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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
IN RESPECT OF ENTERING INTO
THE STRATEGIC COOPERATION FRAMEWORK AGREEMENT**

This announcement is made by China Conch Venture Holdings Limited (the “**Company**”, which together with its subsidiaries are collectively referred to as the “**Group**”) on a voluntary basis with a view to updating the shareholders and potential investors of the Company with the latest business development of the Group.

On 9 April 2019 and 31 May 2019, the Company entered into strategic cooperation framework agreements with Inner Mongolia Mengxi Cement Co., Ltd. (hereinafter referred to as “**Mengxi Cement**”) and China Shanshui Cement Group Limited (hereinafter referred to as “**Shanshui Cement**”), respectively.

According to the strategic cooperation framework agreement entered into with Mengxi Cement, the parties initially reached an intention to invest in collaborative treatment of hazardous waste project, solid waste/hazardous waste treatment center project and environmental protection project by cement kilns through the establishment of a joint venture company controlled by the Group. According to the strategic cooperation framework agreement entered into with Shanshui Cement, the parties initially reached an intention to jointly develop the cement kilns in the area covered by the enterprise production line of cement clinker bases related to Shanshui Cement for the collaborative treatment of industrial solid waste and hazardous waste projects as well as to jointly construct their upstream and downstream industrial chains. The above cooperation will give full play to the advantages of technology and management of the Group’s collaborative treatment of solid waste by its cement kilns. Leveraging on Mengxi Cement’s cement kiln resources in Inner Mongolia and the cement kiln resources of Shanshui Cement in Shandong and Northeast China, the Group will establish a strategic cooperation platform for collaborative treatment of solid waste by cement kilns and carry out high-quality resource integration, as well as strive to form a complete solid waste and hazardous waste industrial chain, with an aim to create a disposal enterprise of highly comprehensive capacity and to become a more proficient, larger and stronger environmental company.

Mengxi Cement is the largest cement producer in Inner Mongolia and one of the 60 large cement companies supported by the PRC government. It currently has production and operation center and is a well-established cement enterprise with 19 subsidiaries including Erdos Mengxi Construction Materials (鄂爾多斯市蒙西建材), Baotou Mengxi (包頭蒙西), Dongsheng Mengxi (東勝蒙西), Erdos Shuangling (鄂爾多斯市雙嶺), Yulin Mengxi (榆林蒙西), Qingshuihe Mengxi (清水河蒙西), Hailar Mengxi (海拉爾蒙西), Yakeshi Mengxi (牙克石蒙西), Manzhouli Mengxi (滿洲里蒙西), Arongqi Mengxi (阿榮旗蒙西), Qiqihar Mengxi (齊齊哈爾蒙西), Daqing Mengxi (大慶蒙西) and Kedong Mengxi (克東蒙西).

Shanshui Cement is one of the top ten cement groups in China and one of the nation's well-known cement companies. Shanshui Cement is a company listed on The Stock Exchange of Hong Kong Limited (stock code: 00691), which mainly engaged in the manufacture and sales of cement, clinker, concrete and related products. The operating areas are mainly located in provinces such as Shandong Province, Northeast China, Shanxi Province and Xinjiang Region. Its subsidiaries are engaged in the production and sales business of construction materials and chemical materials and products.

The parties to the agreements reached a strategic cooperation intention on the collaborative treatment of solid waste by cement kilns based on the willingness to achieve strong alliance, complementary advantages and enhance operational efficiency in the field of solid waste treatment. With the advantages, resources and expertise of the Group, Mengxi Cement and Shanshui Cement for solid waste treatment in China, it is expected that the cooperation intention will strengthen the Group's market position. The Directors consider that entering into the strategic cooperation agreements is a valuable opportunity for the Group and is in the interests of the Company and its shareholders as a whole.

According to the strategic cooperation framework agreements, the future specific business cooperation and mode of cooperation of the parties shall be mutually agreed by the parties after negotiations, and formal agreements shall be entered into after obtaining approval according to relevant laws and regulations and respective procedures.

The Board wishes to remind the shareholders and potential investors of the Company that the proposed transaction under the above-mentioned projects are subject to, among other things, further negotiations between the parties, entering into of any definitive agreement(s), satisfaction (or waiver, as the case may be) of conditions precedent to the completion of the definitive agreement(s) (including but not limited to approvals of shareholders of the Company (if appropriate), relevant authorities and regulators to be obtained pursuant to the applicable laws and regulations).

Further announcements in relation to the proposed transactions contemplated under the above mentioned projects will be made by the Company as and when appropriate in compliance with the Listing Rules.

Warning

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

By Order of the Board
China Conch Venture Holdings Limited
GUO Jingbin
Chairman

Anhui Province, the People's Republic of China
3 June 2019

As at the date of this announcement, the Board comprises Mr. GUO Jingbin (Chairman), Mr. JI Qinying (Chief Executive Officer), Mr. LI Jian and Mr. LI Daming as executive Directors; Mr. CHANG Zhangli as non-executive Director; and Mr. CHAN Chi On (alias Derek CHAN), Mr. CHAN Kai Wing and Mr. LAU Chi Wah, Alex as independent non-executive Directors.