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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 ADOPTION OF THE 2025 SHARE AWARD SCHEME

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In order to recognise and acknowledge the contributions which the Eligible Participants, including but not limited to the Group's employees, have made or may make to the Group and to provide the Eligible Participants with incentives, the Company proposes to adopt the 2025 Share Award Scheme. Pursuant to the 2025 Share Award Scheme, it will be valid for a period of ten (10) years from the Adoption Date and the Awarded Shares will be satisfied by (i) new Shares to be allotted and issued to the Trustee(s); and/or (ii) existing Shares to be acquired by the Trustee(s) on the market.

The 2025 Share Award Scheme shall be subject to administration of the Board and the Trustee in accordance with the Scheme Rules and the provisions of the Trust Deed.

LISTING RULES IMPLICATIONS

The Scheme shall constitute a share scheme that is funded by new Shares and/or existing Shares and shall be subject to the applicable disclosure requirements under Chapter 17 of the Listing Rules. Pursuant to Chapter 17 of the Listing Rules, share schemes involving the grant of new Shares must be approved by Shareholders of the listed issuer in general meeting. Accordingly, the adoption of the Scheme will be subject to, among others, the Shareholders' approval at the EGM.

A circular containing, inter alia, (i) further details of the adoption of the Scheme; (ii) the notice of the EGM; and (iii) other information in relation to the Company in accordance with the Listing Rules, will be despatched to the Shareholders in due course.

PROPOSED ADOPTION OF THE 2025 SHARE AWARD SCHEME

The Group has been proactive in making strategic investments for capital appreciation, and promoting operational innovation and business transformation, with a view to creating long-term value for the Shareholders. In the endeavour to achieve the objective of encouraging employees and different stakeholders to make long-term contributions to the Group's performance enhancement and sustainable development, the Group intends to motivate and encourage the selected participants to make long-term contributions to the Group. In order to recognise and acknowledge the contributions which the Eligible Participants, including but not limited to the Group's employees, have made or may make to the Group and to provide the Eligible Participants with incentives, the Board has resolved to propose the adoption of the 2025 Share Award Scheme. Pursuant to the 2025 Share Award Scheme, it will be valid for a period of ten (10) years from the Adoption Date and the Awarded Shares will be satisfied by (i) new Shares to be allotted and issued to the Trustee(s); and/or (ii) existing Shares to be acquired by the Trustee(s) on the market.

The 2025 Share Award Scheme shall be subject to administration of the Board and the Trustee in accordance with the Scheme Rules and the provisions of the Trust Deed.

A summary of the principal terms of the Scheme is set out below:

A. Purposes and objectives

The purpose of the Scheme is to recognise and acknowledge the contributions which the Eligible Participants have made or may make to the Group, with the view to achieving the following principal objectives:

(I) to provide the Company with a flexible means of remunerating, incentivising, retaining, rewarding, compensating and/or providing benefits to Eligible Participants;

(II) to align the interests of Eligible Participants with those of the Company and Shareholders by providing such Eligible Participants with the opportunity to acquire proprietary interests in the Company and becoming Shareholders, so as to optimise their performance and efficiency for the benefit of the Group and particular in its fulfilment of strategic targets;

(III) to encourage Eligible Participants to contribute to the long-term growth, performance and profitability of the Company and to enhance the value of the Company and its Shares for the benefit of the Company and Shareholders as a whole; and

(IV) attracting and retaining or otherwise maintaining ongoing business relationships with the Eligible Participants whose contributions are, or, will or are expected to be, beneficial to the Group.

B. Conditions Precedent

The Scheme shall take effect subject to and conditional upon the following Conditions Precedent:

(I) the passing of resolutions by the Shareholders and resolutions by the Board to approve and adopt the Scheme and the Scheme Rules and to authorise the Board to grant Share Award under the Scheme and to allot and issue Shares; and

(II) the Listing Committee granting such approval for the listing of, and the permission to deal in, the Shares to be allotted and issued, pursuant to such Share Awards to be granted under the Scheme.

C. Duration

Subject to the fulfilment of the Conditions Precedent and the termination of the Scheme, the Scheme shall be valid and effective for the Scheme Period, being ten (10) years commencing on the Adoption Date. After such period, no further Share Award may be granted, but the Scheme Rules shall remain in full force and effect to the extent necessary to give effect to any Share Award made before the expiry of such period.

D. Administration

The Scheme shall be subject to the administration of the Board, and the Board may also delegate all or part of such administration to the Committee as deemed appropriate at the sole discretion of the Board. Save as otherwise provided in the Scheme, for any matters concerning the interpretation or application of the Scheme, the decision of the Board or the Committee shall be final and binding on all parties, provided that such administration shall not prejudice the powers of the Trustee as provided under the Trust Deed.

