the details of which are set out in this section below. The transactions disclosed in this section will continue to be effective upon the [REDACTED], and hence, upon the [REDACTED], such transactions entered into with such connected persons will constitute continuing connected transactions of our Company under Chapter 14A of the Listing Rules. Our Directors believe that these transactions are conducted in the ordinary and usual course of our Group’s business and on normal commercial terms.

### RELEVANT CONNECTED PERSONS

The following table sets out the connected persons of our Company which will continue to conduct connected transactions with our Group upon the [REDACTED] and their connected relationships with our Company:

Name	Connected relationship
Conch Holdings . . . . .	It was the holding company of Conch Tech Innovation, our substantial Shareholder, as at the Latest Practicable Date
Conch Cement . . . . .	It was held as to approximately 36.4% by Conch Holdings as at the Latest Practicable Date
Xintongling . . . . .	It was held as to 99% by Mr. Feng, our non-executive Director, as at the Latest Practicable Date
TCC International Holdings Ltd. (台泥國際集團有限公司) (“ <b>TCC International</b> ”) . . . . .	It was the indirect holding company of TCC (Guigang) Cement Limited, which is a substantial shareholder of Guigang Conch holding 40% equity interest in it as at the Latest Practicable Date
Gansu Shangfeng Cement Co., Ltd.* (甘肅上峰水泥股份有限公司) (“ <b>Gansu Shangfeng</b> ”) . . . . .	It was the holding company of Zhejiang Shangfeng Building Materials Co., Ltd. (浙江上峰建材有限公司), which is a substantial shareholder of Tongling Conch holding 20% equity interest in it as at the Latest Practicable Date
Anhui Haihui Supply Chain Technology Co., Ltd.* (安徽海慧供應鏈科技有限公司) (“ <b>Haihui Company</b> ”) . . . . .	It was held as to approximately 75.6% by Conch Cement as at the Latest Practicable Date

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Name	Connected relationship
Anhui Tech Import & Export . . . . .	It was held as to approximately 47.9% by Anhui International Trade Group (Holding) Co., Ltd.* (安徽國貿集團控股有限公司) in which Conch Holdings held approximately 55% as at the Latest Practicable Date

## FULLY EXEMPT CONTINUING CONNECTED TRANSACTIONS

### Trademark Licensing Agreement

#### *Background*

We have been using certain trademarks owned by Conch Holdings during the Track Record Period. On 28 December 2023, our Company entered into a trademark licensing agreement (the “**Trademark Licensing Agreement**”) with Conch Holdings, pursuant to which our Group was granted a licence to use certain permitted trademarks registered in the PRC and Hong Kong (the “**Permitted Trademarks**”) for a period commencing from 1 January 2024 and up to 31 December 2026, with an annual licensing fee determined with reference to our Group’s sales volume for the relevant periods. The expected license fees contemplated under the Trademark Licensing Agreement for each of the three years ending 31 December 2026 is under HK\$3.0 million. Save for the brand trademark of “**CONCH**” which our Company used and plans to continue to use on our products, most of the other permitted trademarks are not material to our Group’s business or operation as we did not use nor plan to use these permitted trademarks on our products or for any marketing and promotion purposes. Our Directors are of the view that the Trademark Licensing Agreement with a period of three years would not prejudice our Company’s interests as: (a) despite we value our business relationship with Conch Holdings and make use of the trademarks licensed by Conch Holdings to our Group, our business performance, reputation and position in the industry are based on our (i) ability to offer quality products to customers, (ii) advanced and mature production technology, (iii) stable relationship with our upstream and downstream partners, and (iv) nationwide presence through numerous production facilities located in various parts in the PRC. Further, our Directors believe that even the products are sold without the “**CONCH**” mark, our customers would still recognise our products from the characters “海螺” which represent our corporate name as the manufacturer; (b) entering into a Trademark Licensing Agreement with a period of three years was a pure commercial decision as our Company and Conch Holdings would review the terms of the Trademark Licensing Agreement every three years to allow price adjustment based on market conditions. It is in our Company’s interests to allow flexibility in adjusting the price and terms of the Trademark Licensing Agreement taking into account the market conditions at the time and our needs on the permitted trademarks from time to time; and (c) taking into account our relationship with Conch Holdings who is our controlling shareholder, our Directors are of the view that it is unlikely Conch Holdings would cease to grant the permitted trademarks to our Company. Details of

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the licensed trademarks are set out in “Statutory and General Information — B. Further Information about the Business of Our Group — 2. Material intellectual property rights — (a) Trademarks” in Appendix IV to this document.

### **Listing Rules Implications**

As all applicable percentage ratios under the Listing Rules (other than the profit ratio) in respect of the annual cap of the annual licensing fees for using the Permitted Trademarks are expected to be less than 0.1%, the transactions contemplated under the Trademark Licensing Agreement will be within the de minimis threshold provided under Rule 14A.76 of the Listing Rules and therefore they will be exempt from the reporting, annual review, announcement and independent shareholders’ approval requirements under Rule 14A.76(1)(a) of the Listing Rules.

### **PARTIALLY EXEMPT CONTINUING CONNECTED TRANSACTIONS**

#### **Xintongling Concrete Admixtures Framework Agreement**

##### ***Background***

We have been selling concrete admixtures to Xintongling Group since 2018. On 23 May 2024, we entered into a framework agreement for the sales of concrete admixtures (the “**Xintongling Concrete Admixtures Framework Agreement**”) with Xintongling.

