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**Anhui Conch Material Technology Co., Ltd.**

**安徽海螺材料科技股份有限公司**

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

**(Stock Code: 02560)**

## **INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2025**

### **HIGHLIGHTS**

- The Group's revenue amounted to approximately RMB1,081.30 million for the six months ended 30 June 2025, representing a decrease of 2.00% compared to the corresponding period of the previous year.
- The Group's profit before taxation amounted to RMB73.38 million for the six months ended 30 June 2025, representing an increase of 3.63% compared to the corresponding period of the previous year.
- Net profit attributable to equity shareholders of the Company amounted to approximately RMB52.36 million for the six months ended 30 June 2025, remaining basically stable compared to the corresponding period of the previous year.
- Basic earnings per share amounted to RMB0.09 for the six months ended 30 June 2025, representing a period-on-period decrease of RMB0.03.
- The Board resolved not to declare any interim dividend for the six months ended 30 June 2025.

The board (the “**Board**”) of directors (the “**Directors**”) of Anhui Conch Material Technology Co., Ltd. (the “**Company**”) hereby presents the unaudited consolidated interim results of the Company and its subsidiaries (the “**Group**”) for the six months ended 30 June 2025 (the “**Reporting Period**”), together with the comparative figures for the corresponding period in 2024.

The unaudited consolidated financial statements of the Group for the six months ended 30 June 2025 have been approved by the Board and reviewed by the audit committee of the Board (the “**Audit Committee**”).

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2025 — unaudited

(Expressed in Renminbi)

		Six months ended 30 June	
	Note	2025	2024
		RMB'000	RMB'000
<b>Revenue</b>	4	<b>1,081,301</b>	1,103,390
Cost of sales		<u>(868,572)</u>	<u>(894,278)</u>
<b>Gross profit</b>		<b>212,729</b>	209,112
Other net income	5	<b>17,838</b>	11,108
Distribution costs		<b>(27,737)</b>	(27,322)
Administrative expenses		<b>(81,292)</b>	(77,033)
Research and development costs		<b>(22,864)</b>	(29,371)
Impairment losses on trade receivables		<u><b>(13,999)</b></u>	<u>(2,029)</u>
<b>Profit from operations</b>		<b>84,675</b>	84,465
Finance costs	6(a)	<u><b>(11,292)</b></u>	<u>(13,654)</u>
<b>Profit before taxation</b>	6	<b>73,383</b>	70,811
Income tax	7	<u><b>(12,345)</b></u>	<u>(10,627)</u>
<b>Profit for the period</b>		<u><b>61,038</b></u>	<u>60,184</u>
<b>Attributable to:</b>			
Equity shareholders of the Company		<b>52,364</b>	52,652
Non-controlling interests		<u><b>8,674</b></u>	<u>7,532</u>
<b>Profit for the period</b>		<b>61,038</b>	60,184
<b>Earnings per share</b>	8		
Basic and diluted (RMB)		<u><b>0.09</b></u>	<u>0.12</u>

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2025 — unaudited

(Expressed in Renminbi)

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
<b>Profit for the period</b>	<b>61,038</b>	<b>60,184</b>
<b>Other comprehensive income for the period</b> <b>(after tax and reclassification adjustments)</b>		
Item that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of financial statements of overseas subsidiaries	54	—
<b>Total comprehensive income for the period</b>	<b>61,092</b>	<b>60,184</b>
<b>Attributable to:</b>		
Equity shareholders of the Company	52,418	52,652
Non-controlling interests	8,674	7,532
<b>Total comprehensive income for the period</b>	<b>61,092</b>	<b>60,184</b>

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As of 30 June 2025 — unaudited

(Expressed in Renminbi)

	Note	30 June 2025 RMB'000	31 December 2024 RMB'000
<b>Non-current assets</b>			
Property, plant and equipment	9	1,004,451	1,010,046
Right-of-use assets	9	181,475	185,798
Intangible assets	9	10,311	11,322
Goodwill		28,691	28,691
Deferred tax assets		32,650	28,069
Non-current portion of trade and other receivables	10	33,133	8,534
		<u>1,290,711</u>	<u>1,272,460</u>
<b>Current assets</b>			
Inventories	11	188,091	101,519
Trade and other receivables	10	816,799	913,893
Financial assets measured at fair value through profit or loss (“FVPL”)		—	40,000
Cash and cash equivalents	12	490,130	131,387
		<u>1,495,020</u>	<u>1,186,799</u>
<b>Current liabilities</b>			
Loans and borrowings	13	731,133	720,212
Trade and other payables	14	301,017	344,280
Contract liabilities		31,964	12,481
Lease liabilities		3,784	4,357
Income tax payables		19,160	22,606
		<u>1,087,058</u>	<u>1,103,936</u>
<b>Net current assets</b>		<u>407,962</u>	<u>82,863</u>
<b>Total assets less current liabilities</b>		<u>1,698,673</u>	<u>1,355,323</u>

	<i>Note</i>	<b>30 June 2025 RMB'000</b>	<b>31 December 2024 RMB'000</b>
<b>Non-current liabilities</b>			
Loans and borrowings	13	202,777	198,491
Lease liabilities		7,773	9,612
Deferred income		40,024	39,549
Deferred tax liabilities		11,023	11,283
		<u>261,597</u>	<u>258,935</u>
<b>Net assets</b>		<b><u>1,437,076</u></b>	<b><u>1,096,388</u></b>
<b>Capital and reserves</b>	15		
Share capital		579,894	434,920
Reserves		738,350	555,710
<b>Equity attributable to equity shareholders of the Company</b>		<b>1,318,244</b>	<b>990,630</b>
<b>Non-controlling interests</b>		<b>118,832</b>	<b>105,758</b>
<b>Total equity</b>		<b><u>1,437,076</u></b>	<b><u>1,096,388</u></b>

# NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

*(Expressed in Renminbi, unless otherwise stated)*

## 1 General information

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

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

## 2 Basis of preparation

The interim financial report is prepared in accordance with the applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and complies with IAS 34, “Interim Financial Reporting”, issued by the International Accounting Standards Board. The interim financial report was authorized for issue on 28 August 2025.

