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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) REVISION OF FY2025 ORIGINAL ANNUAL CAP (CNM FPA); AND
(2) 2025 CONCH NEW MATERIAL FRAMEWORK TECHNICAL AND
OTHER SERVICES AGREEMENT**

Reference is made to the January 2025 Announcement in relation to, among other matters, the continuing connected transactions under the Existing CCT Agreements.

REVISION OF FY2025 ORIGINAL ANNUAL CAP (CNM FPA) AND 2025 CONCH NEW MATERIAL FTSA

Considering (i) the increasing demand for goods procured by the Group from Conch New Material Group under 2025 Conch New Material FPA; and (ii) it is expected that the Group will commence to procure Technical Services from Conch New Material Group, on 9 June 2025, the Company entered into the following agreements:

- (1) 2025 Supplemental Conch New Material FPA to revise the FY2025 Original Annual Cap (CNM FPA); and
- (2) 2025 Conch New Material FTSA in respect of the procurement of Technical Services from Conch New Material Group for a term of 1 year for the period from 1 January 2025 to 31 December 2025.

IMPLICATIONS OF THE LISTING RULES

As at 31 December 2024, the number of Shares held by Conch Holdings (together with Conch Cement Group (Conch Cement is owned as to 36.40% by Conch Holdings)) amounted to 186,105,000, representing approximately 10.39% of the issued share capital in the Company. Accordingly, Conch Holdings is a substantial shareholder of the Company and hence a connected person of the Company under Rule 14A.07 of the Listing Rules as at the date of this announcement.

The following entities are associates of Conch Holdings and hence connected persons of the Company under Rule 14A.13 of the Listing Rules: (i) Conch Cement (being a 30%-controlled company (as defined under the Listing Rules) directly held by Conch Holdings) and its subsidiaries (including other members of Conch Cement Group, Conch Environment and other members of Conch Environment Group); (ii) Conch New Material (being a 30%-controlled company directly held by Conch Holdings) and its subsidiaries; (iii) Conch Design Institute and Conch Investment (both of which are wholly-owned subsidiaries of Conch Holdings) and its subsidiaries.

As such, (1) 2025 Supplemental Conch New Material FPA and the Existing FPAs; and (2) 2025 Conch New Material FTSA and the Existing FTSA and the respective transactions contemplated thereunder constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

On the basis that (i) each of the above agreements involve particular types of goods or services procured by the Group from the respective parties, and (ii) all of the respective parties are associates of Conch Holdings, pursuant to Rule 14A.81 of the Listing Rules:

- (i) the transactions contemplated under 2025 Conch New Material FPA and 2025 Supplemental Conch New Material FPA and the Existing FPAs are aggregated as if they were one transaction; and
- (ii) the transactions contemplated under 2025 Conch New Material FTSA and the Existing FTSA are aggregated as if they were one transaction.

As the highest applicable percentage ratio (as defined in the Listing Rules) in respect of the aggregate amount of the annual caps for transactions contemplated under each of (i) 2025 Conch New Material FPA and 2025 Supplemental Conch New Material FPA and the Existing FPAs; and (ii) 2025 Conch New Material FTSA and the Existing FTSA exceeds 0.1% but is less than 5%, the transactions contemplated under the above 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

References are made to the announcements of China Conch Venture Holdings Limited dated 27 June 2024 and 9 January 2025 (the “**January 2025 Announcement**”) in relation to, among other matters, the continuing connected transactions provided under certain agreements entered into by the Company on 27 June 2024 and 9 January 2025 respectively (collectively, the “**Existing CCT Agreements**”). Unless the context otherwise requires, capitalised terms in this announcement shall have the same meanings as ascribed to them in the January 2025 Announcement.

The Existing CCT Agreements consist of (i) four framework procurement agreements; (ii) three framework technical and other services agreements; (iii) five framework sales agreements; and (iv) two framework supply of services agreements.