##### ***Principal terms***

The principal terms of the Xintongling Concrete Admixtures Framework Agreement are set out below:

Term: From 23 May 2024 and up to 31 December 2025

Products to be provided: Concrete admixtures

Our Group will enter into individual sub-contracts with Xintongling Group regarding the sales of concrete admixtures, according to their respective actual needs for concrete production, procurement schedule and other specified arrangements

The major terms of the individual sub-contracts shall be in line with those of the Xintongling Concrete Admixtures Framework Agreement, and the aggregate contract amount under the individual sub-contracts shall not exceed the annual cap in the Xintongling Concrete Admixtures Framework Agreement.

## CONTINUING CONNECTED TRANSACTIONS

### *Pricing policy*

The unit price of concrete admixtures will be determined on arm’s length basis with reference to the unit price of similar products being sold to other Independent Third Party customers by our Group on fair basis, taking into account the cost involved, the complexity level of the techniques and procedures needed to produce the required quality of concrete admixtures and resources required. The unit price should be no less favourable than those offered to other Independent Third Party customers by our Group, or the fair market price (whichever is more favourable).

### *Historical figures and annual caps*

For FY2021, FY2022, FY2023 and 6M2024, the historical transaction amounts (tax inclusive) between Xintongling Group and us for the sales of concrete admixtures are approximately RMB47.8 million, RMB30.0 million, RMB18.2 million and RMB6.2 million, respectively (tax exclusive transaction amounts: RMB42.3 million, RMB26.5 million, RMB16.1 million and RMB5.4 million, respectively).

The annual cap (tax inclusive) for the relevant transactions for the year ended 31 December 2024 was RMB20.0 million. The estimated annual cap (tax inclusive) for the relevant transactions under Xintongling Concrete Admixtures Framework Agreement for the year ending 31 December 2025 is RMB20.0 million.

### *Basis of annual caps*

The above estimated annual cap for the year ending 31 December 2025 was determined based on the following factors and assumptions:

- (a) the historical unit price of the concrete admixtures sold to Xintongling Group, and the expected unit price under the Xintongling Concrete Admixtures Framework Agreement which will be determined based on the pricing policy as mentioned above;
- (b) the total estimated sales quantity of concrete admixtures according to the Xintongling’s concrete production plan for the year ending 31 December 2025 after discussion with Xintongling;
- (c) the historical quantity of concrete admixtures procured by Xintongling Group; and
- (d) the assumptions that there will be no material changes to (i) the general socio-economic environment of the PRC; and (ii) the demand of the Xintongling’s concrete products under their production plans during the year ending 31 December 2025.

## CONTINUING CONNECTED TRANSACTIONS

### *Reasons for the transactions*

The sales of concrete admixtures is one of our major business segments and thus we provide our products to Xintongling Group in the ordinary and usual course of business.

### *Implications under the Listing Rules*

As all applicable percentage ratios under the Listing Rules (other than the profits ratio) in respect of the annual caps in relation to the Xintongling Concrete Admixtures Framework Agreement are expected to be less than 5%, the transactions contemplated under the Xintongling Concrete Admixtures Framework Agreement are subject to the reporting, annual review and announcement requirements but exempt from the independent shareholders’ approval requirements under Rule 14A.76(2)(a) of the Listing Rules.

### **TCC International Cement Admixtures Framework Agreement**

#### *Background*

We have been selling cement admixtures to TCC International and/or its subsidiaries since 2020. On 4 December 2024, we entered into a cement admixtures framework agreement (the “**TCC International Cement Admixtures Framework Agreement**”) with TCC International and/or its subsidiaries.

#### *Principal terms*

The principal terms of the TCC International Cement Admixtures Framework Agreement are set out below:

Term: From 1 January 2025 and up to 31 December 2025

Products to be provided: Cement admixtures

Our Group or our subsidiary(ies) will enter into individual sub-contracts with TCC international and/or its relevant subsidiaries located in Guangdong, Guangxi and Guizhou Province regarding the sales of cement admixtures, according to their respective actual needs for cement production, procurement schedule and other specified arrangements

The major terms of the individual sub-contracts shall be in line with those of the TCC International Cement Admixtures Framework Agreement, and the aggregate contract amount under the individual sub-contracts shall not exceed the annual cap in the TCC International Cement Admixtures Framework Agreement.

## CONTINUING CONNECTED TRANSACTIONS

### *Pricing policy*

The unit price of cement admixtures will be determined on arm’s length basis with reference to the terms of the JV agreement dated 8 August 2020 and entered into among our Predecessor Company, TCC (Guigang) Cement Limited and TCC International, our pricing policies, the fair market price and the unit price of similar products being sold to other customers and Independent Third Parties on fair basis, taking into account the cost involved, the complexity level of the techniques and procedures needed to produce the required quality of cement admixtures and resources required and the quantity to be procured by TCC International and/or its relevant subsidiaries. As such, the unit price for the cement admixtures sold to TCC International and/or its relevant subsidiaries should be no less favourable than those offered to other Independent Third Party customers by our Group, or the fair market price (whichever is more favourable).

### *Historical figures and annual cap*

For FY2021, FY2022, FY2023 and 6M2024, the historical transaction amounts (tax inclusive) between TCC International and its subsidiaries and us for the sales of cement admixtures are approximately RMB62.9 million, RMB66.9 million, RMB53.0 million and RMB22.7 million, respectively (tax exclusive transaction amounts: RMB55.7 million, RMB59.2 million, RMB46.9 million and RMB20.1 million, respectively).

The annual cap (tax inclusive) for the relevant transactions for the year ended 31 December 2024 was RMB55.0 million. The estimated annual cap (tax inclusive) for the relevant transactions under TCC International Cement Admixtures Framework Agreement for the year ending 31 December 2025 is RMB55.0 million.

