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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)**

**DISCLOSEABLE TRANSACTION  
IN RELATION TO THE ACQUISITION OF  
ABOUT 10.37% OF THE EQUITY INTEREST IN A SUBSIDIARY**

**EQUITY TRANSFER AGREEMENTS**

The Board is pleased to announce that, on 3 November 2023, the Purchaser (a wholly-owned subsidiary of the Company) and the Sellers entered into 11 separate equity transfer agreements (i.e. the Equity Transfer Agreements), under which the Purchaser agreed to acquire the Sale Interests (which represent an aggregate of approximately 10.37% of the equity interest in CV Green Energy) from the Sellers at an aggregate consideration of approximately RMB939 million. CV Green Energy is currently an indirect non-wholly-owned subsidiary of the Company. Upon completion of the Equity Transfer Agreements, CV Green Energy will become an indirect wholly-owned subsidiary of the Company.

**LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios calculated under Rule 14.07 of the Listing Rules in respect of the transactions contemplated under the Equity Transfer Agreements (taken together) exceed 5% but are less than 25%, the transactions contemplated thereunder (taken together) constitute a discloseable transaction for the Company and are subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

## **EQUITY TRANSFER AGREEMENTS**

The Board is pleased to announce that, on 3 November 2023, the Purchaser (a wholly-owned subsidiary of the Company) and the Sellers entered into 11 separate equity transfer agreements (i.e. the Equity Transfer Agreements), under which the Purchaser agreed to acquire the Sale Interests (which represent an aggregate of approximately 10.37% of the equity interest in CV Green Energy) from the Sellers at an aggregate consideration of approximately RMB939 million. CV Green Energy is currently an indirect non-wholly-owned subsidiary of the Company, and 89.63% of the issued share capital in CV Green Energy is indirectly owned by the Company. Upon completion of the Equity Transfer Agreements, CV Green Energy will become an indirect wholly-owned subsidiary of the Company.

The principal terms of the Equity Transfer Agreements are summarised below:

**Date:** 3 November 2023

**Parties:** (1) the Purchaser; and  
(2) each of the Sellers (under the respective Equity Transfer Agreement)

For further information of the parties, please refer to “General” section of this announcement.

### **Assets to be acquired and consideration:**

The principal terms contained in the Equity Transfer Agreements (including the basis, timing and method of payment of consideration) are substantially the same, other than the identity of the Sellers, the relevant Sale Interest to be transferred and the relevant amount of consideration payable (adjusted in proportion to the equity interest held by each Seller) in such connection.

The following table summarises the equity interest agreed to be transferred by each Seller, the total consideration payable by the Purchaser and the percentage of equity interest held by each Seller as at the date of this announcement and immediately before completion of the Equity Transfer Agreements:

Name of Sellers	Registered capital in CV Green Energy to be transferred (RMB)	Total consideration payable (RMB)	Approx. % of equity interest immediately before completion of the Equity Transfer Agreements
<b>Incentive Partnerships</b>			
Wuhu Chuangxiang Investment Partnership (Limited Partnership)* (蕪湖創祥投資合夥企業(有限合夥))	22,400,000	121,856,000	1.35
Wuhu Chuangyuan Investment Partnership (Limited Partnership)* (蕪湖創源投資合夥企業(有限合夥))	19,500,000	106,080,000	1.17
Wuhu Chuanglong Investment Partnership (Limited Partnership)* (蕪湖創隆投資合夥企業(有限合夥))	19,000,000	103,360,000	1.14
Wuhu Chuangjia Investment Partnership (Limited Partnership)* (蕪湖創佳投資合夥企業(有限合夥))	17,700,000	96,288,000	1.06
Wuhu Chuanghong Investment Partnership (Limited Partnership)* (蕪湖創鴻投資合夥企業(有限合夥))	17,390,000	94,601,600	1.05
Wuhu Chuangneng Investment Partnership (Limited Partnership)* (蕪湖創能投資合夥企業(有限合夥))	16,550,000	90,032,000	0.99
Wuhu Chuangta Investment Partnership (Limited Partnership)* (蕪湖創拓投 資合夥企業(有限合夥))	15,750,000	85,680,000	0.95
Wuhu Chuangji Investment Partnership (Limited Partnership)* (蕪湖創基投 資合夥企業(有限合夥))	13,200,000	71,808,000	0.79
Wuhu Chuangxian Investment Partnership (Limited Partnership)* (蕪湖創賢投資合夥企業(有限合夥))	13,200,000	71,808,000	0.79
Wuhu Chuangfeng Investment Partnership (Limited Partnership)* (蕪湖創豐投資合夥企業(有限合夥))	8,450,000	45,968,000	0.51
<b>Subtotal</b>	<u>163,140,000</u>	<u>887,481,600</u>	<u>9.8</u>
CICC Pucheng	9,460,000	51,462,400	0.57
<b>TOTAL</b>	<u><u>172,600,000</u></u>	<u><u>938,944,000</u></u>	<u><u>10.37</u></u>

