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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)

**CONTINUING CONNECTED TRANSACTIONS:
(1) MASTER PROCUREMENT AGREEMENT;
(2) MASTER PORT SERVICES AGREEMENT;
(3) MASTER CONSTRUCTION SERVICES AGREEMENT; AND
(4) MASTER TENANCY AGREEMENT**

BACKGROUND

The Company was informed by CV Investment, pursuant to its disclosure obligations under Part XV of the Securities and Futures Ordinance, following acquisitions by CV Investment (together with some of its wholly-owned subsidiaries) of the Shares in open market, on 6 December 2022, the number of Shares held by CV Investment (together with its relevant wholly-owned subsidiaries) amounted to 181,434,500, representing approximately 10.01% of the issued share capital in the Company. Accordingly, with effect from 6 December 2022, CV Investment became a substantial shareholder of the Company and hence a connected person of the Company under Rule 14A.07 of the Listing Rules. Other members of CV Investment Group (being subsidiaries of CV Investment) are associates of CV Investment, and hence have (with effect from 6 December 2022) become connected persons of the Company under Rule 14A.13(1) of the Listing Rules.

(1) THE MASTER PROCUREMENT AGREEMENT

On 4 January 2023, the Master Procurement Agreement was entered into between CV Investment (for itself and on behalf of its subsidiaries) (as service providers) and the Company (for itself and on behalf of its subsidiaries) (as receiving parties). Pursuant to the Master Procurement Agreement, the Group agreed to procure the Relevant Products from CV Investment Group for a term commencing from 1 January 2023 to 31 December 2025.

(2) THE MASTER PORT SERVICES AGREEMENT

On 4 January 2023, the Master Port Services Agreement was entered into between the Company (for itself and on behalf of its subsidiaries) (as service providers) and CV Investment (for itself and on behalf of its subsidiaries) (as receiving parties). Pursuant to the Master Port Services Agreement, the Group agreed to provide the Port Services to CV Investment Group at the port owned by the Group for a term commencing from 1 January 2023 to 31 December 2025.

(3) THE MASTER CONSTRUCTION SERVICES AGREEMENT

On 4 January 2023, the Master Construction Services Agreement was entered into between CV Investment (for itself and on behalf of its subsidiaries) (as service providers) and the Company (for itself and on behalf of its subsidiaries) (as receiving parties). Pursuant to the Master Construction Services Agreement, CV Investment Group agreed to provide the Construction Services to the Group for a term commencing from 1 January 2023 to 31 December 2025.

(4) THE MASTER TENANCY AGREEMENT

On 4 January 2023, the Master Tenancy Agreement was entered into between CV Investment (for itself and on behalf of its subsidiaries) (as landlords) and the Company (for itself and on behalf of its subsidiaries) (as tenants). Pursuant to the Master Tenancy Agreement, CV Investment Group agreed to lease the Relevant Properties to the Group, on and subject to the respective terms and conditions contained therein. The Master Tenancy Agreement has a term of not more than 3 years commencing from 1 January 2023 to 31 December 2025.

IMPLICATIONS OF THE LISTING RULES REGARDING THE CCT AGREEMENTS

Since 6 December 2022 and as at the date of this announcement, as CV Investment (and other members of CV Investment Group) have become (and remain to be) connected persons of the Company under Chapter 14A of the Listing Rules, the CCT Agreements (i.e. the Master Procurement Agreement, the Master Port Services Agreement, the Master Construction Services Agreement and the Master Tenancy Agreement) and the respective transactions contemplated thereunder constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

The Group has entered into the following agreements with CV Investment Group:

- (i) the Master Procurement Agreement;
- (ii) the Master Port Services Agreement;
- (iii) the Master Construction Services Agreement; and
- (iv) the Master Tenancy Agreement (the annual caps of which represent the total value of right-of-use assets relating to the leases to be entered into by the Group under the Master Tenancy Agreement);

as the highest applicable percentage ratio (as defined in the Listing Rules) in respect of annual caps for each of the above transactions contemplated therein exceeds 0.1% but is less than 5%, the transactions contemplated under each of the CCT Agreements are subject to the reporting, annual review and announcement requirements, but exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

BACKGROUND

The Company was informed by CV Investment, pursuant to its disclosure obligations under Part XV of the Securities and Futures Ordinance, following acquisitions by CV Investment (together with some of its wholly-owned subsidiaries) of the Shares in open market, on 6 December 2022, the number of Shares held by CV Investment (together with its relevant wholly-owned subsidiaries) amounted to 181,434,500, representing approximately 10.01% of the issued share capital in the Company. Accordingly, with effect from 6 December 2022, CV Investment became a substantial shareholder of the Company and hence a connected person of the Company under Rule 14A.07 of the Listing Rules. Other members of CV Investment Group (being subsidiaries of CV Investment) are associates of CV Investment, and hence have (with effect from 6 December 2022) become connected persons of the Company under Rule 14A.13(1) of the Listing Rules.

