



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: 2560



ENVIRONMENTAL, SOCIAL
AND GOVERNANCE REPORT
2025

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ABOUT THIS REPORT

This report is the second Environmental, Social and Governance Report (referred to as “**Report**”) issued by Anhui Conch Material Technology Co., Ltd. (referred to as the “**Group**”, “**Conch Mat Tech**” or “**we**”), which reflects the Group’s concept of sustainable development, and presents to its stakeholders the sustainable development policies and measures, as well as the progress and performance during the year, so as to enhance their understanding and confidence on us.

REPORTING BOUNDARY

This Report complements the 2025 Annual Report of the Group and reports its environmental, social and governance performance during the financial year between 1 January 2025 and 31 December 2025 (the “**Year**”). Part of the content can be traced back to the previous year or extended to the disclosure date of the Report.

This Report is an annual report for the period from 1 January to 31 December 2025 (the “**Reporting Period**”). The coverage of this Report is consistent with that of the 2025 Annual Report of the Group, and we will regularly review the reporting boundary to provide investors and other stakeholders with more accurate and comprehensive information.

REPORTING STANDARDS

This Report complies with the Environmental, Social and Governance Reporting Code (the “**ESG Code**”) set out in Appendix C2 of the Rules Governing the Listing of Securities on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) issued by The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), and takes the four reporting principles contained therein, namely Materiality, Quantification, Balance and Consistency, as the basis for the preparation of this Report. A complete index is attached to the last chapter of this Report so that readers can read this Report according to the ESG Code. Unless otherwise specified, all currencies involved in this Report are measured in Renminbi.

Reporting principles	Application in this Report
Materiality	The Group strengthens stakeholder engagement, and identifies and determines material ESG issues that have a greater impact on the Group’s business, and makes key disclosures in this Report.
Quantification	The Group makes quantitative disclosure of the key performance indicators with historical data in the areas of “environmental” and “social” according to the requirements of the “Key Performance Indicators” in the “Environmental, Social and Governance Reporting Code under Appendix C2 to the Rules Governing the Listing of Securities on the Stock Exchange”, makes quantitative disclosure of forward-looking information such as targets as much as possible, and will gradually improve the statistical process to achieve full disclosure in the future.
Balance	This ESG Report is presented in an impartial manner to ensure that the disclosures truly reflect the Group’s achievements, challenges and solutions in terms of ESG.
Consistency	The Group uses consistent statistical methods where feasible, so that ESG data can be meaningfully compared in the future.

ABOUT THIS REPORT

CONFIRMATION AND APPROVAL

The information stated in this ESG Report was extracted from our official internal documents, statistical data, and management and operational data collected in accordance with the systems of the Group. This Report has been confirmed and approved by the board of directors on 31 March 2026.

PUBLICATION INTERVAL

ESG report is released annually, together with the Group's annual report.

PUBLICATION FORMAT

This Report has been published on the website of the Stock Exchange (www.hkexnews.hk) and the website of the Group (www.conchmst.com).

OPINIONS AND FEEDBACK

Opinions from stakeholders will help the Group establish better sustainable development governance and strategies in the future. If you have any comments or suggestions on the content of this ESG Report, please contact the Group by email (hkkgf_conch@163.com).

REFERENCE TABLE FOR NAMES OF BRANCHES AND SUBSIDIARIES

Full Name of the Company

Abbreviation

Linyi Conch New Material Technology Co., Ltd. (臨沂海螺新材料科技有限公司)	Linyi Conch
Xianyang Conch New Material Technology Co., Ltd. (鹹陽海螺新材料科技有限公司)	Xianyang Conch
Ningbo Conch New Material Technology Co., Ltd. (寧波海螺新材料科技有限公司)	Ningbo Conch
Kunming Conch New Material Technology Co., Ltd. (昆明海螺新材料科技有限公司)	Kunming Conch
Meishan Conch New Material Technology Co., Ltd. (眉山海螺新材料科技有限公司)	Meishan Conch
Huludao Haizhong New Material Technology Co., Ltd. (葫蘆島海中新材料科技有限公司)	Huludao Haizhong
Xiangyang Conch New Material Technology Co., Ltd. (襄陽海螺新材料科技有限公司)	Xiangyang Conch
Guigang Conch TCC New Material Technology Co., Ltd. Guizhou Branch (貴港海螺台泥新材料科技有限公司貴州分公司)	Guizhou Conch
Guigang Conch TCC New Material Technology Co., Ltd. (貴港海螺台泥新材料科技有限公司)	Guigang Conch
Tongling Conch New Material Technology Co., Ltd. (銅陵海螺新材料科技有限公司)	Tongling Conch
Qinghai Conch Jinyuan New Material Technology Co., Ltd. (青海海螺金圓新材料科技有限公司)	Qinghai Conch
Tashkent Conch New Materials Technology Foreign Enterprise Co., Ltd. (塔什干海螺新材料科技外國企業有限責任公司)	Tashkent Conch
Anhui Haicui Industrial Preparation Co., Ltd. (安徽海萃工業製劑有限公司)	Anhui Haicui
Anhui Conch New Material Technology Trading Co., Ltd. (安徽海螺新材料科技貿易有限公司)	Conch Trading
Indonesia Conch Material Technology Co., Ltd. (印尼海螺材料科技有限公司)	Indonesia Conch
Maoming Conch Material Technology Co., Ltd. (茂名海螺材料科技有限公司)	Maoming Conch

CHAIRMAN'S STATEMENT

Dear stakeholders,

In 2025, Conch Mat Tech was successfully listed on the Main Board of the Stock Exchange, marking a new chapter for the Company as it set sail on a new journey and advanced with distinction. Guided by our business philosophy of “creating future living space for human beings,” we are committed to becoming a leading enterprise in the field of chemical materials for the cement and concrete industry. Through the joint efforts of all our employees, we achieved steady and robust development in 2025.

Special-Committee Leadership Consolidating Governance Foundation. During the year, we placed high importance on our environmental, social and governance (ESG) performance, continuously enhancing corporate social responsibility and promoting sustainable development, while integrating ESG considerations into our business operations. We established an ESG governance structure with the board of directors as the highest decision-making level and the Environment, Health and Safety Management Committee (EHS Management Committee) as the operational level, and provided relevant thematic training to strengthen the professional capabilities of both the board of directors and the EHS Management Committee in ESG matters, thereby advancing our ESG governance practices. In addition, we regularly identify and assess ESG-related risks based on stakeholder concerns, and incorporate ESG factors into our overall risk management framework.

Low-Carbon Manufacturing Practicing Green Development. We have implemented environmental protection measures in earnest, with eight subsidiaries having obtained ISO 14001 Environmental Management System certification. We place high importance on energy conservation and efficient utilization, continuously promoting energy-saving technological upgrades and refined management throughout the entire production process, effectively reducing energy consumption through a series of pragmatic initiatives. We are actively advancing the transition to green energy and exploring the use of solar power, with two enterprises having completed the conversion to solar-powered streetlights. We also actively provide environmental protection training to our employees, fostering a strong environmental culture across the Group.

Strict Quality Control Ensuring Product Safety. We fully recognize the importance of product quality and have always regarded product quality as the lifeline of the company. By adhering to the most stringent standards, the most rigorous approach, and the most professional technology, we ensure that every product meets market demand, safeguards project safety, and supports sustainable development. We strictly comply with relevant laws and regulations on product quality, have refined a series of internal policies, strengthened quality control over raw materials and auxiliary materials, enhanced product-specific management and connected person business management, and improved the quality and safety of the Group's products. Nine subsidiaries have obtained quality management system certification and product certification.

Innovation-Driven Development Powering Industrial Upgrading. We have consistently focused on the field of fine chemical new materials, adhering to a development strategy of “market-oriented and technology-led.” By deeply implementing an innovation-driven development strategy, we have continuously increased investment in technological innovation, strengthened the development of scientific and technological talent, enhanced collaboration in “industry-academia-research-application,” and established a “1+10” technological innovation system characterized by “enterprise as the mainstay, market orientation, and integration of industry, academia and research.” In 2025, we were honored as a “benchmark” enterprise under the Science and Technology Reform Demonstration Enterprise program.

CHAIRMAN'S STATEMENT

Strengthening the Enterprise with Talents, Growing Together with One Mind. The strategy of strengthening the enterprise with talents is one of the core strategies of Conch Mat Tech. We have always adhered to a people-oriented employment philosophy, consistently pursuing the mission of creating opportunities for employees and helping them realize their value, while regarding the addition of professional talent as a vital means of sustaining the Group's rapid growth and talent advantage. We pay close attention to the safety and health of every employee, strictly comply with relevant laws and regulations, and have implemented a series of measures to ensure workplace safety and employee health protection. Eight subsidiaries have obtained occupational health and safety management system certification. During the Reporting Period, our cumulative investment in workplace safety and employee health protection exceeded RMB10.17 million.

Looking ahead, we will remain focused on the building materials chemistry field, continuously innovate, pursue excellence, strive to achieve sustainable development for the enterprise, and create a better living space for humanity. We look forward to continuing our collaboration with all sectors of society to build a brighter future together!

Ding Feng

31 March 2026

ABOUT CONCH MAT TECH

We are a fine chemical materials supplier which produces and sells cement admixture (水泥外加劑), concrete admixture (混凝土外加劑) and their respective upstream raw materials. Leveraging our R&D endeavours and capabilities, in addition to providing products, we also provide technical support to our customers relating to the products provided by us. We were established by Conch Holdings, which ranked 193rd among the 2025 China Top 500 Enterprises, 93rd among the 2025 China Top 500 Manufacturing Enterprises, and was included in the list of World-Class Demonstration Enterprises by the SASAC of the State Council, to explore the fine chemical materials market as a key enterprise with a full industrial spectrum of abilities to achieve energy conservation and efficiency improvement for the cement and concrete industry.

Our history can be traced back to 2018 when our predecessor company was established and subsequently began its business of production within the cement and concrete admixture industry through the acquisition of Shandong Hongyi (山東宏藝) (currently known as Linyi Conch) and its subsidiary (i.e. Guizhou Conch) in 2018, and further acquisition of Meishan Conch and Xiangyang Conch in the same year.

We are primarily engaged in the research, development, production, sales, and services in the field of new materials in China, including cement admixtures, concrete admixtures, polyether monomers, and alkanolamines. Our brand enjoys strong influence and high customer appeal, with our market share in cement admixtures and alkanolamine products, as well as polyether monomers, ranking among the top in the domestic market. We were listed in Hong Kong, the PRC, on 9 January 2025 (stock code: 2560.HK).

We have established 16 branches and subsidiaries globally, mainly located across 11 provinces, autonomous regions, and municipalities directly under the central government, including Zhejiang, Shandong and Yunnan. We operate 12 production facilities across various locations in China, each equipped with its own technical and sales teams. Our production facilities are located in Ningbo of Zhejiang Province, Linyi of Shandong Province, Guigang of Guangxi Zhuang Autonomous Region, Qiannan Buyi and Miao Autonomous Prefecture of Guizhou Province, Meishan of Sichuan Province, Tongling of Anhui Province, Xiangyang of Hubei Province, Xianyang of Shaanxi Province, Haidong of Qinghai Province, Kunming of Yunnan Province, Huludao of Liaoning Province and Wuhu of Anhui Province.

We are expanding our footprint in overseas countries. With the acceleration of urbanization in Central Asia, Southeast Asia, the Middle East and other regions, investment in infrastructure continues to grow, driving a surge in demand for high-performance construction additives such as cement admixtures and polyhydroxy acid water reducing admixture. Seizing this market opportunity, Conch Mat Tech has established two overseas subsidiaries, one in the Tashkent region of Uzbekistan and the other in the Merak region of Indonesia.

We are driven by technological leadership and possess the industry's only national-level enterprise technology center, a national-level postdoctoral research workstation, totaling two national-level research platforms, as well as six provincial-level research platforms. In order to promote our business growth, our R&D efforts focus on developing new products and new applications and improving production technologies to diversify our product portfolio and improve production efficiency. Our widely recognized R&D efforts have won us a number of awards and recognitions. In 2018, we were granted the title of "National Intellectual Property Advantage Enterprise" by the China National Intellectual Property Administration. In 2020, we received the "China Patent Excellence Award." In 2025, we were recognized as a benchmark enterprise under the "Scientific Reform Demonstration Enterprise* (科改示範企業)" program by the State Council State-owned Enterprise Reform Leading Group* (國務院國有企業改革領導小組) and we have been consecutively recognized as a benchmark enterprise under "Scientific Reform Demonstration Enterprise" for three years. In 2024, we were successfully recognized as a "2023–2024 Management Innovation Enterprise in the Building Materials Industry (2023–2024年建材行業管理創新型企業)" and received a nomination for the "Outstanding Green Development Promotion Unit (推進綠色發展優秀單位)" award from the Concrete Admixtures Branch of the China Building Materials Federation in 2024. In 2025, at the "2025 Building Materials Enterprise Development Conference" hosted by the China Building Materials Enterprise Management Association, we were honored with two awards: "Five-Star Growth Enterprise" and "Five-Star Innovation and R&D Capability Enterprise." In addition, we received the Second Prize of Anhui Provincial Science and Technology Progress Award and the First Prize of the Science and Technology Progress Award of the China Building Materials Circulation Association.

