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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  
THE SALE AND PURCHASE AGREEMENT IN RESPECT OF  
CONVERTIBLE BONDS DUE 2024 AND TRANSFER OF CONVERTIBLE  
BONDS DUE 2024**

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).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company hereby announces that on 8 July 2022, a sale and purchase agreement (the “**S&P Agreement**”) was entered into by Mr. Shengbiao Zhang (as the vendor), being the holder of the Convertible Bonds with aggregate principal of US\$2.33 million (“**Convertible Bond In Sale**”), Mr. Zhang Zihong (as the purchaser) and the Company (as the issuer), pursuant to which Mr. Shengbiao Zhang has conditionally agreed to sale to Mr. Zhang Zihong, and Mr. Zhang Zihong has conditionally agreed to purchase from Mr. Shengbiao Zhang, the Convertible Bonds In Sale free from all encumbrances, together with all rights and entitlements attaching to them on the completion date (including, without limitation, the rights to receive all interest payments declared, made or paid on or after completion) for HK\$21,742,466 cash (the “**Transfer**”).

The shareholding structures of the Company immediately before and immediately after completion of the Transfer are set out as follows:

Shareholders	Capacity / Nature of Interest	Immediately before and after the completion of the Transfer		Immediately before completion of the Transfer and assuming full conversion of the Convertible Bond		Immediately after completion of the Transfer and assuming full conversion of the Convertible Bond	
		No. of shares	% of shareholding (approximately)	No. of shares	% of shareholding (approximately)	No. of shares	% of shareholding (approximately)
Xu Zhongping (Note 1)	Interest held by a controlled corporation	50,725,000	23.16	50,725,000	15.46	50,725,000	15.46
	Beneficial owner	2,204,921	1.01	2,204,921	0.67	2,204,921	0.67
Yang Baodong (Note 2)	Beneficial owner	39,600	0.02	39,600	0.01	39,600	0.01
Hu Yueyue (Note 3)	Beneficial owner	400,000	0.18	400,000	0.12	400,000	0.12
Public		129,148,417	58.97	129,148,417	39.35	129,148,417	39.35
Shengbiao Zhang	Beneficial owner	-	-	36,348,000	11.07	-	-
Zhang Zihong	Beneficial owner	<u>36,500,000</u>	<u>16.67</u>	<u>109,352,000</u>	<u>33.32</u>	<u>145,700,000</u>	<u>44.39</u>
		<u>219,017,938</u>	<u>100.00</u>	<u>328,217,938</u>	<u>100.00</u>	<u>328,217,938</u>	<u>100.00</u>

Notes:

1. These 50,725,000 Existing Shares were held under the name of Gentle International Holdings Limited (“Gentle”). Classy Jade Limited owns 60% of the issued share capital of Gentle. Mr. Xu Zhongping (“Mr. Xu ZP”), an executive Director, is the sole shareholder of Classy Jade Limited. Mr. Xu ZP was therefore deemed to be interested in the said 50,725,000 Existing Shares held by Gentle under Part XV of the SFO.
2. Mr. Yang Baodong is an executive Director.
3. Ms. Hu Yueyue is a non-executive Director.
4. Certain figures may not add up due to rounding.

As of today, none of the Convertible Bonds were converted. In light of the fact that Mr. Zhang Zihong will become the Company’s controlling shareholder after full conversion of the Convertible Bonds, the Company confirms that (i) the Transfer will have no impact on its existing business; and (ii) it has no plan to dispose of and/or downsize its existing businesses.

**Shareholders and potential investors 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, 8 July 2022

*As at the date of this announcement, the executive directors are Mr. Xu Jinping, 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.*