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安徽海螺水泥股份有限公司

ANHUI CONCH CEMENT COMPANY LIMITED

(a joint stock limited company incorporated in the People's Republic of China)

(Stock Code: 00914)

**CONTINUING CONNECTED TRANSACTIONS: SUPPLEMENTAL
CONTRACT FOR REVISION OF TERMS OF THE PROCUREMENT OF
CEMENT GRINDING AIDS CONTRACT**

**Supplemental Contract for Revision of Terms of the Procurement of Cement
Admixtures (Grinding Aids) Contract**

References are made to the April 2021 Announcement in relation to the execution of the Procurement of Cement Admixtures (Grinding Aids) Contract between the Company and Conch New Materials Company and the November 2021 Announcement in relation to the execution of the First Supplemental Contract between the Company and Conch New Materials Company for the revision of the maximum transaction amount for the Procurement of Cement Admixtures (Grinding Aids) Contract.

As stated in the Previous Announcements, the Company and Conch New Materials Company entered into the Procurement of Cement Admixtures (Grinding Aids) Contract for the Group's procurement of cement grinding aids with validity period from 1 April 2021 to 31 December 2022. The relevant subsidiaries of the Company entered or will enter into individual sub-contracts with Conch New Materials Company regarding their procurement of cement grinding aids. The major terms of these individual sub-contracts are in line with those of the Procurement of Cement Admixtures (Grinding Aids) Contract.

On 13 May 2022, the Company and Conch New Materials Company entered into the Second Supplemental Contract, pursuant to which, from the effective date of the Second Supplemental Contract, the contracting party (the seller) to each of the individual sub-contracts under the Procurement of Cement Admixtures (Grinding Aids) Contract shall be changed from Conch New Materials Company to Conch New Materials Technology

Trading Company. Save for the aforesaid, other terms and conditions of the Procurement of Cement Admixtures (Grinding Aids) Contract and the First Supplemental Contract as disclosed in the Previous Announcements remain the same and in full force and effect.

Listing Rules Implications

As stated in the Previous Announcements, Conch Holdings, the Company's controlling shareholder, holds 100% shares in Conch Investment Company. Conch Investment Company holds 50.72% shares in Conch New Materials Company. Conch New Materials Company holds 100% shares in Conch New Materials Technology Trading Company. Therefore, Conch New Materials Company and Conch New Materials Technology Trading Company are associates of Conch Holdings and hence connected persons of the Company. The transactions contemplated under the Procurement of Cement Admixtures (Grinding Aids) Contract thus constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules. As certain applicable percentage ratios (excluding the profits ratio) calculated pursuant to Chapter 14 of the Listing Rules based on the highest annual cap under the Procurement of Cement Admixtures (Grinding Aids) Contract are more than 0.1% but each of the applicable percentage ratios is less than 5%, the transactions contemplated thereunder are subject to the annual review and disclosure requirements, and are exempt from independent shareholders' approval requirement under Rule 14A.76(2) of the Listing Rules.

BACKGROUND

References are made to the April 2021 Announcement in relation to the execution of the Procurement of Cement Admixtures (Grinding Aids) Contract between the Company and Conch New Materials Company and the November 2021 Announcement in relation to the execution of the First Supplemental Contract between the Company and Conch New Materials Company for the revision of the maximum transaction amount for the Procurement of Cement Admixtures (Grinding Aids) Contract.

As stated in the Previous Announcements, the Company and Conch New Materials Company entered into the Procurement of Cement Admixtures (Grinding Aids) Contract for the Group's procurement of cement grinding aids with validity period from 1 April 2021 to 31 December 2022. The relevant subsidiaries of the Company entered or will enter into individual sub-contracts with Conch New Materials Company regarding their procurement

of cement grinding aids. The major terms of these individual sub-contracts are in line with those of the Procurement of Cement Admixtures (Grinding Aids) Contract.

On 13 May 2022, the Company and Conch New Materials Company entered into the Second Supplemental Contract, pursuant to which, from the effective date of the Second Supplemental Contract, the contracting party (the seller) to each of the individual sub-contracts under the Procurement of Cement Admixtures (Grinding Aids) Contract shall be changed from Conch New Materials Company to Conch New Materials Technology Trading Company. Save for the aforesaid, other terms and conditions of the Procurement of Cement Admixtures (Grinding Aids) Contract and the First Supplemental Contract as disclosed in the Previous Announcements remain the same and in full force and effect.

