

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

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)

INSIDE INFORMATION: PROPOSED DISTRIBUTION OF SHARES BY SOME SHAREHOLDERS (INCLUDING CONTROLLING SHAREHOLDERS)

This announcement is made by the Company pursuant to Rule 13.09(2)(a) of the Listing Rules and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the SFO.

Proposed distribution of shares in the Company by some of its shareholders (including controlling shareholders)

The Company was recently informed by some of its Shareholders (including controlling shareholders) that they planned to implement a proposal of distributions of the Shares held by them as trustees to the beneficiaries of the relevant SA Trusts.

As disclosed in the Company's prospectus dated 9 December 2013, immediately before the listing of the Shares on the Stock Exchange, about 75.3% of the then issued Shares were held by five BVI companies which in turn were held by four private trust companies. The said five BVI companies and the Shares held by them formed part of the trust assets of four fixed trusts (namely, the HLGH Fixed Trust, the NGGH Trust, the BMGH Trust and the XCGH Trust) and one discretionary trust (namely, the HLGH Discretionary Trust). As at the date of this announcement, the said five BVI companies held an aggregate of about 1,130 million Shares, which represented about 62.60% of the total issued Shares. Further breakdown is shown below:

Name of Shareholder	No. of Shares held	Shareholding (% of the total issued Shares)	Brief information of the relevant SA Trust
HLGH Fixed Investment	703,165,206	38.96	HLGH Fixed Investment and the Shares held by it form part of the trust asset of the HLGH Fixed Trust. Its settlor is Mr. Liu Yi and the relevant trustee is HLGH PTC. It had 3,571 fixed beneficiaries as at the date of this announcement, each of whose attributable interest in the Company ranged from less than 0.01% to 1.70%.

Name of Shareholder	No. of Shares held	Shareholding (% of the total issued Shares)	Brief information of the relevant SA Trust
HLGH Investment	151,850,631	8.41	HLGH Investment and the Shares held by it form part of the trust asset of the HLGH Discretionary Trust. Its settlor is Mr. Liu Yi and the relevant trustee is HLGH PTC. The discretionary objects are the employees from time to time of Conch Holdings, CV Investment, the Company and those of their respective direct or indirect subsidiaries and companies in which they have interests, and who are concurrently members of the staff associations of any one or more of these companies.
NGGH Investment	136,344,891	7.56	NGGH Investment and the Shares held by it form part of the trust asset of the NGGH Trust (a fixed trust). Its settlor is Mr. Rao Peijun and the relevant trustee is NGGH PTC. It had 1,423 fixed beneficiaries as at the date of this announcement, each of whose attributable interest in the Company ranged from less than 0.01% to 0.16%.
BMGH Investment	77,342,372	4.29	BMGH Investment and the Shares held by it form part of the trust asset of the BMGH Trust (a fixed trust). Its settlor is Mr. Hua Yuzhou and the relevant trustee is BMGH PTC. It had 1,146 fixed beneficiaries as at the date of this announcement, each of whose attributable interest in the Company ranged from less than 0.01% to 0.04%.
XCGH Investment	61,055,991	3.36	XCGH Investment and the Shares held by it form part of the trust asset of the XCGH Trust (a fixed trust). Its settlor is Mr. Zhou Xiaochuan and the relevant trustee is XCGH PTC. It had 683 fixed beneficiaries as at the date of this announcement, each of whose attributable interest in the Company ranged from less than 0.01% to 0.09%.

In such connection, HLGH Fixed Investment, HLGH Investment, HLGH PTC (the corporate trustee of the HLGH Trusts) and Mr. Liu Yi (the settlor of the HLGH Trusts) are the controlling shareholders of the Company.

The Company was informed by the respective trustees of the SA Trusts that, having regard to the wishes of the SA Member Beneficiaries of the Staff Associations, the trustees intended to implement a proposal of distributions (“**Distributions**”), by stages, of (i) all the Shares which formed part of the respective trust assets of the HLGH Fixed Trust, the NGGH Trust, the BMGH Trust and the XCGH Trust to all the fixed beneficiaries of the respective fixed trusts, and (ii) 85,311,075 Shares under the HLGH Discretionary Trust to some of the HLGH Discretionary Objects. The Distributions would be made in accordance with the terms of the respective trust deeds of the SA Trusts.

It is currently expected that the first stage of Distributions will be implemented in June 2015 while all stages of Distributions will be completed within six months.