### *Basis of annual cap*

The above estimated annual cap for the year ending 31 December 2025 was determined based on the following factors and assumptions:

- (a) the historical unit price of the cement admixtures sold to TCC International and its subsidiaries, and the expected unit price under the TCC International Cement Admixtures Framework Agreement which will be determined based on the pricing policy as mentioned above;
- (b) the total estimated sales quantity of cement admixtures according to the TCC International’s cement production plan for the year ending 31 December 2025 after discussion with TCC International;
- (c) the historical quantity of cement admixtures procured by TCC International and its subsidiaries; and

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- (d) the assumptions that there will be no material changes to (i) the general socio-economic environment of the PRC; and (ii) the demand of the TCC International’s cement products under their production plans during the year ending 31 December 2025.

### *Reasons for the transactions*

The sales of cement admixtures is one of our major business segments and thus we provide our products to TCC International in the ordinary and usual course of business.

### *Implications under the Listing Rules*

As (i) all applicable percentage ratios under the Listing Rules (other than the profits ratio) in respect of the annual cap in relation to the TCC International Cement Admixtures Framework Agreement are expected to be less than 5%; and (ii) TCC International is a connected person of our Company at the subsidiary level and the terms of the TCC International Cement Admixtures Framework Agreement (a) have been approved by the Board; and (b) have been confirmed by our independent non-executive Directors to be fair and reasonable, on normal commercial terms and in the interests of our Company and our Shareholders as a whole, the transactions contemplated under the TCC International Cement Admixtures Framework Agreement are subject to the reporting, annual review and announcement requirements but exempt from the independent shareholders’ approval requirements under Rules 14A.76(2)(a) and 14A.101 of the Listing Rules.

### **Gansu Shangfeng Cement Admixtures Framework Agreement**

#### *Background*

We have been selling cement admixtures to Gansu Shangfeng and/or its subsidiaries since 2021. On 23 May 2024, we entered into a framework agreement for the sales of cement admixtures (the “**Gansu Shangfeng Cement Admixtures Framework Agreement**”) with Gansu Shangfeng.

#### *Principal terms*

The principal terms of the Gansu Shangfeng Cement Admixtures Framework Agreement are set out below:

Term: From 23 May 2024 and up to 31 December 2025

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Products to be provided: Cement admixtures

Our Group will enter into individual sub-contracts with Gansu Shangfeng and/or its relevant subsidiaries regarding the sales of cement admixtures, according to their respective actual needs for cement production, procurement schedule and other specified arrangements

The major terms of the individual sub-contracts shall be in line with those of the Gansu Shangfeng Cement Admixtures Framework Agreement, and the aggregate contract amount under the individual sub-contracts shall not exceed the annual cap in of the Gansu Shangfeng Cement Admixtures Framework Agreement.

### *Pricing policy*

The unit price of cement admixtures will be determined on arm’s length basis with reference to the unit price of similar products being sold to other Independent Third Party customers by our Group on fair basis, taking into account the cost involved, the complexity level of the techniques and procedures needed to produce the required quality of cement admixtures and resources required. The unit price should be no less favourable than those offered to other Independent Third Party customers by our Group, or the fair market price (whichever is more favourable).

### *Historical figures and annual caps*

For FY2021, FY2022, FY2023 and 6M2024, the historical transaction amounts (tax inclusive) between Gansu Shangfeng and its subsidiaries and us for the sales of cement admixtures are approximately RMB21.7 million, RMB34.2 million, RMB35.1 million and RMB11.9 million, respectively (tax exclusive transaction amounts: RMB19.2 million, RMB30.3 million, RMB31.1 million and RMB10.5 million, respectively).

The annual cap (tax inclusive) for the relevant transactions for the year ended 31 December 2024 was RMB35.0 million. The estimated annual cap (tax inclusive) for the relevant transactions under Gansu Shangfeng Cement Admixtures Framework Agreement for the year ending 31 December 2025 is RMB35.0 million.

### *Basis of annual caps*

The above estimated annual cap for the year ending 31 December 2025 was determined based on the following factors and assumptions:

- (a) the historical unit price of the cement admixtures sold to Gansu Shangfeng and its subsidiaries, and the expected unit price under the Gansu Shangfeng Cement Admixtures Framework Agreement, which will be determined based on the pricing policy as mentioned above;



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- (b) the total estimated sales quantity of cement admixtures according to the Gansu Shangfeng’s cement production plan for the year ending 31 December 2025 after discussion with Gansu Shangfeng;
- (c) the historical quantity of cement admixtures procured by Gansu Shangfeng; and
- (d) the assumptions that there will be no material changes to (i) the general socio-economic environment of the PRC; and (ii) the demand of the Gansu Shangfeng’s cement products under their production plans during the year ending 31 December 2025.

### *Reasons for the transactions*

The sales of cement admixtures is one of our major business segments and thus we provide our products to Gansu Shangfeng in the ordinary and usual course of business.

### *Implications under the Listing Rules*

As (i) all applicable percentage ratios under the Listing Rules (other than the profits ratio) in respect of the annual caps in relation to the Gansu Shangfeng Cement Admixtures Framework Agreement are expected to be less than 5%; and (ii) Gansu Shangfeng is a connected person of our Company at the subsidiary level and the terms of the Gansu Shangfeng Cement Admixtures Framework Agreement (a) have been approved by the Board; and (b) have been confirmed by our independent non-executive Directors to be fair and reasonable, on normal commercial terms and in the interests of our Company and our Shareholders as a whole, the transactions contemplated under the Gansu Shangfeng Cement Admixtures Framework Agreement are subject to the reporting, annual review and announcement requirements but exempt from the independent shareholders’ approval requirements under Rules 14A.76(2)(a) and 14A.101 of the Listing Rules.

