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CONCH VENTURE
China Conch Venture Holdings Limited
中國海螺創業控股有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock code: 586)

**SHARE TRANSACTION:
ACQUISITION OF THE ENTIRE ISSUED SHARE CAPITAL OF
THE TARGET COMPANIES,
INVOLVING THE ISSUE OF CONSIDERATION SHARES
UNDER GENERAL MANDATE**

THE ACQUISITIONS

The Board would announce that on 7 June 2021 (after trading hours), the Vendors and the Purchaser (a direct wholly-owned subsidiary of the Company) entered into the SP Agreement. Pursuant to the SP Agreement, the Purchaser conditionally agreed to acquire:

- (a) from the First Vendor, the entire issued share capital in AGL, at the AGL Consideration of HK\$616,151,831; and
- (b) from the Second Vendor, the entire issued share capital in WETH, at the WETH Consideration of HK\$190,847,580.

Pursuant to the SP Agreement, (a) the AGL Consideration shall be settled by the allotment and issue of Tranche A Consideration Shares (i.e. a total of 16,808,710 new Shares) to the First Vendor, and (b) the WETH Consideration shall be settled by the allotment and issue of Tranche B Consideration Shares (i.e. a total of 5,206,349 new Shares) to the Second Vendor. The Consideration Shares will be issued under the General Mandate at the issue price of HK\$36.6567 per Consideration Share. Such issue price represents:

- (i) a premium of approximately 10.41% over the closing price of HK\$33.2 per Share as quoted on the Stock Exchange on the date of the SP Agreement;

- (ii) a premium of approximately 6.04% over the average closing price of HK\$34.57 per Share as quoted on the Stock Exchange on the five consecutive trading days ended on the trading day immediately preceding the date of the SP Agreement; and
- (iii) a premium of approximately 0.59% over the average closing price of HK\$36.44 per Share as quoted on the Stock Exchange on the 30 consecutive trading days ended on the trading day immediately preceding the date of the SP Agreement.

The Consideration Shares represent (i) about 1.22% of the entire issued share capital in the Company as at the date of this announcement, and (ii) (assuming that the Company's issued share capital is not changed from the date of this announcement and up to the Completion Date (immediately before Completion)) about 1.21% of the Company's issued share capital as enlarged by the issue of the Consideration Shares.

As of the date of this announcement and immediately prior to completion of the Acquisitions, (a) Yaobai JV is an indirect 60%-owned subsidiary of the Company, and the remaining equity interest in Yaobai JV is indirectly held:

- (i) as to 20% by AGL (through Able Bless which is AGL's direct wholly-owned subsidiary); and
- (ii) as to 20% by WETH (through Faithful Environmental which is WETH's direct wholly-owned subsidiary),

and (b) Chongqing JV is an indirect 65%-owned subsidiary of the Company, and the remaining 35% equity interest in Chongqing JV is indirectly held by AGL (through Able Bless). Subject to and immediately after completion of the Acquisitions, each of Yaobai JV (together with each of the Yaobai Subsidiaries) and Chongqing JV will become an indirect wholly-owned subsidiary of the Company.

LISTING RULES IMPLICATIONS

All applicable percentage ratios in respect of the Acquisitions (i.e. collectively, the acquisition of the AGL Sale Shares and the acquisition of the WETH Sale Shares) are less than 5%. As the Consideration for the Acquisitions will be satisfied by the issue of the Consideration Shares, the Acquisitions constitute a share transaction for the Company and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

As of the date of this announcement and immediately prior to completion of the Acquisitions, the First Vendor indirectly holds 20% of the equity interest in Yaobai JV and 35% of the equity interest in Chongqing JV, and the Second Vendor indirectly holds 20% of the equity interest in Yaobai JV. Accordingly, the First Vendor is a substantial shareholder of each of Yaobai JV and Chongqing JV, and the Second Vendor is a substantial shareholder of Yaobai JV. Both of Yaobai JV (taking into account Yaobai JV and the Yaobai Subsidiaries) and Chongqing JV (whether upon aggregation or singly) are insignificant subsidiaries of the Company. For such reasons, notwithstanding the Vendors being substantial shareholders of Yaobai JV and/or Chongqing JV, the Vendors and their associates are not regarded as connected persons of the Company by virtue of Rule 14A.09 of the Listing Rules.