PERFORMANCE HIGHLIGHTS

Financial and Market Performance

2.314

Annual operating revenue of RMB2.314 billion

109

Net profit for the year attributable to equity shareholders of RMB109 million

105

Annual tax of RMB105 million

10.17+

The cumulative investment in production safety and employee health protection exceeding RMB10.17 million

Zero-waste factory at the provincial level

Ningbo Conch was awarded as one of the “100 Best Zero-waste City Cells” in 2023, zero-waste factories at the provincial level

Provincial Manufacturing Single-Item Champion Enterprise

Linyi Conch retains the “Shandong Provincial Manufacturing Single-Item Champion Enterprise” title

Social Performance

908 persons

A total of 908 employees

0%

Work-related injury rate per thousand employees of 0%

225

A total of 225 patents granted

924.9

Annual production output of 924.9 thousand tonnes

Green factory at the city level

Ningbo Conch was awarded as a “Green Factory at the City Level in Ningbo”

National First-Class Safety Management Standardization Team

The production operation teams of Tongling Conch and Kunming Conch passed the assessment and acceptance review of the China Association of Work Safety and were recognized as “2025 First-Class Safety Management Standardization Team”

Environmental Performance

67%

67% of factories have obtained ISO14001 certification

18,232

Solar-powered streetlights generated 18,232 kWh

11

Factories located in 11 provinces and autonomous regions across China

473

473 educational activities on production safety were carried out

Green factory in the industry

Meishan Conch was awarded as a Green Factory in the Building Materials Industry in 2024 by the China Building Materials Federation

Target Achievement

Both the comprehensive energy consumption and greenhouse gas emissions per unit of product achieved the target of a 5% year-on-year reduction, while water consumption per unit of product achieved the target of a 2% year-on-year reduction

STATEMENT OF THE BOARD

Conch Mat Tech is well aware of the importance of good corporate governance, and always adheres to the requirements of the ESG Code of the Hong Kong Stock Exchange. It has built an ESG management structure involving decision-making and business levels, and continuously improves its own ESG governance structure and its implementation system and incorporates ESG governance factors into all aspects of the Group's major decision-making and operational practices.

Role of the Board in ESG Governance: The Board of the Group is the highest responsible and decision-making body for ESG matters, and bears the ultimate responsibility for ESG matters of the Group. With the assistance of operational departments, it supervises the commitments, implementation and performance related to the ESG matters, and is responsible for identifying and managing major ESG risks and opportunities, authorizing each operational department to implement relevant policies and measures, and holding meetings in due course to discuss and consider relevant ESG issues.

ESG Management Principles and Strategies of the Board: The Group attaches great importance to the significant impact of ESG risks may have on the company. The Group updates and replaces its ESG issues based on changes in the external environment, policies, industry hot topics, capital market perceptions and the Company's development strategies, in combination with any identified ESG risks and opportunities, and carries out stakeholder surveys and in-depth assessments to evaluate the materiality of issues, so as to identify the priority of ESG issues and specify the focus of the Group's ESG governance.

This Report discloses in detail the progress and effectiveness of Conch Mat Tech's ESG work in 2025. The Board, as the highest responsible and decision-making body for ESG matters, warrants that there are no false representations or misleading statements contained in, or material omissions from this Report, and accepts all responsibilities for the truthfulness and accuracy of this Report.

ESG GOVERNANCE STRUCTURE

We are committed to promoting corporate social responsibility and sustainable development and integrating them into our business operations. We have set up an environment, health and safety management committee (“**EHS Management Committee**”) at the business level, which is responsible for making EHS decisions, convening EHS Management Committee meetings, deliberating and approving matters such as personnel changes to the EHS Management Committee, amending its terms of reference, and establishing relevant systems, among others. The EHS Management Committee’s chairman is our Group’s general manager, its deputy chairman is our Group’s deputy general manager, and its members are the heads of departments and subsidiaries. The EHS Management Committee consists of diversified members, including members with experience in and knowledge of environmental protection and compliance as well as experience in occupational safety management, while taking into account the Group’s needs in emission control and production growth.

Our ESG governance structure is set out as follows:

Decision-making Level Board of Directors	➤ Assumes decision-making responsibility and ultimate accountability for the Group’s ESG matters ➤ Oversees ESG-related issues ➤ Identifies and manages material ESG risks and opportunities
Business Level EHS Management Committee	➤ Formulates EHS-related decisions ➤ Convenes EHS Management Committee meetings ➤ Deliberates and approves matters such as personnel changes to the EHS Management Committee, amendment to its terms of reference, and the establishment of relevant systems

To continuously enhance the professional capabilities of the board of directors and the EHS Management Committee in ESG matters, we provide them with relevant thematic training to ensure they possess the necessary expertise, stay abreast of regulatory requirements and industry trends, and are well-equipped to fulfill their management and oversight responsibilities. Executive compensation is linked to ESG indicators, specifically including quality safety, workplace safety, environmental protection, and other relevant metrics.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE RISK IDENTIFICATION AND MANAGEMENT

Conch Mat Tech regularly identifies and evaluates risks associated with ESG based on stakeholder concerns and incorporates ESG factors into the Group’s overall risk management and control framework. The specific measures are as follows:

- **Supervision and Coordination:** ensuring that the Group’s business departments implement ESG priorities in the operations and coordinating the actions of all departments to achieve sustainable development goals.
- **Risk and Opportunity Assessment:** regularly assessing ESG-related risks and opportunities and reporting the impact on the Group’s business to the Board.
- **Trend Monitoring:** paying close attention to ESG-related issues and trends that may affect the Group’s operations, and assessing and reviewing such issues and trends.
- **Policy and Management Review:** overseeing the Group’s ESG policies, practices, framework and management principles, and making recommendations for improvement.
- **Influence on Stakeholder Assessment:** taking into consideration the influence of the Group’s ESG performance on stakeholders, such as employees, shareholders, communities and the environment.
- **Information Disclosure and Communication:** reviewing and making recommendations, so as to ensure the public communication, disclosure and announcement (e.g., the sustainability report) on the Group’s ESG performance accurately reflect the actual situation.

ESG GOVERNANCE

COMMUNICATIONS WITH STAKEHOLDERS

The Group maintains active, transparent and stable communication with its stakeholders to obtain their feedback in a timely manner, continuously deepen the understanding of their expectations and demands, and consistently improve the sustainability performance, business strategies and measures of our Group.

Category of Stakeholders	Issues of Concern	Communication Channels
 Customers	Product quality and safety	Customer visits
	Customer service	Market research
	Responsible marketing	National customer service hotline
	Compliance operation	Customer satisfaction survey
	Customer Privacy	
 Shareholders and investors	Corporate governance	Investor relations website
	Compliance operation	Shareholders' meetings
	Business ethics	Information disclosure
	Response to climate change	Letter exchanges
	Environmental compliance management	Teleconference
	Green and low-carbon transformation	Webinars
	Product quality and safety	Visit reception
	Supply chain management	Introduction and roadshow
	Labor management	Investor hotline
	Promotion of the industry development	

ESG GOVERNANCE

Category of Stakeholders	Issues of Concern	Communication Channels
 Government/regulatory bodies	Response to climate change Environmental compliance management Exhaust gas emissions and management Use of resources Waste management Occupational health and safety of employees Labor management Compliance operation Business ethics Corporate governance	Inspection and research Correspondence Policy implementation Information disclosure Training seminar
 Employees	Occupational health and safety of employees Labor management Employee communication Employee training and development Diversity and inclusion Welfare guarantee	Labor union Employee activities Employee survey Employee training
 Suppliers	Supply chain management Product quality and safety	Supplier evaluation Supplier communication and training
 Community public	Charity and community investment Product quality and safety Environmental compliance management Waste management Biodiversity protection	Voluntary service Community activities

ESG GOVERNANCE

MATERIALITY ASSESSMENT

In addition to the above-mentioned communication models, the Group assessed the materiality of ESG issues from the two dimensions of “materiality to stakeholders” and “materiality to business management” based on its own development direction and industry characteristics.

During the Reporting Period, we identified the following issues and assessed their degree of materiality as follows:

Degree of materiality	Issue	Degree of materiality	Issue	Degree of materiality	Issue
Highly material	Corporate Governance and Compliance Operation	Material	Anti-corruption	Relevant	Diversity and Equal Opportunity
Highly material	Product Quality and Safety	Material	Environment and Natural Resources	Relevant	Community Building
Highly material	Employee Rights and Labor Management	Material	Energy Management	Relevant	Responsible Marketing
Highly material	Occupational Health and Safety	Material	Emission Management		
		Material	Use of Water Resources		
		Material	Response to Climate Change		
		Material	Employee Employment		
		Material	Development and Training		
		Material	Customer Rights and Interests Protection		
		Material	Intellectual Property Protection and Technological Innovation		
		Material	Information Security and Privacy Protection		
		Material	Supply Chain Management		

ENVIRONMENTAL PROTECTION

We have established relevant policies, including the Environmental Protection Management System (《環境保護管理制度》) and the Environmental Protection Responsibility System (《環境保護責任制》), which clarifies the environmental protection responsibilities of managers at all levels and departments, and implements environmental protection. Our EHS Management Committee vigilantly keeps track of national, provincial, municipal and local requirements on environmental protection management, and promptly urges all branches and subsidiaries and departments to implement these requirements. As of the end of the Reporting Period, a total of 8 subsidiaries had attained the ISO 14001 Environmental Management System certification. We have not encountered any substantial accidents or faced any notable claims for damages to persons or property and compensation related to health or safety during our operations.

USE OF ENERGY AND RESOURCES

We strictly observe relevant laws and regulations, including the Law of the People's Republic of China on Conserving Energy (《中華人民共和國節約能源法》) and the Water Law of the People's Republic of China (《中華人民共和國水法》). We have integrated the requirements of the ISO 14001 Environmental Management System into our management.

Energy Conservation

We have implemented a series of measures to conserve energy consumption during the production process:

Name of branches

and subsidiaries Measures

Ningbo Conch	- Optimizing the distillation process of triisopropanolamine: Adjusting the distillation process to shorten the distillation time, reducing the average electricity consumption per batch of products by approximately 25 kWh. - Optimizing the process of monoethanol diisopropanolamine: Pre-adding desalted water to shorten the insulation time, reducing the average electricity consumption per batch of products by approximately 45 kWh. - Optimizing feedwater management of the desalted water device: Replacing industrial water with domestic water as feedwater for the desalted water device, extending the service life of the MBR membrane from 2 years to over 5 years. - Optimizing polyether processing indicators: Increasing catalyzer dosage, reaction temperature and ethylene oxide feeding rate to improve production efficiency and reduce electricity consumption per tonne of products. - Optimizing heat transferring water operation frequency during the reaction maturation stage: Lowering the frequency of the heat transferring water pump, reducing the average electricity consumption per batch of products by approximately 10 kWh. - Optimizing steam usage management: Ensuring the medium-pressure steam flow being controlled between 1.2–1.5 t/h to reduce steam consumption per tonne of products, reducing the average steam consumption per tonne of products by approximately 40KG.
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ENVIRONMENTAL PROTECTION

Name of branches

and subsidiaries Measures

Meishan Conch	- Reconstructing polyether transfer pipelines: Reconstructing dissolved polyether pipelines to enable the direct transfer of dissolved polyether to the synthesis third-floor polyether metering tank, reducing the temperature of liquid polyether and shortening the cooling time in the reactor, thereby saving electricity and gas consumption. - Reconstructing acrylic acid dilution water pipelines: Installing acrylic acid dilution water pipelines to transfer pure water in synthesis third-floor pure water metering tank directly to the acrylic acid storage tank, decreasing the previous need for motor-driven water pumping, reducing electricity consumption and improving unloading efficiency. - Combining BC materials of ME340 mother liquor: Combining B/C materials of ME340 mother liquor, reducing the use of one dripping tank, simplifying operating procedures, enhancing synthesis production efficiency, and reducing electricity consumption. - Adjusting the operating frequency of the exhaust gas collection system: Contacting with manufacturers to reduce the motor operating frequency while ensuring that exhaust gas can be removed under normal circumstances to achieve the goal of energy saving and consumption reduction. - Installing more thermo detectors: Installing more thermo detectors to the polyether pre-dissolution tank in unit 404 to monitor the polyether dissolution temperature in real-time, stopping heating immediately once the required temperature for dissolution is reached to reduce gas consumption. - Adjusting the production scheduling of the MT250 synthesis process, there is no need for additional heating to melt the polyether raw materials, reducing natural gas consumption. - Purchasing one electric forklift to replace the original diesel forklift with high energy consumption, eliminating exhaust emissions from diesel equipment.
Huludao Haizhong	Installing active harmonic filters in power distribution rooms to improve power quality and the service life of electrical equipment.
Xiangyang Conch	- Optimizing the water outlet pipeline of the chiller to facilitate self-circulation cooling of the cooling water, saving energy consumption. - Coordinating the management of manufacturing, supply and sales, together with the renovation of solar-powered streetlights, effectively reducing purchased electricity. - Implementing wastewater and rainwater reuse measures to improve resource utilization.

ENVIRONMENTAL PROTECTION

Name of branches

and subsidiaries Measures

Guigang Conch	• Setting a defined temperature for indoor air conditioners to save energy. • Conducting biannual inspections for energy saving and consumption reduction. • Implementing rainwater reuse in the plant area to conserve water resources. • Procuring direct power supply to improve energy efficiency and promote the use of renewable energy. • Optimizing steam usage with centralized supply to reduce energy waste. • Implementing liquid bag material recovery to reduce waste generation and achieve resource recycling. • Carrying out retrofitting to pre-dissolve sodium gluconate and triterpenoid saponins, automate feeding, and achieve high-efficiency feeding of liquid caustic soda, thereby increasing the feeding efficiency of sodium gluconate and liquid caustic soda by more than four times and reducing production energy consumption.
Tongling Conch	• Standardizing management methods such as point inspection and periodic equipment maintenance, thereby improving equipment operating efficiency, reducing idle power consumption, and preventing equipment idling. • Using saline water from neighboring enterprises to replace industrial salt, thereby achieving resource recycling and reducing energy consumption from resource extraction and transportation. • Using polyether in ton bags or polyether hot-melt materials to synthesize mother liquor, thereby improving resource utilization efficiency. • Not producing cooling water in winter and using ambient production water instead for cooling, thereby saving electricity for the chiller units.
Qinghai Conch	• Reducing the operating time of lighting in work areas with good lighting conditions to save electricity consumption.

ENVIRONMENTAL PROTECTION

As of the end of the Reporting Period, most of our branches and subsidiaries are equipped with energy-saving equipment, and in order to reduce the energy consumption, we have adopted a centralized production and batch shipping model to decrease the number of equipment startups. Through the above process optimization measures, we have significantly reduced the energy consumption and improved the production efficiency, laying a solid foundation for achieving green and low-carbon development. During the Reporting Period, Ningbo Conch obtained the Energy Management System Certification.

