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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, a bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **China Conch Venture Holdings Limited** 中國海螺創業控股有限公司, you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)**

**PROPOSED RE-ELECTION OF RETIRING DIRECTORS,  
PROPOSED GRANTING OF GENERAL MANDATES TO  
REPURCHASE SHARES AND TO ISSUE SHARES,  
DECLARATION OF FINAL DIVIDEND  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

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The notice convening the 2019 Annual General Meeting (the “AGM”) of China Conch Venture Holdings Limited 中國海螺創業控股有限公司 (the “Company”) to be held at Island Ballroom, Level 5, Island Shangri-La, Pacific Place, Supreme Court Road, Central, Hong Kong on Wednesday, 26 June 2019 at 3:30 p.m. is set out in this circular.

Whether or not you are able to attend the AGM, please complete and sign the enclosed form of proxy for use at the AGM in accordance with the instructions printed thereon and return it to the Company’s branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time fixed for the AGM (i.e. not later than 3:30 p.m. on Monday, 24 June 2019 (Hong Kong time)) or the adjourned meeting thereof. Completion and return of the form of proxy will not preclude shareholders from attending and voting in person at the AGM if they so wish.

This circular together with the form of proxy are also published on the websites of Hong Kong Exchanges and Clearing Limited (<http://www.hkexnews.hk>) and the Company ([hlcy@conchventure.com](mailto:hlcy@conchventure.com)).

29 April 2019

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## DEFINITIONS

*In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:*

“2018 AGM”	the annual general meeting held on 27 June 2018
“AGM”	the 2019 annual general meeting of the Company to be held at Island Ballroom, Level 5, Island Shangri-La, Pacific Place, Supreme Court Road, Central, Hong Kong on Wednesday, 26 June 2019 at 3:30 p.m., to consider and, if appropriate, to approve the resolutions contained in the notice of the meeting which is set out on pages 15 to 19 of this circular, or any adjournment thereof
“Articles of Association”	the articles of association of the Company currently in force
“Board”	the board of Directors
“Close Associate(s)”	has the same meaning as defined under the Listing Rules
“Companies Law”	the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands
“Company”	China Conch Venture Holdings Limited 中國海螺創業控股有限公司, a company incorporated in Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange
“Core Connected Person(s)”	has the same meaning as defined under the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Issuance Mandate”	a general and unconditional mandate proposed to be granted to the Directors to allot, issue or deal with additional Shares of not exceeding 20% of the total number of issued shares of the Company as at the date of passing of the relevant resolution at the AGM
“Latest Practicable Date”	23 April 2019, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular

## DEFINITIONS

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange as amended from time to time
“PRC”	the People’s Republic of China (for the purpose of this circular excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan)
“Remuneration and Nomination Committee”	the Remuneration and Nomination Committee of the Board
“Repurchase Mandate”	a general and unconditional mandate proposed to be granted to the Directors to repurchase Shares on the Stock Exchange of not exceeding 10% of the total number of issued shares of the Company as at the date of passing of the relevant resolution at the AGM
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Share(s)”	ordinary share(s) of HK\$0.01 each in the issued capital of the Company or if there has been a subsequent sub-division, consolidation, reclassification or reconstruction of the share capital of the Company, shares forming part of the ordinary equity share capital of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Share Option Scheme”	the share option scheme conditionally adopted by the Company on 3 December 2013, under which eligible participants may be granted a right to subscribe for Shares under the discretion of the Board
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Code on Takeovers and Mergers approved by the Securities and Futures Commission as amended from time to time
“%”	per cent

**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)**

*Executive Directors:*

Mr. GUO Jingbin (*Chairman*)  
Mr. JI Qinying (*Chief Executive Officer*)  
Mr. LI Jian  
Mr. LI Daming

*Non-executive Director:*

Mr. CHANG Zhangli

*Independent Non-executive Directors:*

Mr. CHAN Chi On (alias Derek CHAN)  
Mr. CHAN Kai Wing  
Mr. LAU Chi Wah, Alex

*Registered office:*

Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

*Head office in the PRC:*

1011 Jiuhua South Road  
Wuhu City  
Anhui Province  
China

*Principal place of business  
in Hong Kong:*

Suite 4018, 40/F Jardine House  
1 Connaught Place  
Central  
Hong Kong

29 April 2019

*To the Shareholders*

Dear Sir/Madam,

**PROPOSED RE-ELECTION OF RETIRING DIRECTORS,  
PROPOSED GRANTING OF GENERAL MANDATES TO  
REPURCHASE SHARES AND TO ISSUE SHARES,  
DECLARATION OF FINAL DIVIDEND  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

**1. INTRODUCTION**

The purpose of this circular is to provide the Shareholders with information in respect of certain resolutions to be proposed at the AGM to be held on 26 June 2019.

