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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) 2025 FRAMEWORK SALES AGREEMENTS;
(2) 2025 FRAMEWORK PROCUREMENT AGREEMENTS;
(3) 2025 FRAMEWORK TECHNICAL AND
OTHER SERVICES AGREEMENT; AND
(4) 2025 FRAMEWORK SUPPLY OF SERVICES AGREEMENT**

Reference is made to the June 2024 Announcement in relation to, among other matters, the continuing connected transactions under the Existing CCT Agreements.

2025 CCT AGREEMENTS

On 9 January 2025, for the purpose of replacing the Expired CCT Agreements and meeting the demands of the Group for the goods to be procured from Conch Investment Group, the Company entered into the 2025 CCT Agreements, comprising:

- (1) two separate 2025 Framework Sales Agreements between the Company (for itself and on behalf of its subsidiaries) (as suppliers) and (i) Conch Cement (for itself and on behalf of its subsidiaries, other than Conch Environment Group); and (ii) Conch New Material (for itself and on behalf of its subsidiaries) respectively (as purchasers) in relation to the sale of the Sales Goods by the Group to the respective purchasers;
- (2) three separate 2025 Framework Procurement Agreements between the Company (for itself and on behalf of its subsidiaries) (as purchasers) and (i) Conch Cement (for itself and on behalf of its subsidiaries, other than Conch Environment Group); (ii) Conch New Material (for itself and on behalf of its subsidiaries); and (iii) Conch Investment (for itself and on behalf of its subsidiaries) respectively (as suppliers) in relation to the procurement of the Procured Goods by the Group from the respective suppliers;

- (3) the 2025 Framework Technical and other Services Agreement between the Company (for itself and on behalf of its subsidiaries) (as receiving parties) and Conch Cement (for itself and on behalf of its subsidiaries, other than Conch Environment Group) (as service providers) in relation to the receipt of the Technical Services by the Group from the respective service providers; and
- (4) the 2025 Framework Supply of Services Agreement between the Company (for itself and on behalf of its subsidiaries) (as service providers) and Conch Cement (for itself and on behalf of its subsidiaries, other than Conch Environment Group) (as receiving parties) in relation to the provision of the Supply Services by the Group to the respective receiving parties.

Save and except for 2025 Conch Investment FPA which has a term of 2 years from 1 January 2025 to 31 December 2026, the above 2025 CCT Agreements have a term of 1 year from 1 January 2025 to 31 December 2025.

IMPLICATIONS OF THE LISTING RULES REGARDING THE 2025 CCT AGREEMENTS

As at the date of this announcement, 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 (for the reasons as set out below) 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) the 2025 Framework Sales Agreements and the Continuing FSAs; (2) the 2025 Framework Procurement Agreements and the Continuing FPAs; (3) the 2025 Framework Technical and other Services Agreement and the Continuing FTSA; and (4) the 2025 Framework Supply of Services Agreement and the Continuing FSSA 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 provided or procured by the Group to or 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 the 2025 Framework Sales Agreements and the Continuing FSAs are aggregated as if they were one transaction;
- (ii) the transactions contemplated under the 2025 Framework Procurement Agreements and the Continuing FPAs are aggregated as if they were one transaction;
- (iii) the transactions contemplated under the 2025 Framework Technical and other Services Agreement and the Continuing FTSA are aggregated as if they were one transaction; and
- (iv) the transactions contemplated under the 2025 Framework Supply of Services Agreement and the Continuing FSSA 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) the 2025 Framework Sales Agreements and the Continuing FSAs; (ii) the 2025 Framework Procurement Agreements and the Continuing FPAs; (iii) the 2025 Framework Technical and other Services Agreement and the Continuing FTSA; and (iv) the 2025 Framework Supply of Services Agreement and the Continuing FSSA exceeds 0.1% but is less than 5%, the transactions contemplated under the 2025 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

Reference is made to the June 2024 Announcement in relation to, among other matters, the continuing connected transactions under the Existing CCT Agreements entered into by the Company on 27 June 2024, comprising five separate Framework Sales Agreements, three separate Framework Procurement Agreements, three separate Framework Technical and other Services Agreements and two separate Framework Supply of Services Agreements. The respective terms of the Existing CCT Agreements are set out below (unless otherwise defined below, each of the Existing CCT Agreements shall have the same meanings as those defined in the June 2024 Announcement):

Existing CCT Agreements with a term of less than 3 years for the period from 5 March 2024 to 31 December 2026

(1) Framework Sales Agreements (the “**Continuing FSAs**”):

- Conch Environment FSA;
- Conch Design Institute FSA; and
- Conch Investment FSA

(2) Framework Procurement Agreement (the “**Continuing FPA**”):

