THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, a bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in China Environmental Technology and Bioenergy Holdings Limited (the "Company"), you should at once hand this circular, together with the proxy form, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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 2025 SHARE AWARD SCHEME
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING

A notice convening the EGM to be held at Fushan Industrial District, Zhangping, Fujian, the PRC on Thursday, 16 October 2025 at 2:00 p.m. is set out on pages 35 to 38 of this circular.

This circular together with the proxy form for use at the EGM are published on the websites of Hong Kong Exchanges and Clearing Limited (http://www.hkexnews.hk) and the Company (http://www.merrygardenholdings.com).

Whether or not you are able to attend the EGM, please complete and sign the proxy form in accordance with the instructions printed thereon and return it to the Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the EGM or any adjournment thereof (as the case may be). Completion and return of the proxy form will not preclude shareholders from attending and voting in person at the EGM or any adjournment thereof if they so wish, and in such event, the instrument appoint a proxy shall be deemed to be revoked.

22 September 2025

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In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:

"Administration"	the Board, Remuneration Committee, and/or delegate(s) of the aforementioned in charge of the operation and all other aspects of the Scheme
"Adoption Date"	the date on which the Shareholders approved the adoption of the Scheme
"Articles"	the amended and restated memorandum and articles of association of the Company
"associate(s)"	has the meaning ascribed to it under the Listing Rules
"Award(s)"	an award, in the form of conditional vesting of Award Shares to a Selected Participant, granted by the Administration to a Selected Participant, under which Award Shares may be vested in accordance with the terms of the Rules
"Award Share(s)"	the Shares granted to a Selected Participant in an Award
"Board"	the board of Directors
"Business Day"	has the meaning ascribed to it under the Listing Rules
"CCASS"	the Central Clearing and Settlement System established and operated by Hong Kong Securities Clearing Company Limited
"China" or the "PRC"	the People's Republic of China, and for the purpose of this circular only, excluding Hong Kong, the Macau Special Administrative Region of China and Taiwan
"close associate(s)"	has the meaning ascribed to it under the Listing Rules
"Company"	China Environmental Technology and Bioenergy Holdings Limited, a company incorporated in the Cayman Islands with limited liability and its issued Shares are listed on Main Board of the Stock Exchange (stock code: 1237)
"connected person(s)"	has the meaning ascribed to it under the Listing Rules
"Controlling Shareholder(s)"	has the meaning ascribed to it under the Listing Rules

"core connected person(s)"	has the meaning ascribed to it under the Listing Rules
"Director(s)"	the director(s) of the Company
"EGM"	the extraordinary general meeting of the Company to be convened to approve, among other things, the proposed adoption of 2025 Share Award Scheme, together with the relevant Scheme Mandate Limit and the Service Provider Sublimit
"Eligible Participant(s)"	(a) an Employee Participant; (b) Related Entity Participants; or (c) a Service Provider; provided that it is not an Excluded Participant
"Employee Participant(s)"	any Director (including independent non-executive Director) or employee (whether full time or part time) of a member of the Group (including persons who is granted Awards under the Scheme as an inducement to enter into employment contracts with any member of the Group)
"Excluded Participant(s)"	an individual who is a resident in a place where the grant, acceptance or vesting of an Award pursuant to the Scheme is not permitted under the laws and regulations of such place or where, in the view of the Board or its delegate(s), compliance with applicable laws and regulations in such place makes it necessary or expedient to exclude such individual
"Grant Date"	the date on which the grant of an Award is made to a Selected Participant, being the date of a Grant Instrument
"Grant Instrument"	has the meaning as set out in the paragraph headed "Offer and Acceptance" in Appendix I to this circular
"Group"	the Company and its subsidiaries
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Latest Practicable Date"	18 September 2025, being the latest practicable date prior to the publication of this circular for ascertaining certain information in this circular

"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"on-market"	the trading of Shares through one or more transactions through the facilities of the Stock Exchange in accordance with the Listing Rules and any other applicable laws and regulations
"Performance Targets"	has the meaning as set out in the paragraph headed "Performance targets" in Appendix I to this circular
"Related Entity Participant(s)"	a director or employee of a holding company, a fellow subsidiary or associated company of the Company
"RMB"	Renminbi, the lawful currency of the PRC
"Rules"	the rules of the Scheme as amended from time to time
"Scheme"	the share award scheme proposed to be adopted by the Company in accordance with the Rules on the Adoption Date, as amended, supplemented or otherwise modified from time to time
"Scheme Mandate Limit"	has the meaning as set out in the paragraph headed "Scheme Mandate Limit" in Appendix I to this circular
"Scheme Period"	the period commencing on the Adoption Date, and ending on the Business Day immediately prior to the tenth (10th) anniversary of the Adoption Date
"Selected Participant(s)"	an Eligible Participant approved for participation in the Scheme and who has been granted any Award

"Service Provider(s)"	individual or entity (not being an Employee Participant and a Related Entity Participant) that provide services to any member of the Group on a continuing or recurring basis in its ordinary and usual course of business, which are in the interest of the long term growth of the Company and/or its subsidiaries. For the avoidance of doubt, Service Providers may include independent contractors, consultants, agents, advisers and suppliers engaged to provide services to any members of the Group, but exclude (i) placing agents or financial advisors providing advisory services for fundraising, mergers or acquisitions, and (ii) professional service providers such as auditors or valuers who provide assurance or are required to perform their services with impartiality and objectivity
"Service Provider Sublimit"	has the meaning as set out in the paragraph headed "Service Provider Sublimit" in Appendix I to this circular
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"Share(s)"	ordinary share(s) of HK$0.5 each in the issued capital of the Company
"Shareholder(s)"	holder(s) of Share(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subsidiary(ies)"	has the meaning ascribed to it under the Listing Rules
"substantial shareholder(s)"	has the meaning ascribed to it under the Listing Rules
"Takeovers Codes"	the Codes on Takeovers and Mergers and Share Buy-backs of Hong Kong
"treasury shares"	has the meaning ascribed to it under the Listing Rules, and for the purposes of the Scheme, references to new shares include treasury shares, and references to the issue of shares or securities include the transfer of treasury shares of the Company
"US$"	US dollars, the lawful currency of the United States of America

"Vesting Date"	the date or dates, as determined from time to time by the Administration, on which the Award (or part thereof) is to vest in the relevant Selected Participant as set out in the relevant Grant Instrument, unless a different Vesting Date is deemed to occur by the operation of rules governing the Scheme, the Listing Rules, other applicable laws or regulations
"%"	per cent.