## LETTER FROM THE BOARD

### 2. PROPOSED RE-ELECTION OF RETIRING DIRECTORS

In accordance with Article 105(A) and 105(B) of the Articles of Association, Mr. Guo Jingbin, Mr. Li Daming and Mr. Chan Kai Wing shall retire at the AGM. In addition, Mr. Chang Zhangli who has been appointed by the Board on 21 March 2019 shall hold office until the next following AGM pursuant to Article 109 of the Company's Articles of Association. All of the above retiring Directors, being eligible, will offer themselves for re-election at the AGM.

Mr Chan Kai Wing is holding other listed company directorships as set in his biographical information set out in Appendix I to this circular, has confirmed his independence with reference to the factors set out in Rule 3.13 of the Listing Rules. The Remuneration and Nomination Committee has reviewed the structure and composition of the Board, the confirmations and disclosures given by the Directors, the qualifications, skills and experience, time commitment and contribution of the retiring Directors with reference to the nomination principles and criteria set out in the Company's Board Diversity Policy and Director Nomination Policy and the Company's corporate strategy, and the independence of all Independent Non-executive Directors. The Remuneration and Nomination Committee has recommended to the Board on re-election of all the retiring Directors including the aforesaid Independent Non-executive Director who is due to retire at the AGM. The Company considers that the retiring Independent Non-executive Director is independent in accordance with the independence guidelines set out in the Listing Rules and will continue to bring valuable business experience, knowledge and professionalism including but not limited to his expertise in financial advisory and corporate finance to the Board for its efficient and effective functioning and diversity.

Details of the retiring Directors proposed for re-election at the AGM are set out in Appendix I to this circular.

### 3. PROPOSED GRANTING OF GENERAL MANDATE TO REPURCHASE SHARES

At the 2018 AGM, a general mandate was granted to the Directors to repurchase Shares. Such mandate will lapse at the conclusion of the AGM. In order to give the Company the flexibility to repurchase Shares if and when appropriate, an ordinary resolution will be proposed at the AGM to approve the granting of the Share Repurchase Mandate to the Directors to repurchase Shares on the Stock Exchange of not exceeding 10% of the total number of issued Shares of the Company as at the date of passing of the proposed ordinary resolution contained in item 5 of the notice of the AGM (i.e. a total of 180,475,000 Shares on the basis that the issued share capital of the Company remains unchanged on the date of the AGM). The Directors wish to state that they have no immediate plan to repurchase any Shares pursuant to the Share Repurchase Mandate.

An explanatory statement required by the Listing Rules to provide the Shareholders with requisite information reasonably necessary for them to make an informed decision on whether to vote for or against the granting of the Share Repurchase Mandate is set out in Appendix II to this circular.

## LETTER FROM THE BOARD

### **4. PROPOSED GRANTING OF GENERAL MANDATE TO ISSUE SHARES**

At the 2018 AGM, a general mandate was granted to the Directors to issue Shares. Such mandate will lapse at the conclusion of the AGM. In order to give the Company the flexibility to issue Shares if and when appropriate, an ordinary resolution will be proposed at the AGM to approve the granting of the Issuance Mandate to the Directors to allot, issue or deal with additional Shares of not exceeding 20% of the total number of issued Shares of the Company as at the date of passing of the proposed ordinary resolution contained in item 6 of the notice of the AGM (i.e. a total of 360,950,000 Shares on the basis that the issued share capital of the Company remains unchanged on the date of the AGM). An ordinary resolution to extend the Issuance Mandate by adding the number of Shares repurchased by the Company pursuant to the Share Repurchase Mandate will also be proposed at the AGM.

The Directors wish to state that they have no immediate plan to issue any new Shares pursuant to the Issuance Mandate.

### **5. DECLARATION OF FINAL DIVIDEND**

On 21 March 2019, the Company made an announcement in relation to its audited consolidated financial results for the year ended 31 December 2018 whereby the Board has recommended a final cash dividend of HK\$0.55 per Share for the year ended 31 December 2018. Subject to the passing of the resolution approving the payment of such final dividend at the AGM, such final dividend is expected to be paid on 18 July 2019.

For determining the entitlement to the proposed final dividend, the register of members of the Company will be closed from Monday, 8 July 2019 to Thursday, 11 July 2019, both days inclusive, during which period no transfer of Shares will be registered. In order to qualify for the entitlement to the proposed final dividend, all transfers of shares accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Friday, 5 July 2019.

### **6. ANNUAL GENERAL MEETING AND PROXY ARRANGEMENT**

The notice of the AGM is set out on pages 15 to 19 of this circular.