For the avoidance of doubt, the Company shall enter into Trust Deed and appoint the Trustee(s) for the administration of the Scheme. The Trustee(s) shall be third party(ies) independent of the Company and not connected with any of its connected persons (as defined under the Listing Rules). The Trustee(s) will administer the Scheme in accordance with the Scheme Rules and the provisions of the Trust Deed.

E. Eligible Participants

(I) The following persons are eligible to participate in, and be granted Share Awards under, the Scheme as the Eligible Participant(s):

(a) Employee Participant(s);

(b) Related Entity Participant(s); and

(c) Service Provider Participant(s).

(II) Without prejudice to the eligibility criteria for each category of the Eligible Participant(s), the general consideration in terms of eligibility with respect to the Scheme involves the assessment on the amount of support, assistance, guidance, advice, efforts and contributions that the Eligible Participant has exerted and given towards the success of the Group and/or the amount of potential support, assistance, guidance, advice, efforts and contributions the Eligible Participant is likely to be able to give or make towards the success of the Group in the future. The Board and/or the Committee, when assessing the eligibility, will benchmark such metrics against the performance of the potential grantee(s) to whom the Group provides equity incentives, while taking into account the purpose of the Scheme and the objectives in engaging the Eligible Participant(s).

F. Maximum Number of Shares to be Granted

(I) On the basis that the entire issued share capital remains unchanged from the date of this announcement to the Adoption Date:

(a) With respect to the Listing Rules and the Scheme Rules, the total number of Shares which may be issued pursuant to all Share Awards to be granted under the Scheme amounts to 9,603,705 Shares, being approximately 10% of the entire issued share capital as at the Adoption Date (the "**Scheme Mandate Limit**").

(b) Within the Scheme Mandate Limit, the total number of Award Shares which may be issued pursuant to Awards granted to Service Provider Participants under the Scheme is 960,000 Shares, being not more than 1% of the Shares in issue as at the Adoption Date (the "**Service Provider Sublimit**"). The Service Provider Sublimit would be subject to separate approval by the Shareholders at the general meeting and conditional on the adoption of the Scheme.

For the avoidance of doubt, if either of the adoption of the Scheme or the Service Provider Sublimit is not approved by the Shareholders at the EGM, no Share Awards are allowed to be granted to any Service Provider Participant. The Service Provider Sublimit is determined based on the possible number of Awarded Shares that the Company intends to grant to the Service Provider Participants and the Company's future business and development plan.

The Directors consider the establishment of the Service Provider Sublimit appropriate and reasonable given the Group's business needs and such a limit provides the Group with flexibility to provide equity incentive to reward and to maintain an ongoing collaborative relationship with the Service Provider Participants as the Group may from time to time require their expertise for the furtherance of the Group's business development.

(II) The total number of Shares issued and to be issued in respect of all Share Awards granted to each Eligible Participant (excluding any Share Awards lapsed in accordance with the terms of the Scheme) in any twelve (12) month-period up to and including the date of such grant shall not in aggregate exceed one per cent (1%) of the entire issued share capital for the time being (the "**Individual Limit**"). Any grant of Award to such Eligible Participant exceeding the Individual Limit shall be subject to, among other things, the separate approval of Shareholders in a general meeting of the Company.

G. Share Awards made to a Director, Chief Executive, Substantial Shareholder of the Company or Any of Their Respective Associates

(I) Any grant of Share Awards to any Director, chief executive or substantial shareholder of the Company, or any of their respective associates under the Scheme or any other share schemes of the Company or any of its subsidiaries shall be subject to the prior approval of the independent non-executive directors of the Company, or if required by the Listing Rules, the Remuneration Committee.

(II) Where any grant of Share Awards to a Director (other than an independent non-executive Director) or chief executive of the Company, or any of their respective associates would result in the Shares issued and to be issued in respect of all Share Awards granted (excluding any Share Awards lapsed in accordance with the terms of the Scheme) to such person in the twelve (12)-month period up to and including the date of such grant, representing in aggregate over 0.1% of the Shares in issue, such further grant of Share Awards shall be subject to the relevant provisions under Chapter 17 of the Listing Rules which require, among other things, the prior approval of the Shareholders in general meeting.

(III) Where any grant of Share Awards of the Company to an independent non-executive Director or a substantial shareholder of the Company, or any of their respective associates, would result in the Shares issued and to be issued in respect of all options and Share Awards granted (excluding any Share Awards lapsed in accordance with the terms of the Scheme) to such person in the twelve (12)-month period up to and including the date of such grant, representing in aggregate over 0.1% of the Shares in issue, such further grant of Share Awards shall be subject to the relevant provisions under Chapter 17 of the Listing Rules which require, among other things, the prior approval of the Shareholders in general meeting.