In addition, we have explored the use of solar energy in certain branches and subsidiaries to achieve efficient power supply while reducing carbon footprints, aligning with our commitment to green and sustainable development. During the Reporting Period, Xiangyang Conch completed the renovation of solar-powered streetlights; as of the end of the Reporting Period, 2 enterprises have completed the renovation of solar-powered streetlights.

The following was the Group's energy consumption:

	Unit	2025	2024
Comprehensive energy consumption	MWh	31,008.47	29,221.54
Among which, purchased electricity	kWh	28,253,780.00	26,158,799.00
solar power	kWh	18,232.00	1,168.00
natural gas	m ³	132,692.00	145,496.00
gasoline	Liters	101,115.75	126,746.61
diesel	Liters	36,936.72	37,315.21
	MWh/production		
Comprehensive energy consumption intensity	output (tonne)	0.034	0.035

Use of Water Resources

The Group's water supply is primarily sourced from municipal water networks, with a small portion of groundwater used by Linyi Conch. No issues have been encountered in securing suitable water sources. During the Reporting Period, based on our capacity growth forecasts and considering relevant water-saving measures, we set a target to maintain the production water consumption per tonne of product at 98% of the 2024 fiscal year level for 2025. The actual performance in 2025 exceeded this target.

	Unit	2025	2024
Water consumption	m ³	587,109	542,836
Among which, groundwater	m ³	9,204	15,175
	m ³ /production output		
Water consumption intensity	(tonne)	0.63	0.65

ENVIRONMENTAL PROTECTION

Environmental Protection Training

We actively provide environmental protection training to our employees and are committed to fostering a strong environmental awareness. Tashkent Conch conducted a company-wide training session on environmental protection knowledge. Through the study of the Company's environmental protection management system and solid waste control management practices, it enhanced its environmental management capabilities, reinforced the "red line" awareness of environmental protection among all employees, and promoted the coordinated and green development between the enterprise and the ecological environment. Following the training, Tashkent Conch prepared related test questions to help employees further consolidate their training knowledge.

We will continue to explore potential energy-saving solutions within our production process, strive to reduce the use of energy and resources, and improve the efficiency of energy and resource usage. We will also continuously improve employees' awareness of environmental protection and resource conservation through publicity and training.

EMISSION MANAGEMENT

We place a high value on environmental protection, and have taken steps to ensure that we comply with all applicable regulations. Our plants produce some exhaust gas, wastewater and waste residue during the manufacturing process. Although our industry is not in the "high pollution and high environmental risk" product catalogue as published by the Ministry of Ecology and Environment of the People's Republic of China in 2021, we actively take effective countermeasures for the emissions generated during the manufacturing process to ensure that exhaust gases are released in accordance with the relevant requirements and hazardous wastes are disposed of in a responsible way. During the Reporting Period, in its annual production and operation indicators, the Group included environmental protection indicators and linked them to its assessment. We engaged qualified third-party agencies to dispose of wastewater and hazardous waste in a responsible way. We also entrusted a professional third-party environmental testing company to conduct on-site monitoring of wastewater (on a monthly basis), exhaust gas (on a quarterly and annual basis), noise (on a quarterly basis), and other emissions from the manufacturing environment. The Group conducted periodic self-review and engaged third parties to assess our compliance with relevant environmental measures.

Exhaust Gas Management

For exhaust gas, we strictly adhere to relevant laws and regulations, including the Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution (《中華人民共和國大氣污染防治法》), and have set annual environmental protection technical indicators for organised, unorganised, and mechanical forklift exhaust gases according to the Integrated Emission Standard of Air Pollutants (《大氣污染物綜合排放標準》), which comprise SO_x, nitrogen oxides, and particulate matters.

The Group sets the indicators for annual exhaust gas emissions, including nitrogen oxides, PM (particulate matter), SO_x and other gases, and the emission results will be linked to its performance assessment. To minimise exhaust gas emissions during the production process, we are continually improving our product manufacturing procedures. As of the end of the Reporting Period, we have adopted two modes of exhaust gas treatment: exhaust gas absorption devices (water scrubbers and activated carbon adsorption) and regenerative thermal oxidisers, with Ningbo Conch having adopted both of these modes. Furthermore, we have engaged third-party organisations to oversee the environment in the manufacturing locations of each company.

ENVIRONMENTAL PROTECTION

We have adopted multiple technical refinement procedures to ensure the tail gas emissions fulfil the standards and to forestall the dissemination of hazardous chemicals. Xiangyang Conch carried out a renovation project for the raw material unloading device in the production system to reduce gas emissions and address the issue of exhaust emissions during raw material unloading. Penalties for noncompliance with pollutant emissions standards include warnings, fines, the establishment of deadlines for pollution remediation, orders to cease production or use, orders to reinstall pollutant prevention and treatment facilities that have been removed or abandoned without permission, and administrative actions against the relevant responsible persons or orders to close such entities.

Our exhaust gas treatment system employs a diversified range of processes, implementing classified treatment for exhaust gas pollutants of different natures. For instance, catalyst-equipped exhaust gas is treated through deep cooling combined with a two-stage water washing process before being released at a high altitude; exhaust gas arising in other processes, arising from tank breathing, at sewage stations, and in mercaptopropionic acid operation rooms, undergoes quality-based pretreatment according to pollutant characteristics before entering the RTO incineration system. The RTO system is designed to accommodate multiple exhaust gas streams, including exhaust gas arising in processing, arising from tank breathing, at sewage stations, and from other sources. Due to the batch intermittent characteristic of our production processes, the concentration of each exhaust gas stream fluctuates significantly, ranging from 0.1 to 140 g/m³. To ensure the stable operation of treatment facilities and compliance with exhaust gas emission standards, we have adopted a combined process of pretreatment and RTO. In the pretreatment stage, acid and alkali washing towers are used to treat the exhaust gas, effectively removing water-soluble pollutants while providing a buffering and homogenizing effect to ensure stable conditions for subsequent RTO incineration. The temperature for the oxidation chamber with the RTO unit is maintained at around 900°C, ensuring the complete combustion and decomposition of pollutants in the exhaust gas. The treatment system is designed for major pollutants such as ethylene oxide, propylene oxide and low-molecular-weight alcohols, all of which have thermal decomposition temperatures below 800°C. The RTO system demonstrates an excellent treatment efficiency. After treatment, exhaust gas emission indicators can meet the relevant requirements including the Integrated Emission Standard of Air Pollutants (《大氣污染物綜合排放標準》) (GB16297-1996), the Emission Standard of Pollutants for Petroleum Chemistry Industry (《石油化學工業污染物排放標準》) (GB31571-2015), and the Emission Standards for Odor Pollutants (《惡臭污染物排放標準》) (GB14544-93), achieving efficient purification and compliance with emission standards for pollutants.

During the Reporting Period, statistics on the Group's exhaust gas emissions were as follows:

Type of exhaust gas	Unit	2025	2024
Nitrogen oxides	Tonne	0.68	2.36
Sulfur oxides	Tonne	0.42	0.07
PM particulate matters	Tonne	0.51	0.79
NMHC	Tonne	0.80	0.41
Ammonia	Tonne	0.02	0.001
Volatile organic compounds	Tonne	0.47	0.10

ENVIRONMENTAL PROTECTION

We have established a sound environment risk early warning mechanism to obtain and issue environment risk early warning information in a timely manner and take corresponding early warning actions. In accordance with the Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution, the Regulations on the Prevention and Control of Atmospheric Pollution (《大氣污染防治條例》) and other rules, we have formulated the Plan for Hierarchical Management and Control in Heavy Pollution Weather (《重污染天氣分級管控方案》). Guided by the principle of “precaution as the focus, combining precaution with control”, this Plan defines three levels of early warning for heavy pollution weather. It also clarifies the emergency response procedures, which shall be implemented as follows: obtaining early warning information, transmitting early warning information, initiating emergency measures, inspecting and controlling the process, and ending the emergency state.

We have taken adequate countermeasures to ensure that exhaust gases are released in line with standards and hazardous wastes are disposed of in a responsible way. As of the end of the Reporting Period, we have received a number of environmental protection honors. For example, Ningbo Conch was awarded the “Top 100 Provincial Waste-Free Factory with “Waste-Free City Cells” for 2023 (2023年度百優“無廢城市細胞”省級無廢工廠)” in August 2024, and the “Ningbo Green Factory (《寧波市綠色工廠》)” issued by Ningbo Municipal Economic and Information Technology Bureau. In 2025, Ningbo Conch obtained the Grade B Certificate for Air Pollution Prevention and Control Performance Classification. Meishan Conch was awarded as “Green Factory in the Building Materials Industry in 2024” by the China Building Materials Federation.

Wastewater Management

The Group strictly abides by relevant laws and regulations including the Water Pollution Prevention and Control Law of the PRC (《中華人民共和國水污染防治法》). All companies have set discharge indicators for wastewater according to the Wastewater Quality Standards for Discharge into Urban Sewers (《污水排入城鎮下水道水質標準》), covering pH values and suspended solids. The safety and environmental management department carries out the application for sewage licence in an orderly manner in accordance with the Regulation on the Administration of Permitting of Pollutant Discharges (《排污許可管理條例》), the Catalogue of Classified Management of Discharge Permits for Stationary Pollution Sources (固定污染源排污許可分類管理名錄) and the industry-related technical specifications on the application and issuance of sewage discharge permit, etc. For sewage that requires special treatment, we engage third parties to treat it.

ENVIRONMENTAL PROTECTION

Case: Xiangyang Conch Organized Third Parties to Conduct Environmental Testing

We have always regarded environmental testing as an important cornerstone of the sustainable development for the enterprise and have placed great emphasis on it. To this end, Xiangyang Conch took proactive steps by commissioning a third-party professional agency to conduct a comprehensive range of environmental monitoring activities, covering detailed inspections of enterprise-specific discharge outlets, calibration of the stable operation of rainwater online monitoring devices, precise monitoring of exhaust gas online monitoring equipment, and scientific assessment of soil quality, with an aim to ensure that all environmental protection indicators meet national requirements and to elevate the company's green development to a new level.



During the Reporting Period, we implemented a series of scientifically effective measures to ensure the resourceful utilization and compliance with discharge standards of wastewater. Specifically, we optimized our process design to reuse the high-concentrated saline water generated during the desalinated water production process in the compounding process. Additionally, we reused the drainage from the tail gas washing tower in the alcohol amine section for ammonia water preparation, achieving efficient water resource utilization. Our wastewater mainly includes equipment and floor washing water, wastewater from the tail gas absorption tower in the RTO system, laboratory wastewater, domestic sewage, and circulating cooling and refreshing water discharge. Among them, part of the circulating cooling and refreshing water is reused in the grinding aid compounding process, while the remaining part is directly discharged into the main sewage outlet; other types of wastewater are pre-treated in our self-built sewage treatment station before being sent to the wastewater treatment plant for further treatment, and are finally discharged after the direct discharge standards within water pollutant emission limits specified in Table 1 of the Emission Standard of Pollutants for Petroleum Chemistry Industry (《石油化學工業污染物排放標準》) (GB31571-2015) are met.

ENVIRONMENTAL PROTECTION

Our sewage treatment station employs an advanced MBR processing technology, which can integrate both production wastewater (excluding circulating cooling and refreshing water) and domestic sewage into the treatment system. After the pretreatment and further treatment, wastewater is discharged in compliance with standards. Through scientifically standardized wastewater treatment processes and strict discharge standards, we have effectively achieved the recycling of water resources and compliance with pollutant discharge standards, making a positive contribution to environmental protection and sustainable development.

During the Reporting Period, statistics on the Group’s wastewater discharge were as follows:

	Unit	2025	2024
Wastewater discharge	Tonne	32,235.00	39,593.73

Waste Management

Conch Mat Tech strictly abides by the Law of the People’s Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes (《中華人民共和國固體廢物污染環境防治法》), and has formulated the Measures for the Control and Management of Solid Waste (《固體廢物控制管理辦法》) to manage waste generated during the production and operation process on a full-process basis. We strictly supervise and manage the generation, collection, classification, storage, transportation, disposal and other stages of waste in accordance with the waste management procedures required by laws and regulations. During the Reporting Period, we engaged qualified third-party agencies to dispose of hazardous waste in a responsible way.

The Group has dedicated hazardous waste temporary storage warehouses. The warehouse floors are hardened and elevated above the factory’s base level, with skirtings made of robust and impermeable materials to effectively prevent the ingress of rainwater and the overflow of leakage solution, ensuring environmental safety. All hazardous wastes are classified, collected, sealed and stored in designated containers with covers in accordance with regulations, achieving standardized management.

ENVIRONMENTAL PROTECTION

In strict accordance with the requirements from the Measures on the Management of Hazardous Waste Manifests (《危險廢物轉移聯單管理辦法》), the Group implements a five-part manifest system for the transfer and transportation of hazardous waste, ensuring that the transfer process of hazardous waste is legal, compliant and traceable. Hazardous waste is ultimately entrusted to qualified third-party agencies for safe treatment through the five-part manifest system. The dispatching unit, and local environmental protection department, transportation unit, accepting unit and local environmental protection department all track the manifest to ensure the proper management and harmless treatment of hazardous waste, earnestly fulfilling their environmental protection responsibilities.

Waste Discharge Targets

Optimize production processes to reduce the generation of waste (including waste packaging materials, waste admixture residue, waste auxiliary materials, etc.) during production;

Achieve classified collection, storage and disposal of general solid waste, hazardous waste and domestic waste, with a classification accuracy rate of 100%, ensuring no mixed storage or mixing;

Entrust hazardous waste to qualified entities for disposal, with a disposal rate of 100%;

Improve waste storage facilities, implement standardized labeling, and conduct regular hazard inspections to ensure that no waste leakage, environmental pollution or safety incidents occur throughout the year.