Pursuant to the Listing Rules and the Articles of Association, any vote of Shareholders at a general meeting must be taken by poll except where the chairman decides to allow a resolution relating to a procedural or administrative matter to be voted on by a show of hands. An announcement on the poll results will be published by the Company after the AGM in the manner prescribed under the Listing Rules.

A form of proxy for use at the AGM is enclosed with this circular and such form of proxy is also published on the websites of Hong Kong Exchanges and Clearing Limited (<http://www.hkexnews.hk>) and the Company ([hlcy@conchventure.com](mailto:hlcy@conchventure.com)). To be valid, the form of proxy must be completed and signed in accordance with the instructions printed thereon and deposited, together with the power of attorney or other authority (if any) under which it is

## LETTER FROM THE BOARD

signed or a certified copy of that power of attorney or authority at the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the AGM (i.e. not later than 3:30 p.m. on Monday, 24 June 2019 (Hong Kong time)) or the adjourned meeting thereof. Completion and delivery of the form of proxy will not preclude you from attending and voting at the AGM if you so wish.

### 7. RECOMMENDATION

The Directors consider that the proposed re-election of retiring Directors, granting of the Repurchase Mandate, the Issuance Mandate and the extension of the Issuance Mandate to the Directors and the declaration of final dividend are in the best interests of the Company and the Shareholders. Accordingly, the Directors recommend the Shareholders to vote in favour of the relevant resolutions to be proposed at the AGM.

Yours faithfully,  
For and on behalf of the Board  
**China Conch Venture Holdings Limited**  
中國海螺創業控股有限公司  
**GUO Jingbin**  
*Chairman of the Board*



The following are details of the Directors who will retire and being eligible, offer themselves for re-election at the AGM.

**(1) MR. GUO JINGBIN**

Mr. GUO Jingbin (郭景彬), aged 61, was appointed as a Director on 24 June 2013. He is currently an executive Director and the Chairman of the Company. He is primarily responsible for overall strategic development of the Group. Mr. Guo graduated from Shanghai Construction Materials College and joined the predecessor of 安徽海螺水泥股份有限公司 (Anhui Conch Cement Co. Ltd., “**Conch Cement**”) (a company listed on the Shanghai Stock Exchange (Stock Code: 600585) and the Stock Exchange (Stock Code: 00914)) and its subsidiaries (“**Conch Cement Group**”) in 1980. In July 1998, Mr. Guo received a Master of Business Administration degree from the Post-graduate College of the Social Science Institute of China (中國社會科學院).

Mr. Guo held various mid to senior managerial positions including head of automatic measurement department, head of personnel department and deputy plant manager of the former Ningguo Cement Plant and the secretary to the board of and deputy general manager of Conch Cement. He has over 30 years’ experience in the building materials industry and rich experience in capital markets, particularly specializing in corporate strategic planning, marketing planning and general and administration management. He has been a director and chairman of the board of directors of 安徽海螺創業投資有限責任公司 (Anhui Conch Venture Investment Co. Ltd., “**CV Investment**”) since February 2011 and May 2013 respectively until end of April 2015.

Mr. Guo has been an executive director of Conch Cement from October 1997 to 19 June 2014, and then re-designated as a non-executive director from 20 June 2014 to June 2016. He is a director of 安徽海螺集團有限責任公司 (Anhui Conch Holdings Co. Ltd., “**Conch Holdings**”) since January 1997. Mr. Guo is currently an independent non-executive director of China Logistics Property Holdings Co., Ltd (a company listed on the Main Board of the Stock Exchange, stock code: 01589) and China Tian Yuan Healthcare Group Limited (previously known as City e-Solutions Limited) (a company listed on the Main Board of the Stock Exchange, stock code: 00557).

Mr. Guo has entered into a service contract with the Company from 2 June 2017 to 29 November 2019, which is determinable by either party by giving not less than three months’ prior written notice, and he is subject to retirement by rotation and re-election at least once every three years at the annual general meeting of the Company in accordance with the provisions of the Articles of Association. He is entitled to a basic salary of RMB825,000 per annum plus discretionary management bonus provided that the aggregate amount of the bonuses payable to all the executive Directors for any financial year of the Company may not exceed 10% of the audited combined net profit of the Group (after taxation, minority interests and payment of such bonuses but before extraordinary items) in respect of that financial year of the Company (which is covered by the service contract). The emoluments of Mr. Guo are

determined by the Board with the recommendation of the Remuneration and Nomination Committee by reference to comparable companies, his time commitment and responsibilities and the performance of the Group.

As at the Latest Practicable Date, Mr. Guo was deemed to be interested in 62,680,000 Shares representing approximately 3.47% of the issued share capital of the Company within the meaning of Part XV of the SFO.