As the Acquisitions are subject to the fulfillment of certain conditions precedent set out in the SP Agreement, the transactions contemplated thereunder may or may not proceed to Completion. Shareholders and potential investors of the Company should exercise caution when dealing in the securities in the Company.

THE ACQUISITIONS

The Board would announce that on 7 June 2021 (after trading hours), the Vendors and the Purchaser (a direct wholly-owned subsidiary of the Company) entered into the SP Agreement.

The material terms of the SP Agreement are summarised below:

Date : 7 June 2021

Parties : (1) China Conch Environment Protection Holdings Limited, a direct wholly-owned subsidiary of the Company (as purchaser of the entire issued share capital in each of the Target Companies);

(2) Mr. Ma Zhaoyang (being the First Vendor who agrees to sell to the Purchaser the AGL Sale Shares); and

(3) West China Cement Limited (as the Second Vendor which agrees to sell to the Purchaser the WETH Sale Shares)

As mentioned in the section headed “Listing Rules Implications” below, the First Vendor is a substantial shareholder of each of Yaobai JV and Chongqing JV, and the Second Vendor is a substantial shareholder of Yaobai JV. Both Yaobai JV and Chongqing JV (whether upon aggregation or singly) are insignificant subsidiaries of the Company. To the best of the Directors’ knowledge, information and belief after having made all reasonable enquiries, apart from their interests in Yaobai JV and Chongqing JV, the Vendors and their respective ultimate beneficial owners are Independent Third Parties.

Subject Matter

Pursuant to the SP Agreement, the Purchaser conditionally agreed to acquire:

- (a) from the First Vendor, the entire issued share capital in AGL, at the AGL Consideration of HK\$616,151,831; and
- (b) from the Second Vendor, the entire issued share capital in WETH, at the WETH Consideration of HK\$190,847,580.

As of the date of this announcement and immediately prior to completion of the Acquisitions, (a) Yaobai JV is an indirect 60%-owned subsidiary of the Company, and the remaining equity interest in Yaobai JV is indirectly held:

- (i) as to 20% by AGL (through Able Bless which is AGL's direct wholly-owned subsidiary); and
- (ii) as to 20% by WETH (through Faithful Environmental which is WETH's direct wholly-owned subsidiary),

and (b) Chongqing JV is an indirect 65%-owned subsidiary of the Company, and the remaining 35% equity interest in Chongqing JV is indirectly held by AGL (through Able Bless). Subject to and immediately after completion of the Acquisitions, each of Yaobai JV (together with each of the Yaobai Subsidiaries) and Chongqing JV will become an indirect wholly-owned subsidiary of the Company.

Considerations

The AGL Consideration for AGL Sale Shares is HK\$616,151,831 and the WETH Consideration for WETH Sale Shares is HK\$190,847,580, all of which were determined after arm's length negotiations between the Purchaser and the Vendors with reference to (among other matters) (i) the historical performance of Yaobai Group and Chongqing JV for the three years ended 31 December 2020; (ii) the business development and prospects of Yaobai Group and Chongqing JV; (iii) the historical performance of the price of the Shares; and (iv) the prevailing market conditions.

Pursuant to the SP Agreement, (a) the AGL Consideration shall be settled by the allotment and issue of Tranche A Consideration Shares (i.e. a total of 16,808,710 new Shares) to the First Vendor, and (b) the WETH Consideration shall be settled by the allotment and issue of Tranche B Consideration Shares (i.e. a total of 5,206,349 new Shares) to the Second Vendor. The Consideration Shares will be issued under the General Mandate at the issue price of HK\$36.6567 per Consideration Share.

Consideration Shares

Pursuant to the SP Agreement, it is contemplated that a total of 22,015,059 Consideration Shares (comprising 16,808,710 Tranche A Consideration Shares and 5,206,349 Tranche B Consideration Shares) will be issued at Completion. The Consideration Shares represent (i) about 1.22% of the entire issued share capital in the Company as at the date of this announcement, and (ii) (assuming that the Company's issued share capital is not changed

from the date of this announcement and up to the Completion Date (immediately before Completion)) about 1.21% of the Company's issued share capital as enlarged by the issue of the Consideration Shares.