To enhance the information management of hazardous waste, Ningbo Conch has installed an electronic scale with printing functionality in the hazardous waste warehouse and connected it to the Solid Waste Management Platform of Zhejiang Province. After hazardous waste is stored in the warehouse, relevant information is uploaded to the system in real-time, generating a Zhejiang Solid Waste Code (浙固碼) to achieve full-process traceability management of hazardous waste transfers, and ensuring to achieve a 100% issuance rate for Zhejiang Solid Waste Code.

The statistics of our non-hazardous waste in the Year are as follows:

	Unit	2025	2024
Total non-hazardous waste	Tonne	80.47	97.99
	Tonne/production output		
Non-hazardous waste intensity	(10,000 tonnes)	0.87	1.18

The statistics of our hazardous waste in the Year are as follows:

	Unit	2025	2024
Total hazardous waste	Tonne	57.20	54.06
	Tonne/production output		
Hazardous waste intensity	(10,000 tonnes)	0.62	0.65

ENVIRONMENTAL PROTECTION

During the Reporting Period, we set a target to reduce the emission of hazardous waste per tonne of product produced in 2025 to 95% of the level emitted in the FY2024. As of the end of the Reporting Period, this target had been achieved. To guarantee clean production and sustainable development, we will remain firm in regulating our management, integrated utilisation, and harmless disposal of solid waste, restraining disorderly discharge, and disposing in strict compliance with relevant permits. We will also reinforce online monitoring and daily facility operation and maintenance management to meet discharge standards and reduce waste discharge.

Packaging Materials Management

The production and use of packaging materials often involve significant resource consumption and energy input, and may also generate waste, thereby exerting a certain impact on the environment. Conch Mat Tech places high importance on the sustainable management of packaging materials and endeavours to minimize their ecological impact through innovation and optimization.

The packaging materials for the Group's products primarily took tanks and IBC containers, with polyethylene (PE) and stainless steel being the main materials. When selecting packaging materials, we prioritized their environmental performance and recyclability value. By continuously optimizing packaging design and material selection, we aimed to reduce the overall environmental impact.

During the Reporting Period, the Group's consumption of packaging materials was as follows:

	Unit	2025	2024
Tanks	Unit	448	422
IBC containers	Unit	686	609
Packaging bag	Unit	1,670,230	2,267,246
Packaging materials consumption intensity	Unit/production output (10,000 tonnes)	18,070.75	27,338.52

ENVIRONMENT AND NATURAL RESOURCES

The overall impact of our operations on the natural environment is minimal. Specifically:

In terms of raw material usage, we do not engage in direct extraction of natural resources;

During the production process, there are emissions of waste gas and wastewater. For details, please refer to "Exhaust Gas Management" and "Wastewater Management". None of these activities have caused significant adverse impacts on the environment or natural resources.

ENVIRONMENTAL PROTECTION

RESPONSE TO CLIMATE CHANGE

Climate-related issues may lead to increasing risks of extreme weather events, such as frequent heavy rainfall, strong winds, and high temperatures. These events could pose threats to the safety of our employees and cause damage to our factory facilities, while also imposing higher requirements on enterprises to address climate change and promote low-carbon development. As a responsible enterprise, we fully recognize the importance and urgency of reducing greenhouse gas emissions.

Governance

The Group has a sound ESG governance system in place to oversee the ESG matters, which includes addressing climate change. The Board of Directors is the supreme decision-making body for addressing climate change. The Audit Committee of the Board serves as the primary responsible committee, which oversees, evaluates and optimizes measures in response to climate change to address relevant risks and opportunities, ensure alignment with sustainable development goals, and thereby create long-term value for stakeholders. At the management level, the EHS Management Committee is responsible for the specific implementation and supports the oversight functions of the governance level.

Decision-Making Level Board of Directors	➤	Makes decisions on climate change-related policies and matters
Governance Level Audit Committee of the Board	➤	Oversees, evaluates and optimizes measures for addressing climate change
Management Level EHS Management Committee	➤	Implements climate change-related work
	➤	Supports the oversight work of the governance level

Strategies

In recent years, as the Group's factories have been gradually put into operation, we have incorporated climate change risks into our factory location and construction planning. The Group has considered and tested the safety and reliability of its equipment within a certain temperature range during the selection, procurement, and installation processes. The Group's main containers and storage tanks are made of polyethylene or stainless steel, both of which are resistant to high temperatures. Overall, climate change risks do not have a significant influence on the Group's operations and financial performance.

ENVIRONMENTAL PROTECTION

Category		Climate-Related Risk	Impact Horizon	Potential Financial Impact	Response Measures
Physical Risks	Acute	- Climate-related issues may lead to increasingly severe extreme weather events, such as floods, thunderstorms, earthquakes, mudslides, etc., which may threaten the safety of our employees and cause damage to our factory facilities. - Sudden environmental incidents caused by irresistible natural factors may result in environmental pollution and damage.	Short to Medium Term	Increased investment in incident response	- Qinghai Conch conducts emergency drills each year for natural disasters that may arise from extreme weather, to mitigate risks and losses. - Develops emergency response plans for production safety accidents and emergency response plans for sudden environmental incidents. - Adopts appropriate inventory policies, sets warning levels for raw material inventories based on inventory turnover cycles, closely monitors raw material inventory status to maintain reasonable inventory levels. In the event of unexpected supply disruptions, raw materials will be procured from nearby raw material plants to ensure supply. - The EHS Management Committee regularly tracks weather conditions, adjusts production arrangements accordingly, and prepares disaster prevention materials in advance.
	Chronic	Long-term climate changes, such as persistent high or low temperatures.	Medium to Long Term	- Increased investment in safe production - Increased operating costs	- Linyi Conch formulates safe production plans for winter and summer. - Xiangyang Conch develops a heatstroke prevention and cooling work plan. - Linyi Conch establishes a "one factory, one policy" emergency response plan for heavily polluted weather in accordance with requirements, and strictly implements emission reduction measures. - Ningbo Conch and Qinghai Conch carry out carbon footprint verification, striving for energy conservation and carbon reduction throughout the entire process. - Calls on all employees to practice low-carbon, green energy conservation and emission reduction.
Transition Risks		Shifts in market trends arising from climate change impacts.	Medium to Long Term	Increased investment in the supply chain	- Strengthen research on the raw material market and judgment on market trends, and establish long-term cooperative relationships with domestic upstream chemical enterprises to ensure stable supply of raw materials. - Leverage production capacity and scale advantages, deepen cooperation with upstream enterprises, and build a sustainable and competitive ecological chain.

ENVIRONMENTAL PROTECTION

Risk Management

We have integrated climate risks into our comprehensive enterprise risk management process, and established a sound process for identifying, assessing, and managing climate risks. This helps us further identify the risks and opportunities arising from climate change and be aware of its impact on our operations and finances. Based on the identified risks and opportunities associated with climate change, the Group has developed response measures and actively made extreme weather response plans, so as to ensure the smooth business operation. In addition, the Group has promoted green transformation across different dimensions, positioning it as an active participant in addressing climate change.

Risk Identification	➤ Identify relevant risks arising from climate change.
Risk Assessment	➤ Conduct multi-dimensional assessments of identified risks to determine their impact on operations and finance.
Risk Management	➤ Prioritize risks based on assessment results and implement ongoing management and oversight.
Risk Response	➤ Develop response measures, proactively prepare for extreme weather events to ensure smooth business operations, and promote green transformation across various dimensions as active participants in addressing climate change.

Metrics and Targets

Greenhouse gas emissions came mostly from the electricity consumption and purchased electricity.

ENVIRONMENTAL PROTECTION

The following is the Group's greenhouse gas emissions:

Emission Source	Unit	2025	2024
Scope 1: Direct emissions ¹	tCO ₂ e	613.37	698.65
Scope 2: Indirect emissions ²	tCO ₂ e	15,014.58	14,283.42
Total greenhouse gas emissions	tCO ₂ e	15,627.95	14,982.07
Emission intensity	tCO ₂ e/production output (tonne)	0.017	0.018

We currently use steam in our polyether monomer production process to control the reaction temperature. The steam enters our in-house dedicated steam line through an external pipeline to control the reaction heat through heat exchange, and the amount used is counted by a dedicated steam flow meter. With the forecast of future production capacity expansion and production scheduling, we have set the following objective for the Year: to maintain the comprehensive energy consumption and greenhouse gas emissions per tonne of product at 95% of the 2024 fiscal year level for 2025. As of the end of the Reporting Period, the objective has been achieved.

¹ Direct GHG emissions are calculated based on Appendix 4 of the China Energy Statistics Yearbook 2020, GHG Protocol, IPCC, 2014: Climate Change 2014: Synthesis Report, Intergovernmental Panel on Climate Change Fifth Assessment Report Working Group I, Working Group II and Working Group III Reports, Guidelines for Provincial Greenhouse Gas Inventories (Trial, May 2011) and the Energy Statistics Workbook (Department of Energy, National Bureau of Statistics, 2010).

² Indirect GHG emissions are calculated based on the average CO₂ emission factor of China's regional power grids as specified in the Notice on the Management of Greenhouse Gas Emission Reporting for Enterprises in the Power Generation Industry for 2023-2025 issued by the Ministry of Ecology and Environment of the People's Republic of China.

EMPLOYEE CARE

The strategy of strengthening the enterprise through talent is one of the core strategies of Conch Mat Tech. We have always adhered to a people-oriented approach in talent management, consistently upholding the principle of creating opportunities for employees and helping them realize their value. As the enterprise rapidly develops, we have cultivated a robust team of talented individuals.

We have always regarded the recruitment of professional talent as a crucial means to maintain the Group's rapid development and competitive edge in human resources. Each year, we attract outstanding fresh graduates from top universities across the country. The addition of these new talents provides a robust supply of human resources and a strong talent reserve for our sustainable growth. At the same time, Conch Mat Tech has also opened up various channels to select and hire the best candidates from the society. We attract various professional and technical as well as management talents, cultivate and integrate them, enabling them to become the backbone of the enterprise's technical and management teams.

EMPLOYEE EMPLOYMENT

The Group strictly complies with relevant laws and regulations, such as the Labour Law of the PRC (《中華人民共和國勞動法》), the Labour Contract Law of the PRC (《中華人民共和國勞動合同法》), the Social Insurance Law of the PRC (《中華人民共和國社會保險法》), and the Employment Promotion Law of the PRC (《中華人民共和國就業促進法》), so as to safeguard the legitimate rights and interests of our employees. In 2025, the Group achieved a 100% labour contract signing rate.

In terms of employee employment, we have formulated a series of regulations, including the Administrative Measures for Staff Recruitment (《員工招聘管理辦法》) and the Administrative Measures on Labour and Personnel Matters (《勞動人事管理辦法》), to ensure open and equal recruitment for both internal and external candidates. We have developed a comprehensive recruitment management system that includes campus recruitment, social recruitment, and internal recruitment. The entire recruitment process is conducted online, supported by a well-structured and fair assessment management procedure. At the same time, we have implemented a candidate qualification review process, which evaluates applicants based on age, educational background, professional qualifications, work experience, and records of rewards and penalties. We strictly prohibit the employment of child labour and forced labour. During the Reporting Period, there were no instances of child labour or forced labour within the Group.

EMPLOYEE CARE

We respect differences and encourage diversity. We do not engage in employment discrimination based on factors such as ethnicity, gender, region, religious belief, disability status, etc. We adhere to the principle of anti-discrimination, create an equal and diverse employment environment, and encourage female employees to exert their influence in their positions, thereby shaping an employee structure that is in line with the development of the Group. As of the end of the Reporting Period, the Group had 908 formal employees, and provided 1 position for persons with disabilities. The specific distribution is as follows:

	2025		2024	
	Headcount	Percentage	Headcount	Percentage
Gender				
Male	746	82.16%	713	81.39%
Female	162	17.84%	163	18.61%
Ethnicity				
Han ethnic group	854	94.05%	821	93.72%
Other ethnic groups	54	5.95%	55	6.28%
Age				
Under 30 years old (including 30 years old)	337	37.11%	331	37.79%
31–40 years old (including 40 years old)	372	40.97%	367	41.89%
41–50 years old (including 50 years old)	145	15.97%	128	14.61%
Over 51 years old	54	5.95%	50	5.71%
Geographical region				
Northern China	105	11.56%	107	12.21%
Northeast China	22	2.42%	26	2.97%
Northwest China	66	7.27%	65	7.42%
East China	394	43.39%	341	38.93%
Central and South China	181	19.93%	183	20.89%
Southwest China	132	14.54%	149	17.01%
Overseas	8	0.88%	5	0.57%

EMPLOYEE CARE

Talent attrition is a common challenge in corporate talent management. The Group actively analyzes the reasons for employee turnover and implements targeted improvements to retain top talent. For employees who resign voluntarily, we ensure their rights and interests are protected in accordance with the law, guaranteeing a legally compliant exit process. Additionally, we maintain an open attitude toward the rehiring of former employees. In 2025, the total number of employee turnover at Conch Mat Tech was 53, of which three were due to natural retirement. The remaining breakdown is as follows:

	2025		2024	
	Headcount	Turnover rate	Headcount	Turnover rate
By gender				
Male	43	5.76%	56	7.85%
Female	10	6.17%	13	7.98%
By geographical region				
Northern China	3	2.86%	2	1.87%
Northeast China	0	0%	2	7.69%
Northwest China	5	7.58%	9	13.85%
East China	15	3.81%	31	9.10%
Central and South China	15	8.29%	9	4.92%
Southwest China	15	11.36%	16	10.74%
Overseas	0	0%	0	0%
By age				
Under 30 years old (including 30 years old)	28	8.31%	46	13.90%
31–40 years old (including 40 years old)	17	4.57%	17	4.63%
41–50 years old (including 50 years old)	5	3.45%	5	3.91%
Over 51 years old	3	5.56%	1	2.00%

Democratic Management and Communication

The Group has established a system of employee representative meeting to effectively safeguard employees' rights to information, participation, expression, and oversight. In 2025, the representatives of employee representative meeting reviewed and approved policies and plans related to employees' vital interests, including the Implementation Rules for Excess Profit Sharing and the Determination Plan for Excess Profit Incentive Recipients and Sharing Amounts. They also heard reports on operation and management, as well as on the performance-related remuneration of responsible persons. We value employees' opinions and suggestions by setting up a supervision hotline and e-mail address to ensure smooth channels for employees to voice complaints and feedback. We continue to improve the collection, verification, handling and response of such opinions.

