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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)**

**VOLUNTARY ANNOUNCEMENT:  
ACQUISITIONS OF EQUITY INTERESTS IN  
FIVE TARGET COMPANIES**

**THE LETTER OF INTENT**

On 28 January 2022, the Purchaser (an indirect wholly-owned subsidiary of the Company) and the Vendors (being subsidiaries of Agile Holdings) entered into the Letter of Intent in relation to the possible acquisitions (the “**Possible Acquisitions**”) of equity interests in six companies, including the five Target Companies and Hunan Huiming. As at the date of the Letter of Intent, the Purchaser had paid the Earnest Money in the amount of RMB1,003 million to the First Vendor pursuant to the terms thereunder. In the event that the Purchaser and the Vendors fail to enter into formal equity transfer agreement(s) in relation to the Possible Acquisitions on or before 18 February 2022, the Earnest Money shall be returned to the Purchaser within three business days together with interest accrued in accordance with the terms stipulated in the Letter of Intent.

**THE ACQUISITIONS**

The Board is pleased to announce that five separate Equity Transfer Agreements in relation to the acquisition of equity interests in the five Target Companies were entered into:

- (i) on 19 January 2022, the Purchaser, the First Vendor and Target Company A entered into the Equity Transfer Agreement A in relation to the sale and purchase of 95% of the equity interest in Target Company A (i.e. Sale Interest A);
- (ii) on 12 January 2022, the Purchaser, the First Vendor and Target Company B entered into the Equity Transfer Agreement B in relation to the sale and purchase of 100% of the equity interest in Target Company B (i.e. Sale Interest B);
- (iii) on 28 January 2022, the Purchaser, the First Vendor and Target Company C entered into the Equity Transfer Agreement C in relation to the sale and purchase of 90% of the equity interest in Target Company C (i.e. Sale Interest C);

- (iv) on 28 January 2022, the Purchaser, the Second Vendor and Target Company D entered into the Equity Transfer Agreement D in relation to the sale and purchase of 100% of the equity interest in Target Company D (i.e. Sale Interest D); and
- (v) on 28 January 2022, the Purchaser, the First Vendor and Target Company E entered into the Equity Transfer Agreement E in relation to the sale and purchase of 90% of the equity interest in Target Company E (i.e. Sale Interest E).

Subject to and immediately after the Completion (assuming the Conditions Precedent are fulfilled in respect of each of the Target Companies) of the each of the Acquisitions, each of the Target Companies will become an indirect subsidiary with such percentage equity-holdings attributable to the Group as mentioned above (and in the case of Target Company B and Target Company D, wholly-owned subsidiaries) of the Company and the financial results of each of the Target Companies will be consolidated into the financial statements of the Group.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, as at the date of the Equity Transfer Agreements, each of the Target Companies, the Vendors and their respective ultimate beneficial owners are Independent Third Parties.

### **The Equity Transfer Agreements**

The principal terms (including payments terms, conditions precedent, obligation to repay shareholder's loan (if applicable) and security for performance) of each of the Equity Transfer Agreements are substantially the same with each other, and they are summarised as follows:

#### *Subject Matter and Consideration*

The relevant subject matter and corresponding Consideration for the Acquisitions are set out in the table below:

<b>Target Company</b>	<b>Percentage of the entire equity interest in the Target Company to be acquired by the Purchaser</b>	<b>Consideration (RMB)</b>
Target Company A	95%	134,900,000
Target Company B	100%	248,130,000
Target Company C	90%	134,700,000
Target Company D	100%	217,250,000
Target Company E	90%	64,620,000

Each of the Considerations was determined after arm's length negotiations between the Purchaser and the First Vendor or the Second Vendor (as the case may be) with reference to (among other matters) (i) the unaudited management accounts of the corresponding Target Company for the nine months ended 30 September 2021; (ii) the historical performance of the corresponding Target Company and the assets and liabilities of the corresponding Target

Company; and (iii) the business development and prospects of the corresponding Target Company (including but not limited to the potential value, capacity, equipment installed for and future development plans of corresponding Target Project invested and developed by the respective Target Company).