SECOND SUPPLEMENTAL CONTRACT

The following is a summary of the principal terms of the Second Supplemental Contract:

Date of contract:

13 May 2022

Parties to the contract:

- (1) The Company (the buyer); and
- (2) Conch New Materials Company (the seller)

For details of the parties to the Second Supplemental Contract, please refer to the paragraph headed “The Procurement of Cement Admixtures (Grinding Aids) Contract – Parties to the Contract” in the April 2021 Announcement and the paragraph headed “The Supplemental Contract – Parties to the Supplemental Contract” in the November 2021 Announcement.

Major terms:

From the effective date of the Second Supplemental Contract, each of the individual sub-contracts under the Procurement of Cement Admixtures (Grinding Aids) Contract shall be entered into between Conch New Materials Technology Trading Company and the relevant subsidiaries of the Company. After the Second Supplemental Contract becoming effective, Conch New Materials Company and the Company’s relevant subsidiaries will terminate the previously signed individual sub-contracts, and Conch New Materials

Technology Trading Company will enter into individual sub-contracts with the relevant subsidiaries of the Company.

Save for the aforesaid, other major terms and conditions of the Procurement of Cement Admixtures (Grinding Aids) Contract and the First Supplemental Contract remain the same and in full force and effect.

Validity period:

The Second Supplemental Contract was entered into between the Company and Conch New Materials Company on 13 May 2022, and was approved by the Board of the Company to become effective on the same date. It is valid from 13 May 2022 to 31 December 2022.

REASONS AND BENEFITS FOR ENTERING INTO THE SECOND SUPPLEMENTAL CONTRACT:

Due to internal restructuring and business integration in accordance with its operational and development plans, in April 2022, Conch New Materials Company established Conch New Materials Technology Trading Company as its wholly-owned subsidiary. Conch New Materials Technology Trading Company is an enterprise established in the PRC and is principally engaged in sales of new catalytic materials and auxiliary, sales of special chemical products, new material technology research and development and new material technology promotion service.

In view of Conch New Materials Company's business integration, the Company and Conch New Materials Company entered into the Second Supplemental Contract to clarify the subject parties to the contracts and their respective rights and obligations, in order to ensure that the Group's production and operating activities continue to be carried out in an ordinary manner. The variation of contract term involves only the change of contracting party (the seller) to the individual sub-contracts of the Procurement of Cement Admixtures (Grinding Aids) Contract from Conch New Materials Company to Conch New Materials Technology Trading Company. There are no substantial changes or material amendments to the terms of the Procurement of Cement Admixtures (Grinding Aids) Contract and the First Supplemental Contract.

Following the effectiveness of the Second Supplemental Contract, Conch New Materials

Technology Trading Company, being the party to the individual sub-contracts of the Procurement of Cement Admixtures (Grinding Aids) Contract, is a wholly-owned subsidiary of Conch New Materials Company. Accordingly, the change belongs to an adjustment to the business entity and structure within the scope of the consolidated financial statements of Conch New Materials Company. The cement grinding aids products supplied to the Group will continue to be sourced from the counterparty's existing production facilities which do not involve changes to the source of supply through external procurement. The variation of contract term relates to ordinary course of business activity of the Company. The relevant terms of the Second Supplement Contract are on normal commercial terms, and the proposed transactions contemplated thereunder are fair and reasonable and are in the interests of the Company and its Shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

As stated in the Previous Announcements, Conch Holdings, the Company's controlling shareholder, holds 100% shares in Conch Investment Company. Conch Investment Company holds 50.72% shares in Conch New Materials Company. Conch New Materials Company holds 100% shares in Conch New Materials Technology Trading Company. Therefore, Conch New Materials Company and Conch New Materials Technology Trading Company are associates of Conch Holdings and hence connected persons of the Company. The transactions contemplated under the Procurement of Cement Admixtures (Grinding Aids) Contract thus constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules. As certain applicable percentage ratios (excluding the profits ratio) calculated pursuant to Chapter 14 of the Listing Rules based on the highest annual cap under the Procurement of Cement Admixtures (Grinding Aids) Contract are more than 0.1% but each of the applicable percentage ratios is less than 5%, the transactions contemplated thereunder are subject to the annual review and disclosure requirements, and are exempt from independent shareholders' approval requirement under Rule 14A.76(2) of the Listing Rules.

DIRECTORS' APPROVAL AND OPINIONS

The Second Supplemental Contract and the transactions as contemplated thereunder were approved unanimously by the Directors (including the independent non-executive Directors).