Employee Care

Conch Mat Tech attaches great importance to the growth and development of every employee. We deeply recognize that employees are the most valuable asset of the enterprise, and their well-being and health are directly related to the long-term development of the Company. Therefore, we are committed to creating a safe, healthy and harmonious working environment and providing all-round support and care. These include providing collective welfare benefits for the Spring Festival, Dragon Boat Festival, Mid-Autumn Festival and employees' birthdays, and carrying out in-depth assistance and condolences to overseas employees and employees in difficulties, with a total of 36 visits and condolences delivered. We also held 86 cultural and sports activities popular among employees on festive occasions, which greatly enhanced their sense of belonging and happiness.

We understand that behind every employee is a family, and the understanding and support of family members are important guarantees for employees to devote themselves to work. Xiangyang Conch held an "Employee Family Open Day", enabling employees' families, especially their children, to learn about the Company's care initiatives on site.

In 2025, all units at all levels actively held 37 employee forums and nearly 115 meetings of the logistics management committee. We regularly carried out the activity of accomplishing "Ten Practical Things" for employees, solving 123 urgent, difficult and worrying issues. We provided high-quality physical examinations for 680 employees, with an expenditure of RMB1.16 million. We also guided newly established entities to equip logistics and cultural-sports facilities, continuously improved employees' production and living conditions, and adopted targeted measures to enhance employee well-being.

Case: Tongling Conch Launches "August 1st" Series of Activities

Adhering to a "people-oriented" management philosophy, Tongling Conch places great emphasis on employees' spiritual and cultural development as well as humanistic care. During the "August 1st" Army Day period, the Company organized a series of employee care activities. Tongling Conch arranged for employees to watch the film *Dead to Rights* and held a symposium for retired military personnel, paying high tribute to the veterans among its workforce and presenting them with festive gifts.



EMPLOYEE CARE

Employee Labour Union

The labour union, serving as a vital bridge between employees and the enterprise, fully leverages its functional role to safeguard the legitimate rights and interests of employees and promote harmonious and stable labour relations. Conch Mat Tech has always been actively promoting the establishment and development of the labour union. The coverage rate of employees in trade unions reached 100% this year.

We pay great attention to the living and working conditions of our employees. For the employees in need within the Group, we have actively carried out consolation activities, delved deeply into their actual difficulties, and provided necessary assistance and support to ensure that they can get through the tough times and feel the warmth and care of the Group. At the same time, we also give special attention to the families of our overseas employees. We are fully aware of the hardships faced by overseas employees who work abroad for a long time and the additional burdens borne by their families. Therefore, we have expressed our condolences and gratitude to the families through various means, enabling them to feel the respect and understanding from the Group.

Case: Linyi Conch Conducted On-the-Job Occupational Health Examinations for Employees

To effectively safeguard employees' occupational health rights and strengthen the prevention and control of occupational diseases, Linyi Conch, in collaboration with the physical examination center of a hospital, launched a special occupational health check-up program on 25 November 2025 for on-the-job employees exposed to occupational hazard factors. This initiative puts into practice the policy of "prioritizing prevention with integrated prevention and treatment" as well as the people-oriented corporate philosophy. Tailored to the occupational risk characteristics of different positions, targeted examination protocols were developed for the check-up, fully covering all occupational health risk points and establishing a comprehensive physical examination system that combines specialized occupational assessments with general health screenings.



DEVELOPMENT AND TRAINING

We adhere to the people-oriented principle and attach great importance to the development and progress of our employees. We continuously increase our investment in employee training. Upholding the development concepts of fairness, justice and talent diversity, we have established a sound career promotion channel and strive to provide a broad development platform for every employee. We have established a complete training organization system, implementing graded trainings and professional trainings. We also provide training programs to enhance the comprehensive management capabilities of management staff. Members of the leadership team are arranged to attend the Digital & Intelligent Leadership Advanced Training Program. The curriculum covers the structured development of data governance systems amid digital transformation, as well as the associated risks and countermeasures in the Group's digital and intelligent upgrade initiatives. We strive to cultivate a "learning-encouraging corporate" culture to enable employees to master the necessary skills, knowledge, and experience, so as to keep abreast of the latest industry developments and fulfill their respective responsibilities.

In terms of employees' rights and interests, we have formulated the Employee Code of Conduct and the Employee Compensation Management Measures. We strictly arrange working hours in accordance with the standard working hour system, and pay social insurance premiums for employees on time every month, including medical insurance, work-related injury insurance, maternity insurance, etc., to safeguard employees' legitimate rights and interests.

In 2025, the Group invested a cumulative amount of RMB283,800 in employee training. The training content covered environmental protection, safety knowledge of commonly used chemicals, operation of major equipment, production operational guidelines, heatstroke prevention and emergency response, cardiopulmonary resuscitation, occupational disease prevention and control, and various emergency incidents. Meanwhile, we have formulated the 2026 Training Plan, which covers 100% of employees across the Group. The detailed training overview is set out below:

Indicators		Unit	2025	2024
Percentage of trained employees by gender	Male	%	82.16	82.05
	Female	%	17.84	17.95
Percentage of trained employees by function	Senior Management	%	3.08	3.11
	Middle Management	%	13.33	13.58
	Grassroots employees	%	83.59	83.31
Number of training courses	/	sessions	1,082	1,251
Number of offline courses	/	sessions	1,082	1,251
Number of attendances in offline courses	/	persons	906	869
Average training hours per person	/	hours/year	22	22.61
Total training hours	/	hours/year	2,164	2,502
Annual training hours for new employees	/	hours/year/person	16	24
Training hours by gender	Male	hours/year/person	25	21
	Female	hours/year/person	25	24
Training hours by employee category (e.g., senior, middle)	Senior Management	hours/year/person	8	8
	Middle Management	hours/year/person	16	16
	General employees	hours/year/person	24	24

EMPLOYEE CARE



In 2025, we took the lead in organizing 37 competitions and skills contests, including chemical knowledge competitions, skill competitions for concrete admixture service engineers, and skill contests for laboratory engineers. These activities covered more than 900 participants from 11 subsidiaries. By promoting learning and practical training through competitions, we have built a solid platform for employees to enhance their professional skills. In accordance with the Group's Guidelines on Encouraging Company-Wide Innovation, we further improved the innovation management system. A total of 201 minor innovation initiatives were implemented, and 648 rationalization proposals were collected. Relying on platforms such as the Song Nanjing Model Worker Innovation Studio, we facilitated in-depth experience sharing and technical exchanges. The "Chemical Engineering Home" has been developed into an incubator for technical communication and innovative problem-solving, fully stimulating the innovative vitality of all employees across the Group.

Performance Appraisal

We also attach great importance to building a high-caliber and high-quality talent team. By establishing a scientific and reasonable employee performance management system, we continuously improve employee performance and support their competency enhancement and career development. The Group implements tiered and categorized employee performance management and conducts regular assessments and evaluations. The assessment covers key performance indicators (KPI) and key competency indicators (KCI), among other dimensions. Upon completion of each assessment cycle, employees are provided with timely communication and feedback on their annual work performance and appraisal results, helping them improve their performance. The assessment outcomes are mainly applied to remuneration distribution, promotion, training and development, as well as merit recognition, driving mutual growth of employees and the Company.

We have established a talent reserve pipeline to provide employees with extensive career development opportunities. We select employees with development potential through internal promotion, carry out targeted development and cultivation, and establish an enterprise talent echelon. We also conduct regular promotion evaluations and promptly provide promotion opportunities to employees with excellent performance, enabling employees to have a clear career advancement path within the Group. This stimulates employees to keep making progress and develop together with the Group.

We have held special seminars on equity incentives and employee stock ownership, and formulated relevant plans, which will be implemented in a timely manner upon meeting regulatory requirements (including but not limited to, compliance with the requirements of Chapter 17 of the Listing Rules and approval by the Board of Directors and the shareholders' meeting).

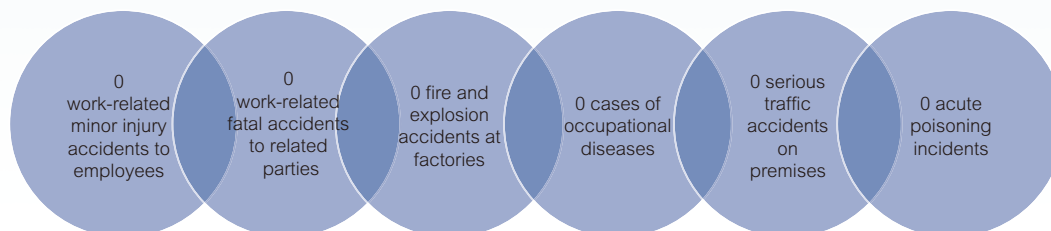
HEALTH AND SAFETY

The Group pays close attention to the safety and health of every employee. We strictly comply with relevant laws and regulations, such as the Work Safety Law of the PRC (《中華人民共和國安全生產法》), the Fire Prevention Law of the PRC (《中華人民共和國消防法》), the Law of the PRC on the Prevention and Control of Occupational Diseases (《中華人民共和國職業病防治法》), and the Law of the PRC on the Special Equipment Safety (《中華人民共和國特種設備安全法》). A series of measures have been implemented to fully safeguard the health and safety of our employees. As of the end of the Reporting Period, a total of 8 subsidiaries have obtained occupational health and safety management system certification.

In terms of institutional development, we have established a series of policies, including the Management System for Occupational Health (《職業健康管理制度》), the Management System for Work Safety and Occupational Health (EHS) (《安全生產職業健康(EHS)管理制度》), the Responsibility System for Safety, Environmental Protection and Occupational Health (EHS) (《安全環保職業健康(EHS)責任制》), the Responsibility System for Occupational Disease Prevention and Control (《職業病危害防治責任制度》), the Compilation of the Management System for Safety, Fire Protection, and Occupational Health (《安全消防職業衛生管理制度彙編》) and Measures for the Administration of the Use and Issuance of Labor Protection Articles (《勞動防護用品使用和發放管理辦法》). These policies cover every safety and health-related aspect of the production process, effectively safeguarding the well-being of every employee. We have further clarified the specific responsibilities of management at all levels and employees in the areas of safety, environmental protection, and occupational health, forming a top-down, multi-tiered accountability system.

EMPLOYEE CARE

The Group's Work Safety Objectives



Conch Mat Tech conducts annual occupational disease health check-ups for all employees, with professional institutions performing detailed health assessments to ensure timely identification and intervention of potential health risks, thereby achieving the goal of “prevention before occurrence”. We engage occupational health technical service providers with relevant qualifications to perform annual occupational hazard factor inspections in the workplace. During the Reporting Period, we invested a total of over RMB10.17 million in workplace safety and employee health protection. Additionally, we conduct regular assessments of labor conditions and potential hazards of equipment within each entity, as well as occupational safety and health evaluations. These preventive investments have not only effectively safeguarded employees' health rights but also laid a solid foundation for sustainable corporate development of the Group. As of the end of the Reporting Period, there were no violations of laws and regulations in respect of production safety and occupational health and safety.

In terms of occupational health and safety, we have always adhered to the principle of “prevention-first and full staff participation”, continuously conducting safety and health education and training to enhance employees' safety awareness and self-protection ability. In 2025, we organized 473 workplace safety education activities, achieving full employee participation; 97 emergency fire drills were carried out, with participation of more than 1,406 individuals. Tailored training content has been developed for different positions to ensure relevance and effectiveness. To ensure training quality, we have established an assessment and evaluation mechanism to dynamically optimize training programs and maximize training outcomes through regular tests and feedback analysis.

Case: Xiangyang Conch Conducted an Occupational Health and Safety Training

We are committed to providing our employees with a safe and healthy working environment. During the Reporting Period, to further enhance employees' safety awareness, Xiangyang Conch organized a safety training session for resumption of work after the Spring Festival. By watching safety warning videos, we strengthened employees' awareness of work safety. In addition, we conducted special training for chemical work teams, during which on-site oaths were taken to transform "company requirements" into "personal commitments". This effectively promoted the internalization of safety regulations from "mandatory enforcement" to "voluntary compliance", and strengthened the safety responsibility of the work teams. We also organized emergency training such as cardiopulmonary resuscitation and AED operation, which improved employees' emergency first-aid capabilities.



Case: Tashkent Conch Conducted a Number of Emergency Drill Activities

To strengthen the prevention of safety incidents during the company's production processes and ensure timely emergency response to unexpected accidents in production, Tashkent Conch conducted a series of emergency drills in light of the production and operation status of Tashkent Mat Tech during the Reporting Period. The drills covered multiple scenarios including on-site response to vehicle injury accidents, falls from height, object strikes, heatstroke, electric shock and mechanical injury. These activities enabled employees to accumulate on-site safety knowledge and experience, ensuring that employees can operate in strict accordance with operating procedures during emergency response, thereby minimizing the occurrence of safety accidents.



EMPLOYEE CARE

We are fully aware that chemical products inherently carry safety risks such as flammability and explosiveness, and fire safety is a paramount priority in the safety management of chemical enterprises. With the theme of “Public Fire Fighting to Put Life First”, Conch Mat Tech conducts fire drills for employees to learn fire safety knowledge, improve fire safety awareness, enhance emergency response capability, and build up a firm ideological and technical safeguards for the enterprise’s fire safety.