For details of the Existing CCT Agreements and the transactions contemplated thereunder, please refer to the January 2025 Announcement.

Considering (i) the increasing demand for goods procured by the Group from Conch New Material Group under 2025 Conch New Material FPA; and (ii) it is expected that the Group will commence to procure design and other technical services from Conch New Material Group, on 9 June 2025, the Company entered into the following agreements:

- (1) a supplemental framework procurement agreement between the Company and Conch New Material (“**2025 Supplemental Conch New Material FPA**”) to revise the original annual cap for FY2025 (the “**FY2025 Original Annual Cap (CNM FPA)**”) in respect of the transaction contemplated under 2025 Conch New Material FPA; and
- (2) a framework technical and other services agreement between the Company (for itself and on behalf of its subsidiaries) and Conch New Material (for itself and on behalf of its subsidiaries) (“**2025 Conch New Material FTSA**”) in respect of the procurement of technical and other services involved in daily production and operation of the Group (including but not limited to design services, engineering management services and other technical services) from Conch New Material Group for a term of 1 year for the period from 1 January 2025 to 31 December 2025.

(1) REVISION OF FY2025 ORIGINAL ANNUAL CAP (CNM FPA)

Under 2025 Conch New Material FPA, Conch New Material (for itself and on behalf of its subsidiaries) (as suppliers) agreed to supply the Company (for itself and on behalf of its subsidiaries) (as purchasers) plastic, metal products and other related materials and goods etc. involved in daily production and operation of the Group. As mentioned in the January 2025 Announcement, the annual cap for the transactions contemplated under 2025 Conch New Material FPA (i.e. FY2025 Original Annual Cap (CNM FPA)) for FY2025 is RMB1.0 million.

To cater for the Group’s substantial demand for goods (which were not previously procured from Conch New Material Group), in particular catalysts for its energy-saving equipment business, following a tendering process, the Group expects to enter into transaction with Conch New Material Group for the procurement of goods including catalysts based on an order-by-order basis depending on the corresponding demand of relevant businesses to ensure cost efficiency. Due to the increasing demand for goods procured by the Group from Conch New Material Group for FY2025 under 2025 Conch New Material FPA, the Board anticipates that the FY2025 Original Annual Cap (CNM FPA) would not be sufficient to meet the expected transaction amounts under 2025 Conch New Material FPA for FY2025. Having regard to the increasing demand for goods procured by the Group from Conch New Material Group, the Board considers it appropriate to revise the FY2025 Original Annual Cap (CNM FPA) to RMB60.0 million (the “**FY2025 Revised Annual Cap (CNM FPA)**”).

Principal terms of 2025 Supplemental Conch New Material FPA

The principal terms of 2025 Supplemental Conch New Material FPA are summarised below:

Date: 9 June 2025

Parties: (i) Conch New Material (for itself and on behalf of its subsidiaries) (as suppliers); and
(ii) the Company (for itself and on behalf of its subsidiaries) (as purchasers)

Revision of FY2025 Original Annual Cap (CNM FPA): Pursuant to 2025 Supplemental Conch New Material FPA, the FY2025 Original Annual Cap (CNM FPA) under 2025 Conch New Material FPA are revised to the FY2025 Revised Annual Cap (CNM FPA) as follows:

	FY2025	
	<i>(RMB million)</i>	<i>(RMB million)</i>
	FY2025 Original Annual Cap (CNM FPA)	FY2025 Revised Annual Cap (CNM FPA)
	1.0	60.0
Goods to be procured by the Group (i.e. Procured Goods):	Plastic, metal products, catalysts and other chemical products, production equipment, environmental protection equipment and other ancillary equipment etc. involved in daily production and operation of the Group	

Save as disclosed, all other terms under 2025 Conch New Material FPA, including term of agreement, pricing policy and pricing procedure, remain the same.