- Conch Design Institute FPA

(3) Framework Technical and other Services Agreements (the “**Continuing FTSA**”):

- Conch Environment FTSA; and
- Conch Design Institute FTSA

(4) Framework Supply of Services Agreement (the “**Continuing FSSA**”):

- Conch Environment FSSA

Existing CCT Agreements with a term of less than 1 year for the period from 5 March 2024 to 31 December 2024

(1) Framework Sales Agreements (the “**Expired FSAs**”):

- Conch Cement FSA; and
- Conch New Material FSA

(2) Framework Procurement Agreements (the “**Expired FPAs**”):

- Conch Cement FPA; and
- Conch New Material FPA

(3) Framework Technical and other Services Agreement (the “**Expired FTSA**”):

- Conch Cement FTSA

(4) Framework Supply of Services Agreement (the “**Expired FSSA**”):

- Conch Cement FSSA

For other details of the Existing CCT Agreements and the transactions contemplated thereunder, please refer to the June 2024 Announcement.

It is expected that the Group will continue to supply/receive goods and services to/from Conch Cement Group and/or Conch New Material Group after 31 December 2024. In addition, starting from 2025, the Group is expected to procure relevant materials and equipment involved in the daily production and operation of the Group (including chemical products, ecological and environmental materials and other goods) from Conch Investment Group.

On 9 January 2025, for the purpose of replacing the Expired CCT Agreements and meeting the demands of the Group for the goods to be procured from Conch Investment Group, the Company entered into the 2025 CCT Agreements, comprising:

- (1) two separate 2025 Framework Sales Agreements between the Company (for itself and on behalf of its subsidiaries) and:
 - (a) Conch Cement (for itself and on behalf of its subsidiaries, other than Conch Environment Group) (“**2025 Conch Cement FSA**”); and
 - (b) Conch New Material (for itself and on behalf of its subsidiaries) (“**2025 Conch New Material FSA**”), respectively;
- (2) three separate 2025 Framework Procurement Agreements between the Company (for itself and on behalf of its subsidiaries) and:
 - (a) Conch Cement (for itself and on behalf of its subsidiaries, other than Conch Environment Group) (“**2025 Conch Cement FPA**”);
 - (b) Conch New Material (for itself and on behalf of its subsidiaries) (“**2025 Conch New Material FPA**”); and
 - (c) Conch Investment (for itself and on behalf of its subsidiaries) (“**2025 Conch Investment FPA**”), respectively;
- (3) one Framework Technical and other Services Agreement between the Company (for itself and on behalf of its subsidiaries) and Conch Cement (for itself and on behalf of its subsidiaries, other than Conch Environment Group) (“**2025 FTSA**” or “**2025 Framework Technical and other Services Agreement**”); and
- (4) one Framework Supply of Services Agreement between the Company (for itself and on behalf of its subsidiaries) and Conch Cement (for itself and on behalf of its subsidiaries, other than Conch Environment Group) (“**2025 FSSA**” or “**2025 Framework Supply of Services Agreement**”).

Save and except for 2025 Conch Investment FPA which has a term of 2 years from 1 January 2025 to 31 December 2026, the above 2025 CCT Agreements have a term of 1 year from 1 January 2025 to 31 December 2025.

(1) THE 2025 FRAMEWORK SALES AGREEMENTS

On 9 January 2025, two separate 2025 Framework Sales Agreements (i.e. 2025 Conch Cement FSA and 2025 Conch New Material FSA) were entered into respectively.

Principal terms of the 2025 Framework Sales Agreements

The principal terms of 2025 Conch Cement FSA are summarised below. Save and except for the types of goods to be sold to the respective connected-person purchasers as specified below, the principal terms of 2025 Conch New Material FSA are essentially similar to those of 2025 Conch Cement FSA:

Date:	9 January 2025
Parties:	(i) The Company (for itself and on behalf of its subsidiaries) (as suppliers); and (ii) Conch Cement (for itself and on behalf of its subsidiaries, other than Conch Environment Group) (as purchasers)
Validity period:	From 1 January 2025 to 31 December 2025
Goods to be sold by the Group (“Sales Goods”):	<i>Goods to be sold by the Group under 2025 Conch Cement FSA:</i> Waste heat power generation equipment, boilers, vertical mills, electricity and steam, and other equipment and spare parts etc. involved in daily production and operation of the purchasers <i>Goods to be sold by the Group under 2025 Conch New Material FSA:</i> Storage tanks and accessories, and other equipment and spare parts etc. involved in daily production and operation of the purchasers With respect to the sales of the Sales Goods, individual members of the Group (as suppliers) and individual purchasers will enter into individual sales agreements with specific terms and conditions, including but not limited to (i) the types and quality of the Sales Goods and the corresponding quantities and/or amount; (ii) sale price of the Sales Goods and the related payment terms and settlement method; and (iii) terms concerning delivery, shipping, packaging and acceptance.

