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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 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 with the latest business development of the Group.

BASIC INFORMATION REGARDING THE COOPERATION

The Company intends to enter into a Strategic Cooperation Agreement (the “**Agreement**”) with Dongjiang Environmental Company Limited* (東江環保股份有限公司) (“**Dongjiang Environmental**”) on 6 December 2017, pursuant to which the parties to the Agreement (the “**Parties**”) intend to implement strategic cooperation for collaborative processing of solid wastes by cement kiln under the guiding principles of achieving collaboration between industry leaders to enjoy complementary advantages and enhance operation efficiency in the solid wastes processing sector.

Dongjiang Environmental is a joint stock limited company incorporated in the People’s Republic of China (the “**PRC**”), whose shares are listed on the Hong Kong Stock Exchange (Stock code: 895.HK) and Shenzhen Stock Exchange (Stock code: 002672.SZ). Dongjiang Environmental has been focusing on its core business of processing and treatment of hazardous wastes by specializing in three major areas, namely “comprehensive recycling of waste”, “waste detoxification treatment” and “environmental services”, which form an integrated environmental service platform based on hazardous wastes. Dongjiang Environmental has over 70 subsidiaries and holds qualifications for the operation of 44 key hazardous wastes with an annual processing capacity for hazardous wastes of over 1.50 million tonnes. It possesses a business network spanning over the core regions of the Pearl River Delta region, the Yangtze River Delta region, the Beijing-Tianjin-Hebei region, the Bohai-Rim and the Central and Western China.

As at the date of this announcement, Dongjiang Environmental is an independent third party of the Company.

SUBJECT MATTER OF THE AGREEMENT

1. Principles and Objectives of the Cooperation

Following the principles of “Guided by national policies and achieving through market operation”, the Parties will initiate multi-layer, multi-format and comprehensive strategic cooperation. They will strictly adhere to a development path featuring environmental friendliness, environmental protection and circular economy and establish a cooperation mechanism with long-lasting impact. In particular, in the area of the solid wastes processing, the Parties will strive for mutual benefit, win-win situation and co-development.

By fully utilising the leading edges of the Group in technology, management and locations in respect of the collaborative processing of solid wastes by cement kiln and taking the advantage of Dongjiang Environmental’s experience in the area of solid wastes processing in respect of technology, operation and market expansion, the Agreement will set up a strategic cooperation platform for the collaborative processing of solid wastes by cement kiln for the Parties to foster a diversified and comprehensive strategic cooperation relationship between the Parties. Thereafter, the Parties may replicate successful experience of in-depth cooperation in the collaborative processing of solid wastes by cement kiln across the PRC.

2. Modes of Cooperation

In regions where the Parties have an established presence in the solid wastes processing sector, the Parties will actively explore complementary measures to jointly enhance their service capabilities in the regional markets. At the same time, depending on the efficiency and cost-effectiveness of their respective treatment processes for different solid wastes, the Parties will commence full cooperation in terms of swapping and stratified processes to each other. Cooperation between the Parties shall be based on, among others, the guidance under *The “13th Five-year Plan” for Environmental Protection in Guangdong Province* (《廣東省環境保護「十三五」規劃》) and *Technological Roadmap and Action Plan for Transformation and Upgrade of Cement Industry in Guangdong Province (2016–2018)* (《廣東省水泥行業轉型升級技術路線和行動計畫(2016–2018年)》). In accordance with the master plan and requirements of solid wastes industry and urban development in Guangdong Province, the Parties may, by way of equity cooperation mode, jointly accelerate the development of the collaborative processing of solid wastes by cement kiln in Guangdong Province as a pilot programme. Thereafter, the Parties will jointly accelerate the project development of the collaborative processing of solid wastes by cement kiln across the PRC.

The Agreement is a framework document for the long-term cooperation between the Parties without a specific term of validity. The particular businesses involved in the Agreement are subject to the execution of specific business agreement which will set out in detail the subject matter and respective rights and obligations for relevant cooperation project. The Company will publish further announcement in respect of specific business agreement as and when appropriate.

To the best knowledge, information and belief of the directors of the Company having made all reasonable enquires, Dongjiang Environmental and its ultimate beneficial owners are independent of the Company and its connected persons.

REASONS FOR ENTERING INTO THE AGREEMENT

The Group's principal activities consist of three major segments, namely energy-saving, environmental protection and new building materials, with focuses on three environmental protection areas, namely, collaborative processing of solid and hazardous wastes by cement kilns, municipal waste treatment and grate furnace of municipal waste for power generation.

The collaborative processing of solid wastes by cement kiln has the advantages of low investment and treatment cost and low secondary waste disposal. It can also turn solid wastes into harmless resources. In recent years, the Group has seized market opportunities to swiftly tap into the market of the collaborative processing of solid wastes by cement kiln for industrial wastes and continually improved the relevant business model with exceptional results. As of the date of this announcement, the Group's capacity of collaborative processing of solid wastes in respect of cement kilns under construction amounts to 1.67 million tonnes per year, while that in respect of cement kilns completed and ready for operation amounts to 375,000 tonnes per year.

The Agreement entered into with Dongjiang Environmental will facilitate the Group in achieving its development targets of expanding market presence, boosting capacity utilisation and strengthening the environmental protection industry in a better and more efficient manner. The Parties will jointly explore the substantial business potential in the solid wastes processing industry by exchanging information and complementing each other with respective leading edges in anticipation to accelerate the pace for achieving respective development targets and promote the development of the industry as a whole in an orderly fashion.

WARNING

The Company expects to formally enter into the Agreement on 6 December 2017. Therefore, attention of the Shareholders and potential investors of the Company are drawn to the potential risks and they are advised to exercise caution when dealing in shares of the Company.

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

Anhui Province, the People's Republic of China
4 December 2017

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

* *For identification purposes only*