*Payment Terms*

The Consideration for each of the Sale Interest shall be payable by the Purchaser in three instalments as follows:

- (i) The first instalment: 59% of the Consideration (the “**First Instalment**”) shall be paid (if not previously paid) by the Purchaser upon the completion of the applicable registration procedures in respect of the Vendors’ Share Pledges (as defined below). Upon the execution of the relevant Equity Transfer Agreement, the First Instalment shall be deducted from the Earnest Money paid and deemed to have been paid by the Purchaser.
- (ii) The second instalment: 35% of the Consideration (the “**Second Instalment**”) shall be paid within three business days after the fulfillment of certain payment conditions, including but not limited to:
  - (a) written consents in respect of the acquisition of the respective Sale Interest from the respective administrative authorities involved in the relevant agreements regarding the respective Target Project operated by the corresponding Target Company having been obtained; and
  - (b) (for Equity Transfer Agreement A, Equity Transfer Agreement C and Equity Transfer Agreement E only) written waiver of right of first refusal from each of the current minority shareholders (the “**Transfer Consent**”) of Target Company A, Target Company C or Target Company E (as the case may be) having been obtained.
- (iii) The third instalment: the remaining 6% of the Consideration (the “**Third Instalment**”) shall be paid within 30 days after the first anniversary of the Completion Date subject to certain adjustments (if any) as set out in the relevant Equity Transfer Agreement.

The respective amount of the above three instalments to be paid or deemed to have been made under each of the Equity Transfer Agreements are set out in the table below:

<b>Sale Interest</b>	<b>First Instalment (RMB)</b>	<b>Second Instalment (RMB)</b>	<b>Third Instalment (subject to possible adjustment) (RMB)</b>
Sale Interest A	79,591,000	47,215,000	8,094,000
Sale Interest B	146,396,700	86,845,500	14,887,800
Sale Interest C	79,473,000	47,145,000	8,082,000
Sale Interest D	128,177,500	76,037,500	13,035,000
Sale Interest E	38,125,800	22,617,000	3,877,200

### *Conditions Precedent*

The Completion for each of the Sale Interest is conditional upon, among other matters, the fulfillment of certain Conditions Precedent, including but limited to:

- (i) written consents in respect of the acquisition of the respective Sale Interest from the respective administrative authorities involved in the relevant agreements regarding the respective Target Project operated by the corresponding Target Company having been obtained; and
- (ii) (for Equity Transfer Agreement A, Equity Transfer Agreement C and Equity Transfer Agreement E only), Transfer Consent from each of the current minority shareholders for the corresponding Target Company having been obtained.

In the event that the Conditions Precedent for any of the acquisition of Sale Interest have not been fulfilled on or before 18 February 2022 (or such other date as shall be agreed among the parties to the relevant Equity Transfer Agreement), the Purchaser shall be entitled to terminate the acquisition of the relevant Sale Interest and the First Vendor or the Second Vendor (as the case may be) shall refund the relevant Consideration which had been paid by the Purchaser together with interest accrued in accordance with the terms stipulated in the corresponding Equity Transfer Agreement.

### *Obligation of the relevant Target Company to repay the shareholder's loan*

As at 30 September 2021, each of Target Company A, Target Company B, Target Company D and Target Company E was indebted to the First Vendor or the Second Vendor (as the case may be) for shareholder's loan in the following principal amount and interest (the "**Shareholder's Loan**"):

<b>Target Company</b>	<b>Shareholder's Loan (RMB)</b>
Target Company A	4,091,600
Target Company B	94,180,000
Target Company D	10,029,700
Target Company E	221,240,000

Under the relevant Equity Transfer Agreement, the Purchaser and the First Vendor or the Second Vendor (as the case may be) agreed that the corresponding Target Company shall pay to the relevant Vendor the respective Shareholder's Loan within three months after the corresponding Completion Date, failing which the Purchaser shall be jointly liable for the repayment obligation of such Target Company.

### *Security for performance and observance of the Equity Transfer Agreements*

As security for the performance and observance of the corresponding Equity Transfer Agreements by the Vendors, the Vendors have agreed to procure the pledges of 30% of the equity interest in Zhenzhong Construction Group Co., Ltd.\* (振中建設集團有限公司) and the entire equity interest in the Second Vendor (collectively, the "**Vendors' Share**

**Pledges**”) in favour of the Purchaser. Within five business days after the Completion Date or by 8 April 2022 (whichever is later), the Purchaser shall coordinate with the Vendors to release the Vendors’ Share Pledges. As at the date of this announcement, the Vendors have fulfilled its obligation regarding the Vendors’ Share Pledges.