(1) THE MASTER PROCUREMENT AGREEMENT

On 4 January 2023, the Master Procurement Agreement was entered into between CV Investment (for itself and on behalf of its subsidiaries) (as service providers) and the Company (for itself and on behalf of its subsidiaries) (as receiving parties). Pursuant to the Master Procurement Agreement, the Group agreed to procure the Relevant Products from CV Investment Group for a term commencing from 1 January 2023 to 31 December 2025.

Principal terms of the Master Procurement Agreement

The principal terms of the Master Procurement Agreement are summarised below:

Date of the Master Procurement Agreement: 4 January 2023

Parties: (i) CV Investment (for itself and on behalf of its subsidiaries) (as service providers); and
(ii) the Company (for itself and on behalf of its subsidiaries) (as receiving parties)

Term: From 1 January 2023 to 31 December 2025

Products to be procured by the Group from CV Investment Group: Products to be procured by the Group from CV Investment Group include:

- (i) the relevant materials and equipment involved in the operation and production of the Group, including but not limited to materials such as steel (e.g. boiler seamless steel pipes);
- (ii) office supplies and equipment required by the Group; and
- (iii) merchandise for the Group's business activities;

(products mentioned in paragraphs (i) to (iii) above are collectively referred to as the “**Relevant Products**”).

With respect to the procurement of the Relevant Products, individual members of CV Investment Group (as service providers) and individual members of the Group (as receiving parties) will enter into individual procurement agreements with specific terms and conditions, including but not limited to (i) the types and quality of the Relevant Products and the corresponding quantities and/or amount; (ii) purchase price of the Relevant Products and the related payment terms and settlement method; and (iii) delivery, shipping, packaging and acceptance terms.

Pricing policy and pricing procedure

In respect of the Relevant Products to be procured by the Group from CV Investment Group, the purchase prices of the Relevant Products offered to the Group are determined through arm's length negotiations and taking into account the comparable market prices. The Group shall obtain quotations from at least two Independent Third Parties for the same and/or similar products and the price to be finally agreed with CV Investment Group shall be no less favourable to the Group than the prices stated in such quotation.

The prices of the Relevant Products offered by CV Investment Group to the Group will be determined on arm's length basis and on a cost-plus basis with reference to the trading costs of the Relevant Products (including the purchase price and other costs) plus a mark-up of not more than 10% to ensure that the prices offered by the connected persons to the Group are not higher than those offered by the Independent Third Parties to the Group.

As part of the Group's pricing procedures, quotations provided by the Independent Third Parties and CV Investment Group will be reviewed by the relevant business management department and submitted to the general manager for approval to ensure that the quotations provided by the connected persons to the Group are no less favourable than those provided by the Independent Third Parties to the Group and the terms are fair and reasonable.

Historical transaction amounts

The historical transaction amounts in relation to the total purchase prices of the Relevant Products paid or payable by the Group to CV Investment Group for the procurement of the Relevant Products from CV Investment Group for each of FY2020, FY2021 and FY2022 (up to 30 November 2022) are set out below:

	FY2020	FY2021	FY2022
			(up to 30
			November
			2022)
	<i>(RMB million)</i>	<i>(RMB million)</i>	<i>(RMB million)</i>
Purchase prices paid or payable by the Group ^(Note)	45.7	79.7	69.1

Note: For the reason that, in March 2022, China Conch Environment Protection Holdings Limited (中國海螺環保控股有公司, “**Conch Environment**”), a former subsidiary of the Company (which, together with its subsidiaries, are principally engaged in the solid waste treatment business), was spun off (“**Spin Off**”) and separately listed on the Main Board of the Stock Exchange and that the solid waste treatment business is classified as discontinued operations of the Group, the above historical transaction amounts for each of FY2020, FY2021 and FY2022 (up to 30 November 2022) did not take into account purchase prices of the Relevant Products paid or payable by Conch Environment (and its subsidiaries) to CV Investment Group.