H. Transferability

Any Share Award shall be personal to the Grantee and shall not be transferable or assignable to any other person and no Grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest in favour of any other person over or in relation to any Awarded Shares referable thereto pursuant to such Share Award or the Related Income or any of the Returned Shares under the Scheme prior to the Vesting Date, unless a waiver is granted by the Stock Exchange allowing the transfer of the Share Awards from a Grantee to a vehicle (such as a trust or a private company) for the benefit of such Grantee and any family member of the Grantee (e.g. for estate planning or tax planning purposes) that would continue to meet the purpose of the Scheme and comply with the requirements of Chapter 17 of the Listing Rules.

I. Vesting

Subject to the satisfaction of all vesting conditions applicable to the vesting of Awarded Shares to each Grantee, the Awarded Shares held by the Trustee on behalf of such Grantee pursuant to the provision hereof shall vest in such Grantee in accordance with the applicable vesting schedule and the vesting conditions as set out in the Award Letter, and the Trustee shall cause the Awarded Shares to be transferred to such Grantee in accordance with the Scheme Rules. In any event, the Share Awards granted under the Scheme shall be held for not less than twelve (12) months before being vested on the Eligible Participant (subject to a shorter vesting period under specified circumstances in relation to Awarded Shares to the relevant Employee Participants).

J. Alteration of the Scheme

Any alteration to the provisions of the Scheme or the Scheme Rules must comply with Chapter 17 of the Listing Rules and the notes thereto and the supplementary guidance on the interpretation of the Listing Rules issued by the Stock Exchange from time to time, provided that no such alteration shall operate to affect adversely any subsisting rights of any Grantee.

K. Termination of the Scheme

The Scheme shall terminate on the earlier of (a) the 10th anniversary date of the Adoption Date; and (b) such date as determined by the Board or the Committee provided that such termination shall not affect any subsisting rights of any Grantee hereunder.

LISTING RULES IMPLICATIONS

The Scheme shall constitute a share scheme that is funded by new Shares and/or existing Shares and shall be subject to the applicable disclosure requirements under Chapter 17 of the Listing Rules. Pursuant to Chapter 17 of the Listing Rules, share schemes involving the grant of new Shares must be approved by Shareholders of the listed issuer in general meeting. Accordingly, the adoption of the Scheme will be subject to, among others, the Shareholders' approval at the EGM.

A circular containing, inter alia, (i) further details of the adoption of the Scheme; (ii) the notice of the EGM; and (iii) other information in relation to the Company in accordance with the Listing Rules, will be despatched to the Shareholders in due course.

As at the date of this announcement, the Scheme remains subject to the approval of the Shareholders. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Company's securities.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions shall have the meanings ascribed to them below:

"Adoption Date"	the date of conditional approval and adoption of the Scheme by the Shareholders by way of ordinary resolution(s) in general meeting, with effect from the date of all the Conditions Precedent being fulfilled
"Affiliate(s)"	shall include the following: (a) any direct or indirect holding company (as defined in the Companies Ordinance) of the Company; (b) any direct or indirect subsidiary of any company included in (a) above; and (c) any associate of the Company, but excluding any members of the Group
"associate(s)"	has the meaning given to it in the Listing Rules
"Award Letter"	the letter for granting of a Share Award made to an Eligible Participant in such written form as the Board or the Committee may from time to time determine specifying details in relation to the Share Award
"Awarded Shares"	means in respect of a Grantee, such number of Shares determined by the Board or the Committee and granted to such Grantee under the Share Award
"Board"	the board of directors of the Company
"Business Day"	a day other than a Saturday or Sunday or public holiday on which banks generally in Hong Kong are open for the transaction of normal banking business
"chief executive"	has the meaning given to it in the Listing Rules
"Committee"	any committee of the Board or other person(s) from time to time delegated by the Board with the power and authority to administer the Scheme
"Companies Ordinance"	the Companies Ordinance, Chapter 622 of the Laws of Hong Kong

"Company"	China Environmental Technology and Bioenergy Holdings Limited 中科生物控股有限公司, an exempted company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on the main board of the Stock Exchange (Stock Code: 1237)
"Condition(s) Precedent"	such condition(s) precedent subject to and conditional upon which the Scheme shall take effect
"connected person(s)"	has the meaning given to it in the Listing Rules
"Director(s)"	the director(s) of the Company from time to time
"EGM"	the extraordinary general meeting of the Company to be convened and held for the purposes of, among other things, approving the Scheme
"Eligible Participant"	any person who is eligible to receive an Award under the Scheme, who could be (i) an Employee Participant; (ii) a Related Entity Participant; or (iii) a Service Provider Participant
"Employee(s)"	any person who is an employee (whether full-time or part-time), director (excluding the independent non-executive Director) or officer of any member of the Group
"Employee Participant"	an Employee on the date of granting the Share Award, including persons who are granted Share Awards under the Scheme as an inducement to enter into employment contracts with any member of the Group, provided that a person shall not cease to be an employee in the case of (a) any leave of absence approved by the relevant member of the Group; or (b) any transfer of employment amongst members of the Group or any successor, and provided further that a person shall, for the avoidance of doubt, cease to be an employee with effect from (and including) the date of termination of his/her employment
"Grantee"	an Eligible Participant selected by the Board or the Committee pursuant to the Scheme Rules for the grant of a Share Award
"Group"	the Company and its subsidiaries, and "member of the Group" shall be construed accordingly
"HK$"	Hong Kong dollar, the lawful currency of Hong Kong