## **Supply Chain Logistic Transportation Service Agreement**

### *Background*

We have been engaging Haihui Company to provide supply chain logistic transportation service for our Group’s admixtures products since 2023. On 23 December 2024, we entered into a supply chain logistic transportation service framework agreement (the “**Supply Chain Logistic Transportation Service Agreement**”) with Haihui Company.

### *Principal terms*

The principal terms of the Supply Chain Logistic Transportation Service Agreement are set out below:

Term: 1 January 2025 and up to 31 December 2025

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Services to be provided by Haihui Company: Haihui Company, through its Haihui supply chain logistic platform (the “**Haihui Platform**”), integrates and consolidates logistic resources, identifies transportation service carriers for our Group’s products and provides corresponding management services

Haihui Company will review the qualifications of transportation service carriers (the “**Carriers**”) who have registered on the Haihui Platform, and approved Carriers can bid for and undertake transportation requests announced on the Haihui Platform

Haihui Company conduct open tender for our Group in relation to the transportation services through the Haihui Platform. Eligible Carriers will submit tenders. The successful Carrier will provide supply chain logistic transportation services to our Group in accordance with the agreed tender proposal

The relevant subsidiaries of our Company will enter into individual sub-contracts with Haihui Company with respect to supply chain logistic transportation business. The major terms of the individual sub-contracts shall be in line with the agreed tender proposal and the Supply Chain Logistic Transportation Service Agreement, and the aggregate contract amount under the individual sub-contracts shall not exceed the annual cap in the Supply Chain Logistic Transportation Service Agreement.

### *Pricing policy*

The transportation unit price of various types of products was determined through open tender to be conducted by the relevant subsidiaries of our Company through Haihui Company. During the public tender through Haihui Company, our Group will provide tender criteria such as the quantity of consigned products, the mode of transportation and transportation distance. Qualified Carriers will submit their tenders which will be reviewed by Haihui Company. Haihui Company will select the successful bidder and may further negotiate with them on an arm’s length basis regarding the proposed transportation unit price.

Before entering into any transactions in relation to Supply Chain Logistic Transportation Service Agreement, we will make reference to the pricing and terms between our Group and the Independent Third Parties for similar services and conduct research on the prevailing market conditions and practices. As such, the transportation unit price of various types of products should be no less favourable than those offered by other Independent Third Party suppliers to our Group, or the fair market price (whichever is more favourable).

### *Historical figures and annual caps*

For FY2023 and 6M2024, the historical transaction amounts (tax inclusive) for the above mentioned services provided by Haihui Company are approximately RMB1.4 million and RMB4.4 million (tax exclusive amount: RMB1.2 million and RMB3.8 million, respectively). Based on our

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unaudited management accounts, for the 10 months ended 31 October 2024, the historical transaction amounts (tax inclusive) for the above transaction with Haihui Company is approximately RMB12.9 million (tax exclusive amount: RMB11.9 million).

The annual cap (tax inclusive) for the relevant transactions for the year ended 31 December 2024 was RMB26.0 million. The estimated annual cap (tax inclusive) for the relevant transactions under Supply Chain Logistic Transportation Service Agreement for the year ending 31 December 2025 is RMB20.0 million.

### *Basis of annual caps*

The above estimated annual cap for the year ending 31 December 2025 was determined based on the following factors and assumptions:

- (a) the reasonable estimation of the required transportation volume (with reference to the production and transportation volume of various products in the previous year) according to our Group’s production plans for admixtures products for the year ending 31 December 2025;
- (b) the historical transportation unit price for the services provided by Haihui Company, and the expected transportation unit price under the Supply Chain Logistic Transportation Service Agreement, which will be determined based on the pricing policy as mentioned above;
- (c) the historical transaction amount as disclosed above, where the services were used by three of our subsidiaries;
- (d) the expected increase in amounts to be paid to Haihui Company for its services for the year ending 31 December 2025 as three of our subsidiaries of our Company have entered into contracts with Haihui Company in April 2024 and these subsidiaries are expected to continue to procure supply chain logistics transportation service from Haihui Company in the future. These three subsidiaries would utilise the Haihui Platform and procure the supply chain logistics transportation services from Haihui Company, with reference to the transportation expenses incurred by our Group during the Track Record Period and taking into account the expected average unit price and transportation volume for the transactions between these subsidiaries and Haihui Company; and
- (e) the assumptions that there will be no material changes to (a) the general socio-economic environment of the PRC; and (b) the demand and transportation volume of the admixtures products under our Group’s production plans during the year ending 31 December 2025.

## CONTINUING CONNECTED TRANSACTIONS

### *Reasons for the transactions*

Haihui Company is an intelligent logistic supply chain platform established in the PRC. Through the Haihui Platform, Haihui Company integrates and consolidates logistic resources, and provides customers with supply chain logistic transportation service through utilisation of available freight vehicles in the community in an efficient manner. On the one hand, our Group would be able to further reduce its transportation costs and enhance market competitiveness by attracting more transportation service providers to participate in the bidding and tender for transportation service through Haihui Company. On the other hand, our Group would be able to further strengthen its management and control over the cargo transportation process through Haihui Company, so as to reduce the transportation risks while ensuring safety and efficiency of product delivery.

### *Implications under the Listing Rules*

As all applicable percentage ratios under the Listing Rules (other than the profits ratio) in respect of the annual caps in relation to the Supply Chain Logistic Transportation Service Agreement are expected to be less than 5%, the transactions contemplated under the Supply Chain Logistic Transportation Service Agreement are subject to the reporting, annual review and announcement requirements but exempt from the independent shareholders’ approval requirements under Rule 14A.76(2)(a) of the Listing Rules.