Except for changes in accounting policies that will be reflected in the annual financial statements for 2025, the interim financial report is prepared based on the same accounting policies as those applied in the annual financial statements for 2024. For details of the changes in accounting policies, please refer to note 3.

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

The interim financial report comprises condensed consolidated financial statements and selected explanatory notes. The notes include explanations of events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance since the annual financial statements for 2024. The condensed consolidated interim financial statements and their notes do not include all the information required for full financial statements prepared in accordance with all applicable IFRS Accounting Standards (“**IFRSs**”).

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

### 3 Changes in accounting policies

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

- Amendments to IAS 21, “The effects of changes in foreign exchange rates — Lack of exchangeability” (“**2023 amendments**”)

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

### 4 Revenue and segment reporting

#### (a) Revenue

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

#### (i) Disaggregation of revenue

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

	<b>Six months ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b>RMB’000</b>	<b>RMB’000</b>
<b>Revenue from contracts with customers within the scope of IFRS 15 and recognised at a point in time</b>		
— Cement admixture and in-process intermediaries	<b>550,864</b>	618,373
— Concrete admixture and in-process intermediaries	<b>527,719</b>	482,760
— Others	<b>2,718</b>	2,257
	<b><u>1,081,301</u></b>	<b><u>1,103,390</u></b>

The Group's customers base is diversified. Revenue from only one customer accounted for 10% or more of the Group's revenue for the six months ended 30 June 2025, and the revenue from this customer amounted to approximately RMB289,199,700 (for the six months ended 30 June 2024: RMB338,584,100).

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

**(b) Segment reporting**

**(i) Disaggregation of revenue**

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

**(ii) Geographic information**

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



## Revenue from external customers

	<b>Six months ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Mainland China	<b>1,067,547</b>	1,103,075
Asia (except Mainland China)	<b>13,754</b>	315
	<b><u>1,081,301</u></b>	<b><u>1,103,390</u></b>

## Specified non-current assets

	<b>30 June</b>	<b>31 December</b>
	<b>2025</b>	<b>2024</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Mainland China	<b>1,243,585</b>	1,231,330
Asia (except Mainland China)	<b>14,476</b>	13,061
	<b><u>1,258,061</u></b>	<b><u>1,244,391</u></b>

## 5 Other net income

	<b>Six months ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Interest income on cash at bank (i)	<b>7,338</b>	780
Government grants (ii)	<b>14,816</b>	9,586
Net loss on disposal of property, plant and equipment	<b>(18)</b>	28
Others (iii)	<b>(4,298)</b>	770
	<b><u>17,838</u></b>	<b><u>11,108</u></b>

- (i) The increase in interest income is mainly due to the growth in proceeds from the Global Offering.
- (ii) Government grants mainly represented subsidies received from the local government authorities for encouraging the Group's development in the admixture products in the respective PRC cities.
- (iii) The losses in others were mainly due to the impact of financial service fees, exchange gains and losses, and non-operating income and expenses.

## 6 Profit before taxation

Profit before taxation is arrived at after charging:

**(a) Finance costs:**

	<b>Six months ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Interest on loans and other borrowings	<b>11,064</b>	13,386
Interest on lease liabilities	<b>228</b>	268
	<b><u>11,292</u></b>	<b><u>13,654</u></b>

**(b) Staff costs:**

	<b>Six months ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Salaries, wages and other benefits	<b>98,039</b>	97,307
Contributions to defined contribution plans (i)	<b>9,492</b>	9,730
	<b><u>107,531</u></b>	<b><u>107,037</u></b>

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

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

(c) *Other items:*

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Cost of inventories	795,531	807,867
Depreciation of owned property, plant and equipment	30,118	31,659
Depreciation of right-of-use assets	4,323	3,593
Amortisation of intangible assets	1,011	1,264
Loss allowance recognised for trade receivables	<u>13,999</u>	<u>2,029</u>

7 **Income tax in the consolidated statements of profit or loss**

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

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
<b>Current tax:</b>		
Provision for the period	21,011	18,138
Over-provision in prior years	<u>(3,825)</u>	<u>(1,762)</u>
	<u>17,186</u>	<u>16,376</u>
<b>Deferred tax:</b>		
Origination and reversal of temporary differences	(4,841)	(3,615)
Effect on deferred tax balances at 1 January resulting from a change in tax rate	<u>—</u>	<u>(2,134)</u>
	<u>12,345</u>	<u>10,627</u>

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

Pursuant to the PRC income tax law, all of the Company's PRC subsidiaries are liable to PRC income tax at a rate of 25% except for Linyi Conch New Material Technology Co., Ltd., which is entitled to a preferential income tax rate of 15% during the six months ended 30 June 2024 and 2025, as it is certified as "High and New Technology Enterprise" ("HNTTE"). According to Guoshuihan [2009] No. 203, if an entity is certified as a HNTTE, it is entitled to a preferential income tax rate of 15% during the certified period.

- (ii) Pursuant to Notice No. 23 issued by the State Administration of Taxation on 23 April 2020 and relevant local tax authorities' notices, certain subsidiaries are entitled to a preferential income tax rate of 15% as qualifying industries operated in western areas in the PRC during the year ended 31 December 2023. However, these subsidiaries are liable to PRC income tax at a rate of 25% since 1 January 2024 due to a change on new catalog of encouraged industries released by National Development and Reform Commission.
- (iii) Effective from 1 October 2022, an additional 100% of qualified research and development expenses incurred is allowed to be deducted from taxable income under the Enterprise Income Tax (the "EIT") law and its relevant regulations.