Certain Chinese names of institutions or other entities included in this circular have been translated into English and included as unofficial translations for identification purpose only. In the event of any inconsistency, the Chinese names shall prevail over the English translations. Except the above, in the event of any inconsistency, the English version of this circular shall prevail over the Chinese version.

References to time and dates in this circular are to Hong Kong time and dates.

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)

Executive Directors
Ms. Xie Qingmei *(Chairlady)*
Mr. Wu Zheyan

Independent non-executive Directors
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Ms. Wu Liping
Ms. Zheng Bingqian

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22 September 2025

To the Shareholders

Dear Sir/Madam,

PROPOSED ADOPTION OF 2025 SHARE AWARD SCHEME AND NOTICE OF EXTRAORDINARY GENERAL MEETING

1. INTRODUCTION

Reference is made to the Company's announcement dated 8 August 2025 in relation to, among other things, the proposed adoption of the 2025 Share Award Scheme. The purpose of this circular is to provide you with information and to seek your approval, *inter alia*, on the proposed adoption of the 2025 Share Award Scheme. A notice of the EGM containing the resolutions to be proposed at the EGM is set out in this circular.

2. PROPOSED ADOPTION OF 2025 SHARE AWARD SCHEME

The Board proposes to adopt the Scheme which shall be valid for a period of 10 years commencing from the Adoption Date, subject to early termination by the Board. The Scheme will allow the grant of Awards to Eligible Participants, aligning the interests of the Selected Participants directly with those of the Company and Shareholders, and motivating the performance of Eligible Participants.

Conditions to the Scheme

The Scheme will take effect upon the satisfaction of the following conditions:

(i) the Scheme having been approved by the Shareholders in general meeting; and

(ii) the Listing Committee of the Stock Exchange granting the approval for the listing of, and permission to deal in, Share(s) which may be issued in respect of Awards that are made under the Scheme.

Upon the adoption of the 2025 Share Award Scheme, the Share Award Scheme which was adopted on 14 December 2020 (''2020 Share Award Scheme'') and was valid and effective for a period of ten (10) years from the date of adoption will be terminated. As at the Latest Practicable Date, all Awards granted under the 2020 Share Award Scheme are vested and the Company had 7,206 Award Shares available for awarding to eligible persons under the 2020 Share Award Scheme, which represented approximately 0.007% of the issued Shares as at such date. As at the Latest Practicable Date and until the date of the EGM, the Board has no intention of granting any further Award Shares under the 2020 Share Award Scheme. Save for the 2020 Share Award Scheme, the Company had no other subsisting share scheme which has not expired as at the Latest Practicable Date.

Resolution will be proposed at the EGM for the Shareholders to consider (and if thought fit approve), the Scheme. A separate resolution will also be proposed at the EGM with respect to the Service Provider Sublimit.

Purpose

The purpose of the Scheme is (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.

Administration

The Scheme shall be subject to the execution of the Administration in accordance with the rules governing the Scheme. A decision of the Administration shall be final and binding on all persons affected thereby, subject to the general power of the Board of administration.

Participants

The Administration may, from time to time, select any Eligible Participant to be a Selected Participant, grant an Award to such Selected Participant during the Scheme Period, and determine the terms and conditions of the Awards and the vesting of Award Shares. Eligible Participants include Employee Participants, Related Entity Participant, and Service Provider, provided that it is not an Excluded Participant.

In assessing the eligibility of Employee Participants, the Administration will take into account, without limitation, (i) the experience, technical expertise and qualification, level of responsibilities of the Employee Participant in relation to the Group's business; (ii) the financial condition and short-term and long-term objectives of the Group; (iii) the current remuneration packages of the Employee Participant; (iv) prevailing market practice and industry standard; and/or (v) the amount of participation including but not limited to the years of service provided to the Group, support, efforts, contributions and positive impact the Employee Participant has made/given, or could potentially make/give in the future, to the Group and/or towards the success of the Group.

Eligibility of each Related Entity Participant will be considered on a case by case basis based on factors including the years of service provided to the Group, the participation, support, efforts, contribution and positive impact to the Group's business, prospects and development, and potential acquisition or joint venture targets.

Eligibility of the Service Provider will be considered on a case by case basis:

Suppliers of services

Service Providers under this category comprises suppliers of services (including agents, advisers and consultants who provide supporting services necessary for business developments of the Group) in relation to the Group's principal activities, operations and development which are material to the long-term growth of the Group, in particular, in the following fields: manufacturing and sales of wooden products and manufacturing and sales of renewable energy products. To cater the Group's business development, the Group will from time to time require to engage independent

contractor, technical provider and professional consultant to provide services in relation to supporting services, research and development of products, building up of clientele network and marketing experts to promote the businesses of the Group, all of which may involve the engagement of the Services Provider which possess the essential skills and experience to assist the Group. For the avoidance of doubt, such participant(s) shall 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.

Eligibility of the Service Provider under this category will be considered on a case by case basis with reference to factors including, among others: (i) the materiality and nature of business relationship (for example, the importance to the Group's core business and strategy, the benefits and strategic value which could be brought and/or attributable to the relevant collaboration (including, the profit and revenue expected to be attributable to such collaboration), the business opportunities and external connection the Group could potentially obtain, the expenses in establishing and maintaining collaboration, and the contract value); (ii) the market norms and industry practices; and (iii) the actual or potential contribution towards the long-term development and success of the Group.

The Board (including independent non-executive Directors) appreciates the importance of engaging and retaining capable Service Providers which can perform in a competitive business environment and ever-changing industry landscape, and is of the view that the proposed categories of Service Provider and Related Entity Participants are in line with the Company's business needs referencing to the Company's nature of operation, the industry norm, and relationship with the Service Providers and Related Entity Participants. Furthermore, it is recognized that the Services Providers and Related Entity Participants bring a wealth of expertise across various disciplines. Their industry-specific knowledge, skills, and connections are crucial for enhancing the Group's competitiveness and supporting future business growth capabilities that may be challenging for the Group to develop independently. Having the flexibility to remunerate Service Providers and Related Entity Participants by equity-based payment is considered to be in interest of the Company and Shareholders as a whole as it can provide the Group a mean to incentivize the Service Providers and Related Entity Participants to be more dedicated to Group's expansion plans and new business initiatives, and better align the long-term interest of the Service Providers and Related Entity Participants with the Group, without causing any material dilution effect on the shareholdings of the Company under the Scheme Mandate Limit and Service Provider Sublimit discussed below.

