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**CHINA ENVIRONMENTAL TECHNOLOGY AND
BIOENERGY HOLDINGS LIMITED**

中科生物控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1237)

PROPOSED SHARE CONSOLIDATION

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The Board proposes that every ten (10) Existing Shares in the issued and unissued share capital of the Company be consolidated into one (1) Consolidated Share. As at the date of this announcement, there are 921,370,512 Existing Shares in issue which are fully paid or credited as fully paid. Assuming no further Shares will be issued from the date of this announcement up to the date of the EGM, upon the Share Consolidation becoming effective, there will be 92,137,051 Consolidated Shares in issue which are fully paid or credited as fully paid. The authorised share capital of the Company will remain at HK\$100,000,000 but will be divided into 200,000,000 Consolidated Shares of par value of HK\$0.50 each.

GENERAL

The EGM will be convened and held for the Shareholders to consider and, if thought fit, approve the necessary resolution(s) in respect of the proposed Share Consolidation. A circular containing, among other matters, further details of the proposed Share Consolidation together with a notice of the EGM will be despatched to the Shareholders on or before Friday, 8 December 2023.

Shareholders should take note that the Share Consolidation is conditional upon the fulfilment of certain conditions set out below. Therefore, the Share Consolidation may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company, and if they are in any doubt about their position, they should consult their professional advisers.

PROPOSED SHARE CONSOLIDATION

The Board proposes that every ten (1) Existing Shares in the issued and unissued share capital of the Company be consolidated into one (1) Consolidated Share.

Effects of the Share Consolidation

As at the date of this announcement, the authorised share capital of the Company is HK\$100,000,000 divided into 2,000,000,000 Shares of par value of HK\$0.05 each, and there are 921,370,512 Existing Shares in issue which are fully paid or credited as fully paid. Assuming no further Shares will be issued from the date of this announcement up to the date of the EGM, upon the Share Consolidation becoming effective, there will be 92,137,051 Consolidated Shares in issue which are fully paid or credited as fully paid. The authorised share capital of the Company will remain at HK\$100,000,000 but will be divided into 200,000,000 Consolidated Shares of par value of HK\$0.50 each.

Upon the Share Consolidation becoming effective, the Consolidated Shares shall rank *pari passu* in all respects with each other.

Other than the expenses to be incurred in relation to the Share Consolidation, the implementation of the Share Consolidation will not alter the underlying assets, business operations, management or financial position of the Company or the proportionate interests or rights of the Shareholders. The Board believes that the Share Consolidation will not have any material adverse effect on the financial position of the Company.

Conditions of the Share Consolidation

The implementation of the Share Consolidation is conditional upon:

- (i) the passing of an ordinary resolution by the Shareholders at the EGM to approve the Share Consolidation;
- (ii) the Stock Exchange granting the listing of, and permission to deal in, the Consolidated Shares in issue and to be issued upon the Share Consolidation becoming effective; and
- (iii) the compliance with all relevant procedures and requirements under the applicable laws of the Cayman Islands and Listing Rules to effect the Share Consolidation.

Subject to the fulfilment of the above conditions, the Share Consolidation is expected to become effective on Tuesday, 2 January 2024, being the one clear Business Day after the EGM.

Reasons for the Share Consolidation

Pursuant to Rule 13.64 of the Listing Rules, where the market price of the securities of an issuer approaches the extremities of HK\$0.01 or HK\$9,995, the issuer may be required either to change the trading method or to proceed with a consolidation or splitting of its securities. The “Guide on Trading Arrangements for Selected Types of Corporate Actions” issued by the Hong Kong Exchanges and Clearing Limited on 28 November 2008 and updated on 1 October 2020 (the “**Guide**”) has further stated that market price of the shares at a level less than HK\$0.1 will be considered as trading at extremity as referred to under Rule 13.64 of the Listing Rules. It has also stated in the Guide that taking into account the minimum transaction costs for a securities trade, the expected board lot value should be greater than HK\$2,000.

In view of the recent trading price of the Shares, the Board considers that the Share Consolidation will enable the Company to comply with the trading requirements under the Listing Rules and reduce the overall transaction and handling costs of dealings in the Shares as a proportion of the market value of each board lot, since most of the banks/securities houses will charge a minimum transaction cost for each securities trade. With a corresponding upward adjustment in the trading price of the Consolidated Shares, the Board believes that the Share Consolidation will make investing in the Shares more attractive to a broader range of investors, and therefore further broaden the shareholder base of the Company.

As at the date of this announcement, the Company has no concrete plans to carry out other corporate actions or conduct any equity fundraising which may have an effect of undermining or negating the intended purpose of the Share Consolidation in the next 12 months. However, the Directors will not rule out the possibility of any fundraising activities they may consider when it is reasonably necessary for the Group to raise fund to meet its operational needs or for future development of the Group. The Directors will carefully consider the likely impact on the Shareholders before they will proceed on any fundraising exercises and the Company will make further announcement(s) in this regard in accordance with the Listing Rules as and when appropriate.