Historical transaction amounts

The historical transaction amounts in relation to the total purchase prices of the Procured Goods paid or payable by the Group to Conch New Material Group for the procurement of the Procured Goods for FY2022, FY2023, FY2024 and the four months ended 30 April 2025 are set out below:

	FY2022 (RMB million)	FY2023 (RMB million)	FY2024 (RMB million)	Four months ended 30 April 2025 (RMB million)
Conch New Material Group	<u>—</u>	<u>0.3</u>	<u>0.2</u>	<u>—</u>

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

The following table sets out the proposed FY2025 Revised Annual Cap (CNM FPA) (and for reference, the proposed annual caps in respect of the transactions contemplated under each of 2025 Conch Cement FPA, 2025 Conch Investment FPA and Conch Design Institute FPA (collectively, the “**Existing FPAs**”)) for each of FY2025 and FY2026 (which were set out in the January 2025 Announcement) are also set out):

	FY2025 (RMB million)	FY2026 (RMB million)
<i>2025 Supplemental Conch New Material FPA:</i>		
Conch New Material Group (i.e. FY2025 Revised Annual Cap (CNM FPA))	<u>60.0</u>	<u>N/A</u>
<i>Sub-total</i>	<u>60.0</u>	<u>N/A</u>
<i>Existing FPAs (as set out in the January 2025 Announcement):</i>		
Conch Cement Group (under 2025 Conch Cement FPA)	65.0	N/A
Conch Investment Group (under 2025 Conch Investment FPA)	2.0	2.0
Conch Design Institute (under Conch Design Institute FPA)	<u>20.0</u>	<u>20.0</u>
<i>Sub-total</i>	<u>87.0</u>	<u>22.0</u>
Total	<u>147.0</u>	<u>22.0</u>

The FY2025 Revised Annual Cap (CNM FPA) is determined with reference to the following factors:

- (1) historical transaction amounts for the Procured Goods procured by the Group from Conch New Material Group;
- (2) the anticipated demand of the Group for the Procured Goods calculated based on the Group's operation plans for FY2025, in particular, the procurement of catalysts; and
- (3) the current trends of market price of the same, similar or alternative goods for the Procured Goods.

So far as the Directors are aware, (i) the FY2025 Original Annual Cap (CNM FPA) has not been exceeded as at the date of this announcement and; (ii) it is not expected that the respective annual cap for FY2025 under each of Existing FPAs will be exceeded, and that it is not necessary to revise such annual caps.

Reasons for and Benefits of the Revision of FY2025 Original Annual Cap (CNM FPA) and the Entering Into of the 2025 Supplemental Conch New Material FPA

Based on the demand of the Group's businesses in the environmental protection segment and taking into account, among other factors, the quality and price of the goods procured by the Group from Conch New Material Group, the Board are of the view that procurement of the Procured Goods can provide the Group with bargaining advantage, thereby lower the procurement cost and enhance the competitiveness of the Group.

The Directors (including the independent non-executive Directors) consider that each of 2025 Conch New Material FPA and 2025 Supplemental Conch New Material FPA is entered into in the ordinary and usual course of the Group's business and on normal commercial terms, and the terms of 2025 Conch New Material FPA and 2025 Supplemental Conch New Material FPA and FY2025 Revised Annual Cap (CNM FPA) are fair and reasonable and in the interests of the Company and the shareholders of the Company taken as a whole.

None of the Directors has a material interest in 2025 Conch New Material FPA, 2025 Supplemental Conch New Material FPA and FY2025 Revised Annual Cap (CNM FPA), nor has any of them abstained from voting in respect of the relevant board resolutions approving the FY2025 Revised Annual Cap (CNM FPA).