## 8 Earnings per share

### (a) *Basic earnings per share*

The calculation of basic earnings per share is based on the profit attributable to ordinary equity shareholders of the Company of RMB52,364,000 (the same period in 2024: RMB52,652,000) and the weighted average number of ordinary shares in issue during the year, which was calculated as follows.

*Weighted average number of ordinary shares:*

	2025 '000	2024 '000
Issued ordinary shares at 1 January	434,920	434,920
Effect of ordinary shares issued ( <i>note 1</i> )	144,974	—
Weighted average number of ordinary shares at 30 June	579,894	434,920

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

	January–June 2025	January–June 2024
Profit attributable to ordinary equity shareholders of the Company for the period ( <i>in RMB'000</i> )	52,364	52,652
Weighted average number of ordinary shares ( <i>in '000</i> )	579,894	434,920
Basic earnings per share ( <i>in RMB</i> )	0.09	0.12

### (b) *Diluted earnings per share*

The Company had no dilutive potential ordinary shares outstanding during the six months ended 30 June 2024 and 2025, therefore, diluted earnings per share are the same as the basic earnings per share.

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

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

For the six months ended 30 June 2025, the amount of the Group's newly added items of property, plant and equipment was RMB24,522,082, and there was no asset disposal.

### ***(b) Right-of-use assets***

Right-of-use assets refer to properties leased for own use and leasehold land for own use. For the six months ended 30 June 2025, there was no increase or decrease in right-of-use assets.

### ***(c) Intangible assets***

Intangible assets include software, pollutant discharge permits and non-patented technologies, etc. For the six months ended 30 June 2025, there was no increase or decrease in intangible assets.

## 10 Trade and other receivables

	30 June 2025 RMB'000	31 December 2024 RMB'000
Trade receivables		
— Third parties	387,302	364,670
— Related parties	204,323	223,208
Less: allowance for doubtful debts	(58,982)	(44,983)
	<u>532,643</u>	<u>542,895</u>
Bills receivable, carried at amortised cost	218,657	259,169
Bills receivable, measured at FVOCI	20,766	64,653
Other receivables from third parties		
— Deposits and prepayments	28,235	18,895
— VAT recoverable	9,250	5,584
— Prepayments for listing expenses	—	14,583
— Income tax recoverable	2,634	1,636
— Others	4,294	6,464
	<u>816,479</u>	<u>913,879</u>
Other receivables from related parties	<u>320</u>	<u>14</u>
Current portion of trade and other receivables	816,799	913,893
Non-current portion of trade and other receivables	<u>33,133</u>	<u>8,534</u>
Total current and non-current trade and other receivables	<u><u>849,932</u></u>	<u><u>922,427</u></u>

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

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

**(a) Ageing analysis**

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

	<b>30 June 2025 RMB'000</b>	<b>31 December 2024 RMB'000</b>
Current	<b>378,718</b>	<b>399,530</b>
1–6 months past due	<b>106,105</b>	<b>90,950</b>
7–9 months past due	<b>28,713</b>	<b>50,725</b>
10–12 months past due	<b>19,107</b>	<b>1,690</b>
	<b><u>532,643</u></b>	<b><u>542,895</u></b>

**11 Inventories**

	<b>30 June 2025 RMB'000</b>	<b>31 December 2024 RMB'000</b>
Raw materials	<b>49,773</b>	56,633
Finished goods	<b>138,318</b>	44,886
	<b><u>188,091</u></b>	<b><u>101,519</u></b>

**12 Cash and cash equivalents**

	<b>30 June 2025 RMB'000</b>	<b>31 December 2024 RMB'000</b>
Bank deposits and cash on hand	<b>490,130</b>	131,387
Cash and cash equivalents in the consolidated statement of financial position and the consolidated cash flow statement	<b><u>490,130</u></b>	<b><u>131,387</u></b>



### 13 Loans and borrowings

	<b>30 June 2025 RMB'000</b>	<b>31 December 2024 RMB'000</b>
Current	<b>731,133</b>	<b>720,212</b>
Non-current	<b>202,777</b>	<b>198,491</b>
Total	<b>933,910</b>	<b>918,703</b>

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

	<b>30 June 2025 RMB'000</b>	<b>31 December 2024 RMB'000</b>
Within one year	<b>731,133</b>	<b>720,212</b>
After one year but within two years	<b>69,286</b>	<b>75,000</b>
After two years but within five years	<b>133,491</b>	<b>123,491</b>
Total	<b>933,910</b>	<b>918,703</b>

As at the end of the Reporting Period, all of the bank loans were unsecured.

## 14 Trade and other payables

	30 June 2025 RMB'000	31 December 2024 RMB'000
Trade payables		
— Third parties	215,906	202,030
— Related parties	3,165	9,524
	<u>219,071</u>	<u>211,554</u>
Other payables and accruals		
— Construction and equipment payables	25,386	34,334
— Deposits	22,013	27,899
— Other taxes and surcharges payables	4,417	7,228
— Accrued payroll and other benefits	20,939	45,876
— Listing expenses payables	—	4,130
— Other accrued expenses	8,944	10,100
	<u>300,770</u>	<u>341,121</u>
Other payables to related parties	<u>247</u>	<u>3,159</u>
Trade and other payables	<u><u>301,017</u></u>	<u><u>344,280</u></u>

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

	30 June 2025 RMB'000	31 December 2024 RMB'000
Within 1 year	219,071	211,217
Over 1 year	<u>—</u>	<u>337</u>
	<u><u>219,071</u></u>	<u><u>211,554</u></u>

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

## 15 Share capital, reserves and dividends

### (a) Dividends

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

	<b>Six months ended</b>	
	<b>30 June</b>	
<i>Note</i>	<b>2025</b>	<b>2024</b>
	<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>
<b>Final dividend in respect of the previous financial year, approved during the interim period, of RMB0.17 per share (six months ended 30 June 2024: Nil)</b>	<b>(i) <u>98,582</u></b>	<b><u>—</u></b>

- (i) Pursuant to a resolution passed at the annual general meeting on 20 May 2025, a final dividend in respect of the previous financial year of RMB0.17 per ordinary share totaling RMB98,582,000 (equivalent to approximately HK\$106,455,000) was approved (2024: Nil), which was paid in June 2025.