Immediately upon completion of the Distributions, HLGH Fixed Investment, NGGH Investment, BMGH Investment and XCGH Investment will cease to hold any Shares, while HLGH Investment will hold 66,539,556 Shares, representing approximately 3.69% of the total issued Shares. Accordingly, Mr. Liu Yi, HLGH PTC, HLGH Fixed Investment and HLGH Investment will cease to be the controlling shareholders of the Company.

Effect on the shareholding structure after the proposed Distributions

The following table sets out the shareholding structure of the Company (i) as at the date of this announcement and (ii) immediately after completion of the Distributions (assuming there is no other change in the total number of issued Shares or in the number of Shares held by the Directors and other connected persons of the Company).

Name of Shareholder	As at the date of this announcement		Upon completion of the Distributions (assuming there is no other change in the total number of issued Shares or in the number of Shares held by the Directors and other connected persons of the Company)	
	No. of Shares held	Approximate percentage shareholding	No. of Shares held	Approximate percentage shareholding
HLGH Fixed Investment	703,165,206	38.96%	—	—
HLGH Investment	151,850,631	8.41%	66,539,556	3.69%
NGGH Investment	136,344,891	7.56%	—	—
BMGH Investment	77,342,372	4.29%	—	—
XCGH Investment	61,055,991	3.38%	—	—
High Sun Holdings Limited	66,000,000	3.66%	66,000,000	3.66%
Splendor Court Holdings Limited	62,680,000	3.47%	62,680,000	3.47%
Golden Convergence Limited	61,080,000	3.38%	61,080,000	3.38%
Starlight Investment Holdings Limited	46,400,000	2.57%	46,400,000	2.57%
Global Essence Properties Limited	44,480,000	2.47%	44,480,000	2.47%
Fortunate Gold Holdings Limited	41,280,000	2.29%	41,280,000	2.29%
Confluence Investment (Note 1)	32,020,909	1.77%	32,020,909	1.77%
Directors or chief executives of the Company				
Ms. Zhang Mingjing (Note 1)	—	—	17,457,675	0.97%
Mr. Li Jian (Note 2)	—	—	7,646,370	0.42%
Mr. Li Daming (Note 3)	—	—	6,112,563	0.34%
SA Member Beneficiaries to whom Shares will be distributed pursuant to the Distributions, who are not Directors nor chief executive of the Company, but are directors or chief executives of the Company's subsidiaries				
	—	—	45,793,117	2.54%
Public Shareholders				
SA Member Beneficiaries to whom Shares will be distributed pursuant to the Distributions, who are neither directors nor chief executives of the Company or its subsidiaries	—	—	986,209,810	54.64%
Other public Shareholders	321,050,000	17.79%	321,050,000	17.79%
Total	1,804,750,000	100%	1,804,750,000	100%

Note:

1. Ms. Zhang Mingjing, a non-executive Director, is a fixed beneficiary of the HLGH Fixed Trust and is indirectly interested in 17,457,675 Shares. Confluence Investment Holdings Limited (“**Confluence Investment**”) is solely owned by Mr. Zhu Zhongping. Ms. Zhang is the spouse of Mr. Zhu and by virtue of the SFO, is taken to be interested in such Shares held by him through Confluence Investment.
2. Mr. Li Jian, an executive Director, is a fixed beneficiary of the HLGH Fixed Trust and is indirectly interested in 7,646,370 Shares. Ms. Wang Zhenying, the spouse of Mr. Li, is also a SA Member Beneficiary of SA Conch Group and is interested in 105,346 Shares. By virtue of the SFO, Mr. Li is also deemed to be interested in such Shares in which Ms. Wang is interested.
3. Mr. Li Daming, an executive Director, is a fixed beneficiary of the HLGH Fixed Trust and is indirectly interested in 6,112,563 Shares.