### **Export Sales and Services Framework Agreement**

#### *Background*

To cater to our Company’s plan in exploring overseas market, we have been selling cement admixture product and its in-process intermediaries to Anhui Tech Import & Export for export to overseas countries since 2024. On 22 November 2024, we entered into a framework agreement for the export of products (the “**Export Sales and Services Framework Agreement**”) with Anhui Tech Import & Export and/or its subsidiaries, pursuant to which we may sell products to overseas markets through Anhui Tech Import & Export and engage Anhui Tech Import & Export for the export services.

#### *Principal terms*

The principal terms of Export Sales and Services Framework Agreement are set out below:

Term: From 22 November 2024 and up to 31 December 2025

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- |                               |  |
|-------------------------------|--|
| Products to be sold:          | Our Group will enter into individual export sales and/or services sub-contracts with Anhui Tech Import & Export and/or its relevant subsidiaries regarding the export of our Group’s products, including but not limited to admixture products (including cement admixtures and concrete admixtures) and their respective in-process intermediaries, and raw materials (the “ <b>Products</b> ”), according to the actual needs for products, products’ specifications, settlement prices for products and other specified arrangements of our overseas customers.   |
| Services to be provided:      | Anhui Tech Import & Export and/or its subsidiaries provides export services for our Products, which covers mainly export agency services, custom filing and clearance, settlement services (結算服務) and arrangements for transportation services for the export of Products, if so required (“ <b>Export Services</b> ”).  |
| Payment and settlement terms: | <p>(a) Sales of Products to our end customers through Anhui Tech Import &amp; Export (the “<b>Resale of Products</b>”)</p> <p>Our Group will further enter into individual export sales contracts with Anhui Tech Import &amp; Export for the sales of Products to our end customers through Anhui Tech Import &amp; Export. Anhui Tech Import &amp; Export will pay the contract amount to our Group for the Products exported to our overseas end customers.</p> <p>(b) Export Services provided by Anhui Tech Import &amp; Export</p> <p>Our Group will further enter into individual contracts with (i) our end customers, for the sales of Products, and (ii) Anhui Tech Import &amp; Export and/or its relevant subsidiaries, for its Export Services. Our end customers will make the sales contract sum to us through Anhui Tech Import &amp; Export for the sales of the Products; and we will pay the export service fees to Anhui Tech Import &amp; Export (which is to be deducted from or set-off from the sales contract sum).</p> |

The major terms of the individual sub-contracts shall be in line with those of the Export Sales and Services Framework Agreement. The relevant contract amount under the individual sub-contracts in aggregate during the relevant period of the term of the Export Sales and Services Framework Agreement shall not exceed the annual cap set out therein. Anhui Tech Import & Export also agrees to refer any export sales business opportunities it and/or its subsidiaries may have to our Group.

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### *Pricing policy*

#### *(a) Resale of Products*

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

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

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

### *Historical figures and annual caps*

#### *Resale of Products*

For 6M2024, the historical transaction amount (tax inclusive) of the products sold to Anhui Tech Import & Export is approximately RMB8.8 million (tax exclusive transaction amount: RMB7.8 million).

The annual cap (tax inclusive) for the relevant transactions for the year ended 31 December 2024 was RMB20.5 million. The estimate annual cap (tax inclusive) for the transaction amount for the Resale of Products under the Export Sales and Services Framework Agreement for the year ending 31 December 2025 is RMB50.0 million.

#### *Export Services provided by Anhui Tech Import & Export*

There is no historical transaction amount for the Export Services provided by Anhui Tech Import & Export. As such, there was no annual cap for the Export Services for the year ended 31 December 2024.

The fees for the Export Services provided by Anhui Tech Import & Export to our Group are expected to be less than HK\$3.0 million (equivalent to approximately RMB2.8 million) in aggregate for the corresponding period.

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### *Basis of annual caps*

The above estimated annual cap for the year ending 31 December 2025 was determined based on the following factors and assumptions:

#### *Resale of Products*

- (a) the historical transaction amount of the Products sold to Anhui Tech Import & Export, and payment and settlement terms under the Export Service Framework Agreement, which will be determined based on the pricing policy as mentioned above;
- (b) our Group’s plan to extend our sales coverage in overseas market and expand into overseas market for sales of both admixture product and its in-process intermediaries, including Uzbekistan, Taiwan, Turkey and other countries in Southeast Asia and South America; and
- (c) the total estimated sales quantity of the Products according to our potential overseas customers’ procurement plan for the year ending 31 December 2025 after discussion with our potential overseas customers, in which our Directors estimated that there will be orders of approximately RMB50.0 million in aggregate in Uzbekistan, Taiwan, Turkey, Vietnam, Thailand, Colombia, Chile and Bolivia, based on the indicative demand of products made by our potential customers that the demand for, with reference to the presence of our existing customers and/or their affiliated companies in these countries, the demand in Uzbekistan before the full operation of our production plant and its production capacity, and our Group’s expansion plan;
- (d) the assumption that there will be no material changes to (i) general socio-economic environment of the PRC and the location of our potential overseas customers; and (ii) the expected demand of our potential overseas customers for the Products under their procurement plan during the year ending 31 December 2025.

#### *Export Services provided by Anhui Tech Import & Export*

- (a) the estimated services fee charged by Anhui Tech Import & export for providing Export Services;
- (b) the estimated quantity of the Products to be exported through Anhui Tech Import & Export to our overseas end customers based on our Group’s expansion plan and discussion with potential end customers in the overseas market; and
- (c) the assumption that there will be no material changes to (i) general socio-economic environment of the PRC and the location of our potential overseas customers; and (ii) the expected demand of our potential overseas customers for the Products under their procurement plan during the year ending 31 December 2025.