Pricing policy and pricing procedure

In respect of the Sales Goods to be sold by the Group to the respective connected-person purchasers under the 2025 Framework Sales Agreements, the sale prices of the Sales Goods are determined through arm's length negotiations with reference to the fees charged by the Group (as supplier) to at least one Independent Third Party for goods 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.

The prices of the Sales Goods sold by the Group to the respective connected-person purchasers under the 2025 Framework Sales Agreements will be determined on arm's length basis and on a cost-plus basis with reference to the procurement cost of the raw materials and parts for manufacture of the relevant goods and production overhead, plus a reasonable profit margin rate ranging from 10% to 20% to ensure that the prices 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 prices charged by the Group to connected persons and the Independent Third Parties for goods of similar nature 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

The historical transaction amounts in relation to the total sale prices received or receivable by the Group from Conch Cement Group and Conch New Material Group (and for reference, the total sale prices received or receivable by the Group from Conch Environment Group, Conch Design Institute and Conch Investment Group) for the sales of the Sales Goods for each of FY2022, FY2023, the eleven months ended 30 November 2024 and the period commenced from 5 March 2024 and ended on 30 November 2024 are set out below:

	FY2022 <i>(RMB million)</i>	FY2023 <i>(RMB million)</i>	Eleven months ended 30 November 2024 <i>(RMB million)</i>	5 March 2024 to 30 November 2024 <i>(RMB million)</i>
Conch Cement Group	502.5	348.9	193.4	153.3
Conch New Material Group	<u>—</u>	<u>4.7</u>	<u>3.0</u>	<u>0.03</u>
<i>Sub-total</i>	<u>502.5</u>	<u>353.6</u>	<u>196.4</u>	<u>153.33</u>
Conch Environment Group	52.2	121.7	13.6	13.3
Conch Design Institute	24.8	618.7	27.3	6.6
Conch Investment Group	<u>2.2</u>	<u>12.4</u>	<u>5.0</u>	<u>5.0</u>
<i>Sub-total</i>	<u>79.2</u>	<u>752.8</u>	<u>45.9</u>	<u>24.9</u>
Total	<u><u>581.7</u></u>	<u><u>1,106.4</u></u>	<u><u>242.3</u></u>	<u><u>178.2</u></u>

The annual cap previously set for the Framework Sales Agreements (i.e. the Expired FSAs entered into with Conch Cement Group and Conch New Material Group, and the Continuing FSAs entered into with Conch Environment Group, Conch Design Institute and Conch Investment Group) for the period commencing from 5 March 2024 and ended on 31 December 2024 (i.e. PE2024) was RMB400.0 million.

So far as the Directors are aware, the annual cap for PE2024 in respect of the transactions contemplated under the Framework Sales Agreements has not been exceeded.

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

The following table sets out the proposed annual caps in respect of the transactions contemplated under each of the 2025 Framework Sales Agreements for FY2025 (for reference, the proposed annual caps in respect of the transactions contemplated under each of the Continuing FSAs for each of FY2025 and FY2026 (which were set out in the June 2024 Announcement) are also set out):

	FY2025 <i>(RMB million)</i>	FY2026 <i>(RMB million)</i>
<i>2025 Framework Sales Agreements:</i>		
Conch Cement Group	320.0	N/A
Conch New Material Group	<u>2.0</u>	<u>N/A</u>
<i>Sub-total</i>	<u>322.0</u>	<u>N/A</u>
<i>Continuing FSAs (as set out in the June 2024 Announcement):</i>		
Conch Environment Group	17.0	17.0
Conch Design Institute	40.0	45.0
Conch Investment Group	<u>15.0</u>	<u>13.0</u>
<i>Sub-total</i>	<u>72.0</u>	<u>75.0</u>
Total	<u><u>394.0</u></u>	<u><u>75.0</u></u>

The above estimated annual caps for the 2025 Framework Sales Agreements are determined with reference to the following factors:

- (1) historical transaction amounts for the Sales Goods sold by the Group to each of (i) Conch Cement Group; and (ii) Conch New Material Group;
- (2) the anticipated demand of (i) Conch Cement Group; and (ii) Conch New Material Group for the Sales Goods calculated based on their operation plans for FY2025; and
- (3) the current trends of market price of the same, similar or alternative goods for the Sales Goods.