The Board has resolved not to declare an interim dividend for the six months ended 30 June 2025 (six months ended 30 June 2024: Nil).

## **BUSINESS REVIEW**

### **1. OVERALL OVERVIEW**

In the first half of 2025, China's economy maintained an overall stable performance, with gross domestic product (GDP) growing by 5.3% period-on-period. Benefiting from the sustained effects of proactive fiscal policy and moderately accommodative monetary policy, infrastructure investment was effectively supported. During the Reporting Period, national fixed-asset investment increased by 2.8% period-on-period, thereby driving the growth in demand for high-performance concrete and cement, which directly contributed to the increased usage of specialty concrete admixtures and high-end cement admixtures. However, affected by the continued overall downturn in the domestic real estate sector, both newly commenced construction area and under-construction floor area of housings recorded varying degrees of decline, which imposed certain constraints on the market demand for admixtures.

Against the backdrop of the implementation of national carbon emission reduction policies and environmental regulations, such as ultra-low emission standards for the cement industry, the building materials sector has seen growing demand for cost reduction, efficiency improvement, and enhanced environmental performance, driving the continuous optimization and upgrading of admixture products. High-performance and eco-friendly products are gradually becoming mainstream in the market, while rising technological barriers will further accelerate industry consolidation and concentration. Leading enterprises are reinforcing their market advantages through technological innovation, thereby further expanding their market influence.

### **2. BUSINESS REVIEW**

During the Reporting Period, the Group closely followed its development plan, concentrating on product research and development and innovation to supply high-quality products and provide customized technical services for various cement and concrete producers. Against the backdrop of severe challenges currently facing the industry, the Group adhered to the strategic principle of “consolidating existing businesses while expanding new businesses”. Leveraging its production advantages of an integrated industrial chain, the Group continued to strengthen market development in cement, concrete and related intermediate products, optimized its layout in key domestic markets, including Xinjiang and the Beijing-Tianjin-Hebei region, and accelerated overseas expansion and market development. Meanwhile, the Group actively explored fine chemical sectors such as surfactants and ethylene carbonate. During the Reporting Period, the Group achieved operating revenue of RMB1,081.30 million.

***(I) Cement Admixture and In-process Intermediaries Business***

As a leading domestic supplier in the cement admixtures and in-process intermediaries market, the Group provided superior products and corresponding technical support to numerous cement manufacturers in the cement admixtures business segment. While maintaining existing customer relationships, the Group was committed to enhancing penetration rates and repeat purchase rates among existing customers. Currently, the Group has established direct supply relationships with over 300 renowned cement manufacturers, including Anhui Conch Cement Company Limited\* (安徽海螺水泥股份有限公司), Taiwan Cement Corporation\* (台灣水泥股份有限公司) and Gansu Shangfeng Cement Co., Ltd.\* (甘肅上峰水泥股份有限公司).

In the in-process intermediaries business for cement admixtures, the Group closely monitored price trends of upstream raw materials including propylene oxide and ethanolamine, strategically adjusted procurement and sales strategies, and established direct supply partnerships with a number of domestic cement admixture compound manufacturers.

***(II) Concrete Admixture and In-process Intermediaries Business***

As a key enterprise in China's concrete admixtures and in-process intermediaries sector, the Group has successfully expanded its external market share by leveraging its integrated industrial chain advantage covering polyether monomers, polycarboxylic acid mother liquor, and concrete admixture products.

Polyether monomers were primarily sold to concrete admixture manufacturers. During the Reporting Period, the Group closely monitored raw material market trends and end-market demand, implemented effective marketing strategies, actively participated in tender processes of state-owned enterprises and large conglomerates, and secured product supply contracts. Polycarboxylic acid mother liquor mainly served large-scale engineering projects and concrete admixture manufacturers. The Group continued to intensify market development efforts and deepened cooperation with key customers, achieving a 123% period-on-period increase in product revenue. Concrete admixture products were directly supplied to concrete manufacturers. Through the Company's technical support, the Group provided "one-stop" solutions to various customers, resulting in a 27% period-on-period growth in product revenue.

### ***(III) Overseas Business***

The Group adhered to its strategy of “developing its overseas business”. On one hand, it continued to expand overseas export trade to absorb domestic production capacity, successfully achieving product exports to 29 countries and regions. On the other hand, it enhanced overseas deployment and market development. Following the commencement of operations of its first overseas company, Toshkent Conch New Material Foreign Enterprise Co., Ltd.\* (塔什幹海螺新材料科技外國企業有限責任公司), Indonesia Conch Material Technology Co., Ltd.\* (印尼海螺材料科技有限公司) was successfully registered, further strengthening the Group’s strategic presence in the Asia-Pacific region.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **(I) FINANCIAL PROFITABILITY**

<b>Item</b>	<b>January– June 2025 Amount (RMB’000)</b>	<b>January– June 2024 Amount (RMB’000)</b>	<b>Changes between the Reporting Period and the corresponding period of the previous year (%)</b>
Revenue	<b>1,081,301</b>	1,103,390	-2.00
Profit before taxation	<b>73,383</b>	70,811	3.63
Profit for the period	<b>61,038</b>	60,184	1.42
Net profit attributable to the equity shareholders of the Company	<b><u>52,364</u></b>	<b><u>52,652</u></b>	<b><u>-0.55</u></b>

During the Reporting Period, the Group’s revenue amounted to RMB1,081.30 million, representing a period-on-period decrease of 2.00%. Profit before taxation amounted to RMB73.38 million, representing a period-on-period increase of 3.63%. Profit for the period amounted to RMB61.04 million, representing a period-on-period increase of 1.42%. Net profit attributable to the equity shareholders of the Company amounted to RMB52.36 million, remaining basically stable compared to the corresponding period of the previous year.