The issue price of HK\$36.6567 per Consideration Share represents:

- (i) a premium of approximately 10.41% over the closing price of HK\$33.2 per Share as quoted on the Stock Exchange on the date of this announcement (which is also the SPA Date); and
- (ii) a premium of approximately 6.04% over the average closing price of HK\$34.57 per Share as quoted on the Stock Exchange on the five consecutive trading days ended on the trading day immediately preceding the date of this announcement; and
- (iii) a premium of approximately 0.59% over the average closing price of HK\$36.44 per Share as quoted on the Stock Exchange on the 30 consecutive trading days ended on the trading day immediately preceding the date of this announcement.

The issue price of HK\$36.6567 per Consideration Share was determined after arm's length negotiations between the Purchaser and the Vendors with reference to the factors as mentioned in the paragraph headed "Considerations" above. Having regard to such factors, the Board considers that the issue price is fair and reasonable and the issue of the Consideration Shares at such issue price is in the interests of the Company and the Shareholders taken as a whole.

The Consideration Shares will be issued under the General Mandate. The Directors are allowed, under the General Mandate, to issue up to 360,950,000 Shares, representing 20% of the issued share capital of the Company as at 29 June 2020 (i.e. the date of the 2020 annual general meeting of the Company, at which the grant of the General Mandate was approved). Accordingly, the issue of the Consideration Shares is not subject to Shareholders' approval at a separate general meeting.

The Company will make application to the Listing Committee of the Stock Exchange for the listing of, and permission to deal, in the Consideration Shares. The Consideration Shares, when issued to be credited as fully paid, will rank *pari passu* in all respects with each other and with the Shares in issue at the time of issue of the Consideration Shares.

Changes in shareholding structure of the Company

To the best knowledge of the Directors after having made all reasonable enquiries, the Company does not have any controlling Shareholders nor any substantial Shareholders (as defined under the Listing Rules). The following table sets out the number of Shares held by the Directors, the Vendors and their respective associates and the Shareholders and their percentage shareholdings as at the date of the SP Agreement and immediately after

completion of the Acquisitions (assuming that from the date of this announcement and up to the Completion Date (immediately before Completion), (i) the Company's issued share capital will not be changed, and (ii) the number of Shares held by the persons named below will not be changed at all):

Name of Director, his/her associate(s), Shareholders and/or the Vendors	Number of Shares held as at the date of this announcement	Percentage shareholding as at the date of this announcement	Number of Shares to be held immediately after Completion	Percentage shareholding immediately after Completion
安徽海螺集團有限責任公司工會委員會 (The Staff Association of Anhui Conch Holdings Co., Ltd.*) (“SA Conch”) (Note 1)	126,651,500	7.02%	126,651,500	6.93%
Aggregate of Standard Life Aberdeen plc affiliated investment management entities	91,299,914	5.06%	91,299,914	4.99%
Mr. Guo Jingbin (Note 2)	47,680,000	2.64%	47,680,000	2.61%
Mr. Ji Qinying's spouse (Note 3)	35,033,752	1.94%	35,033,752	1.92%
Mr. Li Jian and his spouse (Note 4)	7,501,716	0.42%	7,501,716	0.41%
Mr. Li Daming and his spouse (Note 5)	6,210,563	0.34%	6,210,563	0.34%
Sub-total:	314,377,445	17.42%	314,377,445	17.20%
First Vendor	0	0%	16,808,710	0.92%
Second Vendor	0	0%	5,206,349	0.29%
Public Shareholders	1,490,372,555	82.58%	1,490,372,555	81.59%
Total:	1,804,750,000	100.00%	1,826,765,059	100.00%

Notes:

- Among these Shares, 41,560,000 Shares are directly owned by 安徽海螺創業投資有限責任公司 (Anhui Conch Venture Investment Co., Ltd.*) (“CV Investment”) and the remaining 75,643,500 Shares, 5,182,000 Shares, 3,229,500 Shares, 991,500 Shares and 45,000 Shares are owned respectively by (i) 海螺創投控股(珠海)有限公司 (Conch Venture Holdings (Zhuhai) Co., Ltd.*) (“CV Holdings (Zhuhai)”), (ii) 安徽海螺創業醫療投資管理有限責任公司 (Anhui Conch Venture Medical Investment Management Co., Ltd.*) (“CV Medical”), (iii) 海螺創業國際有限公司 (Conch Venture International Limited*) (“CVI”), (iv) 上海弋江投資有限公司 (Shanghai Yijiang Investment Limited*) (“SHYJ”) and (v) 上海新永鎰資產管理有限公司 (Shanghai Xinyongyi Asset Management Limited*) (“SHXY”), all of which are wholly-owned by CV Investment. CV Investment is deemed to be interested in the Shares in which CV Holdings (Zhuhai), CV Medical, CVI, SHYJ and SHXY are interested by virtue of the SFO. As 82.93% of CV Investment's registered capital is held by SA Conch, SA Conch is deemed to be interested in the Shares in which CV Investment is interested by virtue of the SFO.
- These Shares are owned by Splendor Court Holdings Limited which is wholly owned by Mr. Guo Jingbin. Mr. Guo Jingbin is deemed to be interested in the Shares held by Splendor Court Holdings Limited by virtue of the SFO.
- These Shares are owned by Mr. Ji Qinying's spouse, Ms. Yan Zi. Mr. Ji Qinying is deemed to be interested in the Shares held by his spouse by virtue of the SFO.