Implications of the Listing Rules regarding the 2025 Framework Sales Agreements

As at the date of this announcement, 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 the 2025 Framework Sales Agreements:

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); and (ii) Conch New Material (being a 30%-controlled company directly held by Conch Holdings) and its subsidiaries. As such, the 2025 Framework Sales Agreements (i.e. 2025 Conch Cement FSA and 2025 Conch New Material FSA) and the respective transactions contemplated thereunder constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

In relation to the Continuing FSAs:

The following entities are associates of Conch Holdings and hence connected persons of the Company under Chapter 14A of the Listing Rules: (i) Conch Environment (being a subsidiary of Conch Cement) and its subsidiaries; (ii) Conch Design Institute and Conch Investment (both of which are wholly-owned subsidiaries of Conch Holdings) and the subsidiaries of Conch Investment. As such, the Continuing FSAs (i.e. Conch Environment FSA, Conch Design Institute FSA and Conch Investment FSA) 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) the 2025 Framework Sales Agreements (i.e. 2025 Conch Cement FSA and 2025 Conch New Material FSA) and (ii) the Continuing FSAs (i.e. Conch Environment FSA, Conch Design Institute FSA and Conch Investment FSA) are aggregated as if they were one transaction, on the basis that (i) all of them involve the sale of Sales Goods by the Group, which are of similar nature and (ii) all of the respective purchasers (namely, Conch Cement Group, Conch Environment Group, Conch New Material Group, Conch Design Institute and Conch Investment Group) are associates of Conch Holdings.

As stated in the paragraph headed “(1) The 2025 Framework Sales Agreements — 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 the 2025 Framework Sales Agreements and the Continuing FSAs for FY2025 and FY2026 are RMB394.0 million and RMB75.0 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 the 2025 Framework Sales Agreements and the Continuing FSAs exceeds 0.1% but is less than 5%, the transactions contemplated under the 2025 Framework Sales 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.

(2) THE 2025 FRAMEWORK PROCUREMENT AGREEMENTS

On 9 January 2025, three separate 2025 Framework Procurement Agreements (i.e. 2025 Conch Cement FPA, 2025 Conch New Material FPA and 2025 Conch Investment FPA) were entered into respectively.

Principal terms of the 2025 Framework Procurement Agreements

The principal terms of 2025 Conch Cement FPA are summarised below. Save and except for the validity period and types of goods to be procured from the respective connected-person suppliers as specified below, the principal terms of 2025 Conch New Material FPA and 2025 Conch Investment FPA are essentially similar to those of 2025 Conch Cement FPA:

Date:	9 January 2025
Parties:	(i) Conch Cement (for itself and on behalf of its subsidiaries, other than Conch Environment Group) (as suppliers); and (ii) the Company (for itself and on behalf of its subsidiaries) (as purchasers)
Validity period:	<i>For both 2025 Conch Cement FPA and 2025 Conch New Material FPA:</i> From 1 January 2025 to 31 December 2025 <i>For 2025 Conch Investment FPA:</i> From 1 January 2025 to 31 December 2026

Goods to be procured by the Group (“**Procured Goods**”):

Goods to be procured by the Group under 2025 Conch Cement FPA:

Cement, labour safety equipment, heat power, network software equipment, and other equipment and spare parts etc. involved in daily production and operation of the Group

Goods to be procured by the Group under 2025 Conch New Material FPA:

Plastic, metal products and other related materials and goods etc. involved in daily production and operation of the Group

Goods to be procured by the Group under 2025 Conch Investment FPA:

Relevant materials and equipment involved in the daily production and operation of the Group (including chemical products, ecological and environmental materials and other goods)

With respect to the procurement of the Procured Goods, individual members of the Group (as purchasers) and individual suppliers will enter into individual procurement agreements with specific terms and conditions, including but not limited to (i) the types and quality of the Procured Goods and the corresponding quantities and/or amount; (ii) purchase price of the Procured Goods and the related payment terms and settlement method; and (iii) terms concerning delivery, shipping, packaging and acceptance.

Pricing policy and pricing procedure

In respect of the Procured Goods to be procured by the Group from the respective connected-person suppliers under the 2025 Framework Procurement Agreements, the purchase prices of the Procured Goods 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 goods and the price to be finally agreed with the respective connected-person suppliers shall be no less favourable than the prices stated in such quotation.

