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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:
ENTERING INTO AN INVESTMENT AGREEMENT
IN RESPECT OF A NEW ENERGY PRODUCTION BASE PROJECT
IN SOUTHWESTERN REGION**

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 to provide information on the latest business development of the Group to the shareholders of the Company and potential investors.

BASIC INFORMATION OF THE COOPERATION

In January 2022, with a view to achieve the Group’s rapid development in new energy industry, the Company entered into an investment agreement in respect of the investment and construction of an integrated energy storage battery cathode material project with Leshan Municipal People’s Government* (樂山市人民政府), Leshan High-tech Industrial Development Zone Management Committee* (樂山高新技術產業開發區管理委員會) (“**Leshan Hi-tech Zone Management Committee**”) and Sunway Co., Ltd.* (尚緯股份有限公司) (“**Sunway**”). Located in Leshan City, Sichuan Province, Sunway is a national high-tech enterprise and a leading supplier of high-end special cable total solution in the industry. For the purpose of implementing the project, the Company plans to jointly set up a joint venture company with Sunway for carrying out related business including the development and research, production and sales of cathode materials for energy storage battery with an annual production volume of 200,000 tonnes, among which, the planned annual production volume for the first phase of the project would be 40,000 tonnes. The Leshan Hi-tech Zone Management Committee will provide policy support.

THE PURPOSE AND OBJECTIVE OF COOPERATION AND DEVELOPMENT PLAN

With the intent of pursuing win-win cooperation and mutual benefits, the parties to agreement shall fully utilize the advantages in capital, branding and new energy technology, as well as the favourable industrial investment environment of Leshan High-tech Industrial Development Zone, in order to further optimize the Group’s industrial layout, expand and

enhance the Group's industry chain and increase the Group's market competitiveness in the new energy industry, thereby creating a new profit driver for the Group and bringing benefits to the future development of the Group.

METHOD OF COOPERATION

The Company and Sunway will establish a joint venture company and plan for the construction of the production base. The registered capital of the joint venture company will amount to RMB500 million, of which the Company or its wholly-owned subsidiaries or controlled subsidiaries will contribute 51%, while Sunway or its wholly-owned subsidiaries or controlled subsidiaries will contribute 49% of the registered capital respectively. Both parties will accelerate the implementation of the project, take forward the commencement of the construction of the project in order to realize the profit of the project as soon as possible.

REASONS OF ENTERING INTO THE AGREEMENT

As an important industry under the “dual-carbon strategy” of China, new energy industry will present a rapid development opportunity in the future. Energy storage battery industry, as an integral part of new energy industry, has a broad market prospect given its extensive array of applications. It is expected to drive a new stage of development for energy industry, contributing to the adjustment of national energy structure and the enhancement of industry institutions.

The implementation of the project will further promote the development of the Group's new energy business. In combination with the Group's lithium ferrous phosphate anode material project in the Economic and Technological Development Zone in Wuhu City, Anhui Province, it will expand and optimize the upstream and downstream industry chain of our new energy business. The Group will also be committed to becoming a benchmark enterprise in cathode material and energy storage battery industry, which is beneficial to the Group's high quality development.

The directors of the Company are of the view that the project is in line with the relevant national industrial policies and the Group's strategic directions. The entering into of the aforesaid investment agreement represents a valuable investment opportunity for the Group and is in the interests of the Company and its shareholders as a whole.

The Company will make further announcement(s) in relation to the above project in accordance with all applicable requirements under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited as and when appropriate.

The shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

By the order of the Board
China Conch Venture Holdings Limited
Guo Jingbin
Chairman

Anhui Province, the People's Republic of China
16 January 2022

As at the date of this announcement, the Board of the Company 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*