Implications of the Listing Rules regarding the Revision of FY2025 Original Annual Cap (CNM FPA) and 2025 Supplemental Conch New Material FPA

As at 31 December 2024, the number of Shares held by Conch Holdings (together with Conch Cement Group (Conch Cement is owned as to 36.40% by Conch Holdings)) amounted to 186,105,000, representing approximately 10.39% of the issued share capital in the Company. Accordingly, Conch Holdings is a substantial shareholder of the Company and hence a connected person of the Company under Rule 14A.07 of the Listing Rules as at the date of this announcement.

In relation to 2025 Supplemental Conch New Material FPA:

Conch New Material (being a 30%-controlled company directly held by Conch Holdings) and its subsidiaries are associates of Conch Holdings and hence connected persons of the Company under Chapter 14A of the Listing Rules. As such, 2025 Supplemental Conch New Material FPA and the respective transactions contemplated thereunder constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

In relation to Existing FPAs:

The following entities are associates of Conch Holdings and hence connected persons of the Company under Chapter 14A of the Listing Rules: (i) Conch Cement (being a 30%-controlled company (as defined under the Listing Rules) directly held by Conch Holdings) and its subsidiaries (including other members of Conch Cement Group, Conch Environment and other members of Conch Environment Group); (ii) Conch Design Institute and Conch Investment (both of which are wholly-owned subsidiaries of Conch Holdings) and its subsidiaries. As such, Existing FPAs (i.e. 2025 Conch Cement FPA, 2025 Conch Investment FPA and Conch Design Institute FPA) and the respective transactions contemplated thereunder constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.81 of the Listing Rules, the transactions contemplated under (i) 2025 Conch New Material FPA and 2025 Supplemental Conch New Material FPA and (ii) Existing FPAs (i.e. 2025 Conch Cement FPA, 2025 Conch Investment FPA and Conch Design Institute FPA) are aggregated as if they were one transaction, on the basis that (i) all of them involve the procurement of Procured Goods by the Group, which are of similar nature and (ii) all of the respective suppliers (namely, Conch New Material Group, Conch Cement Group, Conch Investment Group and Conch Design Institute) are associates of Conch Holdings.

As stated in the paragraph headed “(1) Revision of FY2025 Original Annual Cap (CNM FPA) — Proposed annual caps and basis of determination of the proposed annual caps”, the aggregate amount of the annual caps in respect of the transactions contemplated under 2025 Conch New Material FPA and 2025 Supplemental Conch New Material FPA and Existing FPAs for FY2025 and FY2026 are RMB147.0 million and RMB22.0 million, respectively. As the highest applicable percentage ratio (as defined in the Listing Rules) in respect of the aggregate amount of the annual caps for transactions contemplated under 2025 Conch New Material FPA and 2025 Supplemental Conch New Material FPA and Existing FPAs exceeds 0.1% but is less than 5%, the transactions contemplated under 2025 Conch New Material FPA and 2025 Supplemental Conch New Material FPA and Existing FPAs 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.

(2) 2025 CONCH NEW MATERIAL FRAMEWORK TECHNICAL AND OTHER SERVICES AGREEMENT

On 9 June 2025, 2025 Conch New Material Framework Technical and other Services Agreement was entered into.

Principal terms of 2025 Conch New Material Framework Technical and other Services Agreement

The principal terms of 2025 Conch New Material FTSA are summarised below.

Date:	9 June 2025
Parties:	(i) Conch New Material (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)
Validity period:	From 1 January 2025 to 31 December 2025
Services to be procured by the Group (i.e. Technical Services):	Technical and other services involved in daily production and operation of the Group (including but not limited to design services, engineering management services and other technical services). With respect to the procurement of the Technical Services, individual members of the Group (as receiving parties) and individual service providers will enter into individual technical and other services agreements with specific terms and conditions, including but not limited to (i) details of the Technical Services (including applicable industrial standards (if any), inspection and acceptance procedure); and (ii) service fees for the Technical Services and the related payment terms and settlement method.