Also, it is considered that including the independent non-executive Directors (the "INEDs") as Employee Participants can enhance the alignment of their interests with those of the Company and its shareholders. This alignment encourages INEDs to contribute to the long-term success of the Company. The INEDs bring diverse perspectives and valuable experience to the Board. By granting them Awards, the Company can leverage their insights and expertise more effectively in strategic decision-making. Also, it is increasingly common in the industry to include INEDs in incentive schemes, reflecting a trend towards broader participation in company performance and governance. As at the Latest Practicable Date, the Company do not have any plan or intention to grant to the INEDs.

The Remuneration Committee considered that performance targets are not necessary for granting Awards to INEDs, primarily because their role focuses on providing independent oversight and strategic guidance rather than direct management of operations. Their effectiveness is not easily quantifiable through traditional performance metrics. By granting Awards without performance targets, the Remuneration Committee emphasizes the value of their independent judgment and contributions to the Board's decision-making processes. Additionally, this arrangement aligns with the Scheme's purpose of attracting and retaining high-quality talent to the Board, fostering a long-term commitment to the Company's success.

With reference to the scope of the Eligible Participants and the corresponding eligibility criteria, the Directors (including the independent non-executive Directors) are of the view that the it would be in the Group's interest to granting the Award to its Employee Participants and to permit the Company such flexibility in granting Award to the Related Entity Participants and the Service Provider Participants in recognition of their contribution to the Group's long-term growth and development, given those which will be selected are those which maintain a close collaborative business relationship with the Group. Furthermore, a sustainable and stable relationship with the Related Entity Participants and the Service Provider Participants is vital for the Group and the inclusion of non-employee participants under the Scheme would align their interest with the interest of the Group and incentivise them to provide better services to, create more opportunities for and/or contribute to the success of the Group in the long run, and thus promoting the growth and development of the Group, and therefore enable the Scheme's purpose to be achieved. Thus, the Directors consider that the inclusion of the Related Entity Participants and the Service Provider Participants aligns with the purpose of the Scheme and the long-term interests of the Company and its Shareholders.

Scheme Mandate Limit and Service Provider Sublimit

The total number of Shares which may be issued in respect of all options and awards to be granted under the Scheme and other share schemes of the Company must not in aggregate exceed the Scheme Mandate Limit (or such other percentage which may be specified by the Stock Exchange from time to time), unless such Scheme Mandate Limit shall have been refreshed in accordance with the requirements of the Listing Rules, or Awards are made with the separate approval by Shareholders in general meeting or otherwise permitted under the Listing Rules.

Awards lapsed in accordance with the terms of its relevant scheme shall not be regarded as utilised for the purposes of calculating the Scheme Mandate Limit and the Service Provider Sublimit.

Subject to the aforementioned and within the Scheme Mandate Limit, the total number of Shares which may be awarded in respect of all Awards to be granted under the Scheme and all options and awards to be granted under any other share schemes of the Company to the Service Providers must not in aggregate exceed the Service Provider Sublimit unless Shareholders' approval has been obtained pursuant in accordance with the Listing Rules.

The Service Provider Sublimit was determined with reference to (i) the purposes of the Scheme; (ii) the potential dilution effect of the utilization of the Service Provider Sublimit; and (iii) the Group's business needs and plannings with respect to the use of Service Providers.

The Board is of the view that the Service Provider Sublimit is fair and reasonable, taking into account the following factors: (i) the potential dilutive effect from grants to Service Providers; (ii) the importance of the balance between the Scheme being able to achieve its purposes efficiently and protecting Shareholders from the dilution effect arising from granting substantial amount of Shares to Service Providers; (iii) the rationale and eligibility criteria with respect to inclusion of Service Providers as Eligibility Participants in the Scheme discussed above, in particular, the significance of Service Providers' participation and contribution in the Group's long-term and sustainable development; (iv) the ability and flexibility to provide equity incentives (instead of expending cash or other financial resources) to incentivize and reward participations and contributions from persons who are not employees or officers of the Group, including persons who have expertise in their field, persons who by business nature, customary practices and/or costs considerations are not employees or officers but the continuity and stability in supply of services are of great importance to the Group, and persons who may provide valuable contribution to the Group; (v) that the Service Provider Sublimit represents a maximum limit and the Company's discretion as to the extent of using such Service Provider Sublimit, including the flexibility of allocating the portion under this limit to other Eligible Participants with reference to the Group's business and needs at a future point in time; (vi) the Company's

discretion to include additional granting and/or vesting condition(s); (vii) the applicable requirements under the Listing Rules and practices commonly adopted by companies listed on the Stock Exchange; and (viii) the service provider sublimits set by other companies listed in Hong Kong.

Assuming there is no change to the number of issued Shares between the Latest Practicable Date and the Adoption Date, for illustration purpose only, the Scheme Mandate Limit, being the total number of Shares which may be issued and allotted upon exercise of all share options and grant of share awards under the Scheme and any other share option schemes and share award schemes of the Company, will authorise the issue of up to 9,603,705 Shares (representing approximately 10% of the number of Shares in issue as at the Latest Practicable Date), and the Service Provider Sublimit, being a sublimit under the Scheme Mandate Limit, will authorise the award of up to 960,370 Shares (representing approximately 1% of the number of Shares in issue as at the Latest Practicable Date).

The limit of the Scheme is the total number of Shares which may be funded by newly allotted and issued Shares, including the transfer of treasury shares.

Granting and vesting conditions

The Company shall issue a Grant Instrument to each Selected Participant in such form as the Administration may from time to time determine, specifying the Grant Date, the number of Award Shares underlying the Award, the granting and/or vesting criteria and conditions (including but not limited to Performance Targets (if any) and the amount payable (if any) by such Selected Participant on acceptance of the Award and the period within which payments or calls must or may be made or loans for such purposes must be repaid), the purchase price of Award Shares (if any) and the Vesting Date and such other details as they may consider necessary. Unless otherwise determined by the Board or the Committee in its absolute discretion at the relevant time for each individual Award, a Selected Participant is not required to pay any grant or purchase price or make any other payment to the Company for accepting an offer of the Award granted, nor is the Selected Participant required to pay any subscription or purchase price for the vesting of the Awards or the receipt of the Award Shares. The Board considers that it is consistent with the purpose of the Share Award Scheme for the Company to retain discretion to consider the purchase price, if any, for an Award and the underlying Award Shares so that meaningful reward may be provided to Selected Participants in recognition of their contribution or potential contribution to the Group. Upon the satisfaction (or waiver) of all such terms and conditions, an Award will vest on the Vesting Date stated in the Grant Instrument, upon which the relevant number of Award Shares will be transferred and/or issued to the Selected Participant.