### **Information about the Target Companies**

#### *Target Company A*

Target Company A was established in the PRC in July 2014 with a registered capital of RMB100 million. Immediately prior to the Completion for Sale Interest A, Target Company A was held as to 95% by the First Vendor and 5% by Shandong Guohuan Industry Investment Co., Ltd.\* (山東國環產業投資有限公司) (“**Shandong Guohuan**”), an Independent Third Party. It is principally engaged in the investment in and operation of a project of power generation from municipal waste incineration, which is located in Chiping County, Shandong Province, the PRC.

#### *Target Company B*

Target Company B was established in the PRC in July 2018 with a registered capital of RMB110 million. Immediately prior to the Completion for Sale Interest B, Target Company B was wholly owned by the First Vendor. It is principally engaged in the investment in and operation of a project of power generation from municipal waste incineration, which is located in Guantao County, Hebei Province, the PRC.

#### *Target Company C*

Target Company C was established in the PRC in November 2009 with a registered capital of RMB139.8 million. Immediately prior to the Completion for Sale Interest C, Target Company C was held as to 90% by the First Vendor and 10% by Shandong Guohuan. It is principally engaged in the investment in and operation of a project of power generation from municipal waste incineration, which is located in Guan County, Shandong Province, the PRC.

#### *Target Company D*

Target Company D was established in the PRC in April 2019 with a registered capital of RMB80 million. Immediately prior to the Completion for Sale Interest D, Target Company D was wholly owned by the Second Vendor. It is principally engaged in the investment in and operation of a project of comprehensive municipal waste treatment, which is located in Luanzhou, Hebei Province, the PRC.

#### *Target Company E*

Target Company E was established in the PRC in March 2015 with a registered capital of RMB104.2488 million. Immediately prior to the Completion for Sale Interest E, Target Company E was held as to 90% by the First Vendor and 10% by Anhui Shengyun Environmental Protection (Group) Co., Ltd.\* (安徽盛運環保(集團)股份有限公司), an

Independent Third Party. It is principally engaged in the investment in and operation of a project of power generation from municipal waste incineration, which is located in Jinxiang County, Shandong Province, the PRC.

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

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. The Group possesses the world's leading technologies in solid waste treatment, residual heat utilisation and equipment manufacturing, etc. Its scope of business includes the treatment of industrial solid and hazardous waste and municipal waste, the manufacturing of energy-saving and environmental protection equipment, new green building materials, new energy materials and port logistics etc. The Group aims to capture opportunities arising from the PRC's accelerating pursuit of green development and the ambitious "dual-carbon" objective, promote continuous transformation and advancement of its principal business in environmental protection, and has developed the "dual engines" in two core environmental protection technologies in grate furnace power generation from municipal waste incineration and collaborative treatment of industrial solid and hazardous waste by cement kilns, allowing the Group to extend its business from the domestic market to the international market and become a leading enterprise in the environmental protection industry.

The Purchaser is an indirect wholly-owned subsidiary of the Company and its principal business includes investment and operation of power generation from waste incineration projects, collaborative treatment of municipal waste by cement kilns projects and kitchen waste treatment projects; research and development, manufacturing, sales and technical consulting services of core energy-saving and environmental protection equipment etc. It is equipped with stronger capabilities in comprehensive services on energy-saving and environmental protection industry chains.

### **Information about the Vendors and Agile Holdings**

#### *The First Vendor*

The First Vendor is a company established in the PRC with limited liability and is owned as to over 90% by the Second Vendor. As such, the First Vendor is an indirect non-wholly owned subsidiary of Agile Holdings. The First Vendor is principally engaged in the provision of ecological protection services and environmental restoration services.

#### *The Second Vendor*

The Second Vendor is a company established in the PRC with limited liability and is an indirect wholly-owned subsidiary of Agile Holdings. The Second Vendor is principally engaged in the research and development, design, and sale of, as well as provision of commissioned agency (save as to auctioning), import and export and other related services in relation to environmentally friendly materials and environmental protection related equipment; and the provision of environmental protection technical services, environmental protection related investment consultancy services, and environmental protection related corporate management consultancy services.

