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CHINA ENVIRONMENTAL TECHNOLOGY

HOLDINGS LIMITED

中國環保科技控股有限公司

Incorporated in the Cayman Islands with limited liability)

(Stock Code: 646)

**INSIDE INFORMATION —
TRANSFER OF LOAN FACILITY FROM AN
INDEPENDENT THIRD PARTY TO A SUBSTANTIAL
SHAREHOLDER**

This announcement is made by China Environmental Technology Holdings Limited (the “**Company**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules).

References are made to the announcements of the Company dated 27 March 2019, and 29 March 2020 (the “**Announcements**”) in relation to the loan from China Daisy, an independent third party, in the aggregate principal amount of HK\$40,000,000 (the “**Loan**”). Unless otherwise expressly indicated, capitalised terms used herein shall have the same meanings as those defined in the Announcements.

The board (the “**Board**”) of directors (the “**Directors**”) of the Company hereby announces that on 24 February 2022, a loan transfer agreement (the “**Loan Transfer Agreement**”) was entered into by China Daisy (as the vendor), Mr. Zhang Zihong, the Company’s substantial shareholder (as the buyer), and the Company (as the borrower), pursuant to which China Daisy has conditionally agreed to sale to Mr. Zhang Zihong, and Mr. Zhang Zihong has conditionally agreed to purchase from China Daisy, the Loan (the “**Transfer**”). The completion of the Transfer (the

“**Completion**”) occurs when Mr. Zhang Zihong paid the consideration in accordance with the Loan Transfer Agreement, which is expected to be on or around 28 February 2022 or such other date as mutually agreed by the parties in writing. If Completion shall not take place on or before 26 March 2022 (the “ **Long Stop Date**”), this Loan Transfer Agreement shall be considered to be void. There are no obligations or compensation or whatsoever of each party should the Loan Transfer Agreement become void under this clause.

Taking into account of the Mr. Zhang Zihong’s intention to invest in the Company on a long term basis as stated in the previous announcements by the Company, the Board considers the Transfer is in the interest of the Company and its shareholders as a whole. In the connection, the Company, by execution of the Loan Transfer Agreement, has given its consent to the Transfer in accordance with the terms and conditions of the Loan Agreement.

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

By order of the Board
China Environmental Technology Holdings Limited
Xu Jinping
Chairman

Hong Kong, 24 February 2022

As at the date of this announcement, the executive directors are Mr. Xu Jinping, Mr. Shengbiao Zhang, Mr. Xu Zhongping and Mr. Yang Baodong; the non-executive directors are Mr. Ma Tianfu and Ms. Hu Yueyue; and the independent non-executive directors are Mr. Tse Chi Wai, Professor Zhu Nanwen and Professor Li Jun.