Vesting period

The Vesting Date in respect of any Award shall not be a date which is within 12 months from the Grant Date, provided that for Employee Participants, the Administration may in its absolute discretion determine that the Vesting Date may be less than 12 months from the Grant Date (including on the Grant Date) in the following circumstances where:

(a) grants of "make whole" Awards to new joiners to replace share awards or options they forfeited when leaving their previous employers;

(b) grants to an Employee Participant whose employment is terminated due to death or disability or occurrence of any out-of-control event;

(c) grants with performance-based vesting conditions in lieu of time-based vesting criteria;

(d) grants that are made in batches during a year for administrative and compliance reasons, which include Awards that should have been granted earlier if not for such administrative or compliance reasons but had to wait for subsequent batch. In such case, the vesting period may be shorter to reflect the time from which the Award would have been granted;

(e) grants with a mixed or accelerated vesting schedule such as where the Awards may vest evenly over a period of twelve (12) months; and

(f) grants with a total vesting and holding period of more than twelve (12) months.

The Board considers allowing a vesting period shorter than 12 months in the above circumstances is in line with the purposes of the Scheme as it gives the Administration the flexibility to (1) timely provide competitive remuneration package to attract important candidates to join the Group, especially when such candidates have to forgo certain share options or awards when terminating their previous employment; (2) fairly recognise the contribution of those Selected Participants made from the grant of their Awards up to the point where their employment with the Group has to be terminated due to their death, disability or other uncontrollable events; (3) actively incentivize and motivate Selected Participants to meet the Performance Targets within 12 months; (4) correctly vesting Awards which should have been granted already or sooner but for administrative or technical reasons; and (5) better design Awards with immediate and enduring effect to encourage continuing commitment to the Group. Therefore, the Directors are of the view that the terms of grants (including the vesting requirements and performance targets) align with the purpose of the 2025 Share Award Scheme.

Performance Targets

The Administration may impose any Performance Targets as it deems appropriate with respect to the entitlement of a Selected Participant to an Award. As Selected Participants' background and significance to the Group differ, Performance Targets may vary among Selected Participants having regard to, without limitation, their duties and responsibilities, length of relationship with the Group, time of the grant and/or strategic needs of the Group. The Board considers that having such discretion, instead of being limited by a prescribed set of performance targets, gives the Group the flexibility to determine whether and to what extent any performance targets will be attached to each Award and how such performance targets are both realistic and beneficial to the Group. Performance targets, on a case by case basis, may be a combination of qualitative and quantitative requirements that are established and/or measured based on, without limitation, appraisal report or job review of a Selected Participant, performance (such as annual or half yearly results and performance of the Group, with reference to revenue, profits (before or after tax), earnings per share, market value or economic value added, cash flow, return on assets, return on equity, return on investment, share price etc.) of the Group, particular member(s) of the Group, functional departments, projects, geographical area, and/ or a Selected Participant, or other indicators to be prescribed in a Grant Instrument. For the avoidance of doubt, any grant of Awards to an independent non-executive Director is not subject to any performance targets.

Subject to the rules of the Scheme, performance targets will include, as the case may be, the Selected Participants' expertise, skills or experience, contribution to the Group, performance and synergies at work, achievement of performance targets or annual appraisal results, key performance indicators of respective department(s) that the Selected Participants belongs. The Board or the Administration will conduct assessment by comparing the actual performance, operating or financial results of the Company, any subsidiary of the Company and the actual performance of the Selected Participant with the pre-determined targets or individual performance indicators to determine whether or to what extent the performance targets have been met. Such pre-determined targets or individual performance indicators may be set by the Board or the Administration on a case by case basis with reference to factors including the specific position and role of the relevant Selected Participant, and the overall business plan, strategy and the expected financial performance of the Group in the relevant period. The performance target will be deemed to be met when the actual level achieved reaches or exceeds the level of the pre-determined targets or individual performance indicators.

Given that the Directors are entitled to determine any performance targets to be achieved, it is expected that (i) the Group is in a better position to reward its employees and retain human resources that are valuable to the growth and development of the Group as a whole; and (ii) the grantees of the Award will make an effort to contribute to the development of the Group so as to bring about an increased market price of the Shares in order to capitalize on the benefits of the Award granted under the 2025 Share Award

Scheme and in turn benefiting the Company and the Shareholders as a whole. As such, the Directors considers that the terms of the 2025 Share Award Scheme as summarized above and more fully in Appendix I of this circular align with the purpose of the 2025 Share Award Scheme as set out above.

Rights attaching to the shares

Award granted but unvested under the Scheme will not entitle the Selected Participants to any voting, dividend, transfer and other rights (including those arising on liquidation of the Company). Award Shares vested pursuant to the Scheme will be subject to all the provisions of the Articles for the time being in force and will rank *pari passu* in all respects with other Shares in issue on the date they are transferred to the Selected Participant and accordingly, will entitle the holders to the same voting, dividend, transfer and other rights (including those arising on liquidation of the Company) as the existing fully paid Shares in issue on the date on which they are transferred upon vesting of an Award. Without prejudice to the generality of the foregoing, Award Shares vested pursuant to the Scheme shall entitle their holders to participate in all dividends or other distributions paid or made on or after the date on which the Shares are transferred to the Selected Participant.

Clawback mechanism

The Share Award Scheme provides for a clawback mechanism which sets out the circumstances in which the unvested Awards to a grantee shall, among others, automatically lapse forthwith in the event that, among other things, the grantee commits any misconduct (details of which are set out in Appendix I to this circular) or there is any material misstatement(s) in the consolidated financial statements of the Company. The Board considers that such mechanism aligns with the purpose of the Share Award Scheme as it would not be beneficial to the Group for the grantee to continue to benefit from the unvested Awards under the circumstances that would trigger the clawback mechanism.

Other information

After consulting its legal adviser, the Company understands that the adoption of the Scheme would not constitute an offer to the public and the prospectus requirements under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) do not apply.

A summary of the principal terms of the Scheme is set out in Appendix I to this circular. The rules governing the Scheme will be published on the website of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the Company (www.merrygardenholdings.com) for a period of 14 days before the date of the EGM (including the date of the EGM) and can be inspected at the EGM.

Application will be made to the Listing Committee of the Stock Exchange for the approval of the listing of, and permission to deal in, Share(s) which may be issued in respect of Awards that are made under the Scheme.