Pricing policy and pricing procedure

In respect of the Technical Services to be provided by the respective connected-person service providers under 2025 Conch New Material FTSA, the service fees payable by the Group under the individual technical and other services agreements are determined through arm's length negotiations and taking into account comparable market prices. The Group shall obtain quotations from at least two Independent Third Parties for the same and/or similar services and the price to be finally agreed with the respective connected-person service providers shall be no less favourable than the prices stated in such quotation.

As part of the Group's pricing procedures, quotations provided by the Independent Third Parties and the respective connected-person service providers will be reviewed by the relevant business management department and submitted to the general manager for approval, in order 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 that the terms are fair and reasonable.

Historical transaction amounts

Historically, the Group had not procured any services from Conch New Material Group for FY2022, FY2023, FY2024 and the four months ended 30 April 2025.

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

The following table sets out the proposed annual cap in respect of the transactions contemplated under 2025 Conch New Material FTSA for FY2025 (for reference, the proposed annual caps in respect of the transactions contemplated under each of 2025 Conch Cement FTSA, Conch Environment FTSA and Conch Design Institute FTSA (collectively, the “**Existing FTSA**s”) for each of FY2025 and FY2026 (which were set out in the January 2025 Announcement) are also set out):

	FY2025 <i>(RMB million)</i>	FY2026 <i>(RMB million)</i>
<i>2025 Conch New Material FTSA:</i>		
Conch New Material	<u>10.0</u>	<u>N/A</u>
<i>Sub-total</i>	<u>10.0</u>	<u>N/A</u>
<i>Existing FTSA</i> s (as set out in the January 2025 Announcement):		
Conch Cement Group	15.0	N/A
Conch Environment Group	50.0	60.0
Conch Design Institute	<u>30.0</u>	<u>35.0</u>
<i>Sub-total</i>	<u>95.0</u>	<u>95.0</u>
Total	<u><u>105.0</u></u>	<u><u>95.0</u></u>

The above estimated annual cap for 2025 Conch New Material FTSA is determined with reference to the following factors:

- (1) historical transaction amounts for the service fees paid or payable by the Group to Conch New Material Group;

- (2) the anticipated demand of the Group for the Technical Services calculated based on the Group's operation plan for FY2025; and
- (3) the current trends of market price of the same, similar or alternative services for the Technical Services.

So far as the Directors are aware, it is not expected that the respective annual cap for FY2025 under each of Existing FTSA's will be exceeded.

Reasons for and Benefits of entering into 2025 Conch New Material Framework Technical and other Services Agreement

The Board believes that by entering into the 2025 Conch New Material Framework Technical and other Services Agreement would ensure a stable supply of quality Technical Services received from Conch New Material Group, and would in turn ensure a rapid growth in the Group's energy-saving equipment business.

The Directors (including the independent non-executive Directors) consider that 2025 Conch New Material FTSA 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.

None of the Directors has a material interest in the transactions contemplated under 2025 Conch New Material FTSA and is required to abstain from voting on the relevant resolution at the Board meeting.

Implications of the Listing Rules regarding 2025 Conch New Material Framework Technical and other Services Agreement

In relation to 2025 Conch New Material FTSA:

As stated above, Conch New Material (and its subsidiaries) are connected persons of the Company under Chapter 14A of the Listing Rules, 2025 Conch New Material FTSA and the transactions contemplated thereunder constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

In relation to the Existing FTSA's:

As stated above, Conch Cement (and its subsidiaries), Conch Environment (and its subsidiaries) and Conch Design Institute are connected persons of the Company under Chapter 14A of the Listing Rules. As such, the Existing FTSA's (i.e. 2025 Conch Cement FTSA, Conch Environment FTSA and Conch Design Institute FTSA) and the transactions contemplated thereunder constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.81 of the Listing Rules, the transactions contemplated under (i) 2025 Conch New Material FTSA and (ii) the Existing FTSA (i.e. 2025 Conch Cement FTSA, Conch Environment FTSA and Conch Design Institute FTSA) are aggregated as if they were one transaction, on the basis that (i) all of them involve the procurement of Technical Services by the Group, which are of similar nature and (ii) all of the respective service providers (namely, Conch New Material Group, Conch Cement Group, Conch Environment Group and Conch Design Institute) are all associates of Conch Holdings.