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### *Reasons for the transactions*

Although one of our subsidiaries has obtained the requisite export licence and completed the relevant procedure for direct sales to overseas as at the Latest Practicable Date, due to the geographical restriction as to the overseas destinations for our Products, considering the transportation costs and available modes of transportation, and owing to the fact that export licence was only obtained in May 2024 by Ningbo Conch, we have not yet acquired sufficient experience and resources to cope with the overseas opportunities. As such, we engaged Anhui Tech Import & Export, which is a licensed import and export company in the PRC and experienced in providing general import and export related services. With its experience, it could ensure smooth clearance process for our Products, provide timely services for delivery of Products to our end customers in order to accommodate the operating needs of our Group, catering for our day-to-day business and administrative schedule. Our Group will in turn benefit from organised, efficient and cost-effective export sales and services, which helps enhance our market competitiveness and facilitates our plan to expand into the overseas market.

### *Implications under the Listing Rules*

As all applicable percentage ratio under the Listing Rules (other than the profit ratio) in respect of the annual caps in relation to the Export Sales and Services Framework Agreement are expected to be less than 5%, the transactions contemplated under the Export Sales and Services Framework Agreement are subject to the reporting, annual review and announcement requirements but exempt from the independent shareholders’ approval requirements under Rules 14A.76(2)(a) of the Listing Rules.

## NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS

We have been selling admixtures products to Conch Cement Group since 2018. In 2024, we entered into an admixture framework agreement with Conch Cement for the sale of various admixture products (including cement admixtures and concrete admixtures) to Conch Cement Group. The annual cap (tax inclusive) for the relevant transactions for the year ended 31 December 2024 was RMB860.0 million. In 2025, we have entered into two separate agreements for sales of (i) cement admixtures, and (ii) concrete and other specific admixtures, with details set out below.

### **(i) Conch Cement Cement Admixtures Supply Agreement**

#### *Background*

We have been selling cement grinding aids to Conch Cement Group since 2018. On 23 December 2024, we entered into an agreement on purchase of cement admixtures (grinding aids) (the “**Conch Cement Cement Admixtures Supply Agreement**”) with Conch Cement.

#### *Principal terms*

The principal terms of the Conch Cement Cement Admixtures Supply Agreement are set out below:



## CONTINUING CONNECTED TRANSACTIONS

Term: 1 January 2025 to 31 December 2025

Product to be provided: Cement grinding aid (type 1) and cement grinding aid (type 2), the quantity and quality of which shall be determined by Conch Cement according to its actual needs for its production

The sales of the products to Conch Cement and/or its relevant subsidiaries will be based on the purchase order(s) placed by Conch Cement and/or its subsidiaries, according to their respective actual needs of the products, procurement schedule and other specified arrangements. The purchase order shall set out specific terms and arrangements regarding the procurement of products, including product type, price, production and delivery schedule and other arrangements.

Payment terms: Conch Cement and/or its relevant subsidiaries shall make settlement payment within two months after receiving the invoices of each batch products from our Company

The aggregate contract amount shall not exceed the annual cap of the Conch Cement Cement Admixtures Supply Agreement.

### ***Pricing policy***

The unit prices of the cement admixture products in which we quoted in the tender were determined with reference to the our pricing policies, fair market price by conducting research on the prevailing market conditions and practices, as well as, the pricings and terms of similar products being sold to other Independent Third Party customers by our Group, taking into account the cost involved, the complexity level of the techniques and procedures needed to produce the required quality of cement admixture products in which we quoted in the tender and resources required (including human resources and materials) and the quantity to be procured by Conch Cement Group.

Our Company participated in the tender relating to the Conch Cement Cement Admixtures Supply Agreement. The unit prices of the cement admixture products under the Conch Cement Cement Admixtures Supply Agreement were determined based on the results of the tender and on arm's length basis.

### ***Historical figures and annual caps***

For FY2021, FY2022, FY2023 and 6M2024, the historical transaction amounts (tax inclusive) between Conch Cement Group and us for the sales of cement grinding aid (type 1) and cement grinding aid (type 2) are approximately RMB902.5 million, RMB820.0 million, RMB824.1 million and RMB355.8 million, respectively (tax exclusive transaction amounts: RMB798.7 million, RMB725.7 million, RMB729.3 million and RMB314.9 million, respectively). Based on our unaudited management

## CONTINUING CONNECTED TRANSACTIONS

accounts, for the 10 months ended 31 October 2024, the historical transaction amounts (tax inclusive) between Conch Cement Group and us for the sales of cement grinding aid (type 1) and cement grinding aid (type 2) is approximately RMB614.9 million (tax exclusive amount: RMB544.12 million).

The annual cap (tax inclusive) for the relevant transactions relating to the sales of cement admixtures for the year ended 31 December 2024 was RMB805.0 million. The estimated annual cap (tax inclusive) for transactions contemplated under the Conch Cement Cement Admixtures Supply Agreement for the year ending 31 December 2025 is RMB720.0 million.

### ***Basis of annual cap***

The above estimated annual cap for the year ending 31 December 2025 was determined based on the following factors and assumptions:

- (a) the demand indicated by Conch Cement Group on cement grinding aid (type 1) and cement grinding aid (type 2) for the year of 2025 in the tender documents;
- (b) the historical quantity and prices of cement grinding aid (type 1) and cement grinding aid (type 2) procured by Conch Cement Group and the historical amounts paid by Conch Cement Group to us for the procurement of these cement grinding aid (type 1) and cement grinding aid (type 2);
- (c) the unit price of cement grinding aid (type 1) and cement grinding aid (type 2) stated under the Conch Cement Cement Admixtures Supply Agreement as prepared based on the tender results, which was determined based on the pricing policy as mentioned above; and
- (d) the assumptions that there will be no material changes to the demand for cement grinding aid (type 1) and cement grinding aid (type 2) under the production plan of Conch Cement Group for the year of 2025 and the general socio-economic environment of the PRC.