As stated above, the basis for determining the consideration of each Sale Interest is the same, which are adjusted in proportion to the equity interest held by each Seller. Such consideration was determined after arm's length negotiations between the Group and the Sellers (including, where applicable, the respective general and limited partners of the Incentive Partnerships) with reference to the consolidated net assets of CV Green Energy. The agreed value of CV Green Energy for the purpose of the Acquisition was RMB9,050 million, representing a discount of approximately 4.8% to the unaudited net assets attributable to equity-holders of CV Green Energy of approximately RMB9,510 million (not taking into account net assets attributable to non-controlling interests) as at 30 June 2023. As the Sale Interests represent an aggregate of approximately 10.37% of the equity interest in CV Green Energy, the total consideration for the Sale Interests was agreed to be approximately RMB939 million.

The consideration shall be payable in cash by the Purchaser to the respective Sellers under the Equity Transfer Agreement, and after completion of the payment of consideration, the registered equity-holders of CV Green Energy shall be changed. Completion of each Equity Transfer Agreement shall take place immediately following the registration of the change in equity-holders of CV Green Energy.

## **EFFECT ON EQUITY-HOLDING STRUCTURE OF CV GREEN ENERGY**

The equity-holding structure of CV Green Energy (i) as at the date of this announcement (i.e. before completion of the Equity Transfer Agreements); and (ii) immediately upon completion of the Equity Transfer Agreements (assuming there is no other change to the equity interest and in the equity-holding structure of CV Green Energy, other than the Acquisition under the Equity Transfer Agreements) are as follows:

<b>Name of equity-holders</b>	<b>Immediately before completion of the Equity Transfer Agreements</b>		<b>Immediately after completion of the Equity Transfer Agreements</b>	
	<i>Registered capital (RMB)</i>	<i>Approx. % of equity interest</i>	<i>Registered capital (RMB)</i>	<i>Approx. % of equity interest</i>
Conch Venture Wuhu	891,000,000	53.56	1,063,600,000	63.93
Conch Venture HK	600,000,000	36.07	600,000,000	36.07

### **Incentive Partnerships**

Wuhu Chuangxiang Investment Partnership (Limited Partnership)* (蕪湖創祥投資合夥企業(有限合夥))	22,400,000	1.35	—	—
Wuhu Chuangyuan Investment Partnership (Limited Partnership)* (蕪湖創源投資合夥企業(有限合夥))	19,500,000	1.17	—	—
Wuhu Chuanglong Investment Partnership (Limited Partnership)* (蕪湖創隆投資合夥企業(有限合夥))	19,000,000	1.14	—	—
Wuhu Chuangjia Investment Partnership (Limited Partnership)* (蕪湖創佳投資合夥企業(有限合夥))	17,700,000	1.06	—	—

Name of equity-holders	Immediately before completion of the Equity Transfer Agreements		Immediately after completion of the Equity Transfer Agreements	
	Registered capital (RMB)	Approx. % of equity interest	Registered capital (RMB)	Approx. % of equity interest
Wuhu Chuanghong Investment Partnership (Limited Partnership)* (蕪湖創鴻投資合夥企業(有限合夥))	17,390,000	1.05	—	—
Wuhu Chuangneng Investment Partnership (Limited Partnership)* (蕪湖創能投資合夥企業(有限合夥))	16,550,000	0.99	—	—
Wuhu Chuangta Investment Partnership (Limited Partnership)* (蕪湖創拓投資合夥企業(有限合夥))	15,750,000	0.95	—	—
Wuhu Chuangji Investment Partnership (Limited Partnership)* (蕪湖創基投資合夥企業(有限合夥))	13,200,000	0.79	—	—
Wuhu Chuangxian Investment Partnership (Limited Partnership)* (蕪湖創賢投資合夥企業(有限合夥))	13,200,000	0.79	—	—
Wuhu Chuangfeng Investment Partnership (Limited Partnership)* (蕪湖創豐投資合夥企業(有限合夥))	8,450,000	0.51	—	—
<b>Subtotal</b>	<u>163,140,000</u>	<u>9.80</u>	<u>—</u>	<u>—</u>
CICC Pucheng	9,460,000	0.57	—	—
<b>TOTAL</b>	<u><u>1,663,600,000</u></u>	<u><u>100</u></u>	<u><u>1,663,600,000</u></u>	<u><u>100</u></u>