The prices of the Procured Goods offered by the respective connected-person suppliers under the 2025 Framework Procurement Agreements 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 Procured Goods (including the purchase price and other costs) plus a mark-up of not more than 20% 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 the respective connected-person suppliers 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

The historical transaction amounts in relation to the total purchase prices of the Procured Goods paid or payable by the Group to (i) Conch Cement Group; (ii) Conch New Material Group; and (iii) Conch Investment Group (and for reference, the total purchase prices paid or payable by the Group to Conch Design Institute) for the procurement of the Procured Goods for FY2022, FY2023, the eleven months ended 30 November 2024 and the period commenced from 5 March 2024 and ended on 30 November 2024 are set out below:

	FY2022 (RMB million)	FY2023 (RMB million)	Eleven months ended 30 November 2024 (RMB million)	5 March 2024 to 30 November 2024 (RMB million)
Conch Cement Group	27.1	24.2	30.5	26.5
Conch New Material Group	—	0.3	0.2	—
Conch Investment Group	—	—	—	—
<i>Sub-total</i>	<u>27.1</u>	<u>24.5</u>	<u>30.7</u>	<u>26.5</u>
Conch Design Institute	—	—	10.0	10.0
Total	<u><u>27.1</u></u>	<u><u>24.5</u></u>	<u><u>40.7</u></u>	<u><u>36.5</u></u>

The annual cap previously set for the Framework Procurement Agreements (i.e. the Expired FPAs entered into with Conch Cement Group and Conch New Material Group, and the Continuing FPA entered into with Conch Design Institute) for the period commenced from 5 March 2024 and ended on 31 December 2024 (i.e. PE2024) was RMB81.5 million.

So far as the Directors are aware, the annual cap for PE2024 in respect of the transactions contemplated under the Framework Procurement Agreements has not been exceeded.

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

The following table sets out the proposed annual caps in respect of the transactions contemplated under each of the 2025 Framework Procurement Agreements for each of FY2025 and FY2026 (for reference, the proposed annual caps in respect of the transactions contemplated under the Continuing FPA for each of FY2025 and FY2026 (which were set out in the June 2024 Announcement) are also set out):

	FY2025 <i>(RMB million)</i>	FY2026 <i>(RMB million)</i>
<i>2025 Framework Procurement Agreements:</i>		
Conch Cement Group	65.0	N/A
Conch New Material Group	1.0	N/A
Conch Investment Group	<u>2.0</u>	<u>2.0</u>
<i>Sub-total</i>	<u>68.0</u>	<u>2.0</u>
<i>Continuing FPA (as set out in the June 2024 Announcement):</i>		
Conch Design Institute	<u>20.0</u>	<u>20.0</u>
Total	<u><u>88.0</u></u>	<u><u>22.0</u></u>

The above estimated annual caps for the 2025 Framework Procurement Agreements are determined with reference to the following factors:

- (1) historical transaction amounts for the Procured Goods procured by the Group from each of (i) Conch Cement Group; and (ii) Conch New Material Group;
- (2) the anticipated demand of the Group for the Procured Goods calculated based on the Group's operation plans for each of FY2025 and FY2026; and
- (3) the current trends of market price of the same, similar or alternative goods for the Procured Goods.

Implications of the Listing Rules regarding the 2025 Framework Procurement Agreements

In relation to the 2025 Framework Procurement Agreements:

As stated above, each of (i) Conch Cement (and its subsidiaries, other than Conch Environment Group); (ii) Conch New Material (and its subsidiaries); and (iii) Conch Investment (and its subsidiaries) are connected persons of the Company under Chapter 14A of the Listing Rules, the 2025 Framework Procurement Agreements (i.e. 2025 Conch Cement FPA, 2025 Conch New Material FPA and 2025 Conch Investment FPA) and the respective transactions contemplated thereunder constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

In relation to the Continuing FPA:

As stated above, Conch Design Institute is a connected person of the Company under Chapter 14A of the Listing Rules. As such, the Continuing FPA (i.e. Conch Design Institute FPA) 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) the 2025 Framework Procurement Agreements (i.e. 2025 Conch Cement FPA, 2025 Conch New Material FPA and 2025 Conch Investment FPA) and (ii) the Continuing FPA (i.e. 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 Cement Group, Conch New Material Group, Conch Investment Group and Conch Design Institute) are associates of Conch Holdings.

As stated in the paragraph headed “(2) The 2025 Framework Procurement Agreements — 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 the 2025 Framework Procurement Agreements and the Continuing FPA for FY2025 and FY2026 are RMB88.0 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 the 2025 Framework Procurement Agreements and the Continuing FPA exceeds 0.1% but is less than 5%, the transactions contemplated under the 2025 Framework Procurement 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.

(3) THE 2025 FRAMEWORK TECHNICAL AND OTHER SERVICES AGREEMENT

On 9 January 2025, the 2025 Framework Technical and other Services Agreement was entered into.

Principal terms of the 2025 Framework Technical and other Services Agreement

The principal terms of 2025 FTSA are summarised below.