3. GENERAL

As at the Latest Practicable Date, 96,037,051 Shares were in issue and there were no treasury Shares.

In respect of the Scheme, if the Company has treasury Shares available, the Company may use the treasury Shares for the Scheme where appropriate.

As at the Latest Practicable Date, the Company has not engaged any trustee for administration of the Scheme. If the Company is to engage any trustee in the future, such trustee will not be a Director and no Director will have any direct or indirect interest in the trustee and will be independent of the Company and its connected persons in accordance with the Listing Rules.

As at the Latest Practicable Date, the Company has no concrete plan or intention to grant any Award to any of the Eligible Participants under the Scheme immediately after the Scheme's adoption. However, the Company may consider granting Awards under the Scheme in the future when such need arises and will make further announcement(s) in this regard in accordance with the Listing Rules as and when appropriate.

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this document misleading.

4. EGM

The EGM will be convened and held for the Shareholders to consider and, if thought fit, to approve the adoption of the Scheme and the Service Provider Sublimit in the Scheme.

The notice of EGM is set out on pages 35 to 38 of this circular.

Pursuant to the Listing Rules, any vote of Shareholders at a general meeting must be taken by way of a poll except where the chairman, in good faith, decides to allow a resolution relating to a procedural or administrative matter to be voted on by a show of hands. An announcement on the poll results will be published by the Company after the EGM in the manner prescribed under the Listing Rules.

As at the Latest Practicable Date, the Company is not aware of any Shareholder who is required to abstain from voting under the Listing Rules for having a material interest in the matters to be considered at the EGM (including the Scheme).

A proxy form for use at the EGM is published on the websites of Hong Kong Exchanges and Clearing Limited (http://www.hkexnews.hk) and the Company (http://www.merrygardenholdings.com). To be valid, the proxy form must be completed and signed in accordance with the instructions printed thereon and deposited, together with the power of attorney or other authority (if any) under which it is signed or a certified copy of that power of attorney or authority at the Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the EGM or any adjournment thereof (as the case may be). Completion and delivery of the proxy form will not preclude you from attending and voting at the EGM or any adjournment thereof if you so wish and in such event, the instrument appointing a proxy shall be deemed to be revoked.

5. CLOSURE OF REGISTER OF MEMBERS

Shareholders whose names appear on the register of members of the Company on Friday 10 October 2025 will be entitled to attend and vote at the EGM. For the purpose of determining Shareholders who are entitled to attend and vote at the EGM, the register of members of the Company will be closed from Monday, 13 October 2025 to Thursday, 16 October 2025, both days inclusive. In order to qualify for attending and voting at the EGM, all transfer documents should be lodged for registration with Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Friday, 10 October 2025.

6. RECOMMENDATION

The Directors consider that the resolutions as set out in the notice of EGM are all in the interests of the Company and its Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of all such resolutions at the EGM.

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

The following is a summary of the principal terms of the rules of the Scheme proposed to be adopted at the EGM.

Purpose	The purpose of the Scheme is (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.
Administration	The Scheme shall be subject to the execution of the Administration in accordance with the Rules. A decision of the Administration shall be final and binding on all persons affected thereby, subject to the general power of the Board of administration.
Eligible Participants	The Administration may, from time to time, select any Eligible Participant to be a Selected Participant, grant an Award to such Selected Participant during the Scheme Period, and determine the terms and conditions of the Awards and the vesting of Award Shares. Eligible Participant includes the Employee Participants, Related Entity Participants, and Service Providers, provided that it is not an Excluded Participant.

Basis of determining eligibility

In determining the basis of eligibility of each Eligible Participant, the Administration will take into account, without limitation, (a) the experience, technical expertise and qualification, level of responsibilities of the Eligible Participant in relation to the Group's business; (b) the length of service of the Eligible Participant with the Group; (c) the financial condition and short-term and long-term objectives of the Group; (d) the current remuneration packages of the Eligible Participant; and/or (e) the amount of support, assistance, guidance, advice, efforts and contributions the Eligible Participant has exerted and given to the Group and/or towards the success of the Group. Eligibility of each Related Entity Participant will be considered on a case by case basis based on factors including the years of service provided to the Group, the participation, support, efforts, contribution and positive impact to the Group's business, prospects and development, and potential acquisition or joint venture targets.

Eligibility of each Service Provider will be considered on a case by case basis:

Eligibility of each Service Provider under the category of suppliers of services will be considered on a case by case basis with reference to factors including, among others: (i) the nature, scope, frequency, scale of engagements; (ii) the materiality and nature of business relationship (for example, the importance of the services to the Group's core business and strategy, the benefits and strategic value which could be brought and/or attributable to the relevant service providers, the business opportunities and external connection the Group could potentially obtain, their industry-specific resources, knowledge and expertise, the replacement costs of such business dealings); (iii) the track record and quality of the individual performance, and the ability to maintain such performance; (iv) the market norms and industry practices; and (v) the actual or potential contribution towards the long-term development and success of the Group.

	Eligibility of each Service Provider under the category of business partners will be considered on a case by case basis with reference to factors including, among others: (i) the materiality and nature of business relationship (for example, the importance to the Group's core business and strategy, the benefits and strategic value which could be brought and/or attributable to the relevant collaboration (including, the profit and revenue expected to be attributable to such collaboration), the business opportunities and external connection the Group could potentially obtain, the expenses in establishing and maintaining collaboration, and the contract value); (ii) the market norms and industry practices; and (iii) the actual or potential contribution towards the long-term development and success of the Group.
Scheme Mandate Limit	The total number of new Shares (the Scheme Mandate Limit) which may be issued and allotted upon exercise of all share options and grant of share awards under the Scheme and any other share option schemes and share award schemes of the Company shall not in aggregate exceed 10% of the total number of Shares in issue (excluding treasury Shares, if any) as at the Adoption Date (being 9,603,705 Shares subject to adjustment in the case of any consolidation or subdivision of shares of the Company thereafter) or as at the date of approval of the refreshment of the Scheme Mandate Limit by Shareholders in general meeting, whichever is later.