4. Among these Shares, 7,396,370 Shares are owned by Mr. Li Jian and the remaining 105,346 Shares are owned by his spouse, Ms. Wang Zhenying. Mr. Li Jian is deemed to be interested in the Shares held by his spouse by virtue of the SFO.
5. Among these Shares, 6,200,563 Shares are owned by Mr. Li Daming and the remaining 10,000 Shares are owned by Mr. Li Daming's spouse, Ms. Zhang Qingmei. Mr. Li Daming is deemed to be interested in the Shares held by his spouse by virtue of the SFO.

Conditions Precedent

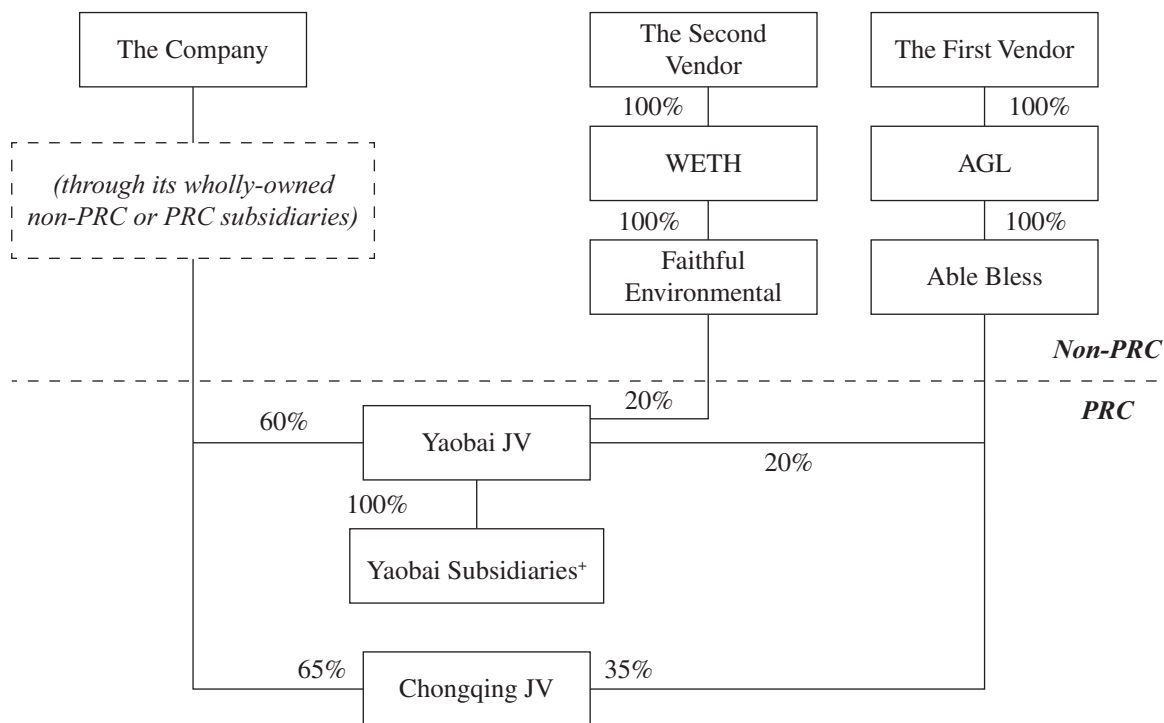
The Completion is conditional upon, among other matters, the fulfillment of the following conditions:

- (a) the Purchaser being reasonably satisfied with the due diligence results in relation to financial, business and such other aspects as the Purchaser considers appropriate of the AGL Group and the WETH Group;
- (b) the Listing Committee of the Stock Exchange having granted the listing of, and permission to deal in, the Consideration Shares;
- (c) (if required) all requisite consents, authorisations and approvals which are required on or before the Completion Date having been obtained by the Vendors, the AGL Group and the WETH Group;
- (d) (if required) the Company having complied with its obligations regarding the disclosure and approval of the SP Agreement and the transactions contemplated thereunder pursuant to its articles of association and the Listing Rules;
- (e) the Purchaser having received a PRC legal opinion to be issued by the legal advisers as to PRC laws, confirming that (i) 20% of the equity interest in Yaobai JV is owned by Able Bless (AGL's direct wholly-owned subsidiary); (ii) 35% of the equity interest of Chongqing JV is owned by Able Bless; and (iii) 20% of the equity interest in Yaobai JV is owned by Faithful Environmental (WETH's direct wholly-owned subsidiary), which opinion is in reasonable form and not subject to any unusual limitations or assumptions; and
- (f) the Purchaser being satisfied that all warranties, representations and undertakings given by each of the Vendors remain true, accurate and not misleading at any time during the period from the date of the SP Agreement to the Completion Date.

In the event that the conditions precedent are not fulfilled on or before the Long Stop Date, the SP Agreement (other than the provisions in respect of expenses, confidentiality, notice and dispute resolutions) shall terminate and the parties shall be released from their obligations under the SP Agreement, save and except for rights and remedies available to the non-defaulting party pursuant to the SP Agreement in relation to any breach prior to termination.

INFORMATION ABOUT THE WETH GROUP, THE AGL GROUP, YAOBAI GROUP AND CHONGQING JV

The following chart depicts the shareholding relationship concerning Yaobai JV, Chongqing JV, the WETH Group and the AGL Group:



+ comprising (i) Xianyang Conch Venture Environment Engineering Co., Ltd.* (咸陽海創環境工程有限公司), (ii) Hanzhong Yaobai Environmental Protection Technology Engineering Co., Ltd.* (漢中堯柏環保科技工程有限公司), (iii) Qianyang Conch Venture Environmental Protection Technology Co., Ltd.* (千陽海創環保科技有限責任公司), (iv) Tongchuan Conch Venture Environmental Protection Technology Co., Ltd.* (銅川海創環保科技有限責任公司) and (v) Fuping Conch Venture Yaobai Environmental Protection Technology Co., Ltd.* (富平海創堯柏環保科技有限責任公司)

The AGL Group comprises (i) AGL, a limited company incorporated in BVI on 19 January 2016, and (ii) Able Bless, a limited company incorporated in Hong Kong on 24 December 2015 and a direct wholly-owned subsidiary of AGL. The principal businesses of both companies are investment holding. As of the date of this announcement, Able Bless holds 20% equity interest in Yaobai JV and 35% equity interest in Chongqing JV, and will continue to hold such equity interests up to the Completion.

The WETH Group comprises (i) WETH, a limited company incorporated in BVI on 9 September 2020 and (ii) Faithful Environmental, a limited company incorporated in Hong Kong on 22 September 2020 and a direct wholly-owned subsidiary of WETH. The principal businesses of both companies are investment holding. As of the date of this announcement, Faithful Environmental holds 20% equity interest in Yaobai JV, and will continue to hold such equity interest up to the Completion.

Yaobai JV is an indirect 60%-owned subsidiary of the Company and the Yaobai Group is principally engaged in collaborative treatment of municipal waste, sludge and industrial waste by cement kilns, building materials recycling, environmental technical consultation and services.

Chongqing JV is an indirect 65%-owned subsidiary of the Company and it is principally engaged in provision of environmental science and technology research services, solid waste and hazardous waste collection, storage, and treatment.

Under the SP Agreement, one of the Vendors' warranties is that immediately before Completion, each of AGL, Able Bless, WETH and Faithful Environmental does not have any liability.