# 1 Revenue by Business Stream

Item	January–June 2025		January–June 2024		Change in amount
	Amount (RMB'000)	Percentage (%)	Amount (RMB'000)	Percentage (%)	
Cement admixture and in-process intermediaries	550,864	50.95	618,373	56.05	-10.92
Concrete admixture and in-process intermediaries	527,719	48.80	482,760	43.75	9.31
Others	2,718	0.25	2,257	0.20	20.43
Total	<u>1,081,301</u>	<u>100.00</u>	<u>1,103,390</u>	<u>100.00</u>	<u>-2.00</u>

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

- (1) The revenue from cement admixture and in-process intermediaries amounted to RMB550.86 million for the Reporting Period, representing a decrease of 10.92% compared to the corresponding period of the previous year, mainly due to the continuous decline in market price of the raw material, which impacted the price of downstream products.
- (2) The revenue from concrete admixture and in-process intermediaries amounted to RMB527.72 million for the Reporting Period, representing an increase of 9.31% compared to the corresponding period of the previous year, primarily due to the proactive expansion of concrete admixture-related businesses, with sales volume of concrete admixtures increasing by 35% period-on-period and sales volume of polycarboxylic acid mother liquor rising by 127% period-on-period.
- (3) The revenue from others amounted to RMB2.72 million for the Reporting Period, representing an increase of 20.43% compared to the corresponding period of the previous year, mainly due to the growth in the quality coupling sheets business.

— *Geographic information*

**Revenue from external customers**

<b>Item</b>	<b>Six months ended 30 June</b>	
	<b>2025</b> <i>(RMB'000)</i>	<b>2024</b> <i>(RMB'000)</i>
Mainland China	<b>1,067,547</b>	1,103,075
Asia (except Mainland China)	<b>13,754</b>	315
	<b><u>1,081,301</u></b>	<b><u>1,103,390</u></b>

**Specified non-current assets**

<b>Item</b>	<b>As of</b> <b>30 June</b> <b>2025</b> <i>(RMB'000)</i>	<b>As of</b> <b>31 December</b> <b>2024</b> <i>(RMB'000)</i>
Mainland China	<b>1,243,585</b>	1,231,330
Asia (except Mainland China)	<b>14,476</b>	13,061
	<b><u>1,258,061</u></b>	<b><u>1,244,391</u></b>

2. *Gross Profit and Gross Profit Margin*

<b>Item</b>	<b>January–June 2025</b>		<b>January–June 2024</b>		
	<b>Amount</b> <i>(RMB'000)</i>	<b>Gross profit margin</b> <i>(%)</i>	<b>Amount</b> <i>(RMB'000)</i>	<b>Gross profit margin</b> <i>(%)</i>	<b>Change in amount</b> <i>(%)</i>
Admixture and in-process intermediaries	<b>210,992</b>	<b>19.56</b>	208,229	18.91	1.33
Others	<b>1,737</b>	<b>63.91</b>	883	39.12	96.72
Total	<b><u>212,729</u></b>	<b><u>19.67</u></b>	<b><u>209,112</u></b>	<b><u>18.95</u></b>	<b><u>1.73</u></b>

During the Reporting Period, the Group's products achieved a gross profit of RMB212.73 million, representing an increase of approximately 1.73% compared to the corresponding period of the previous year.



During the Reporting Period, the gross profit margin for admixture and in-process intermediaries was 19.56%, representing an increase compared to the corresponding period of the previous year, mainly due to the Group offering a greater proportion of differentiated products with higher gross profit. Concurrently, the Group strengthened corresponding cost control measures, optimized the timing of material procurement, and benefited from lower purchase prices for certain raw materials, which collectively contributed to the improvement in the gross profit for cement admixture and in-process intermediaries.

3. *Other Net Income*

During the Reporting Period, the Group's other net income amounted to RMB17.84 million, representing an increase of RMB6.73 million, or 60.59%, compared to the corresponding period of the previous year, mainly due to an increase in bank deposit interest income generated from the proceeds of the Hong Kong public offering and the international offering (the “**Global Offering**”) of the Company, as well as an increase in government subsidies received by certain subsidiaries during the Reporting Period.

4. *Distribution Costs*

During the Reporting Period, the Group's distribution costs amounted to RMB27.74 million, remaining basically stable compared to the corresponding period of the previous year.

5. *Administrative Expenses*

During the Reporting Period, the Group's administrative expenses amounted to RMB81.29 million, representing an increase of RMB4.26 million, or 5.53%, compared to the corresponding period of the previous year, mainly due to the increased staff remuneration included in administrative expenses due to organizational restructuring, as well as higher routine advisory fees following the listing (the “**Listing**”) of the Company's H shares on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 9 January 2025.

## 6. *Research and Development Expenses*

During the Reporting Period, the Group's research and development costs amounted to RMB22.86 million, representing a period-on-period decrease of 22.15%, mainly due to the cyclical nature of research and development projects, where the Group's industrialization goals for key research projects, such as solid water reducing admixture, viscosity-reducing water reducing admixture, and early-strength water reducing admixture were basically achieved, while certain new research and development projects are in the preliminary research stages requiring relatively lower investment.

## 7. *Finance Costs*

During the Reporting Period, the Group's finance costs amounted to RMB11.29 million, representing a decrease of RMB2.36 million, or 17.30%, compared to the corresponding period of the previous year, mainly due to the decrease in interest rates of loans.