As stated in the paragraph headed “(2) 2025 Conch New Material Framework Technical and other Services Agreement — Proposed annual cap and basis of determination of the proposed annual cap”, the aggregate amount of the annual caps in respect of the transactions contemplated under 2025 Conch New Material FTSA and the Existing FTSA for FY2025 and FY2026 are RMB105.0 million and RMB95.0 million, respectively. As the highest applicable percentage ratio (as defined in the Listing Rules) in respect of the aggregate amount of the annual caps for transactions contemplated under 2025 Conch New Material FTSA and the Existing FTSA exceeds 0.1% but is less than 5%, the transaction contemplated under 2025 Conch New Material FTSA and the Existing FTSA is subject to the reporting, annual review and announcement requirements, but exempt from the independent shareholders’ approval requirement under Chapter 14A of the Listing Rules.

INFORMATION ON THE PARTIES

The principal activities of the Group are construction and operation of waste-to-energy projects, the manufacturing and sales of new energy materials and new building materials, port logistics services.

Conch Cement is a joint stock limited company established in the PRC, with its A-shares listed on the Shanghai Stock Exchange of the PRC (stock Code: 600585) and H-shares listed on the Stock Exchange (Stock Code: 00914). It is principally engaged in the production and sales of cement, commodity clinker, aggregate and concrete.

Conch Environment is a company incorporated in the Cayman Islands, with its shares listed on the Stock Exchange (stock code: 00587). It is principally engaged in the provision of industrial solid and hazardous waste treatment services.

Conch New Material is a joint stock limited company established in the PRC with its shares listed on the Shenzhen Stock Exchange of the PRC (stock code: 000619). It is principally engaged in the production, sales and research and development of mid to high-end plastic profiles, plates, doors and windows, as well as sales of new catalytic materials and auxiliaries, etc.

Conch Design Institute is a limited liability company established in the PRC, and is principally engaged in the design services for building materials industry and cement technology development. It possesses a Grade A qualification in the relevant industry.

Conch Investment is a limited liability company established in the PRC, and is principally engaged in research and development of new material technology, manufacturing and sales of special chemical products (excluding hazardous chemicals), manufacturing of ecological and environmental materials, as well as investment activities.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, as of the date of this announcement, (i) Conch Cement is owned as to 36.40% by Conch Holdings; (ii) Conch Environment is a subsidiary of Conch Cement; (iii) Conch New Material is owned as to 45.69% by Conch Holdings; and (iv) Conch Design Institute and Conch Investment are wholly-owned subsidiaries of Conch Holdings.

Conch Holdings is a limited liability company established in the PRC. It is principally engaged in asset operation, investment, financing, property rights transactions, import and export trade, production and sale of construction materials, chemical products (excluding hazardous products), electronic instruments and meters and general machinery equipment, etc.

Conch Holdings is beneficially owned as to 51% by the State-owned Assets Supervision and Administration Commission of the People's Government of Anhui Province (through its wholly-owned state-owned enterprise) and 49% by the Group.

For and on behalf of the Board
China Conch Venture Holdings Limited
GUO Jingbin
Chairman

Anhui Province, the People's Republic of China
9 June 2025

As at the date of this announcement, the Board comprises Mr. GUO Jingbin (Chairman), Mr. JI Qinying (Vice-Chairman and Chief Executive Officer), Mr. WANG Xuesen, Mr. HE Guangyuan and Mr. WAN Changbao as executive Directors; Mr. LYU Wenbin as non-executive Director; and Mr. CHAN Chi On (alias Derek CHAN), Mr. CHAN Kai Wing and Ms. CHENG Yanlei as independent non-executive Directors.