

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 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)

**SUPPLEMENTAL ANNOUNCEMENT RELATING TO THE
ISSUE OF NEW SHARES UNDER THE SHARE AWARD
SCHEME**

Reference is made to the announcement of China Environmental Technology and Bioenergy Holdings Limited (the “Company”) published on 14 November 2023 (the “Announcement”) in relation to the issue of new shares under the share award scheme. Capitalised terms shall have the same meanings as those defined in the Announcement.

In addition to the information contained in the Announcement, the Board would like to provide the following supplementary information to the Shareholders and potential investors of the Company:

- (i) The Company noted that there was inadvertent clerical error in page 3 of the Announcement and would like to clarify that the closing price of the Shares on 14 November 2023 as quoted on the Stock Exchange was HK\$0.042 per Share instead of HK\$0.043 per Share.
- (ii) The 2023 Award did not prescribe specific vesting period for the 2023 Award Shares. The remuneration committee is of the view that the 2023 Award Shares were granted to the Selected Participants for their past contributions where a strict twelve (12)-month vesting requirement would not work or would not be fair to the holders of the 2023 Award Shares. Nevertheless, there is a need for the Company to retain flexibility in certain cases to provide a competitive remuneration package to attract and retain individuals to provide services to the Group, to provide for succession planning and the effective transition of employee responsibilities and to reward exceptional performers with accelerated vesting or in exceptional circumstances where justified. The Company should be allowed discretions to formulate its own talent recruitment and retention strategies in response to changing market conditions and industry competition, and thus should have flexibility to impose vesting conditions such as performance-based vesting conditions instead of time-based vesting criteria depending on individual circumstances.

- (iii) The 2023 Share Award did not prescribe specific performance targets that must be met before 2023 Share Award is granted or clawback mechanism to recover or withhold 2023 Award Shares to be granted. The remuneration committee consider that it may not always be appropriate to impose such conditions or prescribe such clawback mechanism particularly when the purpose of granting the 2023 Award Shares is to remunerate or compensate Selected Participants for their past contributions. The remuneration committee consider it more beneficial to the Company to retain the flexibility to determine whether such conditions or clawback mechanism are appropriate in light of the particular circumstances of each grant.
- (iv) As of the date of the announcement, the number of shares available for future grant under the Share Award Scheme was 72,064 Shares and there is no service provider sublimit under the Share Award Scheme.

Save as disclosed above, all other information as stated in the Announcement remains unchanged. This announcement is supplemental to and should be read in conjunction with the Announcement.

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

Zhangping, The People's Republic of China, 20 November 2023

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