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

DEFINITIONS

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

“BMGH Investment”	BMGH Investment Limited, the issued share capital of which is the trust asset of the BMGH Trust
“BMGH PTC”	BMGH Management (PTC) Limited, a corporate trustee of the BMGH Trust managing BMGH Investment
“BMGH Trust”	the fixed trust established with (i) Mr. Hua Yuzhou as settlor and (ii) the SA Member Beneficiaries of SA Baimashan as fixed beneficiaries
“Board”	the board of Directors
“BVI”	British Virgin Islands
“Company”	China Conch Venture Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on the Main Board of the Stock Exchange
“Conch Holdings”	安徽海螺集團有限責任公司 (Anhui Conch Holdings Co., Ltd.*)
“controlling shareholder”	has the meaning as ascribed to it under the Listing Rules
“CV Investment”	安徽海螺創業投資有限責任公司 (Anhui Conch Venture Investment Co., Ltd.*)

“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HLGH Discretionary Objects”	the employees from time to time of Conch Holdings, CV Investment, the Company and those of their respective direct or indirect subsidiaries and companies in which they have interests, and who are concurrently members of the staff associations of any one or more of these companies
“HLGH Discretionary Trust”	the discretionary trust established (i) with Mr. Liu Yi as settlor and (ii) whose discretionary objects are the HLGH Discretionary Objects
“HLGH Fixed Investment”	HLGH Fixed Investment Limited, the issued share capital of which is the trust asset of the HLGH Fixed Trust
“HLGH Fixed Trust”	the fixed trust established with (i) Mr. Liu Yi as settlor and (ii) the SA Member Beneficiaries of SA Conch Group as fixed beneficiaries (but does not include any Individual Owners)
“HLGH Investment”	HLGH Investment Limited, the issued share capital of which is the trust asset of the HLGH Discretionary Trust
“HLGH PTC”	HLGH Management (PTC) Limited, a corporate trustee of the HLGH Trusts managing HLGH Investment and HLGH Fixed Investment
“HLGH Trusts”	collectively, the HLGH Fixed Trust and the HLGH Discretionary Trust
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Individual Owners”	collectively, Messrs. Guo Wensan, Li Shunan, Wang Jun, Zhu Dejin, Zhu Zhongping (the chief accountant of the Company), Guo Jingbin and Ji Qinying (both being executive Directors), each of whom is the sole beneficial shareholder of a corporate shareholder of the Company
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“NGGH Investment”	NGGH Investment Limited, the issued share capital of which is the trust asset of the NGGH Trust
“NGGH PTC”	NGGH Management (PTC) Limited, a corporate trustee of the NGGH Trust managing NGGH Investment

“NGGH Trust”	the fixed trust established with (i) Mr. Rao Peijun as settlor and (ii) the SA Member Beneficiaries of SA Ningguo as fixed beneficiaries
“SA Baimashan”	安徽省白馬山水泥廠工會委員會 (The Staff Association of Baimashan Cement Plant*), a social organization legal entity (社會團體法人)
“SA Conch Group”	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*), a social organization legal entity (社會團體法人)
“SA Member Beneficiary(ies)”	staff members of any Staff Association (save and except the Individual Owners) who is/are also indirectly entitled to benefits to the Company through the relevant SA Trusts
“SA Ningguo”	安徽省寧國水泥廠工會委員會 (The Staff Association of Ningguo Cement Plant*), a social organization legal entity (社會團體法人)
“SA Profiles”	蕪湖海螺型材科技股份有限公司工會委員會 (The Staff Association of Wuhu Conch Profiles and Science Co., Ltd.*), a social organization legal entity (社會團體法人)
“SA Trusts”	collectively, the HLGH Trusts, the NGGH Trust, the BMGH Trust and the XCGH Trust
“SFO”	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 share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Staff Associations”	collectively, SA Baimashan, SA Conch Group, SA Ningguo and SA Profiles
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“XCGH Investment”	XCGH Investment Limited, the issued share capital of which is the trust asset of the XCGH Trust
“XCGH PTC”	XCGH Management (PTC) Limited, a corporate trustee of the XCGH Trust managing XCGH Investment

“XCGH Trust” the fixed trust established with (i) Mr. Zhao Xiaochuan as settlor and (ii) the SA Member Beneficiaries of SA Profiles as fixed beneficiaries

“%” per cent.

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

Anhui Province, the People’s Republic of China
28 May 2015

As at the date of this announcement, the Board comprises

- (i) Messrs. GUO Jingbin (Chairman), JI Qinying (Chief Executive Officer), LI Jian and LI Daming as executive Directors;*
- (ii) Ms. ZHANG Mingjing as non-executive Director; and*
- (iii) Messrs. CHAN Chi On (alias Derek CHAN), CHAN Kai Wing and LAU Chi Wah, Alex as independent non-executive Directors.*

** Translation or transliteration for identification purpose only*