	The Scheme Mandate Limit may be ''refreshed'' with the approval of the Shareholders in general meeting, provided that no refreshment shall take effect within three years after the Adoption Date or the effective date of a previous refreshment unless the Company complies with rules 17.03C(1)(b) and (c) of the Listing Rules. The Scheme Mandate Limit as refreshed shall not exceed 10% of the Shares in issue (excluding treasury shares) as at the relevant date of such approval. Options previously granted under the 2025 Share Option Scheme and options and awards granted under other schemes (including those outstanding, cancelled or lapsed in accordance with such schemes or those exercised) shall not be counted for the purpose of calculating the limit as refreshed (if any).
Service Provider Sublimit	Within the Scheme Mandate Limit, the total number of new Shares which may be awarded in respect of all share options and grant of share awards under the Scheme and any other share award schemes and share option schemes of the Company to the Service Providers shall not in aggregate exceed 1% of the total number of Shares in issue (excluding Treasury Shares, if any) as at the Adoption Date (being 960,370 Shares, subject to adjustment in the case of any consolidation or subdivision of shares of the Company thereafter) unless Shareholders' approval has been obtained otherwise in accordance with the Listing Rules.

Maximum entitlement of each Eligible Participant

No Award Shares shall be granted to any Eligible Participant (excluding any Director, chief executive or substantial shareholder of the Company, or any of their respective associates) if such grant of Award Shares to such person would result in the Shares issued and to be issued in respect of all award shares and options granted (excluding any award shares and share options lapsed) in accordance with the terms of the Scheme and other share scheme(s) adopted by the Company to such person in the 12-month period (or such other time period as may be specified by the Stock Exchange from time to time) up to and including the date of such grant representing in aggregate over 1% (or such other percentage as may be specified by the Stock Exchange from time to time) of Shares in issue (excluding treasury Shares, if any) on the date of grant shall take effect, unless:

(a) such grant has been duly approved, in the manner prescribed by the relevant provisions of Chapter 17 of the Listing Rules, by resolution of the Shareholders in general meeting, at which such person and his/her close associates (as defined under the Listing Rules) (or his/her associates if such person is a connected person) shall abstain from voting;

(b) a circular regarding the grant has been dispatched to the Shareholders in a manner complying with, and containing the information specified in, the relevant provisions of Chapter 17 of the Listing Rules; and

(c) the number and terms of such Award Share are fixed before the general meeting of the Company at which the same are approved.

Each grant of an Award to any Director, chief executive or substantial shareholder of the Company, or any of their respective associates, must be approved by the independent non-executive Directors (excluding any independent non-executive Director who is a proposed recipient of the grant of an Award). In addition:

(a) where any grant of Award Shares to any 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 award shares granted (excluding any award shares lapsed in accordance with the terms of the Scheme and other share award scheme(s) of the Company (if any)) to such person in the 12-month period (or such other time period as may be specified by the Stock Exchange from time to time) up to and including the date of such grant representing in aggregate over 0.1% (or such other percentage as may be specified by the Stock Exchange from time to time) of the Shares in issue (excluding treasury Shares, if any) as at the date of such grant, such further grant of Award Shares must be approved by Shareholders in general meeting with a circular sent to the Shareholders in the manner required, and subject to the requirements set out, in the Listing Rules; and

(b) where any grant of Award Shares to an independent non-executive Director or a substantial shareholder of the Company, or any of their respective associates, would result in Shares issued and to be issued in respect of all award shares and options granted (excluding any award shares and options lapsed in accordance with the terms of the Scheme and other share scheme(s) adopted by the Company) to such person in the 12-month period (or such other time period as may be specified by the Stock Exchange from time to time) up to and including the date of such grant, representing in aggregate over 0.1% (or such other percentage as may be specified by the Stock Exchange from time to time) of Shares in issue (excluding treasury Shares, if any) as at the date of such grant such further grant of Award Shares must be approved by Shareholders in general meeting with a circular sent to the Shareholders in the manner required, and subject to the requirements set out, in the Listing Rules.

In the circumstances described in paragraphs (a) and (b) above, the Company must send a circular to the Shareholders. The Selected Participants, his/her associates and all core connected persons of the Company will be required to abstain from voting in favour at such general meeting.

Offer and Acceptance

The Company shall issue a letter agreement to any Selected Participant in such form as the Administration may from time to time determine, specifying the Grant Date, the number of Award Shares underlying the Award, the granting and/or vesting criteria and conditions (including but not limited to Performance Targets (if any) and the amount payable (if any) by such Selected Participant on acceptance of the Award and the period within which payments or calls must or may be made or loans for such purposes must be repaid), the purchase price of Award Shares (if any) and the Vesting Date and such other details as they may consider necessary (the "Grant Instrument").

Upon receipt of the Grant Instrument, the Selected Participants are required to confirm their acceptance of the Award by returning to the Company a notice of acceptance duly executed by them together with all information and documents as requested by the Company in the Grant Instrument within 10 business days after the Grant Date (the ''Acceptance Period'') together with a payment (if any) in favour of the Company as consideration for the grant thereof as the Administration may determine. The Award may be accepted by the Selected Participant in respect of less than the number of the Award Shares which are offered provided that it is accepted in respect of a board lot for dealing in Shares on the Stock Exchange or an integral multiple thereof and such number is clearly stated in the notice of acceptance. If any Selected Participant fails to return the notice of acceptance or to provide any requested information and documents upon the expiration of the Acceptance Period to the Company, the Award automatically lapses forthwith.

Vesting period and conditions

Subject to the Listing Rules, the Administration may from time to time while the Scheme is in force and subject to all applicable laws, determine such vesting criteria and conditions (including but not limited to Performance Targets) or periods for the Award to be vested hereunder. Upon the satisfaction (or waiver) of all such terms and conditions, an Award will vest on the Vesting Date in the Grant Instrument, upon which the relevant number of Award Shares will be transferred and/or issued to the Selected Participant.

The Vesting Date in respect of any Award shall not be a date which is within 12 months from the Grant Date, provided that for Employee Participants, the Administration may in its absolute discretion determine that the Vesting Date may be less than 12 months from the Grant Date (including on the Grant Date) in the following circumstances where:

(a) grants of ''make whole'' Awards to new joiners to replace share awards or options they forfeited when leaving their previous employers;

(b) grants to an Employee Participant whose employment is terminated due to death or disability or occurrence of any out-of-control event;

(c) grants with performance-based vesting conditions in lieu of time-based vesting criteria;

(d) grants that are made in batches during a year for administrative and compliance reasons, which include Awards that should have been granted earlier if not for such administrative or compliance reasons but had to wait for subsequent batch. In such case, the vesting period may be shorter to reflect the time from which the Award would have been granted;

(e) grants with a mixed or accelerated vesting schedule such as where the Awards may vest evenly over a period of 12 months; and

(f) grants with a total vesting and holding period of more than 12 months.