Date:	9 January 2025
Parties:	(i) Conch Cement (for itself and on behalf of its subsidiaries, other than Conch Environment Group) (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 (“ Technical Services ”):	Collaborative disposal service, material management system and other technical services etc. 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 the 2025 Framework Technical and other Services Agreement, 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

The historical transaction amounts in relation to the total service fees paid or payable by the Group to Conch Cement Group (and for reference, the total service fees paid or payable by the Group to Conch Environment Group and Conch Design Institute) for the provision of the Technical Services for each of FY2022, FY2023, the eleven months ended 30 November 2024 and the period commenced from 5 March 2024 and ended on 30 November 2024 are set out below:

	FY2022 <i>(RMB million)</i>	FY2023 <i>(RMB million)</i>	Eleven months ended 30 November 2024 <i>(RMB million)</i>	5 March 2024 to 30 November 2024 <i>(RMB million)</i>
Conch Cement Group	<u>14.7</u>	<u>12.4</u>	<u>8.5</u>	<u>7.1</u>
Conch Environment Group	2.8	29.6	24.5	20.9
Conch Design Institute	<u>15.8</u>	<u>13.1</u>	<u>4.2</u>	<u>3.4</u>
<i>Sub-total</i>	<u>18.6</u>	<u>42.7</u>	<u>28.7</u>	<u>24.3</u>
Total	<u><u>33.3</u></u>	<u><u>55.1</u></u>	<u><u>37.2</u></u>	<u><u>31.4</u></u>

The annual cap previously set for the Framework Technical and other Services Agreements (i.e. the Expired FTSA entered into with Conch Cement Group, and the Continuing FTSA entered into with Conch Environment Group and Conch Design Institute) for the period commencing from 5 March 2024 and ended on 31 December 2024 (i.e. PE2024) was RMB75.3 million.

So far as the Directors are aware, the annual cap for PE2024 in respect of the transactions contemplated under the Framework Technical and other Services Agreements has not been exceeded.

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 the 2025 Framework Technical and other Services Agreement for FY2025 (for reference, the proposed annual caps in respect of the transactions contemplated under each of the Continuing FTSA's for each of FY2025 and FY2026 (which were set out in the June 2024 Announcement) are also set out):

	FY2025 <i>(RMB million)</i>	FY2026 <i>(RMB million)</i>
<i>2025 FTSA:</i>		
Conch Cement Group	<u>15.0</u>	<u>N/A</u>
<i>Continuing FTSA's (as set out in the June 2024 Announcement):</i>		
Conch Environment Group	50.0	60.0
Conch Design Institute	<u>30.0</u>	<u>35.0</u>
<i>Sub-total</i>	<u>80.0</u>	<u>95.0</u>
<i>Total</i>	<u><u>95.0</u></u>	<u><u>95.0</u></u>

The above estimated annual cap for the 2025 Framework Technical and other Services Agreement is determined with reference to the following factors:

- (1) historical transaction amounts for the service fees paid or payable by the Group to Conch Cement 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.

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

In relation to the 2025 FTSA:

As stated above, Conch Cement (and its subsidiaries, other than Conch Environment Group) are connected persons of the Company under Chapter 14A of the Listing Rules, the 2025 Framework Technical and other Services Agreement and the transactions contemplated thereunder constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

In relation to the Continuing FTSA:

As stated above, 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 Continuing FTSA (i.e. 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) the 2025 Framework Technical and other Services Agreement and (ii) the Continuing FTSA (i.e. 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 Cement Group, Conch Environment Group and Conch Design Institute) are all associates of Conch Holdings.

As stated in the paragraph headed “(3) The 2025 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 the 2025 FTSA and the Continuing FTSA for FY2025 and FY2026 are RMB95.0 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 the 2025 Framework Technical and other Services Agreement and the Continuing FTSA exceeds 0.1% but is less than 5%, the transaction contemplated under the 2025 Framework Technical and other Services Agreement 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.

(4) THE 2025 FRAMEWORK SUPPLY OF SERVICES AGREEMENT

On 9 January 2025, the 2025 Framework Supply of Services Agreement was entered into.

Principal terms of the 2025 Framework Supply of Services Agreement

The principal terms of 2025 FSSA are summarised below.

Date:	9 January 2025
Parties:	(i) The Company (for itself and on behalf of its subsidiaries) (as service providers); and (ii) Conch Cement (for itself and on behalf of its subsidiaries, other than Conch Environment Group) (as receiving parties)
Validity period:	From 1 January 2025 to 31 December 2025
Services to be provided by the Group (“ Supply Services ”):	Cargo loading and unloading, software debugging and installation services involved in production and operation of the receiving parties etc. With respect to the provision of the Supply Services, individual members of the Group (as service providers) and individual receiving parties will enter into individual supply of services agreements with specific terms and conditions, including but not limited to (i) details of the Supply Services; and (ii) service fees for the Supply Services and the related payment terms and settlement method.