## REASONS AND BENEFITS OF THE ACQUISITION

Reference is made to the Company's announcement dated 6 May 2022 in relation to the proposed spin-off and separate listing of CV Green Energy on Shanghai Stock Exchange (the "Proposed Spin-off"). The subscription of equity interest in CV Green Energy by the Incentive Partnerships and CICC Pucheng in March 2022 were part of a corporate reorganisation carried out by the Group in preparation for the Proposed Spin-off.

Due to the prevailing market conditions, the Group has decided not to proceed with the Proposed Spin-off. Following completion of the Equity Transfer Agreements, CV Green Energy will become an indirect wholly-owned subsidiary of the Company. The Board considers that in view of the Proposed Spin-off not being proceeded with, it is conducive to the Group to regain full control of CV Green Energy by unwinding the structure under the corporate reorganisation previously made in preparation for the Proposed Spin-off. The Acquisition would enhance the control of operation and ensure the efficiency and management of CV Green Energy and would also increase the profit attributable to the equity shareholders of the Company (as a result of the increase in the Company's indirect shareholding in CV Green Energy).

The Directors (excluding the Directors who have a material interest in the transactions contemplated under the Acquisition, but including the independent non-executive Directors) are of the view that the terms of the Equity Transfer Agreements are entered into on normal commercial terms, which are fair and reasonable and in the interest of the Company and the shareholders of the Company as a whole, notwithstanding that the transactions contemplated under the Equity Transfer Agreements are not conducted in the ordinary and usual course of business of the Company.

Each of Mr. Guo Jingbin, Mr. Ji Qinying, Mr. Shu Mao, Mr. Li Jian and Mr. Li Daming is a limited partner of their respective Incentive Partnerships and directly holds less than 15% of the partnership interest in such Incentive Partnerships. Therefore, they are deemed to have material interest in the transactions contemplated under the respective Equity Transfer Agreements entered into by such Incentive Partnerships, and thus have abstained from voting on the relevant resolution at the Board meeting. Save as mentioned above, none of the other Directors has any material interest in the Acquisition and is required to abstain from voting on the resolutions passed by the Board for approving the Equity Transfer Agreements and the transactions contemplated thereunder.

## **FINANCIAL EFFECTS OF THE ACQUISITION**

Following completion of the Acquisition, the equity-holding interests of the Company in CV Green Energy will increase from approximately 89.63% to 100%. CV Green Energy will become an indirect wholly-owned subsidiary of the Company and its financial results, assets, liabilities and cash flows will continue to be consolidated in the Company's consolidated financial statements.

## **LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios calculated under Rule 14.07 of the Listing Rules in respect of the transactions contemplated under the Equity Transfer Agreements (taken together) exceed 5% but are less than 25%, the transactions contemplated thereunder (taken together) constitute a discloseable transaction for the Company and are subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

The general partners and the limited partners of Incentive Partnerships are all employees and/or former employees of the Group. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, (i) only one general partner of the Incentive Partnership ("**Relevant Incentive Partnership**") is a connected person at subsidiary level of the Company and (ii) none of the limited partners of any Incentive Partnership own 30% or more of the partnership interest in their respective Incentive Partnership. As all the percentage ratios are less than 1%, the transaction under the relevant Equity Transfer Agreement entered into by the Relevant Incentive Partnership is fully exempt under Rule 14A.76(1)(b) of the Listing Rules.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, save for the general partner as mentioned above, none of the remaining general partners of Incentive Partnerships fall under the category of "connected persons" of the Company (whether at the listed issuer level or at the subsidiary level).

## **GENERAL**

### **Information about the Purchaser and the Group**

The Purchaser, Conch Venture Wuhu, is a company established in the PRC with limited liability, and it is a wholly-owned subsidiary of the Company. Conch Venture Wuhu is principally engaged in the business of industrial engineering design, engineering management services and import and export of goods and technology. 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 Green Energy**

CV Green Energy and its subsidiaries are principally engaged in the business of waste-to-energy projects, consisting of the investment, design, development and production, installation and operation of municipal domestic waste treatment projects, providing services including the incineration of municipal solid waste and the generation of residue power from the incineration process.