## *Agile Holdings*

Agile Holdings and its subsidiaries is one of the leading property developers in the PRC and is principally engaged in the development of large-scale mixed-use property projects, with extensive presence in the businesses of property management, environmental protection, construction, real estate construction management and commercial.

### **Reasons and benefits for the Acquisitions**

Focusing on the “dual engines” of solid and hazardous waste treatment and waste incineration solutions, the Group aims to steadily promote projects development and continuously expand business presence in the environmental protection industry. The Group has been actively looking for market opportunities for further developing its waste incineration solutions business.

The business operations of the Target Companies are in line with the overall development objectives of the Group’s waste incineration solutions business. As the Target Projects are mainly situated in Shandong and Hebei Provinces, the Acquisitions provide a good investment opportunity for the Group to expand its market presence and its scale of operation within a relatively shorter timeframe. The Board is of the view that the Acquisitions could strategically strengthen the Group’s market position in the environmental protection industry in the PRC.

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.

### **Listing Rules implications**

As all the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Acquisitions (being the transactions contemplated under the Equity Transfer Agreements and aggregated as if they were one transaction pursuant to Rule 14.22 of the Listing Rules) are less than 5%, the transactions contemplated under the Equity Transfer Agreements do not constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules.

As at the date of this announcement, the relevant parties are still in negotiations in relation to the possible acquisition of equity interest in Hunan Huiming. The Company will make further announcement(s) in relation to such possible acquisition in accordance with all applicable requirements under the Listing Rules as and when appropriate.

### **STRATEGIC COOPERATION AGREEMENT**

On 28 January 2022, the Company and Agile Holdings entered into a strategic cooperation agreement (the “**Strategic Cooperation Agreement**”), pursuant to which, both parties agreed to leverage their respective advantages and engage in strategic cooperation by enhancing their mutual capabilities in areas of project operation and management, market development, technological enhancement, innovation and investment etc., with the aim of enhancing both parties’ market influence.

Both parties have agreed to establish a long-term, stable and “win-win” cooperative framework based on the principles of voluntariness, equality, integrity, mutual benefit and market orientation. This includes the formulation of a regular meeting mechanism to exchange views on issues arising in cooperation, and to explore further cooperation direction and opportunities.

The Strategic Cooperation Agreement does not impose a binding obligation on either side to any contractual obligation or liability, and any business opportunities shall be documented in further written agreements from time to time.

**As the Acquisitions of the equity interests in the relevant Target Companies are subject to the fulfillment of certain Conditions Precedent as set out in the corresponding Equity Transfer Agreement, the transactions contemplated under the corresponding Equity Transfer Agreement 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:

“Acquisitions”	the acquisitions by the Purchaser from the respective Vendor of the Sale Interest, pursuant to the corresponding Equity Transfer Agreements
“Agile Holdings”	Agile Group Holdings Limited (雅居樂集團控股有限公司), a 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: 3383), which is the ultimate holding company of the Vendors as at the date of the announcement
“Board”	the board of Directors
“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, the issued shares of which are listed on the Main Board of the Stock Exchange (stock code: 586)
“Completion”	completion of the acquisition of Sale Interest A, Sale Interest B, Sale Interest C, Sale Interest D or Sale Interest E (as the case may be) in accordance with the terms and conditions of the relevant Equity Transfer Agreement
“Completion Date”	date of completion of the acquisition of Sale Interest A, Sale Interest B, Sale Interest C, Sale Interest D or Sale Interest E (as the case may be)