Proposed annual caps and basis of determination of the proposed annual caps

The estimated annual cap for the transactions contemplated under the Master Procurement Agreement for each of FY2023, FY2024 and FY2025 will be as follows:

	FY2023 <i>(RMB million)</i>	FY2024 <i>(RMB million)</i>	FY2025 <i>(RMB million)</i>
Annual caps for total purchase prices of the Relevant Products payable by the Group	77.0	85.0	90.0

The above estimated annual caps are determined with reference to the following factors:

- (i) historical transaction amounts for the Relevant Products procured by the Group from CV Investment Group;
- (ii) the anticipated demand of the Group for the Relevant Products calculated based on the Group's operation plans for each of FY2023, FY2024 and FY2025; and
- (iii) the current trends of market price of the same, similar or alternative for the Relevant Products.

(2) THE MASTER PORT SERVICES AGREEMENT

On 4 January 2023, the Master Port Services Agreement was entered into between the Company (for itself and on behalf of its subsidiaries) (as service providers) and CV Investment (for itself and on behalf of its subsidiaries) (as receiving parties). Pursuant to the Master Port Services Agreement, the Group agreed to provide the Port Services to CV Investment Group at the port owned by the Group for a term commencing from 1 January 2023 to 31 December 2025.

Principal terms of the Master Port Services Agreement

The principal terms of the Master Port Services Agreement are summarised below:

Date of the Master Port Services Agreement:	4 January 2023
Parties:	(i) The Company (for itself and on behalf of its subsidiaries) (as service providers); and (ii) CV Investment (for itself and on behalf of its subsidiaries) (as receiving parties)
Term:	From 1 January 2023 to 31 December 2025

Services to be provided by the Group to CV Investment Group:

Services to be provided by the Group to CV Investment Group include port services, such as arranging for berths, and loading and unloading services (collectively, the “**Port Services**”).

With respect to the provision of the Port Services by the Group, individual members of the Group (as service providers) and individual members of CV Investment Group (as receiving parties) will enter into individual port services agreements with specific terms and conditions, including but not limited to (i) details of the Port Services; and (ii) service fees for the Port Services and all related fees and the related payment terms and settlement method.

Pricing policy and pricing procedure

The service fees receivable by the Group from the CV Investment Group under the individual port services agreements are determined after arm’s length negotiations with reference to the fees charged by the Group (as service provider) to at least one Independent Third Party for services of similar nature to ensure that the terms offered by the connected persons to the Group are no less favourable to the Group than those offered by the Independent Third Parties.

As part of the Group’s pricing procedures, the fees charged by the Group to connected persons and the Independent Third Parties for services of similar nature will be reviewed by the relevant business management department and submitted to the general manager for approval to ensure that the quotations offered by the connected persons to Group are no less favourable than those offered by independent third parties to the Group and the terms are fair and reasonable.

Historical transaction amounts

The historical transaction amounts in relation to the total service fees incurred by CV Investment Group to the Group for the provision of the Port Services by the Group for each of FY2020, FY2021 and FY2022 (up to 30 November 2022) are set out below:

	FY2020 <i>(RMB million)</i>	FY2021 <i>(RMB million)</i>	FY2022 (up to 30 November 2022) <i>(RMB million)</i>
Service fees incurred by CV Investment Group	12.8	14.9	12.2

Proposed annual caps and basis of determination of the proposed annual caps

The estimated annual cap for the transactions contemplated under the Master Port Services Agreement for each of FY2023, FY2024 and FY2025 will be as follows:

	FY2023 <i>(RMB million)</i>	FY2024 <i>(RMB million)</i>	FY2025 <i>(RMB million)</i>
Annual caps for total service fees payable to the Group	25.0	28.0	30.0

The above estimated annual caps are determined with reference to the following factors:

- (i) historical transaction amounts for the service fees incurred by CV Investment Group to the Group (the Group previously provided the Port Services to only one member of CV Investment Group);
- (ii) the anticipated demand of CV Investment Group for the Port Services based on CV Investment Group's operation plans for each of FY2023, FY2024 and FY2025, in particular, since FY2023, (in addition to providing the Port Services to one member of CV Investment Group) the Group will enter into the original individual port service agreement with another member of CV Investment Group and to which it will also provide the Port Services; and
- (iii) the current trends of market price of the same, similar or alternative for the Port Services.