It is disclosed in the Company's prospectus dated 9 December 2013 that pursuant to an administrative sanction decision made by China Securities Regulatory Commission (“**CSRC**”) against (among other parties) Conch Holdings, 安徽海螺集團有限責任公司工會委員會 (The Staff Association of Anhui Conch Holdings Company Limited, “**SA Conch Group**”) and 安徽海螺建材股份有限公司 (Anhui Conch Building Materials Co., Ltd., “**Conch Building Materials**”, a then subsidiary of Conch Holdings), Conch Holdings, SA Conch Group and Conch Building Materials were found to have carried out securities transactions under the accounts of certain third parties who were individual persons from June 1998 to October 2007 (“**Securities Trading Incident**”) and income gained by the said parties arising therefrom were confiscated. During the period from June 1998 to October 2007, Mr. Guo was a director of Conch Holdings and Conch Building Materials. He was not subject to any penalty or sanction imposed by CSRC in connection with the Securities Trading Incident.

Save as disclosed above, Mr. Guo (i) does not hold any other position with any members of the Group, (ii) is not related to any Directors, senior management, substantial shareholders or controlling shareholders of the Company or other members of the Group, and (iii) is not interested in other Shares within the meaning of Part XV of the SFO.

Save for the information disclosed above, there is no other information which is discloseable nor is Mr. Guo involved in any of the matters required to be disclosed pursuant to any of the requirements under Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules and there are no other matters concerning Mr. Guo that need to be brought to the attention of the Shareholders.

## (2) MR. LI DAMING

Mr. LI Daming (李大明), aged 53, was appointed as a Director on 18 July 2013. He is currently an executive Director and a Deputy General Manager of the Company. He is also a director of 安徽海螺川崎節能設備製造有限公司 (Anhui Conch Kawasaki Energy Conservation Equipment Manufacturing Co., Ltd., “**CK Equipment**”) and 安徽海螺川崎工程有限公司 (Anhui Conch Kawasaki Engineering Co., Ltd., “**CK Engineering**”). He is primarily responsible for energy preservation and environmental protection business including residual heat power generation and waste incineration projects, general operation of CK Equipment and CK Engineering. He graduated from Anhui Mechanical and Electrical College (安徽機電學院) majoring in manufacture of electrical equipment in July 1986.

Mr. Li joined the Group in December 2006 and has been a director of CK Equipment since September 2007, a director of CK Engineering since November 2006 and deputy general manager of CK Engineering since December 2006.

Mr. Li has nearly 20 years' experience in the building materials industry. He also has extensive experience in residual heat power generation and waste management industries and has established good cooperation relationship with Kawasaki Heavy Industries Ltd. (a substantial shareholder of CK Engineering and CK Equipment) in developing the residual heat power generation business.

Mr. Li has entered into a service contract with the Company for a term of three years commencing from 29 November 2016, determinable by either party by giving not less than three months' prior written notice, and he is subject to retirement by rotation and re-election at least once every three years at the annual general meeting of the Company in accordance with the provisions of the Articles of Association. He is entitled to a basic salary of RMB750,000 per annum plus discretionary management bonus provided that the aggregate amount of the bonuses payable to all the executive Directors for any financial year of the Company may not exceed 10% of the audited combined net profit of the Group (after taxation, minority interests and payment of such bonuses but before extraordinary items) in respect of that financial year of the Company (which is covered by the service contract). The emoluments of Mr. Li are determined by the Board with the recommendation of the Remuneration and Nomination Committee by reference to comparable companies, his time commitment and responsibilities and the performance of the Group.

As at the Latest Practicable Date, Mr. Li was interested in 6,112,563 Shares representing approximately 0.34% of the issued share capital of the Company within the meaning of Part XV of the SFO.

Save as disclosed above, Mr. Li (i) does not hold any other position with any members of the Group, (ii) is not related to any Directors, senior management, substantial shareholders or controlling shareholders of the Company or other members of the Group, (iii) is not interested in other Shares within the meaning of Part XV of the SFO and, (iv) did not hold any directorships in other listed public companies in the last three years.

Save for the information disclosed above, there is no information which is discloseable nor is Mr. Li involved in any of the matters required to be disclosed pursuant to any of the requirements under Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules and there are no other matters concerning Mr. Li that need to be brought to the attention of the Shareholders.