### ***Reasons for the transactions***

Conch Cement is principally engaged in the production and sales of cement, commodity clinker, aggregate and concrete. Leverage on Conch Cement’s reputation and ranking in the cement and concrete industry in the world and its demand in high-quality cement admixtures which our Group has been capable of providing throughout the past few years, we believe it is beneficial to our Group to continue to provide cement admixtures to Conch Cement Group to generate stable revenue.

## CONTINUING CONNECTED TRANSACTIONS

### (ii) Conch Cement Sales of Concrete Admixtures Framework Agreement

#### *Background*

We have been selling concrete admixture products and other admixture products to Conch Cement Group since 2018. On 23 December 2024, we entered into a framework agreement on purchase of concrete and other admixture products (the “**Conch Cement Sales of Concrete Admixtures Framework Agreement**”) with Conch Cement.

#### *Principal terms*

The principal terms of Conch Cement Sales of Concrete Admixtures Framework Agreement are set out below:

Term: 1 January 2025 to 31 December 2025

Products to be provided: Concrete and other specific admixtures (“**Concrete and Other Admixture Products**”), the quantity and quality of which shall be determined by Conch Cement according to its actual needs for its production

Our Group will enter into individual sub-contracts with Conch Cement and/or its relevant subsidiaries regarding the sales of Concrete and Other Admixture Products, according to their respective actual needs for the production, procurement schedule and other specified arrangements of Concrete and Other Admixture Products. The individual sub-contracts shall set out specific terms and arrangements in relation to the procurement of Concrete Admixtures and Other Admixtures, including product type, final price, production and delivery schedule, packaging and other arrangements.

The major terms of the individual sub-contracts shall be in line with those of the Conch Cement Sales of Concrete Admixtures Framework Agreement, and the aggregate contract amount under the individual sub-contracts shall not exceed the annual cap of the Conch Cement Sales of Concrete Admixtures Framework Agreement.

#### *Pricing Policy*

The unit price of the Concrete and Other Admixture Products will be determined by the transaction methods, including open tender, invitation tender or request for quote and negotiation.

## CONTINUING CONNECTED TRANSACTIONS

Open tender or invitation tender: The unit price of Concrete and Other Admixture Products will be subject to the tender result after taking into account the tender criteria of the Conch Cement Group and conducting market researches to understand the market conditions and prevailing market rate of the relevant products.

Request for quote and negotiation: The unit price of the Concrete and Other Admixture Products will be determined on arm’s length basis with reference to the fair market price and the unit price of similar products being sold to other Independent Third Party customers by our Group and negotiation among parties on fair basis, taking into account the cost involved, the complexity level of the techniques and procedures needed to produce the required quality of Concrete and Other Admixture Products and resources required (including human resources and materials) and the quantity to be procured by Conch Cement Group.

Before entering into any transactions in relation to Conch Cement Sales of Concrete Admixtures Framework Agreement, we will take into account our pricing policies, make reference to the pricing and terms between our Group and the Independent Third Parties for similar products, and conduct research on the prevailing market conditions and practices. As such, the unit price for the Concrete and Other Admixture Products sold to Conch Cement Group should be on arm’s length basis and at the fair market price.

### *Historical figures and annual caps*

For FY2021, FY2022, FY2023 and 6M2024, the historical transaction amounts (tax inclusive) between Conch Cement Group and us for the sales of Concrete and Other Admixture Products are approximately RMB10.2 million, RMB26.4 million, RMB36.4 million and RMB26.2 million, respectively (tax exclusive transaction amounts: RMB9.0 million, RMB23.4 million, RMB32.3 million and RMB23.2 million, respectively).

The annual cap (tax inclusive) of relevant transactions relating to the sales of concrete and other specific admixtures for the year ended 31 December 2024 was RMB55.0 million. The estimated annual cap (tax inclusive) for the relevant transactions under Conch Cement Sales of Concrete Admixtures Framework Agreement for the year ending 31 December 2025 is RMB60.0 million.

### *Basis of annual caps*

The above estimated annual cap for the year ending 31 December 2025 was determined based on the following factors and assumptions:

- (a) the expected unit price of Concrete and Other Admixture Products to be stated under the Conch Cement Sales of Concrete Admixtures Framework Agreement, which will be determined based on the pricing policy as mentioned above;

## CONTINUING CONNECTED TRANSACTIONS

- (b) the estimated total procurement quantity of Concrete and Other Admixture Products demanded by Conch Cement Group according to its production plan for Concrete and Other Admixture Products for the year of 2025;
- (c) the historical quantity of Concrete and Other Admixture Products procured by Conch Cement Group and the historical amounts paid by Conch Cement Group to us for the procurement of these Concrete and Other Admixture Products; and
- (d) the assumptions that there will be no material changes to the demand for Concrete and Other Admixture Products under the production plan of Conch Cement Group for the year of 2025 and the general socio-economic environment of the PRC.

### *Reasons for transactions*

Conch Cement is principally engaged in the production and sales of cement, commodity clinker, aggregate and concrete. Leveraging on Conch Cement’s reputation and ranking in the cement and concrete industry in the world and its demand in high-quality concrete and other admixture products which our Group has been capable of providing throughout the past few years, we believe it is beneficial to our Group to continue to provide Concrete and Other Admixture Products to Conch Cement Group to generate stable revenue.

