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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)

PROFIT WARNING

This announcement is made by China Conch Venture Holdings Limited (the “**Company**”, which together with its subsidiaries are referred to as the “**Group**”) pursuant to Rule 13.09 of the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

As at the date of this announcement, the Group is indirectly interested in 49% equity interest in 安徽海螺集團有限責任公司 (Anhui Conch Holdings Co. Ltd.*, “**Conch Holdings**”), which in turn is interested in approximately 36.40% equity interest in Anhui Conch Cement Company Limited (“**Conch Cement**”, Hong Kong Stock Exchange stock code: 00914, Shanghai Stock Exchange stock code: 600585).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company notes that Conch Cement published a profit warning announcement dated 30 January 2023 (the “**Conch Cement Profit Warning Announcement**”), and according to such announcement, Conch Cement is expected to have a significant decline in its results and may record a decrease of approximately 50% to 58% in the net profit attributable to the equity holders of Conch Cement for the year ended 31 December 2022 (“**FY2022**”) as compared to that for the year ended 31 December 2021 (“**FY2021**”) (the net profit attributable to the equity holders of Conch Cement for FY2021, as prepared by Conch Cement in accordance with the PRC accounting standards, amounted to RMB33.267 billion and earnings per share were RMB6.28). For further details, shareholders (the “**Shareholders**”) of the Company and potential investors are requested to refer to the Conch Cement Profit Warning Announcement.

As disclosed in the Company’s announcement previously published and its interim report for the six months ended 30 June 2022 (“**1H2022**”), the Group derived a substantial portion of its profit for FY2021 and 1H2022 from its equity interests in Conch Holdings, an associate of the Group. During such periods, the share of profit of Conch Holdings accounted for approximately 88.9% and 76.8% of the Group’s profit from continuing operations, respectively.

The Board wishes to inform the Shareholders and potential investors that, based on the preliminary assessment of the unaudited consolidated management accounts of the Group for FY2022, mainly due to the abovementioned decrease of the share of the Group’s profit attributable to Conch Holdings (being an associate of the Group) for FY2022, the Group is expected to record a decrease of no more than 45% in its profit from continuing operations for FY2022 as compared to that for FY2021.

Despite the abovementioned impact of the decrease in the net profit attributable to the equity holders of Conch Cement in FY2022, based on the information currently available to the management of the Company and a preliminary review and assessment of the operating results of the Group for FY2022, the Group's profit before taxation from its principal businesses from continuing operation for FY2022 is expected to increase as compared to that for FY2021.

During FY2022, the Company recognised a net gain on distribution in specie of approximately RMB12.0 billion (which was a one-off gain), as a result of the spin-off of China Conch Environment Protection Holdings Limited (“**Conch Environment**” Hong Kong Stock Exchange Code: 00587, which, together with its subsidiaries, are principally engaged in solid waste treatment business) by way of introduction through a distribution in specie to the Shareholders and the separate listing of Conch Environment on the Main Board of the Stock Exchange (the “**Conch Environment Spin-off**”).

The said one-off gain is expected to be partially offset by the decrease in the Group's net profit for FY2022 due to the aforesaid reasons, and the Group is expected to record an increase in its net profit for FY2022 of no less than 110% as compared to that for FY2021. For further details in relation to the Conch Environment Spin-off, please refer to the Company's announcements dated 28 September 2021, 4 March 2022, 7 March 2022 and 16 March 2022 respectively, and the listing document in relation to the Conch Environment Spin-off issued by Conch Environment on 22 March 2022.

The Group is still in the process of preparing its consolidated annual results for FY2022. The information contained in this announcement is only based on the Conch Cement Profit Warning Announcement and the preliminary assessment of the Group's operations by the management of the Company, and it is not based on any figures or information which has been audited or reviewed by the Company's auditors, and may be subject to possible amendments and adjustments. Shareholders and potential investors are advised to read carefully the annual results announcement of the Company for FY2022, which is expected to be published by the end of March 2023.

The Board considers that the overall financial position and operations of the Group remain sound and healthy, and is optimistic about the long-term growth and development of the Group.

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

By Order of the Board
China Conch Venture Holdings Limited
CHEN Xingqiang
Joint Company Secretary

Anhui Province, the People's Republic of China
21 March 2023

As at the date of this announcement, the Board comprises Mr. JI Qinying (Vice-Chairman and Chief Executive Officer), Mr. SHU Mao, Mr. LI Jian and Mr. LI Daming as executive Directors; Mr. GUO Jingbin (Chairman) 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.

* *For identification purpose only*