### **(3) MR. CHAN KAI WING**

Mr. CHAN Kai Wing (陳繼榮), aged 58, was appointed as an independent non-executive Director of the Company on 3 December 2013. He is also a member of the Audit Committee and the Remuneration and Nomination Committee of the Company. Mr. Chan is currently the managing director of Mandarin Capital Enterprise Limited, a company Mr. Chan founded in 2004, and is specialized in providing financial advisory services to companies in the area of accounting services, merger and acquisition, corporate restructuring, and other corporate finance matters. Mr. Chan obtained a bachelor degree in economics from Macquarie University in Sydney, Australia in April 1986 and is a fellow member of CPA Australia. From 1988 to 1991, Mr. Chan worked in the audit department of Ernst & Young in Hong Kong. Mr. Chan has been an independent non-executive director of China Assurance Finance Group Limited (a

company listed on the Growth Enterprise Market of the Stock Exchange, stock code: 08090) since December 2011 and Nanfang Communication Holdings Limited (a company listed on the Main Board of the Stock Exchange, stock code no: 01617) since 24 November 2016. Mr. Chan also served as an independent non-executive director of Sino Golf Holdings Limited (a company listed on the Main Board of the Stock Exchange, stock code: 00361) from 24 August 2015 to 9 November 2018 and an independent non-executive director of Bisu Technology Group International Limited (formerly known as Excel Development (Holdings) Limited (a company listed on the Main Board of the Stock Exchange, stock code: 01372) from 20 July 2015 to 28 February 2019.

Mr. Chan has signed an appointment letter with the Company for a term of three years commencing from 29 November 2016, determinable by either party by giving not less than three months' prior written notice, and he is subject to retirement by rotation and re-election at least once every three years at the annual general meeting of the Company in accordance with the provisions of the Articles of Association. He is entitled to a director's fee of HK\$150,000 per annum (which is covered by the appointment letter) as determined by the Board with the recommendation of the Remuneration and Nomination Committee by reference to comparable companies, his time commitment and responsibilities and the performance of the Group.

Save as disclosed above, Mr. Chan (i) does not hold any other positions with any members in the Group, (ii) is not related to any Directors, senior management, substantial shareholders or controlling shareholders of the Company or other members of the Group and (iii) did not have any interests in the Shares of the Company within the meaning of Part XV of the SFO.

Save for the information disclosed above, there is no information which is discloseable nor is Mr. Chan involved in any of the matters required to be disclosed pursuant to any of the requirements under Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules and there are no other matters concerning Mr. Chan that need to be brought to the attention of the Shareholders.

#### **(4) MR. CHANG ZHANGLI**

Mr. CHANG Zhangli (常張利), aged 48, was appointed as a non-executive Director of the Company on 21 March 2019. Mr. Chang has accumulated approximately 30 years of experience in handling affairs of listed companies, in particular in global offerings and listing on the Stock Exchange, issue of new shares, mergers and acquisitions, and reorganisations. Mr. Chang has served as a non-executive director of China National Building Material Company Limited ("CNBM"), whose H shares are listed on the Main Board of the Stock Exchange (stock code: 3323) since June 2018. He was previously an executive director, a vice president and the secretary of the board of directors of CNBM from November 2011, August 2006 and March 2005, respectively until his re-designation in June 2018. Mr. Chang has been a director of China Jushi Co., Ltd (中國巨石股份有限公司) (formerly known as China Fiberglass Co., Ltd), whose shares are listed on the Shanghai Stock Exchange (stock code: 600176) and is an associate of CNBM, since July 2005, and a director of Beijing New Building Material Public Limited (北新集團建材股份有限公司) whose shares are listed on the Shenzhen Stock Exchange (stock code: 786) and is a subsidiary of CNBM, since July 2008. He also served as

a member of the senior management or director for subsidiaries of the CNBM Group. Mr. Chang has also served as the chairman of the board of directors and an executive director of China Shanshui Cement Group Limited (“**Shanshui Cement**”), whose shares are listed on the Main Board of the Stock Exchange (stock code: 691), since May 2018.

Mr. Chang is an engineer and he obtained a bachelor’s degree in engineering from Wuhan Polytechnic University (武漢工業大學) (now known as Wuhan University of Technology (武漢理工大學)) in July 1994 and obtained a master of business administration degree from Tsinghua University in July 2005. He is also the vice president of the Listed Companies Association of Beijing (北京上市公司協會副理事長), the vice president of China Association for Public Companies (中國上市公司協會副會長) and the vice president of China Association for Work Safety (中國安全生產協會副會長). Mr. Chang was awarded the first prize of National Corporate Management Modernization and Innovation Achievements (國家級企業管理現代化創新成果).

Mr. Chang has signed an appointment letter with the Company for a term of 3 years commencing from 21 March 2019, determinable by either party by giving not less than three months’ prior written notice, and is subject to retirement by rotation and re-election at least once every three years at the annual general meeting of the Company in accordance with the provisions of the Articles of Association. Mr. Chang is not entitled to receive any remuneration from the Company.