(3) THE MASTER CONSTRUCTION SERVICES AGREEMENT

On 4 January 2023, the Master Construction Services Agreement was entered into between CV Investment (for itself and on behalf of its subsidiaries) (as service providers) and the Company (for itself and on behalf of its subsidiaries) (as receiving parties). Pursuant to the Master Construction Services Agreement, CV Investment Group agreed to provide the Construction Services to the Group for a term commencing from 1 January 2023 to 31 December 2025.

Principal terms of the Master Construction Services Agreement

The principal terms of the Master Construction Services Agreement are summarised below:

Date of the Master Construction Services Agreement: 4 January 2023

- Parties:
- (i) CV Investment (for itself and on behalf of its subsidiaries) (as service providers); and
 - (ii) the Company (for itself and on behalf of its subsidiaries) (as receiving parties)

Term: From 1 January 2023 to 31 December 2025

Services to be provided by CV Investment Group to the Group: Services to be provided by CV Investment Group to the Group include civil engineering, equipment installation and related Construction services (collectively, the “**Construction Services**”).

With respect to the provision of the Construction Services by CV Investment Group, individual members of CV Investment Group (as service providers) and individual members of the Group (as receiving parties) will enter into individual Construction services agreements with specific terms and conditions, including but not limited to (i) details of the Construction Services; and (ii) service fees for the Construction Services and all related fees and the related payment terms and settlement method.

Pricing policy and pricing procedure

The service fees payable by the Group under the individual construction services agreements are determined by relevant parties after arm’s length negotiations on a project-by-project basis and taking into account comparable market prices. The Group shall obtain quotations from at least two Independent Third Parties for construction projects of similar scale and complexity, and the price to be finally agreed with CV Investment Group shall be no less favourable to the Group than the prices stated in such quotations.

As part of the Group’s pricing procedures, quotations provided by the Independent Third Parties and CV Investment Group will be reviewed by the relevant business management department and submitted to the general manager for approval to ensure that the quotations provided by the connected persons to the Group are no less favourable than those provided by the Independent Third Parties to the Group and the terms are fair and reasonable.

Historical transaction amounts

The historical transaction amounts in relation to the total service fees paid or payable by the Group to CV Investment Group for the provision of the Construction Services by CV Investment Group for each of FY2020, FY2021 and FY2022 (up to 30 November 2022) are set out below:

	FY2020 <i>(RMB million)</i>	FY2021 <i>(RMB million)</i>	FY2022 (up to 30 November 2022) <i>(RMB million)</i>
Service fees paid or payable by the Group	0.6	24.7	7.5

Proposed annual caps and basis of determination of the proposed annual caps

The estimated annual cap for the transactions contemplated under the Master Construction Services Agreement for each of FY2023, FY2024 and FY2025 will be as follows:

	FY2023 <i>(RMB million)</i>	FY2024 <i>(RMB million)</i>	FY2025 <i>(RMB million)</i>
Annual caps for total service fees payable by the Group	50.0	50.0	50.0

The above estimated annual caps are determined with reference to the following factors:

- (i) historical transaction amounts for the service fees payable by the Group to CV Investment Group;
- (ii) the Group entered into the individual construction services agreements with CV Investment Group with a contract sum of approximately RMB46.0 million for the successfully tendered projects;
- (iii) the anticipated demand of the Group for the Construction Services based on the estimated projects to be tendered by the Group for each of FY2023, FY2024 and FY2025 and the estimated success rate for such tenders (based upon the historical tendering success rate and participation rate of the Group over FY2020 to FY2022);
- (iv) the expected transaction amounts arising from the Construction Services that may change during the implementation of the project; and
- (v) the current trends of market price of the same, similar or alternative for the Construction Services.

(4) THE MASTER TENANCY AGREEMENT

On 4 January 2023, the Master Tenancy Agreement was entered into between CV Investment (for itself and on behalf of its subsidiaries) (as landlords) and the Company (for itself and on behalf of its subsidiaries) (as tenants). Pursuant to the Master Tenancy Agreement, CV Investment Group agreed to lease the Relevant Properties to the Group, on and subject to the respective terms and conditions contained therein. The Master Tenancy Agreement has a term of not more than 3 years commencing from 1 January 2023 to 31 December 2025.