"holding company"	a company which is for the time being and from time to time a holding company (within the meaning of the Companies Ordinance) of the Company, whether incorporated in Hong Kong or elsewhere and "holding companies" shall be construed accordingly
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"Listing Committee"	the listing committee of the Stock Exchange
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Related Entity Participant"	any person who is an employee (whether full-time or part-time or other employment relationship), director or officer of an Affiliate
"Related Income"	all income or distribution derived from a Share (net of all expenses or charges incurred in relation to the receipt or payment of such income) held upon the Trust in the form of Shares (including but not limited to, any bonus Shares or scrip Shares received in respect of the Share) or money and, for the avoidance of doubt, excludes any Residual Cash
"Remuneration Committee"	the remuneration committee of the Board established pursuant to the Listing Rules from time to time
"Residual Cash"	cash remaining in the Account or the trust fund of the Trust (including interest income derived from deposits maintained with licensed banks in Hong Kong) which has not been applied in the acquisition or subscription of Trust Shares or Awarded Shares
"Returned Shares"	such Awarded Shares or Related Income which are not vested and/or forfeited in accordance with the Scheme Rules (whether as a result of a Lapse Event or otherwise), or such Shares being deemed to be Returned Shares in accordance with the Scheme Rules and the Trust Deed
"Scheme"/"2025 Share Award Scheme"	share award scheme of the Company constituted and governed by the Scheme Rules
"Scheme Period"	subject to the fulfilment of the Conditions Precedent and the termination of the Scheme, a period of ten (10) years commencing on the Adoption Date and ending on the 10th anniversary of the Adoption Date
"Scheme Rules"	rules relating to the Scheme, in its present form or as amended from time to time

"Service Provider Participant(s)"	means any person (including entity) who provide services to the Group on a continuing and recurring basis in its ordinary and usual course of businesses which are material to the long-term growth of the Group. For the avoidance of doubt, the Service Providers exclude placing agents or financial advisers providing advisory services to the Group for fundraising, mergers or acquisitions; and professional service providers such as auditors or valuers who provide assurance or are required to perform their services to the Group with impartiality and objectivity
"Share Award"	means an award of Shares under the Scheme to a Grantee in accordance with the Scheme Rules
"Shareholder(s)"	means holder(s) of Shares from time to time
"Shares"	means ordinary shares of HK$0.1 each in the capital of the Company, or if there has been a sub-division, consolidation, re-classification or re-construction of the share capital of the Company, shares forming part of the ordinary share capital of the Company of such nominal amount as shall result from any such sub-division, consolidation, reclassification or re-construction
"Stock Exchange"	means The Stock Exchange of Hong Kong Limited
"substantial shareholder(s)"	has the meaning given to it in the Listing Rules
"Trust"	means the trust constituted by the Trust Deed
"Trust Deed"	means a trust deed to be entered into between the Company and the Trustee (as restated, supplemented and amended from time to time) in respect of the appointment of the Trustee for the administration of the Scheme
"Trust Shares"	means such Shares that are held, directly or indirectly, by the Trustee upon Trust from time to time for the purpose of the Scheme
"Trustee"	means the trustee corporation or trustee corporations to be appointed by the Company for the administration of the Scheme
"Vesting Date(s)"	in respect of a Share Award, subject to the satisfaction of vesting conditions in accordance with the terms of the grant of the Share Award, as set out in the relevant Award Letter, the date on which a Share Award (or part thereof) is to vest in the relevant Grantee and upon which the Grantee may exercise the Share Award as determined by the Scheme Rules, which must also be a Business Day

"Vesting Period"	in relation to any Grantee, the period commencing on the date on which the Awarded Shares have been provisionally set aside pursuant to a Share Award to such Grantee and ending on Vesting Date
"%"	per cent

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

Hong Kong, 8 August 2025

As at the date of this announcement, the executive Directors are Ms. Xie Qingmei and Mr. Wu Zheyan, and the independent non-executive Directors are Mr. Tse Kwok Hing, Henry, Ms. Wu Liping and Ms. Zheng Bingqian.