The Company was informed by Mr. Chang that, a petition (the “**Winding-up Petition**”) seeking to wind up Shanshui Cement was presented by Tianrui (International) Holdings Company Limited (the “**Petitioner**”) before the Grand Court of the Cayman Islands (“**Cayman Grand Court**”) on 30 August 2018. Despite the Winding-up Petition was struck out pursuant to a decision of the Cayman Grand Court delivered on 19 October 2018, the Court of Appeal of the Cayman Islands allowed an appeal by the Petitioner and reinstated the Winding-up Petition. Since the presentation of the Winding-up Petition and up to the date of this Circular, Mr. Chang has been the chairman of the board of directors and an executive director of Shanshui Cement.

Save as disclosed above, Mr. Chang (i) does not hold any other positions with any members in the Group, (ii) is not related to any Directors, senior management, substantial shareholders or controlling shareholders of the Company or other members of the Group, and (iii) did not have any interests in the Shares of the Company within the meaning of Part XV of the SFO.

Save for the information disclosed above, there is no information which is discloseable nor is Mr. Chang involved in any of the matters required to be disclosed pursuant to any of the requirements under Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules and there are no other matters concerning Mr. Chang that need to be brought to the attention of the Shareholders.

The following is an explanatory statement required by the Listing Rules to provide the Shareholders with requisite information reasonably necessary for them to make an informed decision on whether to vote for or against the ordinary resolution to be proposed at the AGM in relation to the granting of the Share Repurchase Mandate.

### **1. LISTING RULES RELATING TO THE REPURCHASE OF SHARES**

The Listing Rules permit companies whose primary listings are on the Stock Exchange to repurchase their securities on the Stock Exchange and any other stock exchange on which securities of the company are listed and such stock exchange is recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange, subject to certain restrictions. Among such restrictions, the Listing Rules provide that the shares of such company must be fully paid up and all repurchases of shares by such Company must be approved in advance by an ordinary resolution of shareholders, either by way of a general mandate or by specific approval of a particular transaction.

### **2. SHARE CAPITAL**

As at the Latest Practicable Date, the issued share capital of the Company comprised 1,804,750,000 Shares.

Subject to the passing of the ordinary resolution set out in item 5 of the notice of the AGM in respect of the granting of the Share Repurchases Mandate and on the basis that the issued share capital of the Company remains unchanged on the date of the AGM, i.e. being 1,804,750,000 Shares, the Directors would be authorized under the Share Repurchases Mandate to repurchase, during the period in which the Share Repurchases Mandate remains in force, a total of 180,475,000 Shares, representing 10% of the total number of Shares in issue as at the date of the AGM.

### **3. REASONS FOR SHARE REPURCHASES**

The Directors believe that the granting of the Share Repurchases Mandate is in the best interests of the Company and the Shareholders.

Shares repurchases may, depending on the market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share and will only be made when the Directors believe that such a repurchase will benefit the Company and the Shareholders.

### **4. FUNDING OF SHARE REPURCHASES**

Repurchases made by the Company pursuant to the Repurchase Mandate may only be funded out of funds legally available for the purpose in accordance with the Company's Memorandum and Articles of Association and the applicable laws of the Cayman Islands and the Listing Rules. A listed Company is prohibited from repurchasing its own securities on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules as stipulated by the Stock Exchange from time to time.

Under the Companies Law, repurchases by the Company may only be made out of the profits of the Company or out of the proceeds of a fresh issue of Shares made for the purpose, or, if so authorised by the Articles of Association and subject to the provisions of the Companies Law, out of capital. Any premium payable on a redemption or purchase over the par value of the Shares to be purchased must be provided for out of profits of the Company or out of the Company's share premium account, or, if so authorised by the Articles of Association and subject to the provisions of the Companies Law, out of capital.

## 5. IMPACT OF SHARE REPURCHASES

There might be a material adverse impact on the working capital and/or gearing position of the Company (as compared with the position disclosed in the audited consolidated financial statements contained in the annual report of the Company for the year ended 31 December 2018) in the event that the Share Repurchases Mandate was to be carried out in full at any time during the proposed repurchase period. However, the Directors do not intend to exercise the Share Repurchases Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements and/or the gearing levels of the Company, which in the opinion of the Directors are from time to time appropriate for the Company.

## 6. MARKET PRICES OF SHARES

The highest and lowest prices per Share at which Shares have traded on the Stock Exchange during each of the previous 12 months up to and including the Latest Practicable Date were as follows:

<b>Month</b>	<b>Highest</b> <i>HK\$</i>	<b>Lowest</b> <i>HK\$</i>
<b>2018</b>		
April	24.95	22.15
May	27.20	23.80
June	29.95	27.05
July	30.45	26.30
August	29.80	26.60
September	27.35	23.80
October	27.80	20.35
November	25.95	22.15
December	25.15	22.25
<b>2019</b>		
January	26.15	21.70
February	27.10	24.90
March	28.10	24.30
April (up to and including the Latest Practicable Date)	28.90	26.25

**7. GENERAL**

To the best of their knowledge and having made all reasonable enquiries, none of the Directors nor any of their respective close associates (as defined in the Listing Rules) have any present intention to sell any Shares to the Company in the event that the granting of the Share Repurchase Mandate is approved by the Shareholders.