Principal terms of the Master Tenancy Agreement

The principal terms of the Master Tenancy Agreement are summarised below:

Date of the Master Tenancy Agreement:	4 January 2023
Parties:	(i) CV Investment (for itself and on behalf of its subsidiaries) (as landlords); and (ii) the Company (for itself and on behalf of its subsidiaries) (as tenants)
Term:	From 1 January 2023 to 31 December 2025
Premises to be leased under the Master Tenancy Agreement:	Under the Master Tenancy Agreement, the Group expects to lease from CV Investment Group: (i) certain offices located in Yijiang District, Wuhu City, Anhui Province; (ii) an apartment located in Yijiang District, Wuhu City, Anhui Province; and (iii) an office located in Pudong New Area, Shanghai.

With respect to the Relevant Properties to be leased under the Master Tenancy Agreement, individual members of CV Investment Group (as landlords) and individual members of the Group (as tenants) will enter into individual tenancy agreements which prescribe specific lease terms and conditions (including rental, payment method and other terms).

Use: The Relevant Properties will be used by the Group for (i) offices; (ii) canteens; and (iii) staff dormitories.

Rent: The annual rentals payable by the Group under the individual tenancy agreements are determined through arm's length negotiations and shall not exceed the prevailing market rates for each of the Relevant Properties as at 28 December 2022 based on the valuation results of an independent property valuer.

Pricing policy and pricing procedure

The annual rentals payable by the Group under the individual tenancy agreements are determined after arm's length negotiations and shall not exceed the prevailing market price of each of the Relevant Properties as at 28 December 2022 based on the valuation results of an independent property valuer. The data obtained will be reviewed by the relevant business management department and submitted to the general manager for approval to check the compliance with the pricing policy and ensure the lease terms are fair and reasonable.

Historical transaction amounts

The historical annual rental paid or payable by the Group regarding the leasing of the Relevant Properties under previous individual tenancy agreements for each of FY2020, FY2021 and FY2022 (up to 30 November 2022) are set out below:

	FY2020	FY2021	FY2022
	<i>(RMB million)</i>	<i>(RMB million)</i>	<i>(RMB million)</i>
Rental paid or payable by the Group ^(Note)	9.4	10.8	9.3

Note: Due to the Spin Off of Conch Environment and that the solid waste treatment business is classified as discontinued operations of the Group, the above historical transaction amounts for each of FY2020, FY2021 and FY2022 (up to 30 November 2022) did not take into account historical rental paid or payable by Conch Environment (and its subsidiaries) to CV Investment Group.

Except five individual tenancy agreements, the Group recognised the addition of right-of-use assets of nil, nil and approximately RMB11.0 million for each of FY2020, FY2021 and FY2022 (up to 30 November 2022) respectively, during FY2020, FY2021 and FY2022, the Group and CV Investment Group entered into short-term leases with a lease term of 12 months or less for other Relevant Properties. As such, no right-of-use asset was recognised by the Group for FY2020, FY2021 and FY2022 in respect of these Relevant Properties.

Proposed annual caps and basis of determination of the proposed annual caps

Pursuant to the requirements of the Listing Rules, as the transactions contemplated under the Master Tenancy Agreement will be recognised as the acquisitions of right-of-use assets, the Group is required to set annual caps on the total value of right-of-use assets relating to the leases to be entered into by the Group as a lessee for each of FY2023, FY2024 and FY2025 under the Master Tenancy Agreement.

The estimated annual caps, which represent the total value of right-of-use assets relating to the leases to be entered into by the Group under the Master Tenancy Agreement, for FY2023, FY2024 and FY2025 will be as follows:

	FY2023 <i>(RMB million)</i>	FY2024 <i>(RMB million)</i>	FY2025 <i>(RMB million)</i>
Annual caps for the Master Tenancy Agreement	40.0	2.0	1.0

The above estimated annual caps are determined with reference to the following factors:

- (i) the annual rentals payable (determined with reference to the prevailing market rates based on the valuation results of an independent property valuer) under the individual tenancy agreements to be entered into between the Group and CV Investment Group in respect of the Relevant Properties;
- (ii) the gross floor area of the Relevant Properties to be leased from CV Investment Group under the Master Tenancy Agreement; and
- (iii) the value of the Group's rights to use the underlying leased asset for the lease term which is initially measured at cost.