Pricing policy and pricing procedure

In respect of the Supply Services to be provided by the Group to the respective connected-person receiving parties under the 2025 Framework Supply of Services Agreement, the service fees receivable by the Group under the individual supply of services agreements are determined through 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, in order to ensure that the quotations provided by the connected persons to the Group are no less favourable than those offered by the Independent Third Parties to the Group and that the terms are fair and reasonable.

Historical transaction amounts

The historical transaction amounts in relation to the total service fees received or receivable by the Group from Conch Cement Group (and for reference, the total service fees received or receivable by the Group from Conch Environment Group) for the provision of the Supply Services for each of FY2022, FY2023, the eleven months ended 30 November 2024 and the period commenced from 5 March 2024 and ended on 30 November 2024 are set out below:

	FY2022 <i>(RMB million)</i>	FY2023 <i>(RMB million)</i>	Eleven months ended 30 November 2024 <i>(RMB million)</i>	5 March 2024 to 30 November 2024 <i>(RMB million)</i>
Conch Cement Group	181.5	128.2	85.5	67.4
Conch Environment Group	<u>—</u>	<u>15.6</u>	<u>19.1</u>	<u>10.4</u>
Total	<u><u>181.5</u></u>	<u><u>143.8</u></u>	<u><u>104.6</u></u>	<u><u>77.8</u></u>

The annual cap previously set for the Framework Supply of Services Agreements (i.e. the Expired FSSA entered into with Conch Cement Group, and the Continuing FSSA entered into with Conch Environment Group) for the period commencing from 5 March 2024 and ended on 31 December 2024 (i.e. PE2024) was RMB225.0 million.

So far as the Directors are aware, the annual cap for PE2024 in respect of the transactions contemplated under the Framework Supply of Services Agreements has not been exceeded.

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 the 2025 Framework Supply of Services Agreement for FY2025 (for reference, the proposed annual caps in respect of the transaction contemplated under the Continuing FSSA for each of FY2025 and FY2026 (which were set out in the June 2024 Announcement) are also set out):

	FY2025 <i>(RMB million)</i>	FY2026 <i>(RMB million)</i>
<i>2025 FSSA:</i>		
Conch Cement Group	140.0	N/A
<i>Continuing FSSAs (as set out in the June 2024 Announcement):</i>		
Conch Environment Group	<u>35.0</u>	<u>35.0</u>
Total	<u><u>175.0</u></u>	<u><u>35.0</u></u>

The above estimated annual cap for the 2025 Framework Supply of Services Agreement is determined with reference to the following factors:

- (1) historical transaction amounts for the Supply Services provided by the Group to Conch Cement Group;
- (2) the anticipated demand of Conch Cement Group for the Supply Services calculated based on their operation plan for FY2025; and
- (3) the current trends of market price of the same, similar or alternative services for the Supply Services.

Implications of the Listing Rules regarding the 2025 Framework Supply of Services Agreement

In relation to the 2025 FSSA:

As stated above, Conch Cement (and its subsidiaries, other than Conch Environment Group) are connected persons of the Company under Chapter 14A of the Listing Rules, the 2025 Framework Supply of Services Agreement and the transactions contemplated thereunder constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

In relation to the Continuing FSSA:

As stated above, Conch Environment (and its subsidiaries) are connected persons of the Company under Chapter 14A of the Listing Rules. As such, the Continuing FSSA (i.e. Conch Environment FSSA) and the transaction 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) the 2025 Framework Supply of Services Agreement and (ii) the Continuing FSSA (i.e. Conch Environment FSSA) are aggregated as if they were one transaction, on the basis that (i) all of them involve the provision of Supply Services by the Group, which are of similar nature and (ii) all of the respective receiving parties (namely, Conch Cement Group and Conch Environment Group) are associates of Conch Holdings.

As stated in the paragraph headed “(4) The 2025 Framework Supply of 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 the 2025 FSSA and the Continuing FSSA for FY2025 and FY2026 are RMB175.0 million and RMB35.0 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 the 2025 Framework Supply of Services Agreement and the Continuing FSSA exceeds 0.1% but is less than 5%, the transaction contemplated under the 2025 Framework Supply of Services Agreement 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.