During the Board meeting, Mr. Wang Cheng, Mr. Wang Jianchao, Mr. Wu Bin and Mr. Zhou Xiaochuan (by virtue of their positions as director or senior management of Conch Holdings, which would render deemed connected relationships with Conch New Materials Company and Conch New Materials Technology Trading Company) abstained from voting in respect of the relevant resolutions. Save as disclosed above, none of the Directors of the Company has any material interests in the Second Supplemental Contract and the transactions contemplated thereunder, or is required to abstain from voting in respect of the aforesaid resolutions. The Directors (including the independent non-executive Directors) are of the view that:

- (1) the Second Supplemental Contract and the transactions contemplated thereunder are in the ordinary and usual course of business of the Company and on normal or better commercial terms and are in the interests of the Company and its Shareholders as a whole;
- (2) the procedures for determining and approving the Second Supplemental Contract and the transactions contemplated thereunder are in compliance with the Company Law of the PRC, the Listing Rules, the Rules Governing the Listing of Stocks on Shanghai Stock Exchange and the articles of association of the Company; and
- (3) the terms and conditions of the Second Supplemental Contract and the transactions as contemplated thereunder are agreed between the parties on the basis of equality and mutual benefits and are in accordance with the principle of fair and equal consideration, which are fair and reasonable and is not prejudicial to the interests of the Group and the Shareholders.

DEFINITIONS

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

“April 2021 Announcement”	announcement of the Company dated 1 April 2021 in relation to the entering into of the Procurement of Cement Admixtures (Grinding Aids) Contract
“associate”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors of the Company

“Company”	Anhui Conch Cement Company Limited (安徽海螺水泥股份有限公司), a joint stock limited company established in the PRC, with its H shares listed on the Stock Exchange and its A shares listed on the Shanghai Stock Exchange
“Conch Holdings”	Anhui Conch Holdings Company Limited (安徽海螺集團有限責任公司), the controlling shareholder of the Company
“Conch Investment Company”	Anhui Conch Investment Company Limited (安徽海螺投資有限責任公司), a wholly-owned subsidiary of Conch Holdings and a connected person of the Company
“Conch New Materials Company”	Anhui Conch New Materials Technology Company Limited (安徽海螺新材料科技有限公司), a majority-owned subsidiary of Conch Investment Company and a connected person of the Company
“Conch New Materials Technology Trading Company”	Anhui Conch New Materials Technology Trading Company Limited (安徽海螺新材料科技貿易有限公司), a wholly-owned subsidiary of Conch New Materials Company and a connected person of the Company
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“controlling shareholder”	has the meaning ascribed thereto under the Listing Rules
“Directors”	the directors of the Company
“First Supplemental Contract”	the supplemental contract to the Procurement of Cement Admixtures (Grinding Aids) Contract entered into between the Company and Conch New Materials Company on 26 November 2021
“Group”	the Company and its subsidiaries
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“November 2021 Announcement”	announcement of the Company dated 26 November 2021 in relation to the supplemental agreement for the revision of cap for the procurement of cement grinding aids

“PRC”	the People’s Republic of China, which for the purpose of this announcement excludes the Hong Kong Special Administrative Region, the Macau Special Administrative Region and Taiwan
“Previous Announcements”	the April 2021 Announcement and the November 2021 Announcement
“Procurement of Cement Admixtures (Grinding Aids) Contract”	the Procurement of Cement Admixtures (Grinding Aids) Contract entered into between the Company and Conch New Materials Company on 1 April 2021, which expression shall, unless the context requires otherwise, include such contract as amended and supplemented by the First Supplemental Contract since 26 November 2021 and by the First Supplemental Contract and the Second Supplement Contract since 13 May 2022
“Second Supplemental Contract”	the supplemental contract to the Procurement of Cement Admixtures (Grinding Aids) Contract entered into between the Company and Conch New Materials Company on 13 May 2022
“Shareholder(s)”	registered holder(s) of A shares and/or H shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

By Order of the Board
Anhui Conch Cement Company Limited
Zhou Xiaochuan
Joint Company Secretary

Wuhu City, Anhui Province, the PRC
13 May 2022

As at the date of this announcement, the Board comprises (i) Mr. Wang Cheng, Mr. Wang Jianchao, Mr. Wu Bin, Mr. Li Qunfeng and Mr. Zhou Xiaochuan as executive Directors; (ii) Mr. Leung Tat Kwong Simon, Ms. Zhang Yunyan and Mr. Zhang Xiaorong as independent non-executive Directors.