The Board considers that the Share Consolidation is beneficial to and in the interests of the Company and the Shareholders as a whole.

Board lot size

As at the date of this announcement, the Existing Shares were traded on the Stock Exchange in the board lot size of 10,000 Existing Shares. Upon the Share Consolidation becoming effective, the board lot size for trading in the Consolidated Shares will continue to be 10,000 Consolidated Shares. Based on the closing price of HK\$0.044 per Existing Share (equivalent to the theoretical closing price of HK\$0.44 per Consolidated Share) as quoted on the Stock Exchange as at the date of this announcement, the value of each existing board lot of the Existing Shares is HK\$440 and the estimated theoretical value of each board lot of the Consolidated Shares would be HK\$4,400 assuming that the Share Consolidation becomes effective.

Application for the listing of the Consolidated Shares

An application will be made by the Company to the Stock Exchange for the listing of, and the permission to deal in, the Consolidated Shares to be in issue upon the Share Consolidation becoming effective.

Subject to the granting of the listing of, and permission to deal in, the Consolidated Shares on the Stock Exchange, as well as compliance with the stock admission requirements of HKSCC, the Consolidated Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealing in the Consolidated Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. All necessary arrangements will be made for the Consolidated Shares to be admitted into CCASS established and operated by HKSCC.

None of the Existing Shares are listed or dealt in on any other stock exchange other than the Stock Exchange, and at the time the Share Consolidation becomes effective, the Consolidated Shares in issue will not be listed or dealt in on any stock exchange other than the Stock Exchange, and no such listing or permission to deal is being or is proposed to be sought.

Adjustments in relation to other securities of the Company

Under the relevant terms and conditions of the Share Option Scheme and Share Award Scheme, the Share Consolidation may lead to adjustments to the number of Shares falling to be issued, the method of exercise of the Share Options and the exercise price of the Share Options pursuant to the terms thereof. As at the date of this announcement, there is neither outstanding Share Options nor unvested award shares entitling the holders thereof to subscribe for any Existing Share under the Share Option Scheme and Share Award Scheme, respectively.

As at the date of this announcement, the Company has no outstanding options, warrants or other securities in issue which are convertible into or giving rights to subscribe for, convert or exchange into, any Existing Shares or Consolidated Shares, as the case may be.

OTHER ARRANGEMENTS

Exchange of share certificates for the Consolidated Shares

Subject to the Share Consolidation becoming effective, which is currently expected to be on Tuesday, 2 January 2024, being one clear Business Day immediately after the date of the EGM, Shareholders may between 9:00 a.m. and 4:00 p.m. on any Business Day during the period from Tuesday, 2 January 2024 to Wednesday, 7 February 2024 (both days inclusive), submit share certificates for the Existing Shares in pink colour to the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong to exchange for new share certificates for the Consolidated Shares in orange colour at the expense of the Company.

Shareholders should note that after the prescribed time for free exchange of new share certificates, a fee of HK\$2.50 (or such higher amount as may from time to time be allowed by the Stock Exchange) will be payable by the Shareholders to the share registrar for exchange of new share certificates.

After 4:10 p.m. on Monday, 5 February 2024, trading will only be in Consolidated Shares which share certificates will be issued in orange colour. Share certificates in pink colour for the Existing Shares will cease to be valid for trading and settlement purpose, but will remain valid and effective as documents of title.

Arrangement on odd lot trading

In order to alleviate the difficulties arising from the existence of odd lots of the Consolidated Shares arising from the Share Consolidation, the Company will appoint an agent to provide matching services, on a best effort basis, to those Shareholders who wish to acquire odd lots of the Consolidated Shares to make up a full board lot, or to dispose of their holding of odd lots of the Consolidated Shares.

Holders of odd lots of the Consolidated Shares should note that the matching of the sale and purchase of odd lots of the Consolidated Shares is not guaranteed. Shareholders who are in any doubt about the odd lots matching arrangement are recommended to consult their own professional advisers.

Entitlement of Fractional Consolidated Shares

Fractional Consolidated Shares (if any) will be disregarded and will not be issued to the Shareholders but all such fractional Consolidated Shares will be aggregated and, if possible, sold for the benefit of the Company. Fractional Consolidated Shares will only arise in respect of the entire shareholding of a holder of the Existing Shares regardless of the number of share certificates held by such holder.

EXPECTED TIMETABLE

The expected timetable for the Share Consolidation is set out below. The expected timetable is subject to the results of the EGM and satisfaction of the conditions to the Share Consolidation and is therefore for indicative purpose only. Any change to the expected timetable will be announced in a separate announcement by the Company as and when appropriate. All times and dates in this announcement refer to Hong Kong local times and dates.

