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China Conch Environment Protection Holdings Limited

中國海螺環保控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 587)

**VOLUNTARY ANNOUNCEMENT
PROPOSED ISSUE OF DOMESTIC MEDIUM-TERM NOTES
BY A SUBSIDIARY**

This announcement is made by China Conch Environment Protection Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) on a voluntary basis.

The board (the “**Board**”) of directors (“**Directors**”) of the Company hereby announces that, as at the date of this announcement, a resolution in relation to the application for registration of an issue of medium-term notes with an amount of not more than RMB3.0 billion (inclusive) by Anhui Conch Environment Group Co., Ltd.* (安徽海螺環保集團有限公司) (“**Conch Environment Group**”), a subsidiary of the Company, with the National Association of Financial Market Institutional Investors (NAFMII) (the “**Proposed Issue**”) was considered and approved.

The followings are the principal terms of the Proposed Issue:

(I) Issuer

Anhui Conch Environment Group Co., Ltd.

(II) Issue Size

The aggregate amount of the medium-term notes under the application for registration shall be not more than RMB3.0 billion (inclusive), with the final issue amount being subject to the amount set out in the registration notice issued by the NAFMII.

(III) Timing of Issue

The medium-term notes shall be issued in single tranche or multiple tranches during the validity period of registration as and when appropriate, subject to market conditions and actual capital requirements.

(IV) Interest Rate of Issue

The interest rate for the issue of medium-term notes shall be determined by the prevailing conditions in the PRC interbank bond market at the time(s) of issue and subject to the final book-keeping results.

(V) Term of Issue

The medium-term notes underlying this issue are with a term of no more than 5 years (inclusive), with a specific term for each tranche to be determined having regard to capital demand and market conditions.

(VI) Target Subscribers

Qualified institutional investors in the PRC interbank bond market (excluding those purchaser(s) prohibited by applicable laws and regulations of the PRC).

(VII) Guarantees for Proposed Issue

In accordance with the requirements of the Proposed Issue, Anhui Conch Cement Co., Ltd.* (安徽海螺水泥股份有限公司) (“**Conch Cement**”, the controlling shareholder of the Company), will provide full and joint liability guarantee (the “**Guarantees**”) to Conch Environment Group, subject to approval by Conch Cement’s board of directors and its shareholders’ meeting.

As of the date of this announcement, Conch Cement is the controlling shareholder of the Company, together with its subsidiaries and its parties acting in concert (as defined in The Code on Takeovers and Mergers and Share Buy-backs), holding and controlling approximately 29% of the total voting rights attached to the issued shares of the Company. Therefore, Conch Cement is a connected person of the Company, and as such, the Guarantees constitute a connected transaction of the Company under Chapter 14A of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”). As the Guarantees are on normal commercial terms or better and in the interests of the Group and are not secured by the assets of the Group, the Guarantees are exempt from the requirements of reporting, announcement, annual review, and independent shareholders’ approval under Chapter 14A of the Listing Rules pursuant to Rule 14A.90 of the Listing Rules.

(VIII) Use of Proceeds

The proceeds to be raised will mainly be used for replenishing working capital, repaying interest-bearing liabilities, and investing in projects, in compliance with applicable laws and regulations of the PRC.

The Proposed Issue is conditional upon (among others): (i) approval by Conch Environment Group at its meeting of the board of directors and shareholders’ meeting; (ii) approval by Conch Cement at its meeting of the board of directors and shareholders’ meeting; (iii) approval by the NAFMII; and (iv) completion of relevant registration procedures with the NAFMII.

The Proposed Issue may or may not proceed and shall be subject to various matters, including but limited to market conditions. Shareholders and the potential investors of the Company are advised to exercise caution when dealing in the shares and other securities of the Company.

For and on behalf of the Board
China Conch Environment Protection Holdings Limited
LIAO Dan
Joint Company Secretary

Anhui Province, the People's Republic of China
9 April 2024

As at the date of this announcement, the Board comprises Mr. LI Xiaobo (General Manager), Ms. LIAO Dan and Mr. FAN Zhan as executive Directors; Mr. LI Qunfeng (Chairman), Mr. JIANG Dehong and Mr. MA Wei as non-executive Directors; and Mr. DING Wenjiang and Ms. WANG Jiafen and Ms. LI Chen as independent non-executive Directors.