The Company has not been notified by any Core Connected Persons (as defined in the Listing Rules) of the Company that they have a present intention to sell any Shares to the Company, or that they have undertaken not to sell any Shares held by them to the Company in the event that the granting of the Share Repurchase Mandate is approved by the Shareholders.

The Directors have undertaken to the Stock Exchange to exercise the power of the Company to repurchase Shares pursuant to the Share Repurchase Mandate in accordance with the Listing Rules and the applicable laws of Cayman Islands.

**8. TAKEOVERS CODE**

If as a result of a repurchase of Shares pursuant to the Share Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition of voting rights for the purposes of the Takeovers Code. Accordingly, a Shareholder or a group of Shareholders acting in concert (within the meaning under the Takeovers Code), depending on the level of increase in the Shareholder's interest, could obtain or consolidate control of the Company and thereby become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, to the best knowledge and belief of the Company, the Company has no substantial or controlling shareholders (as defined in the Listing Rules). The Directors are not aware of any consequences which may give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code as a result of an exercise of the proposed Repurchase Mandate.

**9. REPURCHASE OF SHARES MADE BY THE COMPANY**

During the 6 months prior to the Latest Practicable Date, the Company had not repurchased any of the Shares (whether on the Stock Exchange or otherwise).



**NOTICE OF ANNUAL GENERAL MEETING**

**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)**

**NOTICE OF 2019 ANNUAL GENERAL MEETING**

**NOTICE IS HEREBY GIVEN** that the 2019 Annual General Meeting of China Conch Venture Holdings Limited 中國海螺創業控股有限公司 (the “**Company**”) will be held at Island Ballroom, Level 5, Island Shangri-La, Pacific Place, Supreme Court Road, Central, Hong Kong on Wednesday, 26 June 2019 at 3:30 p.m. for the following purposes:

1. To receive the audited consolidated financial statements of the Company and its subsidiaries and the reports of the directors and auditors for the year ended 31 December 2018.
2. To declare a final dividend of HK\$0.55 per share for the year ended 31 December 2018.
3. To consider and approve, each as a separate resolution, if thought fit, the following resolutions:
  - (a) To re-elect Mr. Guo Jing Bin as an Executive Director.
  - (b) To re-elect Mr. Li Daming as an Executive Director.
  - (c) To re-elect Mr. Chan Kai Wing as an Independent Non-executive Director.
  - (d) To re-elect Mr. Chang Zhangli as a Non-executive Director.
  - (e) To authorise the board of directors (“**the Board**”) of the Company to fix the respective directors’ remuneration.
4. To re-appoint KPMG as auditors and to authorise the Board to fix their remuneration.
5. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

**“THAT**

- (a) subject to paragraph 5(b) below, a general and unconditional mandate be and is hereby granted to the directors of the Company during the Relevant Period (as hereinafter defined) to purchase its own shares on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) or on any other stock exchange on which the shares of the Company may be listed and which is recognised by The

## NOTICE OF ANNUAL GENERAL MEETING

Securities and Futures Commission of Hong Kong (the “SFC”) and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and the rules and regulations of the SFC and the Stock Exchange or of any other stock exchange as amended from time to time;

- (b) the total number of shares of the Company to be repurchased or agreed to be repurchased by the Company pursuant to the approval in paragraph 5(a) above during the Relevant Period shall not exceed 10% of the total number of issued shares of the Company as at the date of passing of this resolution and the approval pursuant to paragraph 5(a) shall be limited accordingly; and
  - (c) for the purpose of this resolution, “Relevant Period” means the period from the date of passing of this resolution until whichever is the earliest of:
    - (i) the conclusion of the next annual general meeting of the Company;
    - (ii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting; and
    - (iii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association of the Company or any applicable laws to be held.”
6. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

**“THAT**

- (a) subject to paragraph 6(b) below, a general and unconditional mandate be and is hereby granted to the directors of the Company during the Relevant Period (as hereinafter defined) to allot, issue and deal with additional shares of the Company and to make and grant offers, agreements and options which would or might require the exercise of such powers, whether during the continuance of the Relevant Period or thereafter;
- (b) the aggregate number of shares allotted and issued or agreed conditionally or unconditionally to be allotted and issued pursuant to the approval in paragraph 6(a) above during the Relevant Period, otherwise than pursuant to the following, shall not exceed 20% of the total number of issued shares of the Company as at the date of passing of this resolution and the said approval shall be limited accordingly:
  - (i) a rights issue where shares are offered for a period fixed by the Directors to shareholders on the register on a fixed record date in proportion to their then holdings of such shares (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard, as appropriate, to any