The following table summarises the financial information of CV Green Energy for the two financial years ended 31 December 2022 and the six months ended 30 June 2023:

	<b>Six months ended 30 June 2023</b>	<b>Year ended 31 December 2022</b>	<b>Year ended 31 December 2021</b>
	<i>(unaudited)</i>	<i>(audited)</i>	<i>(audited)</i>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Profit before taxation	797,646	1,456,771	836,717
Profit after taxation	714,401	1,244,101	735,186

The unaudited net asset value of CV Green Energy as at 30 June 2023 was approximately RMB10,820 million, among which net assets attributable to equity-holders was approximately RMB9,510 million (not taking into account net assets attributable to non-controlling interests).

#### **Information about the Sellers (i.e. the Incentive Partnerships and CICC Pucheng)**

The Incentive Partnerships are limited partnerships established in the PRC for the purpose of certain employees and/or former employees of the Group making investment in holding the equity interest in CV Green Energy. The respective equity-holdings held by each of the Incentive Partnerships immediately before the completion of the Equity Transfer Agreements are set out in “Equity Transfer Agreements — Assets to be acquired and consideration” and “Effect on Equity-holding Structure of CV Green Energy” of this announcement. Other than the equity interest in CV Green Energy held by each Incentive Partnership and some nominal amount of cash, none of the Incentive Partnerships have any other material assets or liabilities, nor have carried on any business or operation since their respective establishment and up to the date of this announcement.

CICC Pucheng is a limited company established in the PRC. Its primary business activities include investment management and investment consulting. The ultimate beneficial owner of CICC Pucheng is China International Capital Corporation Limited (中國國際金融股份有限公司), the H shares of which are listed on the main board of the Stock Exchange (Stock Code: 3908) and the domestic shares of which are listed on the Shanghai Stock Exchange (Stock Code: 601995).

To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, save for advisory services delivered by CICC Pucheng to the Group, CICC Pucheng and China International Capital Corporation Limited are third parties independent of the Company and the connected persons of the Company.



## DEFINITIONS

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

“Acquisition”	the acquisition of the Sale Interests by the Purchaser from the Sellers in accordance with the Equity Transfer Agreements
“Board”	the board of Directors of the Company
“CICC Pucheng”	CICC Pucheng Investment Co., Ltd.* (中金浦成投資有限公司), a company established in the PRC in April 2012 and a wholly-owned subsidiary of China International Capital Corporation Limited, a joint stock company established in the PRC with limited liability and the H shares of which are listed on the main board of the Stock Exchange (Stock Code: 3908) and the domestic shares of which are listed on the Shanghai Stock Exchange (Stock Code: 601995)
“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)
“Conch Venture HK”	China Conch Venture Holdings (HK) Limited (Hong Kong) (中國海創控股(香港)有限公司), a company incorporated in Hong Kong and an indirect wholly-owned subsidiary of the Company
“connected person(s)”	having the meaning ascribed to it under the Listing Rules
“CV Green Energy”	Anhui Conch Venture Green Energy Environmental Protection Group Co., Ltd.* (安徽海創綠能環保集團股份有限公司), a company established in the PRC and an indirect non-wholly-owned subsidiary of the Company immediately before the completion of the Acquisition
“Director(s)”	the director(s) of the Company
“Equity Transfer Agreements”	11 equity transfer agreements dated 3 November 2023 entered into by the Sellers and the Purchaser respectively pursuant to which the Sellers agreed to transfer an aggregate of approximately 10.37% of the equity interest in CV Green Energy to the Purchaser, and each an “Equity Transfer Agreement”
“Group”	the Company and its subsidiaries

“Incentive Partnerships”	ten limited partnerships established in the PRC (names of which are set out in “Equity Transfer Agreements — Assets to be acquired and consideration” and “Effect on Shareholding Structure of CV Green Energy” of this announcement and the general partners and limited partners of which are all employees or former employees of the Group)
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, and for the purpose of this announcement, excluding Hong Kong Special Administrative Region of the PRC, Macau Special Administrative Region of the PRC and Taiwan
“Purchaser” or “Conch Venture Wuhu”	Wuhu Conch Venture Enterprise Limited* (蕪湖海創實業有限責任公司), a limited liability company established in the PRC and a wholly-owned subsidiary of the Company
“RMB”	Renminbi, the lawful currency of the PRC
“Sale Interests”	representing an aggregate of approximately 10.37% of the equity interest in CV Green Energy
“Sellers”	the Incentive Partnerships and CICC Pucheng
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	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  
3 November 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. LIU Yan as non-executive Directors; and Mr. CHAN Chi On (alias Derek CHAN), Mr. CHAN Kai Wing and Dr. PENG Suping as independent non-executive Directors.*

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