REASONS AND BENEFITS FOR ENTERING INTO THE CCT AGREEMENTS

In previous years, the Group has (i) procured the Relevant Products from CV Investment Group; (ii) provided the Port Services to CV Investment Group; (iii) engaged CV Investment Group for the provision of the Construction Services; and (iv) leased the Relevant Properties from CV Investment Group. The Board believes that the continuation of the relevant transactions with CV Investment Group, by entering into the CCT Agreements (i.e. the Master Procurement Agreement, the Master Port Services Agreement, the Master Construction Services Agreement and the Master Tenancy Agreement), would ensure operational continuity and minimise any disruptions to the operations and business of the Group.

Furthermore, in respect of the Master Procurement Agreement and the Master Construction Services Agreement, based on the established long-term cooperation relationship between the Group and CV Investment Group, CV Investment Group has a track record of providing stable supply of quality Relevant Products and quality Construction Services; in respect of the Master Port Services Agreement, the transactions contemplated thereunder are part of or related to the principal business activities of the Group and are expected to provide consistent source of revenue to the Group.

The Directors (excluding the Directors who have a material interest in the transactions contemplated under the CCT Agreements, but including the independent non-executive Directors) consider that each of the CCT Agreements is entered into in the ordinary and usual course of the Group's business and on normal commercial terms, which are fair and reasonable and in the interests of the Company and the shareholders of the Company taken as a whole.

Each of Mr. Guo Jingbin, Mr. Ji Qinying, Mr. Shu Mao, Mr. Li Jian and Mr. Li Daming holds, directly or indirectly, not more than 5% of the equity interest in CV Investment. Therefore, they are deemed to have material interest in the transactions contemplated under each of the CCT Agreements, and thus have abstained from voting on the relevant resolution at the Board meeting. Save as mentioned above, none of the other Directors has a material interest in such transactions and is required to abstain from voting on the relevant resolution at the Board meeting.

GENERAL

Information about the Group

The Company is an investment holding company. The principal activities of the Group are provision of comprehensive integrated solutions for energy-saving and environmental protection. Its scope of business includes construction and operation of waste-to-energy projects, port logistics services, the manufacturing and sales of new building materials and investments.

Information about CV Investment Group

CV Investment is a company established in the PRC with limited liability and is owned as to approximately 82.93%, 6.67%, 5.47% and 2.05% by SA Conch, SA Ningguo, SA Baimashan and SA Profiles respectively, and the remaining equity interest is held by several individuals (each directly holds less than 1% of the equity interest in CV Investment). Each of the Staff Associations has been holding equity interests in CV Investment for the benefit of respective staff association members and on behalf of respective staff association members. CV Investment Group is principally engaged in the business of trade logistics, high-end equipment manufacturing, financial investment, medical care, hotels and other industries in the PRC.

IMPLICATIONS OF THE LISTING RULES REGARDING THE CCT AGREEMENTS

Since 6 December 2022 and as at the date of this announcement, as CV Investment (and other members of CV Investment Group) have become (and remain to be) connected persons of the Company under Chapter 14A of the Listing Rules, the CCT Agreements (i.e. the Master Procurement Agreement, the Master Port Services Agreement, the Master Construction Services Agreement and the Master Tenancy Agreement) and the respective transactions contemplated thereunder constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

The Group has entered into the following agreements with CV Investment Group:

- (i) the Master Procurement Agreement;
- (ii) the Master Port Services Agreement;
- (iii) the Master Construction Services Agreement; and
- (iv) the Master Tenancy Agreement (the annual caps of which represent the total value of right-of-use assets relating to the leases to be entered into by the Group under the Master Tenancy Agreement);

as the highest applicable percentage ratio (as defined in the Listing Rules) in respect of annual caps for each of the above transactions contemplated therein exceeds 0.1% but is less than 5%, the transactions contemplated under each of the CCT Agreements are subject to the reporting, annual review and announcement requirements, but exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

DEFINITIONS

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

“associate(s)”	having the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“CCT Agreements”	collectively, the Master Procurement Agreement, the Master Port Services Agreement, the Master Construction Services Agreement and the Master Tenancy Agreement
“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)
“connected person(s)”	having the meaning ascribed to it under the Listing Rules