## NOTICE OF ANNUAL GENERAL MEETING

restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or stock exchange in Hong Kong, or in any territory applicable to the Company);

- (ii) the exercise of options under a share option scheme adopted by the Company from time to time;
  - (iii) the exercise of rights of conversion under the terms of any securities which are convertible into shares of the Company or exercise of warrants to subscribe for shares of the Company;
  - (iv) any scrip dividend scheme or similar arrangement providing for the allotment and issue of shares in lieu of the whole or in part of any dividend in accordance with the articles of association of the Company; or
  - (v) any specific authority granted or to be granted by the shareholders of the Company in general meeting; and
- (c) for the purpose of this resolution, “Relevant Period” means the period from the date of passing of this resolution until whichever is the earliest of:
- (i) the conclusion of the next annual general meeting of the Company;
  - (ii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting; and
  - (iii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws to be held.”

## NOTICE OF ANNUAL GENERAL MEETING

7. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“**THAT** conditional upon the passing of resolutions numbered 5 and 6 as set out in the notice convening this meeting, the general mandate granted to the directors of the Company pursuant to resolution numbered 6 to allot, issue and deal with the additional shares of the Company be and is hereby extended by the addition thereto the number of shares of the Company to be repurchased by the Company under the authority granted pursuant to resolution numbered 5, provided that such number in aggregate shall not exceed 10% of the total number of issued shares of the Company as at the date of passing of this resolution.”

By Order of the Board  
**China Conch Venture Holdings Limited**  
中國海螺創業控股有限公司  
**GUO Jingbin**  
*Chairman of the Board*

Hong Kong, 29 April 2019

*Notes:*

1. All resolutions at the meeting will be taken by poll (except where the chairman decides to allow a resolution relating to a procedural or administrative matter to be voted on by a show of hands) pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”). The results of the poll will be published on the websites of Hong Kong Exchanges and Clearing Limited and the Company in accordance with the Listing Rules.
2. Any shareholder of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy/more than one proxy to attend and on a poll, vote instead of him. A proxy need not be a shareholder of the Company. If more than one proxy is appointed, the number of shares in respect of which each such proxy so appointed must be specified in the relevant form of proxy. Every shareholder present in person or by proxy shall be entitled to one vote for each share held by him.
3. In the case of joint holders of shares, any one of such joint holders may vote, either in person or by proxy, in respect of such shares as if it/he/she were solely entitled thereto, but if more than one of such joint holders are present at the above meeting, personally or by proxy, that one of the said persons so present whose name stands first in the register in respect of such shares shall alone be entitled to vote in respect thereof.
4. In order to be valid, the form of proxy together with the power of attorney or other authority, if any, under which it is signed or a certified copy of that power of attorney or authority, must be deposited at the Company’s branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong not less than 48 hours before the time fixed for the meeting (i.e. not later than 3:30 p.m. on Monday, 24 June 2019, Hong Kong time) or the adjourned meeting thereof. Completion and return of the form of proxy shall not preclude a shareholder of the Company from attending and voting in person at the meeting and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
5. For determining the entitlement to attend and vote at the meeting, the Register of Members of the Company will be closed from Thursday, 20 June 2019, to Wednesday, 26 June 2019, both dates inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the Annual General Meeting, unregistered holders of shares of the Company shall ensure that all transfer documents accompanied by the relevant share certificates must be lodged with the Company’s branch share registrar in Hong Kong,

## NOTICE OF ANNUAL GENERAL MEETING

Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Wednesday, 19 June 2019.

6. For determining the entitlement to the proposed final dividend (subject to approval by the shareholders at the Annual General Meeting), the Register of Members of the Company will be closed from Monday, 8 July 2019 to Thursday 11 July 2019, both dates inclusive, during which period no transfer of shares will be registered. In order to qualify for the proposed final dividend, unregistered holders of shares of the Company shall ensure that all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Friday, 5 July 2019.
7. A circular containing further details concerning items 3, 5, 6 and 7 set out in the above notice will be sent to all shareholders of the Company together with the 2018 Annual Report.
8. References to time and dates in this notice are to Hong Kong time and dates.

*As at the date of this notice, the directors of the Company are Mr. GUO Jingbin (Chairman), Mr. JI Qinying (Chief Executive Officer), Mr. LI Jian and Mr. LI Daming being the 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 being the independent non-executive Directors.*