Performance targets

The Administration may impose any performance targets as it deems appropriate with respect to the entitlement of a Selected Participant to an Award. Such performance targets may be a combination of qualitative and quantitative requirements that are established and measured based on, without limitation, appraisal report or job review of a Selected Participant, performance (such as sales, profit, growth targets) of the Group, particular member(s) of the Group, product lines, functional departments, projects, geographical area and/or a Selected Participant, or other indicators to be prescribed in a Grant Instrument. For the avoidance of doubt, any grant of Awards to an independent non-executive Director is not subject to any performance targets.

Satisfying the vesting of Award Shares	The Company may satisfy the vesting of Award Shares by issuing and allotting Shares, transferring treasury Shares, and/or making a cash payment to the Selected Participant in accordance with the Rules, the Listing Rules and any other applicable laws and regulations. To the extent that, (i) a Selected Participant chooses to receive cash instead of Award Shares upon vesting of Award Shares, and such choice is approved by the Administration at its absolute discretion, or (ii) at the determination of the Administration, it is not practicable for the Selected Participant to receive Award Shares upon vesting due to legal or regulatory restrictions, the Administration may satisfy the vesting of Award Shares by making a cash payment to the Selected Participant. The amount of such payment shall be calculated by reference to the number of Award Shares to be vested in respect of the Selected Participant on the Vesting Date and valuing the same at the closing price of the Shares as stated in the daily quotations sheet published by the Stock Exchange on the Vesting Date and deducting therefrom any stamp duty, levy, trading fee and other, if any, direct costs and expenses which would have been payable if the Award Shares were sold on-market on the Vesting Date at the said closing price.
Rights attaching to Award Shares	Selected Participants do not have any right to voting, dividend, or transfer, including those arising on a liquidation of the Company, in relation to any Award granted but unvested under the Scheme. Rights of the Award Shares after vesting are set out in the paragraph headed "Ranking of Award Shares" below.
Life of the Scheme	The Scheme shall be valid and effective for the Scheme Period.

Lapse of Awards

An Award (to the extent not vested) shall lapse automatically on the earliest of:

(a) if a Selected Participant ceases to be an Eligible Participant for reasons other than: (i) retirement of the Selected Participant at his/her normal retirement age as specified in his/her terms of employment or contractual engagement with the Group or as prescribed by any applicable laws or regulations; or (ii) his/her job-related permanent physical or mental disablement or job-related death;

(b) in the event of an order for the winding-up of the Company being made or a resolution being passed for the voluntary winding-up of the Company (otherwise than for the purposes of, and followed by, an amalgamation or reconstruction in such circumstances that substantially the whole of the undertaking, assets and liabilities of the Company pass to a successor company) on or prior to any Vesting Date;

(c) the Selected Participant is found to be an Excluded Participant; or

(d) the Selected Participant fails to meet the conditions of a grant or vesting of an Award, or to provide such information or documents as may be required under the Rules for the Award.

Adjustment and effect of alternation of capital structure

In the event of any alteration in the capital structure of the Company following the commencement of the Scheme from any capitalization issue, rights issue, sub-division or consolidation of shares or reduction of capital, the Administration shall make corresponding adjustments to:

(1) (if any) the purchase price; and/or

(2) the number of outstanding Award Shares that have been granted but unvested, provided that any such adjustments made must:

(i) give a Selected Participant the same proportion of the equity capital, rounded to the nearest whole Share, as that to which that person was previously entitled;

(ii) not be made to the extent that a Share would be issued at less than its nominal value (if any);

(iii) not be made to the advantage of the Selected Participant without specific prior approval from the Shareholders;

(iv) other than any made on a capitalization issue, be confirmed by an independent financial adviser or auditors of the Company to the Directors in writing that the adjustments satisfy the requirements of chapter 17 of the Listing Rules; and

(v) be in accordance with the Scheme Rules, the Listing Rules, the requirement under Appendix I to FAQ13 – No. 16, and any other applicable guidance/interpretation issued by the Stock Exchange from time to time.

For the avoidance of doubt, the issue of securities as consideration in a transaction may not be regarded as a circumstance requiring adjustment. All fractional Shares (if any) arising out of such alteration in the capital structure of the Company in respect of the Award Shares of a Selected Participant shall be deemed forfeited and shall not be transferred to the relevant Selected Participant on the relevant Vesting Date.

	In addition, in the event the Company conducts a share subdivision or consolidation, the number of shares comprising the Scheme Mandate Limit and the Service Provider Sublimit shall be adjusted to the effect that such limits as a percentage of the total number of issued shares of the Company at the date immediately before and the date immediately after such share consolidation or subdivision shall be the same, rounded to the nearest whole share.
Cancellation of Award	The Administration may cancel an Award granted but remained unvested in certain circumstances, including: 1) where it is necessary to comply with the laws in the jurisdictions in which the Company are subject to, or in order to comply with the requirements of any securities exchange; and 2) where the Group makes any arrangement as the Eligible Participant may agree in order to compensate him for the cancellation of the Awards, and any cancellation of the Awards shall be approved by the Board or the Committee (as the case may be). Award Shares may be granted to an Eligible Participant in place of his/her cancelled Award Shares provided that there are available Scheme Mandate Limit approved by the Shareholders as referred to in the Listing Rules. The Award Shares cancelled will be regarded as utilized for the purpose of calculating the Scheme Mandate Limit and (where applicable) the Service Provider Sublimit.

Ranking of Award Shares	Award Shares vested pursuant to the Scheme will be subject to all the provisions of the Articles for the time being in force and will rank *pari passu* in all respects with other Shares in issue on the date they are transferred to the Selected Participant and accordingly, will entitle the holders to the same voting, dividend, transfer and other rights (including those arising on liquidation of the Company) as the existing fully paid Shares in issue on the date on which they are transferred upon vesting of an Award. Without prejudice to the generality of the foregoing, Award Shares vested pursuant to the Scheme shall entitle their holders to participate in all dividends or other distributions paid or made on or after the date on which the Shares are vested and transferred to the Selected Participant.
Termination of Scheme and treatment of Awards	The Scheme shall terminate on the earlier of: (a) the 10th anniversary date of the Adoption Date; and (b) such date of early termination as determined by the Board provided that such termination does not affect any subsisting rights of any Selected Participant. In such event, no further Awards may be offered or granted but Awards granted prior to the termination of the Scheme shall in all other respects remain in full force and effect.
Transferability of Awards	Any Award granted under the Scheme must be personal to the Selected Participant to whom it is made. No Awards may be transferred or assigned. The Stock Exchange may consider granting a waiver to allow a transfer to a vehicle (such as a trust or a private company) for the benefit of the participant and any family members of such participant (e.g. for estate planning or tax planning purposes) that would continue to meet the purpose of the Scheme and comply with other requirements of the Listing Rules. Where such waiver is granted, the Company will be required to disclose the beneficiaries of the trust or the ultimate beneficial owners of the transferee vehicle pursuant to Chapter 17 of the Listing Rules, as may be applicable.