REASONS AND BENEFITS FOR ENTERING INTO THE 2025 CCT AGREEMENTS

In previous years, the Group (i) sold the Sales Goods; (ii) procured the Procured Goods; (iii) received the Technical Services; and (iv) provided the Supply Services to or from the relevant parties. The Board believes that the continuation of the relevant transactions with the relevant parties, by entering into the 2025 CCT Agreements (i.e. the 2025 Framework Sales Agreements, the 2025 Framework Procurement Agreements, the 2025 Framework Technical and other Services Agreement and the 2025 Framework Supply of Services Agreement), would ensure operational continuity and minimise any disruptions to the operations and business of the Group.

Furthermore, in respect of the 2025 Framework Procurement Agreement and the 2025 Framework Technical and other Services Agreement, based on the established long-term cooperation relationship between the Group and the relevant parties, a stable supply of quality Procured Goods and quality Technical Services can be ensured; in respect of the 2025 Framework Sales Agreements and the 2025 Framework Supply of Services Agreement, the transactions contemplated thereunder are expected to provide stable source of revenue to the Group.

The Directors (including the independent non-executive Directors) consider that each of the 2025 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.

None of the Directors has a material interest in the transactions contemplated under each of the 2025 CCT Agreements and is required to abstain from voting on the relevant resolution at the Board meeting.

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.

DEFINITIONS

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

“2025 CCT Agreements”	collectively, the 2025 Framework Sales Agreements, the 2025 Framework Procurement Agreements, the 2025 FTSA and the 2025 FSSA
“2025 Framework Procurement Agreements”	collectively, 2025 Conch Cement FPA, 2025 Conch New Material FPA and 2025 Conch Investment FPA
“2025 Framework Sales Agreements”	collectively, 2025 Conch Cement FSA and 2025 Conch New Material FSA
“associate(s)”	having the meaning ascribed to it under the Listing Rules
“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 and the issued shares of which are listed on the Main Board of the Stock Exchange (stock code: 00586)
“Conch Cement”	安徽海螺水泥股份有限公司 (Anhui Conch Cement Co. Ltd.), 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 owned as to 36.40% by Conch Holdings, and a connected person of the Company as at the date of this announcement
“Conch Cement Group”	Conch Cement and its subsidiaries from time to time, other than Conch Environment Group
“Conch Design Institute”	安徽海螺建材設計研究院有限責任公司 (Anhui Conch Building Materials Design and Research Institute*), a company established in the PRC which is a wholly-owned subsidiary of Conch Holdings and a connected person of the Company as at the date of this announcement
“Conch Environment”	China Conch Environment Protection Holdings Limited (中國海螺環保控股有限公司), a company incorporated in the Cayman Islands, with its shares listed on the Stock Exchange (stock code: 00587), which is a subsidiary of Conch Cement and a connected person of the Company as at the date of this announcement
“Conch Environment Group”	Conch Environment and its subsidiaries

“Conch Holdings”	安徽海螺集團有限責任公司 (Anhui Conch Holdings Co. Ltd.*), a company established in the PRC, it is owned as to 49% by the Group, and a connected person of the Company as at the date of this announcement
“Conch Investment”	安徽海螺科創材料有限責任公司 (Anhui Conch Investment Co., Ltd.*), a company established in the PRC which is a wholly-owned subsidiary of Conch Holdings and a connected person of the Company as at the date of this announcement
“Conch Investment Group”	Conch Investment and its subsidiaries
“Conch New Material”	海螺(安徽)節能環保新材料股份有限公司 (Conch (Anhui) Energy Saving and Environment Protection New Material Co., Ltd.*) (formerly known as Wuhu Conch Profiles and Science Co., Ltd. (蕪湖海螺型材科技股份有限公司)), 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 owned as to 45.69% by Conch Holdings, and it is a connected person of the Company as at the date of this announcement
“Conch New Material Group”	Conch New Material and its subsidiaries
“connected person(s)”	having the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Existing CCT Agreements”	collectively, the Framework Sales Agreements, the Framework Procurement Agreements, the Framework Technical and other Services Agreements and the Framework Supply of Services Agreements (as defined in the June 2024 Announcement respectively)
“Expired CCT Agreements”	collectively, the Expired FSAs, the Expired FPAs, the Expired FTSA and the Expired FSSA
“FY2022”, “FY2023”, “FY2025” and “FY2026”	each financial year ended 31 December 2022, 2023, 2025 and 2026, respectively
“Group”	the Company and its subsidiaries
“June 2024 Announcement”	the Company’s announcement dated 27 June 2024 in relation to, among other things, the Existing CCT Agreements and the transactions contemplated thereunder
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange

“PE2024”	the period commencing from 5 March 2024 and ended on 31 December 2024
“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
“RMB”	Renminbi, the lawful currency of the PRC
“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
GUO Jingbin
Chairman

Anhui Province, the People’s Republic of China
9 January 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. LIU Yan 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.

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