The following tables sets out the key financial information of Yaobai Group and Chongqing JV for the two years ended 31 December 2020 (or, as the case may be, as of 31 December 2020):

	For the year ended 31 December 2019 Net profit (RMB)	For the year ended 31 December 2020 (RMB) (audited)	As of 31 December 2020 Net asset value (RMB) (audited)
Yaobai Group	111,936,948	83,142,191	386,545,957
Chongqing JV	72,554,861	105,875,746	181,017,441

As AGL, Able Bless, WETH and Faithful Environmental are investment-holding companies which hold minority interests in Yaobai JV or Chongqing JV (as the case may be), none of them recorded any revenue for the two years ended 31 March 2021, AGL and Able Bless recorded loss of not more than RMB30,000 for the two years ended 31 March 2021, and WETH and Faithful Environmental (both of which were incorporated in September 2020) recorded loss of not more than RMB40,000 for the period commencing from their respective date of incorporation and ended 31 March 2021 (without taking into account of the profit attributable to the minority interests in Yaobai JV or Chongqing JV (as the case may be)).

Based on the respective audited financial statements of each of AGL, Able Bless, WETH and Faithful Environmental as provided by the Vendors, their net asset value as of 31 March 2021 is approximately RMB-104,000, RMB-90,000, RMB-35,000 and RMB-18,000 respectively (without taking into account of their investment in Yaobai JV or Chongqing JV (as the case may be)).

INFORMATION ABOUT THE GROUP AND THE PURCHASER

The Company is an investment holding company. The principal activities of the Group are provision of environmental protection solutions. The Company operates through three segments: (i) the segment of environmental protection and energy preservation equipment manufacturing, which is engaged in the provision of solutions related to industrial solid and hazardous waste disposal and waste incineration; (ii) the port logistics services segment,

which is engaged in the provision of port logistics services; and (iii) the new building materials segment, which is engaged in the sales of new building materials, such as fiber cement boards.

The Purchaser is a direct wholly-owned subsidiary of the Company and its principal business is investment holding.

INFORMATION ABOUT THE VENDORS

The Second Vendor, namely, West China Cement Limited (中國西部水泥有限公司), is a company incorporated in Jersey with limited liability, and its issued ordinary shares are listed on the Main Board of the Stock Exchange (stock code: 2233). The Second Vendor and its subsidiaries is one of the leading cement producers in Shaanxi Province, and their principal activities are manufacturing and sales of cement.

The First Vendor is a non-executive director of the Second Vendor.

REASONS FOR AND BENEFITS OF THE ACQUISITIONS

The Group aims to agglomerate its cohesiveness, continues to promote the rapid development of environment protection industry driven by the dual engines of “solid waste treatment plus grate furnace power generation”, and makes every effort to promote the continuous rapid and high-quality development of the Company in the spirit of persistent perseverance and indomitable resilience. The Group has been actively looking for market opportunities for further developing its solid waste treatment business.

As of the date of this announcement and prior to the Completion of the Acquisitions, Yaobai JV is an indirect 60%-owned subsidiary of the Company and Chongqing JV is an indirect 65%-owned subsidiary of the Company. Immediately after Completion, each of Yaobai JV (together with each of the Yaobai Subsidiaries) and Chongqing JV will become an indirect wholly-owned subsidiary of the Company. The Board considers that the Acquisitions will allow the Group to have full control of the operations of Yaobai Group and Chongqing JV, so as to ensure the efficiency and management of their solid waste treatment projects. The Acquisition would also increase the profit attributable to the equity shareholders of the Company (as a result of Yaobai JV, Yaobai Subsidiaries and Chongqing JV becoming wholly-owned subsidiaries of the Company). In addition, as the business operations of Yaobai Group and Chongqing JV are in line with the overall development objectives of the Group’s solid waste disposal business segment, the Board is of the view that the Acquisitions could strategically strengthen the Group’s market position in the solid waste treatment industry in the PRC.

Since their establishments, Yaobai JV (together with each of the Yaobai Subsidiaries) and Chongqing JV have been indirect non-wholly owned subsidiaries of the Company. Their financial results, assets and liabilities have been consolidated as part of the Group. The considerations for the Acquisitions will be satisfied by the issue of the Consideration Shares. Accordingly, (except for the effect as a result of the issue of the Consideration Shares) it is expected that after Completion, the Acquisitions will not result in any change in the revenue of the Group nor significantly change in the total assets or net assets of the Group.

The Directors (including the independent non-executive Directors) consider that the Acquisitions are carried out on normal commercial terms, which are fair and reasonable and in the interests of the Company and the Shareholders taken as a whole. To the best knowledge, information and belief of the Directors after having made all reasonable enquiries, none of the Directors has material interest in the transaction contemplated under the Agreement, and none of them is required to be abstained from voting on the relevant board resolutions.