## (II) FINANCIAL POSITION

As at the end of the Reporting Period, the Group's total assets amounted to RMB2,785.73 million, representing an increase of RMB326.47 million as compared to the end of the previous year; the equity attributable to equity shareholders of the Company amounted to RMB1,318.24 million, representing an increase of RMB327.61 million as compared to the end of the previous year; the gearing ratio of the Group calculated as total liabilities divided by total assets at the end of the Reporting Period was 48.41%, representing a decrease of 7.01 percentage points as compared to the end of the previous year. The balance sheet items of the Group are as follows:

Item	As of 30 June 2025 (RMB'000)	As of 31 December 2024 (RMB'000)	Change between the end of the Reporting Period and the end of the previous year (%)
Non-current assets	1,290,711	1,272,460	1.43
Current assets	1,495,020	1,186,799	25.97
Non-current liabilities	261,597	258,935	1.03
Current liabilities	1,087,058	1,103,936	-1.53
Net current assets	407,962	82,863	392.33
Equity attributable to equity shareholders of the Company	1,318,244	990,630	33.07
Total assets	2,785,731	2,459,259	13.28
Total liabilities	1,348,655	1,362,871	-1.04

### 1. Non-current Assets and Current Assets

As at the end of the Reporting Period, the Group's non-current assets amounted to RMB1,290.71 million, remaining basically stable as compared to the end of the previous year.

As at the end of the Reporting Period, the Group's current assets amounted to RMB1,495.02 million, representing an increase of 25.97% as compared to the end of the previous year, mainly due to the completion of the Listing by the Company and the receipt of proceeds.

## **2. *Non-current Liabilities and Current Liabilities***

As at the end of the Reporting Period, the Group's non-current liabilities amounted to RMB261.60 million, remaining basically stable as compared to the end of the previous year.

As at the end of the Reporting Period, the Group's current liabilities amounted to RMB1,087.06 million, remaining basically stable as compared to the end of the previous year.

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

As at the end of the Reporting Period, the equity attributable to equity shareholders of the Company amounted to RMB1,318.24 million, representing an increase of 33.07% as compared to the end of the previous year, mainly due to (i) the completion of the Listing by the Company, resulting in an increase in share capital and capital reserves; and (ii) the Company's continued profitability, resulting in an increase in equity of shareholders of the Company (the "Shareholders").

## **(III) LIQUIDITY AND CAPITAL SOURCES**

During the Reporting Period, the Group fully leveraged its funding scale advantage by strengthening fund planning management, optimizing financing structure, lowering loan interest rates, and properly arranging project financing to meet the Company's capital needs. As at the end of the Reporting Period, the Group's cash and cash equivalents amounted to RMB490.13 million, which were mainly denominated in Hong Kong dollars and RMB.

## 1. *Loans and Borrowings*

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

<b>Item</b>	<b>30 June 2025 (RMB'000)</b>	<b>31 December 2024 (RMB'000)</b>
Within one year	<b>731,133</b>	720,212
After one year but within two years	<b>69,286</b>	75,000
After two years but within five years	<b>133,491</b>	123,491
<b>Total</b>	<b><u>933,910</u></b>	<b><u>918,703</u></b>

As at the end of the Reporting Period, the Group had balance of loans and borrowings of RMB933.91 million, representing an increase of RMB15.21 million compared to the end of the previous year, primarily due to the new long-term borrowings obtained by Huludao Haizhong New Material Technology Co., Ltd.\* (葫蘆島海中新材料科技有限公司), a subsidiary of the Company, to meet its production and construction needs.

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

## 2. *Cash Flows*

<b>Item</b>	<b>Six months ended 30 June 2025 (RMB'000)</b>	<b>Six months ended 30 June 2024 (RMB'000)</b>
Net cash generated from operating activities	<b>79,182</b>	30,614
Net cash used in investing activities	<b>(19,065)</b>	(42,860)
Net cash generated from/(used in) financing activities	<b>298,626</b>	(10,342)
Net increase/(decrease) in cash and cash equivalents	<b>358,743</b>	(22,588)
Cash and cash equivalents at beginning of period	<b>131,387</b>	166,103
Cash and cash equivalents at end of period	<b><u>490,130</u></b>	<b><u>143,515</u></b>

— *Net cash generated from operating activities*

During the Reporting Period, the Group had net cash generated from operating activities of RMB79.18 million, representing an increase of RMB48.57 million compared to the corresponding period of the previous year, mainly due to the Group's enhanced control over accounts receivable and accelerated collection of overdue payments during the Reporting Period, resulting in increased operating cash inflows compared to the corresponding period of the previous year.

— *Net cash used in investing activities*

During the Reporting Period, the Group had net cash used in investing activities of RMB19.07 million, representing a decrease of RMB23.80 million compared to the corresponding period of the previous year, mainly due to the receipt of wealth management funds during the Reporting Period.

— *Net cash generated from/(used in) financing activities*

During the Reporting Period, the Group had net cash generated from financing activities of RMB298.63 million, representing an increase of RMB308.97 million compared to the corresponding period of the previous year, mainly due to the proceeds received from the Listing.

#### **(IV) TREASURY MANAGEMENT POLICY**

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

#### **(V) FOREIGN EXCHANGE RISK AND EXCHANGE RATE RISK**

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

During the Reporting Period, the Group did not use any financial instruments to hedge against any foreign exchange risks.

## (VI) CAPITAL COMMITMENTS

As at the end of the Reporting Period, the Group had capital commitments not provided for in the consolidated financial statements as follows:

	<b>30 June 2025</b> <i>(RMB'000)</i>	31 December 2024 <i>(RMB'000)</i>
Contracted for	<b><u>133,102</u></b>	<b><u>121,981</u></b>

## (VII) CONTINGENT LIABILITIES

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

## (VIII) PLEDGE ON ASSETS

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

## (IX) SIGNIFICANT INVESTMENTS

During the Reporting Period, the Group did not have any significant investments.