### **Implications under the Listing Rules**

Pursuant to Rule 14A.81 of the Listing Rules, the transactions contemplated under the Conch Cement Cement Admixtures Supply Agreement and the Conch Cement Sales of Concrete Admixtures Framework Agreement shall be aggregated as if they were one transaction, since they were entered into within a 12-month period by the Group with the same party with similar nature. The aggregate annual cap under the Conch Cement Cement Admixtures Supply Agreement and the Conch Cement Sales of Concrete Admixtures Framework Agreement is RMB780 million. As at least one of the applicable percentage ratios under the Listing Rules (other than the profits ratio) in respect of the aggregate annual caps in relation to the Conch Cement Cement Admixtures Supply Agreement and Conch Cement Sales of Concrete Admixtures Framework Agreement is expected to be more than 5%, the transactions contemplated under the aforesaid two agreements are subject to the reporting, annual review, announcement, circular and independent shareholders’ approval requirements under Chapter 14A of the Listing Rules.

### **WAIVER**

In respect of the transactions contemplated under the Xintongling Concrete Admixtures Framework Agreement, the TCC International Cement Admixtures Framework Agreement, the Gansu Shangfeng Cement Admixtures Framework Agreement, the Supply Chain Logistic Transportation Service Agreement and Export Sales and Services Framework Agreement as all applicable percentage ratios under the Listing Rules (other than the profits ratio) in respect of the respective aggregate estimated annual caps are expected to be less than 5%, the respective transactions contemplated

## CONTINUING CONNECTED TRANSACTIONS

thereunder are subject to reporting, annual review and announcement requirement but exempt from the circular and independent shareholders’ approval requirements under Rule 14A.76(2)(a) of the Listing Rules. In respect of the transactions contemplated under the Conch Cement Cement Admixtures Supply Agreement and Conch Cement Sales of Concrete Admixtures Framework Agreement, as at least one of the applicable percentage ratios under the Listing Rules (other than the profits ratio) in respect of the estimated annual cap is expected to be more than 5%, the transactions contemplated thereunder are subject to the reporting, annual review, announcement, circular and independent shareholders’ approval requirements under Chapter 14A of the Listing Rules.

We expect these partially exempt and non-exempt continuing connected transactions to be carried out on a continuing basis and will extend over a period of time, and our Directors consider that strict compliance with the applicable requirement under the Listing Rules would be impractical, unduly burdensome and impose unnecessary administrative costs on our Company.

Accordingly, pursuant to Rule 14A.105 of the Listing Rules, we have applied for, and the Stock Exchange has granted us, a waiver from strict compliance with the announcement requirements under Chapter 14A of the Listing Rules in respect of the abovementioned partially exempt continuing connected transactions, and the circular and Shareholders’ approval requirements under Chapter 14A of the Listing Rules in respect of the abovementioned non-exempt continuing connected transactions. For details, see “Waivers from Strict Compliance with the Listing Rules — Continuing Connected Transactions” in this document.

Save for the announcement, circular and/or Shareholders’ approval requirements for which waivers have been applied, we will comply with the relevant requirements under Chapter 14A of the Listing Rules.

### GENERAL

In the event that our Group enters into any new transaction or agreement or renews any transaction or agreement with any connected person in the future, we will comply with all the relevant requirements under Chapter 14A of the Listing Rules, including the announcement and/or independent shareholders’ approval requirements, where applicable.

### DIRECTORS’ VIEW

Our directors, including the independent non-executive Directors, are of the view that (i) the partially exempt and non-exempt continuing connected transactions referred to above have been entered into in the ordinary and usual course of business of our Group, on normal commercial terms or better and such terms are fair and reasonable and in the interests of our Company and our Shareholders as a whole; and (ii) the respective proposal annual caps for such transactions are fair and reasonable and in the interests of our Company and our Shareholders as a whole.

## CONTINUING CONNECTED TRANSACTIONS

### CONFIRMATION BY THE SOLE SPONSOR

Based on the review of the agreements as set out in this section and the relevant information provided by our Company, as well as the discussions with the management of our Company, the Sole Sponsor is of the view that (i) the partially exempt and non-exempt continuing connected transactions referred to above have been entered into in the ordinary and usual course of business of our Group, on normal commercial terms or better, and such terms are fair and reasonable and in the interests of our Company and our Shareholders as a whole; and (ii) the respective proposed annual caps for such transactions are fair and reasonable and in the interests of our Company and our Shareholders as a whole.

### INTERNAL CONTROL MEASURES

In order to further safeguard the interests of the Shareholders as a whole (including the minority Shareholders), our Group has implemented the following internal control measures in relation to the continuing connected transactions:

- our Group has adopted internal guidelines which provide that our Company must establish an independent non-executive directors’ committee to express its opinion and appoint an independent financial adviser to advise and issue a report for the approval of our Company’s general meeting in the event of a non-exempted connected transaction to ensure that we will comply with the applicable requirements under laws and regulations, the Articles of Associations and the Listing Rules;
- our Company will issue continuing connected transactions monitoring reports for the audit committee’s review to ensure that the relevant transactions fall within the approved annual cap and cooperate with the auditors for the issuance of auditors’ reports and annual reports;
- in accordance with the requirements under the Listing Rules, the independent non-executive Directors will provide an annual confirmation in annual reports as to whether the continuing connected transactions have been entered into in the ordinary and usual course of business of our Group, are on normal commercial terms and are in accordance with the agreement governing them on terms that are fair and reasonable and in the interests of the Shareholders as a whole; and
- in accordance with the requirements under the Listing Rules and internal guidelines, 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 our Group in all material respects, are not entered into in accordance with the relevant agreements governing the transactions in all material respects or have exceeded the cap.