Case: Meishan Conch Conducted a Fire Evacuation Emergency Drill

To ensure all employees are proficient in emergency response procedures for fire incidents and the proper operation of fire extinguishers, and to improve their fire evacuation and self-rescue capabilities, Meishan Conch conducted two fire evacuation drills in June and November 2025 respectively. The drills simulated a fire outbreak caused by an electrical short circuit in the office area, covering the entire process of fire detection, evacuation and assembly. All offices actively participated and cooperated closely with each other. All employees were evacuated safely during the drills, achieving the expected results. In addition, the Company organized special fire safety training sessions. Through case studies, video instruction and hands-on guidance, we ensured that all employees mastered the operation of fire-fighting equipment, which comprehensively improved their fire response capabilities.

Case: Linyi Conch Conducted an Emergency Drill for Hazardous Chemical Leakage (Fire) Accidents

On 11 June 2025, Linyi Conch successfully held a comprehensive emergency drill for hazardous chemical leakage (fire) accidents. A total of 57 participants, including the Company’s various emergency teams and external rescue forces such as firefighters, took part in the drill. The drill simulated a scenario where a leakage occurred in the discharge pipeline of the propylene oxide tank farm, accompanied by a local fire. The emergency response was escalated step by step, and on-site rescue operations were organized immediately. The local fire brigade and hospital collaborated in the rescue efforts, launching an intense and orderly rescue operation. Through actual combat simulation, the drill effectively tested the emergency response mechanism, fully trained the emergency teams, and greatly strengthened the emergency coordination capability.



Case: The Production Operation Teams of Tongling Conch and Kunming Conch Awarded National Safety Honors

The production operation team of Tongling Conch has performed outstandingly in safety management. With the practice of “zero safety accidents, zero operational violations, and zero tolerance for potential hazards”, it was awarded the title of “2025 First-Class Safety Management Standardization Team (2025年度安全管理標準化一級班組)” issued by the China Association of Work Safety. By establishing a full-staff safety responsibility system, implementing a “safety mutual guarantee” mechanism, and adopting a full-process closed-loop management of “pre-shift, in-shift and post-shift”, the team has effectively strengthened safety risk prevention and control as well as the investigation and rectification of potential hazards, achieved a 100% rectification rate of potential hazards, continuously improved the level of employee health and safety protection, and provided exemplary experience for safety governance practices. Kunming Conch has earnestly promoted the establishment and certification of work teams in accordance with safety management standardization. It has also been awarded the title of “2025 First-Class Safety Management Standardization Team” by the China Association of Work Safety. Through the in-depth implementation and application of the “5831 Work Team Safety House (5831班組安全屋)” model, the company formulated 9 basic team management rules based on the actual conditions of production and operation teams, signed safety responsibility documents, and established an assessment mechanism that directly links safety performance with production benefits. By combining institutional constraints and positive guidance, the company achieved zero accidents in work safety throughout the year, laying a solid safety foundation for high-quality development.

Going forward, we will continue to consolidate our achievements in team development, strive to foster more “Five-Star Teams”, and steadily enhance and refine our team-level safety management capabilities as well as employees’ ability to innovate and create value. This will lay a solid grassroots safety foundation for the high-quality development of the green building materials industry.



EMPLOYEE CARE

In terms of risk prevention and control, we have established a systematic work safety risk identification mechanism, and identified a total of 629 work safety risks throughout the year. Through strict closed-loop management measures, all risks were promptly and effectively addressed, with a 100% rectification rate. These efforts fully demonstrate our strong commitment to occupational health of our employees, as well as the continuous improvement and outstanding effectiveness in work safety management. Over the past three years, the Group has recorded 0 work-related fatalities, with the work-related fatality rate at 0%. The work-related injuries in 2025 are as follows:

	Unit	2025	2024
Number of work-related injuries	person	0	0
Injury rate per thousand person	%	0	0
Lost days due to work-related injury	day	0	0

SOCIAL RESPONSIBILITY

PRODUCT RESPONSIBILITY

As a fine chemical materials supplier specializing in cement admixture, concrete admixture and their upstream raw materials, Conch Mat Tech deeply understands the profound significance of product quality for enterprises and society. We always regard product quality as the lifeline of our business, adhering to the strictest standards, the most rigorous attitude and the most professional expertise to ensure that every product meets market demands, safeguard engineering safety, and contribute to sustainable development. This is not only our commitment but also our responsibility and accountability to society and the environment. Moving forward, we will continue to lead development through innovation, earn trust with quality, and contribute to the high-quality advancement of the building materials industry.

Case: Conch Mat Tech Received a Nomination for the “Outstanding Green Development Promotion Unit (推進綠色發展優秀單位)” Award

The Group has been nominated as an “Outstanding Green Development Promotion Unit (推進綠色發展優秀單位)” by the Concrete Admixture Branch of the China Building Materials Federation (中國建築材料聯合會混凝土外加劑分會). Adhering to the philosophy of “energy conservation, emission reduction, safety, convenience and recyclability”, we have integrated green principles into the whole life cycle management of our products. Its branches and subsidiaries including Ningbo Conch, Kunming Conch and Xianyang Conch have all obtained green building material certifications, achieving the coordinated improvement of product quality and environmental performance.



SOCIAL RESPONSIBILITY

Product Quality Management

Conch Mat Tech strictly abides by the Product Quality Law of the PRC (《中華人民共和國產品質量法》) and other laws and regulations, and has formulated a series of internal systems, including the Enterprise Quality Management Regulations (First Revised Edition) (《企業質量管理規程(第一次修訂稿)》), the Notice on Strengthening Product Quality Management and Services(《關於加強產品質量管理與服務的通知》), and Acceptance Standards Database for Raw and Auxiliary Materials (《原輔材料驗收標準庫》), to strengthen quality control over raw and auxiliary materials, enhance professional product management and connected persons business management, and improve the product quality and safety of the Group. As of the end of the Reporting Period, a total of 9 subsidiaries had obtained quality management system certification and product certification. During the Reporting Period, the Group did not experience any material product recalls arising from safety and health reasons.

The Group has established a comprehensive product recall management system. Through implementing regulatory documents including the Management Measures for Quality Complaint and Dispute Resolution (《質量投訴與糾紛處理管理辦法》) and the Management Measures for Non-Conforming Product Control (Revised Edition) (《不合格品控制管理辦法(修訂稿)》), it exercises full-process management over raw materials, intermediate products, finished goods and suspect materials. During the Reporting Period, the Group further optimised its non-conforming product control process. Through systematic management measures including identification, documentation, segregation, evaluation and disposal of non-conforming products and suspect materials, combined with analysis and evaluation by production departments, it completed Non-conforming Product Disposal Forms (《不合格品處置單》) or the Treatment List for Corrective or Preventive Measures (《糾正或預防措施處理單》) to ensure timely and standardised handling of non-conforming products and suspect materials. This maximises resource utilisation and enhances value, thereby promoting sustainable corporate development.

To ensure the high quality standard of our products, the Group strictly produces them in accordance with the formulas and rigorously implements production inspection procedures to ensure that every production process meets the highest standards. Additionally, we prioritize transportation quality to ensure product safety during delivery, thereby maintaining exceptional quality of the products that leave our factories.

The Group attaches great importance to quality improvement and carries out various activities to promote product quality improvement.

Case: Conch Mat Tech Carries Out a Big Comparison Activity of Test Benchmarks

To standardize the testing operations across various companies, unify the testing benchmarks, improve inspection quality, and foster a positive atmosphere of “learning from each other and striving to surpass one another (比學趕超)”, we carried out a Benchmark Testing Comparison Activity in July 2025. In this activity, two tests were conducted on two important building material samples, covering multiple key indicators. A professional third party, Anhui Jinggong Testing and Inspection Center Co., Ltd., (安徽精公檢測檢驗中心有限公司) was invited to carry out the testing, ensuring a fair comparison. The test results were subsequently ranked. This activity translated the abstract requirements of quality management into quantifiable and traceable concrete actions. It not only helped various companies objectively identify gaps and clarify directions for improvement, but also spurred healthy competition, effectively driving continuous quality improvement.

SOCIAL RESPONSIBILITY

Case: Conch Mat Tech Conducted Quality Month Activities

To promote the improvement of quality technology and market technology across its branches and subsidiaries, the Group actively carried out Quality Month activities. It organized one seminar focused on market technology breakthroughs and customer visits during the Quality Month, concentrating on key areas such as production, supply chain, customer service, and sales. By systematically identifying common issues and organizing cross-departmental key personnel to propose management suggestions, the Group laid a solid foundation for enhancing its overall quality performance.

Case: Successful Trial Production of Ningbo Conch's 60,000-tonne Epoxy Derivatives Project

In April 2026, following the completion of infrastructure work in 2025, Ningbo Conch successfully commenced trial production of its 60,000-tonnes annual epoxy derivatives project. This project represents an important initiative by the SASAC of Anhui Province to promote provincial state-owned enterprises' strategic deployment in emerging industries and the development of new productive forces.

The project team successfully resolved multiple technical challenges, including the impact of residual system impurities on product quality, contamination of products due to leakage of mechanical seal cooling fluid, significant drift during instrument hot commissioning, and unstable operation of the batch control program. As a result, qualified products were successfully produced, laying a solid foundation for the subsequent large-scale production of the project.



SOCIAL RESPONSIBILITY

During the Reporting Period, our requirements of quality acceptance indicators for raw materials are as follows:

- Authority and flexibility of the Acceptance Standards Database for Raw and Auxiliary Materials (《原輔材料驗收企業標準庫》): We have explicitly served this database as the core reference acceptance standard for raw and auxiliary materials quality across branches and subsidiaries. This database not only provides a unified acceptance standard, but also encourages branches and subsidiaries to flexibly add relevant indicators on the basis of following this standard and taking into account the actual situation, thus further strengthening acceptance control. Any adjustment to acceptance standard for raw materials must be submitted to the Technical Center for approval to ensure the reasonableness and compliance of the adjustments.
- Review of existing acceptance indicators and handling special circumstances: Branches and subsidiaries are required to promptly compare the existing raw material acceptance indicators with the newly issued acceptance indicators in a comprehensive and detailed manner. If deviations arise due to resource availability or cost-effectiveness, resulting in some raw materials could not fully implement the requirements of the reference standard, a formal report must be submitted to the Technical Center for review and approval.
- Testing and verification of sealed samples: In order to ensure the quality stability and traceability of raw and auxiliary materials, we stipulate that the Technical Center shall randomly take sealed samples for testing and verification from time to time. Through scientific and rigorous testing methods, potential quality issues can be identified and solved in a timely manner, so as to ensure that all raw and auxiliary materials put into production comply with the established quality standards.
- Handling mechanism for raw and auxiliary materials exceeding contract specifications: We have established a comprehensive mechanism to address raw and auxiliary materials whose final inspection results exceed contract specifications. Depending on specific provisions of the contract terms, we may adopt handling methods, such as material returns or concessionary acceptance. This mechanism not only helps safeguard the legitimate rights and interests of the Group, but also ensures product quality while mitigating potential risks arising from material-related issues.

Technological Innovation

Conch Mat Tech has been honored as a “Benchmark” Enterprise under the Local Sci-Tech Reform Demonstration Initiative for three consecutive years. The “Sci-Tech Reform Demonstration Initiative (科改示範行動)”, a state-owned enterprise reform program organized and implemented by SASAC of the State Council, aims to cultivate a cohort of exemplary state-owned technology-driven enterprises that pioneer independent innovation. As one of the fifteen Anhui-based enterprises recognized as 2025 Benchmark Enterprises, Conch Mat Tech has demonstrated outstanding achievements in technological innovation. Since the implementation of “Sci-Tech Reform Demonstration Initiative”, we have focused on the fine chemical new materials sector, continued to increased investments in R&D, constantly improved our innovation systems, optimized incentive mechanisms, and stimulated innovation vitality, so as to strengthen, optimize, and expand state-owned capital. We will continue to adhere to the innovation-driven development philosophy, constantly enhance our core competitiveness, and contribute to the realization of high-quality growth.

Xiangyang Conch encouraged all employees to innovate, compiled an Innovation Work Summary Table, and visualized innovation achievements to boost employees’ enthusiasm for innovation.

SOCIAL RESPONSIBILITY

Case: Conch Mat Tech Recognized as both “Five-Star Growth Enterprise” and “Five-Star Innovation and R&D Capability Enterprise” by China Building Materials in 2025

On 27–28 November 2025, at the “2025 Building Materials Enterprise Development Conference” hosted by the China Building Materials Enterprise Management Association, the Company was honored with two awards: “2025 Five-Star Growth Enterprise” and “2025 Five-Star Innovation and R&D Capability Enterprise,” highlighting its outstanding strength and leading position in the industry.

Behind the recognition as a dual five-star award winner is our persistent investment in R&D and our unwavering pursuit of technological innovation. Closely aligned with the conference’s focus on new technologies and new applications for enterprise development, the Company has consistently leveraged technological innovation as an engine, establishing an efficient R&D system. By empowering the entire process of admixture production, application and management through digitalization and intelligence, and by building a big data database of cement admixture formulas with deep integration of cutting-edge technologies such as artificial intelligence, the Company has achieved precision in production, intelligence in batching, and efficiency in construction, comprehensively enhancing industrial productivity. In 2025, the Company received the Second Prize of Anhui Provincial Science and Technology Progress Award and the First Prize of the Science and Technology Progress Award of the China Building Materials Circulation Association.



Industry Communication

Conch Mat Tech has always been committed to promoting industry communication and cooperation within the industry, and actively participates in various industry forums, seminars and technical conferences. We firmly believe that open cooperation serves as a crucial driving force for promoting technological advancement and the overall development of the industry. Through continuous industry communication, we not only enhance our own competitiveness, but also contribute to the healthy development of the industry.

SOCIAL RESPONSIBILITY

Customer Service Management

To strengthen quality complaint and dispute management and standardize customer complaint handling procedures, we formulated the Administrative Measures for Quality Complaints and Dispute Handling (《質量投訴與糾紛處理管理辦法》), which clarifies the management responsibilities of each department, enhances handling efficiency, improves customer satisfaction, and mitigates operational risks.