LISTING RULES IMPLICATIONS

All applicable percentage ratios in respect of the Acquisitions (i.e. collectively, the acquisition of the AGL Sale Shares and the acquisition of the WETH Sale Shares) are less than 5%. As the Consideration for the Acquisitions will be satisfied by the issue of the Consideration Shares, the Acquisitions constitute a share transaction for the Company and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

As of the date of this announcement and immediately prior to completion of the Acquisitions, the First Vendor indirectly holds 20% of the equity interest in Yaobai JV and 35% of the equity interest in Chongqing JV, and the Second Vendor indirectly holds 20% of the equity interest in Yaobai JV. Accordingly, the First Vendor is a substantial shareholder of each of Yaobai JV and Chongqing JV, and the Second Vendor is a substantial shareholder of Yaobai JV. Both of Yaobai JV (taking into account Yaobai JV and the Yaobai Subsidiaries) and Chongqing JV (whether upon aggregation or singly) are insignificant subsidiaries of the Company. For such reasons, notwithstanding the Vendors being substantial shareholders of Yaobai JV and/or Chongqing JV, the Vendors and their associates are not regarded as connected persons of the Company by virtue of Rule 14A.09 of the Listing Rules.

As the Acquisitions are subject to the fulfillment of certain conditions precedent set out in the SP Agreement, the transactions contemplated thereunder may or may not proceed to Completion. Shareholders and potential investors of the Company should exercise caution when dealing in the securities in the Company.

DEFINITIONS

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

“Able Bless”	Able Bless Inc. Limited (萬福興業有限公司), a company incorporated in Hong Kong with limited liability on 24 December 2015 (company no. 2323448) and a direct wholly-owned subsidiary of AGL
“Acquisitions”	the acquisition by the Purchaser (i) from the First Vendor, of the AGL Sale Shares; and (ii) from the Second Vendor, the WETH Sale Shares, pursuant to the SP Agreement
“AGL”	Aqualink Global Limited, a company incorporated in BVI with limited liability on 19 January 2016 (company no. 1904019)
“AGL Consideration”	the consideration of HK\$616,151,831 for the acquisition of AGL Sale Shares
“AGL Group”	the group of companies comprising of AGL and its wholly-owned subsidiary(ies)
“AGL Sale Shares”	the entire issued share capital in AGL, which is comprised of 200 shares of US\$1 each in AGL as of the SPA Date
“associate(s)”	having the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“BVI”	British Virgin Islands
“Chongqing JV”	Chongqing Conch Venture Environmental Protection Technology Co., Ltd* (重慶海創環保科技有限責任公司), a limited liability company established in the PRC, and which (as of the date of this announcement and immediately prior to Completion) is a 65%-owned subsidiary of the Company, and whose remaining 35% equity interest is held by the AGL Group
“Company”	China Conch Venture Holdings Limited (中國海螺創業控股有限公司), an exempted company incorporated in the Cayman Islands with limited liability, and the issued shares of which are listed on the Main Board of the Stock Exchange (stock code: 586)
“Completion”	completion of the Acquisitions in accordance with the terms and conditions of the SP Agreement
“Completion Date”	date of completion of the Acquisitions

“connected person(s)”	having the meaning ascribed to it under the Listing Rules
“Consideration”	the aggregate consideration of HK\$806,999,411, comprising (i) HK\$616,151,831 for the acquisition of the AGL Sale Shares; and (ii) HK\$190,847,580 for the acquisition of WETH Sale Shares
“Consideration Shares”	the aggregate of 22,015,059 new Shares, comprising (i) 16,808,710 Tranche A Consideration Shares and (ii) 5,206,349 Tranche B Consideration Shares
“Director(s)”	the director(s) of the Company
“Faithful Environmental”	Faithful Environmental Technology Limited (誠信環保科技有限公司), a company incorporated in Hong Kong with limited liability on 22 September 2020 (company no. 2979522) and a direct wholly-owned subsidiary of WETH
“First Vendor”	Mr. Ma Zhaoyang (馬朝陽), a Singapore citizen, who is a substantial shareholder of Yaobai JV and Chongqing JV (both of which are insignificant subsidiaries of the Company)
“General Mandate”	the general mandate granted to the Directors pursuant to an ordinary resolution passed by the Shareholders at the Company’s annual general meeting held on 29 June 2020, which mandate allowed the Directors to allot, issue and otherwise deal with up to 360,950,000 Shares (representing 20% of the total number of Shares in issue as at the date of grant of such general mandate)
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	individual(s) or company(ies) who is (are) not a connected person(s) of the Company within the meaning ascribed under the Listing Rules
“Listing Committee”	the Listing Committee of the Stock Exchange
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	31 July 2021 or such other date as shall be agreed among the parties to the SP Agreement