“Conditions Precedent”	the conditions precedent for Completion as stipulated in the Equity Transfer Agreement A, the Equity Transfer Agreement B, the Equity Transfer Agreement C, the Equity Transfer Agreement D or the Equity Transfer Agreement E (as the case may be)
“connected person(s)”	having the meaning ascribed to it under the Listing Rules
“Consideration”	the consideration for the acquisition of Sale Interest A, Sale Interest B, Sale Interest C, Sale Interest D or Sale Interest E (as the case may be)
“Director(s)”	the director(s) of the Company
“Earnest Money”	a refundable amount of RMB1,003 million payable by the Purchaser under the Letter of Intent
“Equity Transfer Agreement A”	the equity transfer agreement dated 19 January 2022 and entered into amongst the Purchaser, the First Vendor and Target Company A in relation to, among other things, the acquisition of Sale Interest A
“Equity Transfer Agreement B”	the equity transfer agreement dated 12 January 2022 and entered into amongst the Purchaser, the First Vendor and Target Company B in relation to, among other things, the acquisition of Sale Interest B
“Equity Transfer Agreement C”	the equity transfer agreement dated 28 January 2022 and entered into amongst the Purchaser, the First Vendor and Target Company C in relation to, among other things, the acquisition of Sale Interest C
“Equity Transfer Agreement D”	the equity transfer agreement dated 28 January 2022 and entered into amongst the Purchaser, the Second Vendor and Target Company D in relation to, among other things, the acquisition of Sale Interest D
“Equity Transfer Agreement E”	the equity transfer agreement dated 28 January 2022 and entered into amongst the Purchaser, the First Vendor and Target Company E in relation to, among other things, the acquisition of Sale Interest E
“Equity Transfer Agreements”	collectively, Equity Transfer Agreement A, Equity Transfer Agreement B, Equity Transfer Agreement C, Equity Transfer Agreement D and Equity Transfer Agreement E; each the “Equity Transfer Agreement” and, where the context so requires, can mean any one of them

“First Vendor”	Guangzhou Agile Solid Waste Treatment Co., Ltd.* (廣州雅居樂固體廢物處理有限公司), a limited liability company established in the PRC
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Hunan Huiming”	Hunan Huiming Environmental Protection Technology Co., Ltd.* (湖南惠明環保科技有限公司), a limited liability company established in the PRC
“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
“Letter of Intent”	the letter of intent dated 28 January 2022 and entered into amongst the Purchaser, the First Vendor and the Second Vendor in relation to, among other things, the possible acquisitions of equity interests in the Target Companies and Hunan Huiming
“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, Macau Special Administrative Region of the PRC and Taiwan
“Purchaser”	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), an indirect wholly-owned subsidiary of the Company
“RMB”	Renminbi, the lawful currency of the PRC
“Sale Interest”	collectively, Sale Interest A, Sale Interest B, Sale Interest C, Sale Interest D and Sale Interest E
“Sale Interest A”	95% of the equity interest in Target Company A held by the First Vendor immediately prior to the Completion for Sale Interest A
“Sale Interest B”	100% of the equity interest in Target Company B held by the First Vendor immediately prior to the Completion for Sale Interest B

“Sale Interest C”	90% of the equity interest in Target Company C held by the First Vendor immediately prior to the Completion for Sale Interest C
“Sale Interest D”	100% of the equity interest in Target Company D held by the Second Vendor immediately prior to the Completion for Sale Interest D
“Sale Interest E”	90% of the equity interest in Target Company E held by the First Vendor immediately prior to the Completion for Sale Interest E
“Second Vendor”	Shenzhen Agile Environmental Technology Co., Ltd.* (深圳雅居樂環保科技有限公司), a limited liability company established in the PRC
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Companies”	collectively, Target Company A, Target Company B, Target Company C, Target Company D and Target Company E; and each a “Target Company” and, where the context so requires, can mean any one of them
“Target Company A”	Chiping County Guohuan Renewable Energy Co., Ltd.* (茌平縣國環再生能源有限公司), a limited liability company established in the PRC
“Target Company B”	Guantao County Zhenghao Environmental Protection Technology Co., Ltd.* (館陶縣正好環保科技有限公司), a limited liability company established in the PRC
“Target Company C”	Guan County Guohuan Waste Treatment Co., Ltd.* (冠縣國環垃圾處理有限公司), a limited liability company established in the PRC
“Target Company D”	Luanzhou Yaxin Environmental Protection Energy Co., Ltd.* (灤州雅新環保能源有限公司), a limited liability company established in the PRC
“Target Company E”	Jinxiang Shengyun Environmental Protection Power Co., Ltd.* (金鄉盛運環保電力有限公司), a limited liability company established in the PRC

“Target Projects”	the project of power generation from municipal waste incineration or project of comprehensive municipal waste treatment operated by the respective Target Company as disclosed in the section headed “The Acquisitions — Information about the Target Companies” in this announcement
“Vendors”	collectively, the First Vendor and the Second Vendor, both of which are subsidiaries of Agile Holdings
“%”	per cent

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

Anhui Province, the People’s Republic of China  
28 January 2022

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