During the Reporting Period, we established a special working group for handling quality complaints and disputes, with the general manager as the head of the group, and the senior executives in charge of quality and sales as the deputy head of the group. Its members include key leaders from the Technical Center, Sales Department, Finance Department and Production Department. The working group is responsible for handling all quality-related complaints and disputes across the Group, including comprehensive collecting and feeding back quality complaints, establishing a sound customer complaint management system, analyzing the causes of the complaints, and formulating feasible rectification plans, as follows:

- Sales Department: It is mainly responsible for tracking and verifying product usage effect, and providing professional technical consulting services. At the same time, the Sales Department is responsible for receiving, transferring and tracking customer complaints, especially about the product usage effect (i.e. customer experience), which will be handled directly by the Sales Department.
- Technical Center: It is responsible for developing and continuously optimizing quality complaint and dispute handling procedures. It analyzes the handling progress of quality complaints against the Group and provides timely feedback of relevant information every month to ensure all unresolved complaints are followed up in a timely manner, forming closed-loop management. For complaints involving technical defects of the products (i.e., inherent product quality issues), or major quality issues that are difficult for the Sales Department to resolve on its own, the Technical Center will lead the handling of them.
- Production Department: It collaborates closely with the Technical Center to trace the causes of product quality issues and analyze the product production processes. At the same time, it also actively assists in the smooth implementation of after-sales service and complaint handling efforts.

To ensure customer satisfaction and uphold corporate reputation, Conch Mat Tech has implemented a comprehensive customer complaint handling mechanism. When a customer reflects that there are quality issues with the Group's products, the Sales Department and Technical Center will respond promptly and be responsible for collecting and verifying the relevant information about the product quality issues reflected by the customer, including basic details such as product type, batch and quantity, to obtain first-hand information. Subsequently, the relevant departments will carry out standardized processing based on the Product Quality Complaint Handling Flow Chart (《產品質量投訴處理流程圖》) to ensure that the relevant issues are in a timely and proper manner.

SOCIAL RESPONSIBILITY

To build an efficient and orderly customer complaint management system, Conch Mat Tech has formulated a detailed procedure for receiving and transferring customer complaints. As the primary channel for receiving customer complaint information, the Sales Department is responsible for collecting customer feedback on quality issues and other related complaint information. Once a customer complaint is received, sales personnel must immediately transfer such information to the Sales Department, which conducts preliminary screening and documentation of the complaint. After initial processing, the Sales Department will record the complaint details in the Customer Complaint Registration Form (《客戶投訴登記表》), and properly archived it for future reference. Subsequently, such information will be submitted to the Quality Complaints and Disputes Handling Team, which makes an initial judgment on the complaint type based on professional standards. If it is classified as an application-related customer complaints, the Sales Department will the lead in handling it; for technical/quality-related complaints, major quality complaints, or complex issues that are difficult for the Sales Department to resolve on its own, the Sales Department will work together with the Technical Center to carry out in-depth investigations and handle them properly. Through this rigorous and standardized process, we ensure a quick response and effective solution to customer complaints, which not only strongly protects the legitimate rights and interests of customers, but also greatly enhances the public image and reputation of the Group. During the Reporting Period, the Group did not receive any complaints against us through the 12315 Consumer Complaint Platform or from market supervision authorities.

Information Security and Privacy Management

Conch Mat Tech attaches great importance on the security management of corporate and customer information, strictly adhering to laws and regulations such as the Cybersecurity Law of the People's Republic of China (《中華人民共和國網絡安全法》), the Personal Information Protection Law of the People's Republic of China (《中華人民共和國個人信息保護法》) and the Cybersecurity Review Measures (《網絡安全審查辦法》). Additionally, the Group has established the Confidentiality Management Measures of Anhui Conch Material Technology Co., Ltd. (《海螺科技公司保密工作管理辦法》), the Confidentiality Management Measures for Technical Center (《技術中心保密工作管理辦法》) and Notice on Regulating the Management of Internal Work Information of Conch Mat Tech (《關於規範材料科技股份內部工作信息管理的通知》) to mitigate the risks of technical information leakage.

During the Reporting Period, the Group established the Confidentiality Committee, consisting of the Group's management members and heads of various departments. The Confidentiality Committee is supported by an office, which oversees the day-to-day management of the Confidentiality Committee.

The Group adheres to the principle of "accountability lies with the manager and the user", clearly defines the confidentiality responsibilities of each department and its supervisory personnel involved in sensitive information, and rigorously investigates any breaches. In the event of a confidentiality breach, the relevant personnel shall promptly report to their department head and the Confidentiality Committee. The directly responsible individual, confidentiality officer and department head shall be held accountable for any concealment or intentional delay in reporting leading to severe consequences. For individuals who violate regulations and cause a breach, the Confidentiality Committee shall take appropriate measures based on the severity: where the violation is minor, criticism and education shall be imposed; where the violation is more serious, such individual shall be given a circulation of notice of criticism and ordered to rectify such violation within a prescribed time limit to eliminate the potential risks of leakage. Where the violation is severe, administrative or disciplinary actions shall be imposed pursuant to relevant regulations; where the violation commits a crime, the case shall be transferred to judicial authorities for investigation of criminal liability. Individuals who cause losses to the Group due to breaches shall, in addition to bearing civil liability for compensation, be imposed penalties as stipulated in the Confidentiality Commitment for Sensitive Positions (《涉密崗位保密承諾函》). Personnel required to travel abroad for work must undergo security and confidentiality education prior to departure. While staying abroad, they must remain highly vigilant, strictly comply with confidentiality laws and regulations, and avoid discussing or handling matters involving the national secrets in surroundings that are not conducive to confidentiality.

SOCIAL RESPONSIBILITY

The Group adheres to the principle of “determination by positions”, identifying staff in positions that involve internal corporate secrets as confidentiality-sensitive individuals, and strives to precisely define such individuals within the smallest necessary scope. Upon the induction of new employees, we shall enter into a confidentiality agreement with those assigned to sensitive positions and explicitly stipulate relevant confidentiality management requirements in their employment contracts. With the Confidentiality Review Form for Sensitive Personnel (《涉密人員保密審查表》), we conduct a comprehensive review of newly hired or transferred employees in sensitive positions. For the departure or transfer of personnel handling internal secrets, approval must be obtained from both the human resources department and the confidentiality office of the respective branch or subsidiary. During this process, we shall ensure that all internal corporate documents are returned and that their access rights to the internal network information system and sensitive areas are revoked. Furthermore, we explicitly require that these individuals must not provide any labour, consultation or other services to peer companies during their non-disclosure period.



Intellectual Property Protection

Conch Mat Tech consistently upholds the principle of stringently protecting intellectual property rights, rigorously adheres to relevant laws and regulations such as the Patent Law of the People's Republic of China (《中華人民共和國專利法》), the Detailed Rules for the Implementation of the Patent Law of the People's Republic of China (《中華人民共和國專利法實施細則》), the Trademark Law of the People's Republic of China (《中華人民共和國商標法》), the Implementing Regulations of the Trademark Law of the People's Republic of China (《中華人民共和國商標法實施條例》), the Copyright Law of the People's Republic of China (《中華人民共和國著作權法》), and the Implementing Regulations of the Copyright Law of the People's Republic of China (《中華人民共和國著作權法實施條例》). To this end, we have established the Intellectual Property Management Measures (《知識產權管理辦法》) to ensure that the Group's business operations are in full compliance with legal requirements while safeguarding the Group's intellectual property rights.

SOCIAL RESPONSIBILITY

We have always adhered to the development principle of “market-oriented, technology-led (市場為導向·技術為引領)”, and have deeply implemented the innovation-driven development strategy. We have continuously increased investment in technological innovation, strengthened the development of a high-caliber technological talent team, and enhanced collaboration in “industry-academia-research-application (產學研用)”. As a result, we have established a “1+10” technological innovation system that is “enterprise-centered, market-oriented, and integrates industry-academia-research-application (以企業為主體·市場為導向·產學研融合)”. In 2025, the Group was honored for the third consecutive time as a “Benchmark” enterprise under the Sci-Tech Reform Demonstration Initiative by the SASAC of the State Council. The Group currently possesses one “National Enterprise Technology Center”, one National Postdoctoral Research Workstation, six provincial-level scientific research platforms including Anhui Provincial Engineering Research Center and Anhui Provincial Postdoctoral Research Workstation, and one High-tech Enterprise. Leveraging the above-mentioned scientific research platforms, we have established a comprehensive R&D and innovation management system covering multiple aspects such as project management, intellectual property, personnel incentives, and daily management. In terms of project management, we formulated the Administrative Measures for Scientific Research Projects (Second Revised Edition) (《科研項目管理辦法(第二次修訂稿)》) and established a relatively independent scientific research project management system to ensure that R&D funds are used exclusively for their designated purposes, thereby guaranteeing the effective implementation of R&D projects. In terms of personnel promotion and incentives, we formulated the Measures for the Grading Assessment of Technical R&D Personnel (《技術研發人員等級評定辦法》) and the Measures for Rewarding Scientific Research Achievements (《科研成果獎勵辦法》) to strengthen the development of our scientific research teams, facilitate talent career development channels, and establish a scientific, effective, and competitive system for the recruitment and performance evaluation of technical R&D personnel, thereby inspiring the creative enthusiasm of our researchers. In terms of intellectual property management, we formulated the Intellectual Property Management Measures (《知識產權管理辦法》) and established a comprehensive intellectual property management system to encourage innovation and invention, ensuring at the institutional level that appropriate rewards are granted to personnel who obtain invention patents and technical achievements. In terms of laboratory management, we formulated the Administrative Measures for Hazardous Chemicals at the Technology Center (Revised Edition) (《技術中心危險化學品管理辦法(修訂稿)》), the Administrative Measures for Controlled and Explosive Hazardous Chemicals (Revised Edition) (《易製毒易制爆危險化學品管理辦法(修訂稿)》), and the Administrative Measures for Instruments and Equipment at the Technology Center (Revised Edition) (《技術中心儀器設備管理制度(修訂稿)》) to strengthen the management and control of various hazardous chemicals and enhance the day-to-day management level of instruments and equipment.

SOCIAL RESPONSIBILITY

Case: Xiangyang Conch Deeply Cultivates Technological Innovation to Achieve Cost Reduction and Efficiency Improvement

The Innovation and Cost Reduction Project Team of Xiangyang Conch deeply implemented the green development concept and achieved key technological breakthroughs through molecular structure design and process innovation. The team successfully developed a room-temperature, low-viscosity mother liquor with 50% solid content for hexanol, overcoming the challenges of low-temperature precipitation and high viscosity in winter. Additionally, by innovatively applying the ronalite room-temperature process, they controlled the production temperature at 25 degrees Celsius, significantly reducing production energy consumption and cooling time. Targeting niche markets, the team developed a series of grinding aids such as gypsum and lime series, effectively addressing industry pain points like "ball coating (糊球)". Through technological innovation, they drove the green upgrade of products and achieve the cost reduction and efficiency improvement.



SOCIAL RESPONSIBILITY

Case: Integrating Industry with Finance, Empowering through Innovation (產融結合，創新賦能)

The Group actively builds a dual-wheel drive innovation and development ecosystem “combining industry and capital”. As a vice president unit of the Wuhu Listed Companies Association, it deeply participates in industry exchanges and ecosystem development. The Group organized a High-Quality Development Symposium and open field research activities. Through these efforts, it not only showcased its innovative achievements in the R&D and manufacturing of new materials to relevant stakeholders, but also engaged in exchanges with professional institutions, laying a foundation for further integrating innovation resources, accelerating the transformation of scientific and technological achievements, and promoting the high-quality development of the enterprise.



As of the end of the Reporting Period, Conch Mat Tech has achieved remarkable results in the field of intellectual property. We have accumulated a total of 365 patent applications, including 293 invention patents and 72 utility model patents. Among these applications, 225 patents have been granted (including 2 U.S. patents), and another 83 patents are currently under review. In 2025, we filed 38 new patent applications, comprising 37 invention patents and 1 utility model patent, fully demonstrating our proactive stance in technological innovation and intellectual property protection.

SOCIAL RESPONSIBILITY

Case: Linyi Conch Builds “Single-Item Champion” Strength with Core Technologies

Deeply engaged in the field of cement admixtures, Linyi Conch has successfully passed the review of Shandong Provincial Manufacturing Single-Item Champion in 2025, retaining this honor, by leveraging its core technological achievements such as “high-efficiency composite cement admixtures”. Supported by a nationally recognised enterprise technology centre and a post-doctoral scientific research workstation, Linyi Conch holds over 80 authorized patents, and continues to drive product iteration and upgrading through technological innovation, demonstrating its industry benchmark strength and sustainable development potential.



To further enhance the employee’s awareness of intellectual property protection, we organized 7 training sessions on intellectual property rights in 2025. The training, conducted both online and offline, saw the total participation of 90 individuals. Focusing on key topics such as patent drafting and protection, the training sessions provided robust talent support for the Group’s intellectual property safeguarding efforts.



In early 2023, we formulated the “2023–2025” Science and Technology Innovation Development Plan of Anhui Conch Material Technology Co., Ltd. (《海螺科技公司「2023年–2025年」科技创新发展规划》), which provided a strategic blueprint for the Group’s technological innovation development over the next three years and was implemented during the Reporting Period. In 2025, Conch Mat Tech has formulated the “Fifteenth Five-Year” Development Plan, which sets forth the development objectives for technological and management innovation over the next five years.

During the Reporting Period, the Group’s R&D investment amounted to RMB43.083 million, accounting for 1.86% of its operating revenue. As of the end of the Reporting Period, the Group had 154 R&D personnel, representing 16.96% of the total workforce, with an average tenure of 4.2 years among R&D personnel.

SUPPLY CHAIN MANAGEMENT

Our suppliers include suppliers of raw materials and auxiliary materials. We have established a comprehensive management system that includes the Integrity Agreement (《廉政协议》), Occupational Health and Safety Management Agreement (《安全生产职业健康管理协议书》), the Annual Supplier Appraisal (《供应商年度评审》), the Material Supply Management Measures (Third Revised Edition) (《物资供应管理办法(第三次修订稿)》) and the Supply Personnel Management Measures (《供应人员管理办法》).