## (X) FUTURE PLAN FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save as disclosed in the section headed “Future Plans and Use of Proceeds” in the prospectus of the Company dated 31 December 2024 (the “**Prospectus**”), as of the date of this announcement, the Group did not have any future plans for material investments or capital assets.

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

During the Reporting Period, the Group did not have any material acquisitions or disposals of subsidiaries, associated companies and joint ventures.

## **(XII) HUMAN RESOURCES**

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

As at the end of the Reporting Period, the Group had 871 employees (31 December 2024: 876). The remuneration of employees is based on qualifications, experience, work performance and market conditions. As required by the PRC regulations on social insurance, the Group participated in the social insurance schemes managed by local government authorities which include pension insurance, medical insurance, unemployment insurance, work-related injury insurance and maternity insurance.

During the Reporting Period, the total employee remuneration (including Directors' compensation) amounted to approximately RMB107.53 million (the corresponding period in 2024: RMB107.04 million).



### (XIII) INITIAL PUBLIC OFFERING AND USE OF PROCEEDS FROM THE GLOBAL OFFERING

On 9 January 2025, the Company's H shares were listed on the Main Board of the Stock Exchange through the Global Offering of 144,974,000 H shares, comprising a Hong Kong public offering of 43,493,000 H shares and an international offering of 101,481,000 H shares. The H shares were issued and subscribed to Hong Kong and overseas investors at an offer price of HK\$3.0 per H share (excluding brokerage of 1.0%, Securities and Futures Commission transaction levy of 0.0027%, Stock Exchange trading fee of 0.00565% and Accounting and Financial Reporting Council transaction levy of 0.00015%) by way of an initial public offering. The over-allotment option as described in the Prospectus was not exercised by the overall coordinator (for itself and on behalf of the international underwriters).

Use of net proceeds	Percentage of net proceeds	Estimated net proceeds allocated as disclosed in the Prospectus (HK\$ million)	Allocated net proceeds from the Global Offering <sup>(Note)</sup> (HK\$ million)	Net proceeds utilized since the Listing and up to the end of the Reporting Period (HK\$ million)	Expected timeline of full utilization of net proceeds	Remaining amount as of the end of the Reporting Period (HK\$ million)
<b>Optimise production capacity and extend the Group's geographical presence</b>	<b>35.0%</b>	<b>146.2</b>	<b>138.5</b>	<b>17.0</b>	<b>June 2028</b>	<b>121.5</b>
— Partially finance the production activities of a production plant located in Huludao, Liaoning	3.2%	13.2	12.5	0.0	December 2026	12.5
— Acquire and install production machinery in the Group's Ningbo Production Plant	18.0%	75.1	71.3	13.0	June 2026	58.3
— Construct overseas production plants located in Uzbekistan and Indonesia	10.8%	45.3	42.8	4.0	June 2028	38.8
— Enhance the extent of automation and digitalisation in production processes	2.0%	8.4	7.9	0.0	June 2026	7.9
— Strengthen the production infrastructure	1.0%	4.2	4.0	0.0	December 2026	4.0

Use of net proceeds	Percentage of net proceeds	Estimated net proceeds allocated as disclosed in the Prospectus (HK\$ million)	Allocated net proceeds from the Global Offering <sup>(Note)</sup> (HK\$ million)	Net proceeds utilized since the Listing and up to the end of the Reporting Period (HK\$ million)	Expected timeline of full utilization of net proceeds	Remaining amount as of the end of the Reporting Period (HK\$ million)
Implement marketing initiatives	10.0%	41.8	39.6	0.0	June 2026	39.6
Devote further resources to the Group's research and development initiatives	15.0%	62.6	59.4	0.0	June 2028	59.4
— Support the Group's various research and development initiatives	13.3%	55.6	52.7	0.0	June 2028	52.7
— Develop and commercialise the Group's new product, ethylene carbonate (碳酸乙烯酯)	1.7%	7.0	6.7	0.0	December 2026	6.7
Repay certain bank loans	15.0%	62.6	59.4	20.0	December 2025	39.4
Acquire companies or establish joint ventures	15.0%	62.6	59.4	0.0	December 2026	59.4
General working capital	10.0%	41.8	39.6	3.0	December 2025	36.6
<b>Total</b>	<b>100.0%</b>	<b>417.6</b>	<b>395.9</b>	<b>40.0</b>		<b>355.9</b>

*Note:* The difference between net proceeds finally received from the Global Offering and the estimated net proceeds as disclosed in the Prospectus has been adjusted in the same manner and in the same proportion to the use of proceeds as disclosed in the Prospectus.

Should the net proceeds not be utilized immediately, the balance will be deposited with banks. There has been no change to the intended use of the net proceeds as previously disclosed in the Prospectus. The Group will utilize the remaining net proceeds in accordance with the matters as stated in the Prospectus. For further details, please refer to the section headed “Future Plans and Use of Proceeds” in the Prospectus.