Event	Date and time
Despatch date of Circular with notice of the EGM	on or before Friday, 8 December 2023
Latest date and time for lodging transfer documents in order to qualify for attending and voting at EGM	4:30 p.m. on Wednesday, 20 December 2023
Closure of register of members for determining the entitlement to attend and vote at the EGM (both dates inclusive)	Thursday, 21 December 2023 to Thursday, 28 December 2023
Latest date and time for lodging the proxy form for the EGM	10:00 a.m., Tuesday, 26 December 2023
Record date for the EGM	Thursday, 28 December 2023
Date and time of the EGM	10:00 a.m. on Thursday, 28 December 2023
Announcement of results of the EGM	Thursday, 28 December 2023

The following events are conditional upon the results of the EGM and therefore the dates are tentative only:

Event	Date and time
Effective date of the Share Consolidation	Tuesday, 2 January 2024
First day of free exchange of existing share certificates into new share certificates for Consolidated Shares.....	Tuesday, 2 January 2024
Dealings in Consolidated Shares commence	9:00 a.m. on Tuesday, 2 January 2024
Original counter for trading in Shares in board lots of 10,000 Existing Shares (in the form of existing share certificates) temporarily closes	9:00 a.m. on Tuesday, 2 January 2024
Temporary counter for trading in Consolidated Shares in temporary board lot of 1,000 Consolidated Shares (in the form of existing share certificates) opens.....	9:00 a.m. on Tuesday, 2 January 2024
Original counter for trading in Consolidated Shares in board lot of 10,000 Consolidated Shares (in the form of new share certificates for Consolidated Shares) re-opens.....	9:00 a.m. on Tuesday, 16 January 2024
Parallel trading in the Shares and Consolidated Shares (in the form of existing share certificates and new share certificates) commences	9:00 a.m. on Tuesday, 16 January 2024
Designated broker starts to stand in the market to provide matching services for sale and purchase of odd lots of Consolidated Shares.....	9:00 a.m. on Tuesday, 16 January 2024
Designated broker ceases to stand in the market to provide matching services for sale and purchase of odd lots of Consolidated Shares	4:00 p.m. on Monday, 5 February 2024
Temporary counter for trading in Consolidated Shares in temporary board lot of 1,000 Consolidated Shares (in the form of existing share certificates) closes.....	4:10 p.m. on Monday, 5 February 2024

Event**Date and time**

Parallel trading in Consolidated Shares
 (in the form of new share certificates for
 Consolidated Shares and existing share certificates) ends 4:10 p.m. on
 Monday, 5 February 2024

Last day for free exchange of existing share certificates
 into new share certificates for Consolidated Shares. Wednesday, 7 February 2024

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Shareholders should take note that the Share Consolidation is conditional upon the fulfilment of certain conditions set out below. Therefore, the Share Consolidation may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company, and if they are in any doubt about their position, they should consult their professional advisers.

DEFINITIONS

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

“Board”	the board of Directors
“Business Day(s)”	day(s) (excluding Saturdays, Sundays and public holidays) on which banks are open for business in Hong Kong
“CCASS”	Central Clearing and Settlement System, a securities settlement system used within the Hong Kong Exchanges and Clearing Limited market system
“CCASS Operational Procedures”	the Operational Procedures of HKSCC in relation to CCASS, containing the practices, procedures and administrative requirements relating to operations and functions of CCASS, as from time to time

“Company”	China Environmental Technology and Bioenergy Holdings Limited 中科生物控股有限公司, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Stock Exchange
“Consolidated Share(s)”	the ordinary share(s) of par value HK\$0.50 each in the share capital of the Company upon the Share Consolidation becoming effective, whether issued or unissued
“Directors”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened and held for the Shareholders to consider and, if thought fit, to approve the Share Consolidation
“Existing Share(s)”	the ordinary share(s) of par value HK\$0.05 each in the share capital of the Company before the Share Consolidation becoming effective, whether issued or unissued
“General Rules of CCASS”	the terms and conditions regulating the use of CCASS, as may be amended or modified from time to time and where the context so permits, shall include the CCASS Operational Procedures
“Group”	collectively, the Company and its subsidiaries
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Share(s)”	the Existing Share(s) and/or the Consolidated Share(s), as the case may be, whether issued or unissued
“Share Award Scheme”	the share award scheme adopted by the Company on 14 December 2020
“Share Consolidation”	the proposed consolidation of every ten (10) issued and unissued Existing Shares of par value HK\$0.05 each in the share capital of the Company into one (1) Consolidated Share of par value HK\$0.50 each
“Shareholder(s)”	holder(s) of the issued Share(s)

“Share Option(s)”	the option(s) to subscribe for new Shares granted under the Share Option Scheme
“Share Option Scheme”	the share option scheme adopted by the Company on 15 June 2012
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong

By Order of the Board
**China Environmental Technology
and Bioenergy Holdings Limited**
Xie Qingmei
Chairlady

Zhangping, The People’s Republic of China, 3 November 2023

As at the date of this announcement, the executive Directors are Ms. Xie Qingmei and Mr. Wu Zheyang and the independent non-executive Directors are Mr. Tse Kwok Hing Henry, Prof. Jin Zhongwei and Prof. Su Wenqiang.