SOCIAL RESPONSIBILITY

While selecting suppliers, we rigorously adhere to our Environmental, Social and Governance (ESG) principles to ensure the sustainability and compliance of our supply chain. For standardized product manufacturers, we mandate that they possess complete qualifications for production, sale and transportation, thereby guaranteeing product quality and logistics safety. Additionally, we fully incorporate environmental, social and governance criteria as a key basis for ensuring the sustainability and compliance of our supply chain, placing a special emphasis on the environmental performance of our suppliers, requiring them to submit environmental impact assessment reports to evaluate their compliance and sustainability in environmental protection. For supplier offering by-products, detailed environmental impact assessment report is required to ensure that the production, handling and transportation of by-products comply with relevant environmental regulations. Where the environmental impact assessment report does not sufficiently provide information about by-products, the supplier is required to provide professional test report issued by authoritative bodies to verify the environmental safety of the by-products. Through these measures, we not only systematically manage environmental and social risks in our supply chain to ensure its compliance, but also actively guide suppliers to enhance their sustainable management capabilities, encouraging them to make greater efforts in environmental protection, and collectively promote the green transformation and high-quality sustainable development of the industrial chain.

For approved suppliers, we sign the Stakeholder Safety Agreement (《相關方安全協議書》) with them to regulate the safety and environmental protection practices of suppliers when undertaking our Stakeholder projects and other labor services. This requires suppliers to strengthen their own safety and environmental protection management, establish and improve their work safety responsibility systems as well as effective safety prevention measures, and ensure that risks related to work safety, environmental protection and occupational health are under control.

During the Reporting Period, Conch Mat Tech engaged 73 new suppliers, infusing fresh vitality into our business expansion. As of the end of 2025, the distribution of our 447 suppliers is shown below:

Suppliers by Region	Number
North China	38
East China	229
South China	49
Central China	57
Southwest China	61
Overseas	13

SOCIAL RESPONSIBILITY

ANTI-CORRUPTION

Misconducts in business operation, such as corruption, bribery, extortion, money laundering, or any actions that compromise corporate interests, violate fair trade principles, or damage the corporate's reputation, can severely disrupt normal management operations. Therefore, Conch Mat Tech firmly opposes and explicitly prohibits such misconduct. We are also in strict compliance with relevant laws and regulations, including the Anti-Corruption Law of the People's Republic of China (《中華人民共和國反腐敗法》), the Supervision Law of the People's Republic of China (《中華人民共和國監察法》), the Implementing Regulations of the Supervision Law of the People's Republic of China (《中華人民共和國監察法實施條例》), and the Law of the People's Republic of China on Administrative Penalties for Public Officials (《中華人民共和國公職人員政務處分法》). Additionally, we have specifically established the Integrity Agreement (《廉政協議》).

In 2025, we implemented multiple integrity risk control measures, including:

- Conducting anti-corruption risk assessments across all branches and subsidiaries, and carrying out integrity risk prevention and control inspections focusing on integrity risk points in key positions, covering all branches and subsidiaries;
- Appointing integrity commissioners and defining their responsibilities to continuously establish and improve the Group's supervisory system;
- Focusing on key areas and critical links to deepen the implementation of special rectification initiatives;
- Conducting performance reviews of the discipline inspection team leaders of 11 branches and subsidiaries to consolidate and tighten responsibilities;
- Organizing the signing of the "Five Integrity Commitments" across the organization, which has now achieved 100% employee coverage.

At the same time, we actively conducted anti-corruption education and training, which currently cover 100% of our employees. The major training initiatives carried out in 2025 include:

- Organizing Party cadres and managers at and above the middle level of the Group to attend superior-level study, education and warning conferences; arranged outstanding young cadres to visit anti-corruption education venues and watch warning education videos; and actively promoted regular integrity-in-practice education for all employees, realizing all-round and multi-level coverage of cadres and staff;
- Implementing the requirements of the "Three-Tier Integrity Education" program, we organized integrity education for new hires at different levels to ensure they start their careers by "fastening the first button" of ethical practices. During the Reporting Period, the Group conducted over 80 sessions of "Three-Tier Integrity Education";
- Deepening the development of integrity culture, promoting the Group and its branches and subsidiaries to create 10 works such as integrity calligraphy and paintings, actively fostering a strong atmosphere of advocating integrity and valuing thrift;
- Actively conducting anti-corruption training for employees, organizing a total of 50 anti-corruption training sessions for all employees, and signing anti-corruption agreements or integrity commitment letters with employees and management at all levels, achieving a signing rate of 100%.

SOCIAL RESPONSIBILITY

In addition to implementing integrity risk control measures and anti-corruption training, we have established a comprehensive whistleblowing mechanism. A dedicated department for disciplinary inspection and complaint handling, the Discipline Enforcement and Supervision Office, has been set up to receive reports via letters, visits, phone calls, and online channels. After registration and completion of the Disciplinary Inspection and Supervision Complaint Handling Form (《紀檢監察信訪舉報件呈閱批辦表》), verification is conducted within 10 working days, and the whistleblower is informed of the outcome in an appropriate manner. During this process, all complaint materials are classified as confidential, with strict protection of the whistleblower's identity and information.

During the Reporting Period, no major corruption, related legal cases or embezzlement incidents were identified, and no related reports were received.

Anti-monopoly and Fair Competition

We strictly comply with the Anti-monopoly Law of the People's Republic of China (《中華人民共和國反壟斷法》) and the Anti-unfair Competition Law of the People's Republic of China (《中華人民共和國反不正當競爭法》), and implement the Anti-monopoly Compliance Management Guidelines (《反壟斷合規管理指南》). We advocate a culture of fair competition. For significant matters such as entering into cooperation agreements with other companies, formulating sales and procurement policies, conducting investments and mergers and acquisitions, and participating in industry association activities, the business and functional departments perform the preliminary review for anti-monopoly compliance. The leading department for anti-monopoly compliance management then conducts a second review, promptly addressing any non-compliant content to prevent anti-monopoly compliance risks.

COMMUNITY BUILDING

Driven by the pursuit of high-quality development, the Group has consistently adhered to innovation-driven development, continuously strengthened its independent research and development capabilities, and dedicated to forging an enterprise with core competitiveness. Meanwhile, we fully understand that enterprise development and social responsibility are inextricably linked. We actively fulfill our responsibilities as an enterprise citizen, giving back to society with tangible actions. During the Reporting Period, we helped expand the market for special agricultural products from Xinjiang, achieving cumulative sales of RMB30,400. These efforts effectively bolstered local farmers' income growth and wealth accumulation. In the future, we will explore more sustainable assistance models, continually expand our support scope, enhance the effectiveness of our assistance, and make greater contributions to the comprehensive promotion of rural revitalization.

GENERAL ESG DISCLOSURE TABLE

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING CODE, APPENDIX C2 OF THE RULES GOVERNING THE LISTING OF SECURITIES ON THE STOCK EXCHANGE OF HONG KONG LIMITED

Aspect	Content	Report Content
Part B: Mandatory Disclosure Requirements		
	Governance Structure	Statement of the Board
	Reporting Principles	About this Report
	Reporting Boundary	About this Report
Part C: “Comply or Explain” Provisions		
A1	Emissions	General Disclosure
	Information on:	Emission Management
	(a) the policies; and	
	(b) compliance with relevant laws and regulations that have a significant impact on the issuer	
	relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	
	A1.1 The types of emissions and respective emissions data.	Emission Management
	A1.3 Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Emission Management
	A1.4 Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Emission Management
	A1.5 Description of emission target(s) set and steps taken to achieve them.	Emission Management
	A1.6 Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Emission Management
A2	Use of Resources	General Disclosure
	Policies on the efficient use of resources, including energy, water and other raw materials.	Use of Energy and Resources
	A2.1 Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (in thousand kWh) and intensity (e.g. per unit of production volume, per facility).	Use of Energy and Resources
	A2.2 Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Use of Energy and Resources
	A2.3 Description of energy use efficiency target(s) set and steps taken to achieve them.	Use of Energy and Resources
	A2.4 Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Use of Energy and Resources
	A2.5 Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Emission Management

GENERAL ESG DISCLOSURE TABLE

Aspect	Content	Report Content
A3 Environment and Natural Resources	General Disclosure Policies on minimising the issuer's significant impacts on the environment and natural resources. A3.1 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Environment and Natural Resources Environment and Natural Resources
B1 Employment	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare. B1.1 Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region. B1.2 Employee turnover rate by gender, age group and geographical region.	Employee Employment Employee Employment Employee Employment
B2 Health and Safety	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards. B2.1 Number and rate of work-related fatalities occurred in each of the past three years including the reporting year. B2.2 Lost days due to work injury. B2.3 Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Health and Safety Health and Safety Health and Safety Health and Safety
B3 Development and Training	General Disclosure Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. <i>Note:</i> Training refers to vocational training. It may include internal and external courses paid by the employer. B3.1 The percentage of employees trained by gender and employee category (e.g. senior management, middle management). B3.2 The average training hours completed per employee by gender and employee category.	Development and Training Development and Training Development and Training
B4 Labour Standards	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour. B4.1 Description of measures to review employment practices to avoid child and forced labour. B4.2 Description of steps taken to eliminate such practices when discovered.	Employee Employment, Development and Training Employee Employment, Development and Training

GENERAL ESG DISCLOSURE TABLE

Aspect	Content	Report Content
B5 Supply Chain Management	General Disclosure	Supply Chain Management
	Policies on managing environmental and social risks of the supply chain.	
	B5.1 Number of suppliers by geographical region.	Supply Chain Management
	B5.2 Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Supply Chain Management
	B5.3 Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Supply Chain Management
B6 Product Responsibility	B5.4 Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Supply Chain Management
	General Disclosure	Product Responsibility
	Information on:	
	(a) the policies; and	
	(b) compliance with relevant laws and regulations that have a significant impact on the issuer	
	relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	
	B6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Product Responsibility
	B6.2 Number of products and services related complaints received and how they are dealt with.	Product Responsibility
	B6.3 Description of practices relating to observing and protecting intellectual property rights.	Product Responsibility
	B6.4 Description of quality assurance process and recall procedures.	Product Responsibility
B7 Anti-corruption	B6.5 Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Product Responsibility
	General Disclosure	Anti-corruption
	Information on:	
	(a) the policies; and	
	(b) compliance with relevant laws and regulations that have a significant impact on the issuer	
	relating to bribery, extortion, fraud and money laundering.	
	B7.1 Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the Reporting Period and the outcomes of the cases.	Anti-corruption
	B7.2 Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Anti-corruption
B8 Community Investment	B7.3 Description of anti-corruption training provided to directors and staff.	Anti-corruption
	General Disclosure	Community Building
	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	
	B8.1 Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Community Building
	B8.2 Resources contributed (e.g. money or time) to the focus area.	Community Building

GENERAL ESG DISCLOSURE TABLE

Aspect	Content	Report Content
Part D: Climate-related Disclosures		
D(I) Governance	The governance body(s) responsible for oversight of climate-related risks and opportunities	Response to Climate Change
	The role of the management in the management processes, monitoring measures and procedures used to oversee, manage and supervise climate-related risks and opportunities	Response to Climate Change
D(II) Strategy	Climate-related risks and opportunities	Response to Climate Change
	Business model and value chain	Response to Climate Change
	Strategies and decisions	Response to Climate Change ^{Note 1}
	Financial position, financial performance and cash flows	Continuous improvement and supplementation ^{Note 2}
	Climate resilience	Continuous improvement and supplementation ^{Note 3}
D(III) Risk Management	The processes and related policies used to identify, assess, prioritise and monitor climate-related risks	Response to Climate Change
	The processes and related policies used to identify, assess, prioritise and monitor climate-related opportunities	Continuous improvement and supplementation
	The extent to which, and how, the processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities are integrated into the issuer's overall risk management process	Continuous improvement and supplementation
D(IV) Metrics and Targets	Greenhouse gas emissions	Response to Climate Change ^{Note 3}
	Climate-related transition risks	Response to Climate Change ^{Note 2}
	Climate-related physical risks	Response to Climate Change ^{Note 2}
	Climate-related opportunities	Response to Climate Change ^{Note 2}
	Capital utilization	Continuous improvement and supplementation ^{Note 3}
	Internal carbon pricing	Continuous improvement and supplementation ^{Note 3}
	Remuneration	Continuous improvement and supplementation ^{Note 3}
	Climate-related targets	Continuous improvement and supplementation ^{Note 3}

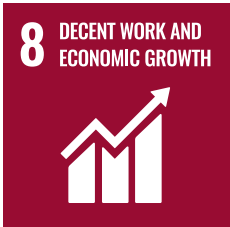
Note 1: Based on our preliminary analysis, the Group is of the opinion that the impact of climate change on our business is not material, and has not yet initiated any transition plans or set any emission reduction targets; however, we will conduct relevant works in due course when conditions are ripe and will include the information in our disclosures.

Note 2: Based on our preliminary analysis, the Group is of the opinion that the financial impact of climate change on us is not material. The Group has not yet conducted systematic scenario analysis or works related to financial quantification in respect of response to climate change; however, we will conduct relevant works in due course when conditions are ripe and will include the information in our disclosures.

Note 3: The Group has not yet conducted any works related to the capital deployment of climate-related risks and opportunities, internal carbon pricing, the incorporation of climate-related considerations into remuneration policy, the set of climate-related targets or the calculation of Scope 3 greenhouse gas emissions; however, we will conduct relevant works when conditions are ripe and will disclose such information in ESG report.

APPENDIX: CONTRIBUTIONS TO SUSTAINABLE DEVELOPMENT GOALS OF UNITED NATIONS

Conch Mat Tech is committed to fulfilling its social responsibility with focuses on Sustainable Development Goals (SDGs) of the United Nations.

Contributions to SDGs	Corresponding sections related to SDGs	Contributions to SDGs	Corresponding sections related to SDGs
	Health and Safety		Employee Employment
	Development and Training		Product Quality Management
	Employee Employment		Response to Climate Change
	Use of Energy and Resources		Anti-corruption
			Supply Chain Management