## FUTURE PLAN AND PROSPECTS

The year 2025 marks the conclusion of the “14th Five-Year Plan” period, during which economic development will continue to adhere to the overall approach of “seeking progress while maintaining stability”, laying a solid foundation for industry recovery and growth. The meeting of the Political Bureau of the Central Committee held in July 2025 explicitly emphasized the need to implement more proactive fiscal policies while maintaining a monetary policy that is “moderately accommodative with ample liquidity”, creating dual drivers to inject stable momentum into the market. Against this backdrop, projects across regions will commence construction in an orderly manner based on actual demand, further activating economic dynamism through precise and effective supplementary mechanisms. It is noteworthy that policy directives have charted a clear course for urban development and the real estate sector. The Opinions on Continuously Promoting Urban Renewal Actions (《持續推進城市更新行動的意見》) issued in May 2025 explicitly set the primary goal of “achieving significant progress in the implementation of urban renewal actions by 2030”. The Central Urban Work Conference in July 2025 emphasized “advancing high-quality urban development as the theme, adhering to connotative urban growth as the main thread, leveraging urban renewal as a key initiative, and vigorously promoting structural optimization, kinetic energy transformation, quality enhancement, green transition, cultural continuity, and governance efficiency”. Additionally, the meeting of the Political Bureau of the Central Committee pointed out the need to “implement the spirit of the Central Urban Work Conference and carry out urban renewal with high quality”. These cumulative policy signals are expected to significantly stimulate demand in the real estate sector in the second half of 2025. Meanwhile, supply-side structural reforms continue to deepen, enhancing the quality and efficiency of economic development by optimizing resource allocation, phasing out outdated production capacity, and fostering emerging industries, thereby providing robust momentum for sustained and healthy economic growth. Simultaneously, major infrastructure initiatives maintain strong momentum, with regions leveraging major projects in transportation, energy, water conservancy, and new infrastructure to not only address infrastructure gaps but also drive the development of upstream and downstream industries through industrial chain synergy. Under these multiple favorable conditions, new vitality is being injected into the industry’s high-quality development.

The Group will conduct in-depth analysis of domestic and international industry market trends to accurately capture policy dividends. With the domestic market as its foundation, the Group will focus on strengthening market development in central cities and core regions with more solid demand fundamentals and stronger growth momentum, including the Beijing-Tianjin-Hebei region, Xinjiang, Sichuan-Chongqing, the Yangtze River Delta, Tibet and South China. The Group will accelerate strategic deployment in overseas markets by deepening operations in Indonesia and the Middle East, making advance arrangements in Southeast Asian markets, improving the Asia-Pacific sales network, continuing overseas

trade activities, and vigorously exploring emerging international markets, such as North Africa and South America to effectively release domestic production capacity. Adhering to the concept of technological innovation, the Group will continuously optimize existing product performance, increase research and development investment in customized products, and extend the Company's industrial chain into high value-added areas.

## **INTERIM DIVIDEND**

The Board resolved not to declare any interim dividend for the six months ended 30 June 2025.

## **NO MATERIAL CHANGE**

Since the publication of the latest annual report for the year ended 31 December 2024, there have been no material changes to the Company's business.

## **CORPORATE GOVERNANCE CODE**

The Company is committed to achieving high standard of corporate governance in order to protect the interests of the Shareholders and improve corporate value and accountability. The Company acknowledges the importance of the Board in effectively leading and managing the business of the Company and ensuring the transparency and accountability of the Company's operation. The Company has adopted the principles and code provisions of the Corporate Governance Code (the “**CG Code**”) set out in Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) as its own corporate governance code. As the H shares of the Company were listed on the Main Board of the Stock Exchange on 9 January 2025 (the “**Listing Date**”), the CG Code was not applicable to the Company prior to the Listing Date. During the period from the Listing Date and up to the end of the Reporting Period, the Company has complied with principles and all applicable code provisions set out in Part 2 of the CG Code.

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

## **MODEL CODE FOR SECURITIES TRANSACTIONS**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) in Appendix C3 to the Listing Rules as its own code of conduct for securities transactions by the Directors and the supervisors (the “**Supervisors**”) of the Company. As the H shares of the Company were listed on the Main Board of the Stock Exchange on 9 January 2025, the Model Code was not applicable to all Directors and

Supervisors prior to the Listing Date. Having made specific enquiries to all Directors and Supervisors, the Company confirms that all Directors and Supervisors have complied with the required standards as set out in the Model Code during the period from the Listing Date and up to the end of the Reporting Period.

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

As the H shares of the Company were listed on the Main Board of the Stock Exchange on 9 January 2025, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares (as defined in the Listing Rules)) during the period from the Listing Date and up to the end of the Reporting Period. As at the end of the Reporting Period, the Company did not hold any treasury shares.

## **AUDIT COMMITTEE**

The Audit Committee comprised four independent non-executive Directors, namely Ms. Xu Xu (Chairlady of the Audit Committee), Mr. Li Jiang, Mr. Chen Jiemiao and Ms. Zeng Xiangfei. The Audit Committee has reviewed the interim results of the Group for the six months ended 30 June 2025. The Audit Committee has no disagreement with the accounting treatment adopted by the Company.

## **SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD**

The Company obtained approval from the Shareholders at the extraordinary general meeting held on 30 July 2025 for the re-election of the Directors of the second session of the Board and the Supervisors of the second session of board of Supervisors (the “**Board of Supervisors**”) of the Company, with their terms commencing from 30 July 2025 for a period of three years. For details regarding the re-election of the Directors of the second session of the Board and the Supervisors of the second session of the Board of Supervisors, please refer to the announcements issued by the Company on 2 July 2025 and 30 July 2025, as well as the circular issued by the Company on 14 July 2025.

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

## **PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT**

This results announcement is published on the website of the Company ([www.conchmst.com](http://www.conchmst.com)) and the website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)). The interim report of the Company for the six months ended 30 June 2025 containing all the information required by the Listing Rules will be published on the websites of the Stock Exchange and the Company in due course, and will be, where necessary, despatched to the Shareholders.

By order of the Board  
**Anhui Conch Material Technology Co., Ltd.**  
**Ding Feng**  
*Chairman of the Board and non-executive Director*

Anhui Province, the People's Republic of China  
28 August 2025

*As at the date of this announcement, the Board comprises Mr. Ding Feng as the Chairman of the Board and non-executive Director; Mr. Chen Feng and Mr. Bai Lin as executive Directors; Mr. Feng Fangbo, Mr. Zhao Hongyi, Mr. Jin Feng and Mr. Fan Haibin as non-executive Directors; and Mr. Li Jiang, Mr. Chen Jiemiao, Ms. Xu Xu and Ms. Zeng Xiangfei as independent non-executive Directors.*

\* *For identification purpose only*