“Construction Services”	having the meaning as defined in the paragraph headed “The Master Construction Services Agreement — Principal terms of the Master Construction Services Agreement” in this announcement
“CV Investment”	安徽海螺創業投資有限責任公司 (Anhui Conch Venture Investment Co., Ltd.*), a company established in the PRC and a substantial shareholder of the Company as at the date of this announcement
“CV Investment Group”	the group of companies comprising CV Investment and its subsidiaries from time to time, which are connected persons of the Company as at the date of this announcement
“Director(s)”	the director(s) of the Company
“FY2020”, “FY2021” and “FY2022”	each financial year ended 31 December 2020, 31 December 2021 and 31 December 2022, respectively
“FY2023”, “FY2024” and “FY2025”	each financial year ending 31 December 2023, 31 December 2024 and 31 December 2025, respectively
“Group”	the Company and its subsidiaries from time to time
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	person(s) or entity(ies) and their respective ultimate beneficial owner(s), who/which, to the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, is/are independent of the Company and its connected persons
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Master Construction Services Agreement”	the master construction services agreement dated 4 January 2023 and entered into between CV Investment (for itself and on behalf of its subsidiaries) and the Company (for itself and on behalf of its subsidiaries), pursuant to which CV Investment Group agreed to provide construction services stated therein to the Group
“Master Port Services Agreement”	the master port services agreement dated 4 January 2023 and entered into between CV Investment (for itself and on behalf of its subsidiaries) and the Company (for itself and on behalf of its subsidiaries), pursuant to which the Group agreed to provide port services stated therein to CV Investment Group

“Master Procurement Agreement”	the master procurement agreement dated 4 January 2023 and entered into between CV Investment (for itself and on behalf of its subsidiaries) and the Company (for itself and on behalf of its subsidiaries), pursuant to which CV Investment Group agreed to provide procurement services stated therein to the Group
“Master Tenancy Agreement”	the master tenancy agreement dated 4 January 2023 and entered into between CV Investment (for itself and on behalf of its subsidiaries) and the Company (for itself and on behalf of its subsidiaries), pursuant to which CV Investment Group agreed to lease the Relevant Properties to the Group
“Port Services”	having the meaning as defined in the paragraph headed “The Master Port Services Agreement — Principal terms of the Master Port Services Agreement” in this announcement
“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
“Relevant Products”	having the meaning as defined in the paragraph headed “The Master Procurement Agreement — Principal terms of the Master Procurement Agreement” in this announcement
“Relevant Properties”	having the meaning as defined in the paragraph headed “The Master Tenancy Agreement — Principal terms of the Master Tenancy Agreement” in this announcement
“RMB”	Renminbi, the lawful currency of the PRC
“SA Baimashan”	The Staff Association of Anhui Baimashan Cement Plant* (安徽省白馬山水泥廠工會委員會), a social organisation legal entity (社會團體法人) and one of the shareholders of CV Investment
“SA Conch”	The Staff Association of Anhui Conch Holdings Co., Ltd.* (安徽海螺集團有限責任公司工會委員會), a social organisation legal entity (社會團體法人) and one of the shareholders of CV Investment
“SA Ningguo”	The Staff Association of Anhui Ningguo Cement Plant* (安徽省寧國水泥廠工會委員會), a social organisation legal entity (社會團體法人) and one of the shareholders of CV Investment

“SA Profiles”	The Staff Association of Wuhu Conch Profiles Technology Co., Ltd.* (蕪湖海螺型材科技股份有限公司工會委員會), a social organisation legal entity (社會團體法人) and one of the shareholders of CV Investment
“Securities and Futures Ordinance”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Shares”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder”	having the meaning ascribed to it under the Listing Rules
“%”	per cent.

By Order of the Board
China Conch Venture Holdings Limited
CHEN Xingqiang
Joint Company Secretary

Anhui Province, the People’s Republic of China
4 January 2023

As at the date of this announcement, the Board comprises Mr. JI Qinying (Vice-Chairman and Chief Executive Officer), Mr. SHU Mao, Mr. LI Jian and Mr. LI Daming as executive Directors; Mr. GUO Jingbin (Chairman) and Mr. YU Kaijun as non-executive Directors; 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*