“PRC”	the People’s Republic of China, and for the purpose of this announcement, excluding Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“Purchaser”	China Conch Environment Protection Holdings Limited (中國海螺環保控股有限公司), a direct wholly-owned subsidiary of the Company
“RMB”	Renminbi, the lawful currency of the PRC
“Second Vendor”	West China Cement Limited (中國西部水泥有限公司), a company incorporated in Jersey with limited liability and the issued shares of which are listed on the Main Board of the Stock Exchange (stock code: 2233), which is a substantial shareholder of Yaobai JV (an insignificant subsidiary of the Company) as at the date of the SP Agreement
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	shareholder(s) of the Company
“SP Agreement”	the sale and purchase agreement dated 7 June 2021 and entered into between the Purchaser and the Vendors in relation to, among other things, the Acquisitions
“SPA Date”	7 June 2021, being the date of the SP Agreement being entered into
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Companies”	AGL and WETH
“Tranche A Consideration Shares”	16,808,710 new Shares to be allotted and issued by the Company to the First Vendor pursuant to the SP Agreement, in consideration for the acquisition of the AGL Sale Shares
“Tranche B Consideration Shares”	5,206,349 new Shares to be allotted and issued by the Company to the Second Vendor pursuant to the SP Agreement, in consideration for the acquisition of the WETH Sale Shares
“US\$”	United States dollars, the lawful currency of the United States of America
“Vendors”	collectively, the First Vendor and the Second Vendor

“WETH”	West Environmental Technology Holdings Limited (西部環保科技控股有限公司), a company incorporated in BVI with limited liability on 9 September 2020 (company no. 2043402)
“WETH Consideration”	the consideration of HK\$190,847,580 for the acquisition of WETH Sale Shares
“WETH Group”	the group of companies comprising of WETH and its wholly-owned subsidiary(ies)
“WETH Sale Shares”	the entire issued share capital in WETH, which is comprised of 200 shares of US\$1 each in WETH as of the SPA Date
“Yaobai Group”	the group of companies comprising Yaobai JV and the five Yaobai Subsidiaries
“Yaobai JV”	Xi’an Yaobai JV Technology Engineering Co., Ltd* (西安堯柏環保科技工程有限公司), a limited liability company established in the PRC, which (as of the date of this announcement and immediately prior to the Completion) is a 60%-owned subsidiary of the Company, and whose remaining equity interests are indirectly held as to 20% by the WETH Group and indirectly held as to 20% by the AGL Group
“Yaobai Subsidiaries”	the subsidiaries of Yaobai JV, which are all wholly-owned by Yaobai JV, comprising (i) Xianyang Conch Venture Environment Engineering Co., Ltd.* (咸陽海創環境工程有限公司), (ii) Hanzhong Yaobai Environmental Protection Technology Engineering Co., Ltd.* (漢中堯柏環保科技工程有限公司), (iii) Qianyang Conch Venture Environmental Protection Technology Co., Ltd.* (千陽海創環保科技有限責任公司), (iv) Tongchuan Conch Venture Environmental Protection Technology Co., Ltd.* (銅川海創環保科技有限責任公司) and (v) Fuping Conch Venture Yaobai Environmental Protection Technology Co., Ltd.* (富平海創堯柏環保科技有限責任公司)

By Order of the Board
China Conch Venture Holdings Limited
SHU Mao
Company Secretary

Anhui Province, the People’s Republic of China
7 June 2021

As at the date of this announcement, the Board comprises Mr. GUO Jingbin (Chairman), Mr. JI Qinying (Chief Executive Officer), Mr. LI Jian and Mr. LI Daming as executive Directors; Mr. CHANG Zhangli as non-executive Director; and Mr. CHAN Chi On (alias Derek CHAN), Mr. CHAN Kai Wing and Mr. LAU Chi Wah, Alex as independent non-executive Directors.

** English translation or transliteration of Chinese name for identification purpose only*