Alteration of Scheme

The Board may from time to time alter (a) the authority of the Administration to alter the terms of the Scheme, (b) terms and conditions of the Scheme which are of a material nature, or (c) provisions relating to the matters set out in rule 17.03 of the Listing Rules to the advantage of Selected Participants or prospective Selected Participants, provided that approval from the Shareholders in general meeting (with the Selected Participants and their associates abstaining from voting) has been obtained.

Other than alterations set out above, the Administration may alter the terms of the Scheme without the approval of the Shareholders in a general meeting, provided that no such alteration shall operate to affect adversely the terms of issue of any Award Shares granted or agreed to be granted prior to such alteration except with the consent of all affected Selected Participant(s) or the sanction in writing of such majority of Selected Participants as would be required of the Shareholders under the constitutional documents for the time being of the Company for a variation of tire rights attached to the Shares.

Any change to the terms of any Awards granted to a Selected Participant must be approved by the Board, the Remuneration Committee, the independent non-executive Directors and/or the Shareholders of the Company (as the case may be) if the initial grant of the Awards was approved by the Board, the Remuneration Committee, the independent non-executive Directors and/or the Shareholders of the Company (as the case may be). This requirement does not apply where the alterations take effect automatically under the existing terms of the Scheme.

In any event, the amended terms of the Scheme or the Award Shares must comply with the relevant requirements of chapter 17 of the Listing Rules.

Clawback mechanism	Unless determined otherwise by the Board, the Award Shares, granted but not yet vested, will be automatically and immediately cancelled when the grantee ceases to be an Eligible Participant as defined in the Share Award Scheme in the following circumstances: (i) where such person has committed any act of fraud or dishonesty or serious misconduct, whether or not in connection with his employment or engagement or service to any member of the Group and whether or not it has resulted in his employment or engagement or service being terminated by the relevant member of the Group; (ii) where such a person has been declared or adjudged to be bankrupt by a competent court or governmental body or has failed to pay his debts as they fall due (after the expiry of any applicable grace period) or has entered into any arrangement or composition with his creditors generally or an administrator has taken possession of any of his assets; or (iii) where such person has been convicted of any criminal offence.
Limit on Grant	No Award shall be made to Selected Participants: (a) after inside information (having the meaning as defined in the SFO) has come to the Company's knowledge until (and including) the trading day after such inside information has been announced in accordance with the relevant requirements of the Listing Rules; (b) the period commencing thirty (30) days immediately before the earlier of: i. the date of the Board meeting (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of the Company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and

ii. the deadline for the Company to publish an announcement of its results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules);

and ending on the date of results announcement (including any period of delay in the publication of such results announcement), no Awards may be granted;

(c) during any other periods of time stipulated by the Listing Rules from time to time in relation to any restriction on the time of grant of awards; or

(d) in any other circumstances where dealings by a Selected Participant (including a Director) are prohibited under the Listing Rules, the SFO or other applicable laws or regulations or where the requisite approval from applicable regulatory authorities has not been granted.

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)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Extraordinary General Meeting of China Environmental Technology and Bioenergy Holdings Limited (the "Company") will be held at Fushan Industrial District, Zhangping, Fujian, the PRC on Thursday, 16 October 2025 at 2:00 p.m. for the following purposes:

ORDINARY RESOLUTIONS

1. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

   "**THAT**:

   (a) subject to and conditional upon the Listing Committee of the Stock Exchange granting the approval for the listing of, and permission to deal in, the shares of the Company (the "Shares") to be allotted and issued pursuant to the vesting of the awards (the "Share Awards") that may be granted under the share award scheme of the Company (the "2025 Share Award Scheme") (the rules of which (the "2025 Share Award Scheme Rules") are contained in the document marked "A" produced to the extraordinary general meeting and initialed by the chairman of the EGM for the purpose of identification), the 2025 Share Award Scheme be and is hereby approved and the 2025 Share Award Scheme Rules be and are hereby adopted as the rules of the 2025 Share Award Scheme, and the Directors, the Remuneration Committee and the delegate(s) of the aforementioned be and are hereby authorized to do all such acts and to enter into all such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the 2025 Share Award Scheme including without limitation:

      (i) to administer the 2025 Share Award Scheme;

(ii) to make offers and grants to grantees and to allot, issue, transfer or otherwise deal in Shares (including treasury shares, as the case may be) pursuant to the Share Awards or other awards to be granted and to be vested in accordance with the 2025 Share Award Scheme Rules or rules of any other share schemes (as defined in Chapter 17 of the Listing Rules) adopted by the Company;

(iii) to amend the 2025 Share Award Scheme from time to time provided that such amendment is effected in accordance with the provisions of the 2025 Share Award Scheme and the Listing Rules;

(iv) to consent, if they deem fit and expedient, to such conditions, modifications and/or variations as may be required or imposed by the relevant authorities in relation to the 2025 Share Award Scheme; and

(v) to make application at the appropriate time or times to the Stock Exchange for the listing of, and permission to deal in any Shares which may thereafter from time to time be allotted and issued pursuant to the vesting of the Awards granted under the 2025 Share Award Scheme; and

(b) the maximum number of Shares which may be issued in respect of all share options and share awards to be granted under all share schemes (as defined in Chapter 17 of the Listing Rules), being 10% of the Shares in issue (excluding treasury shares) as at the date of passing of this resolution (i.e. the Scheme Mandate Limit defined in the 2025 Share Award Scheme Rules), be and is hereby approved and adopted.''

2. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

''**THAT** conditional upon the passing of the resolution number 10 of the Notice, the service provider sublimit in the 2025 Share Award Scheme (the ''Service Provider Sublimit'') on the total number of shares which may be issued in respect of all options and awards involving issue of new shares that may be granted under the 2025 Share Award Scheme and any other share scheme(s) of the Company to the Service Providers (as defined in the 2025 Share Award Scheme), representing 1% of the total number of Shares in issue (excluding treasury shares, if any) as at the date of the passing of this resolution, be and is hereby approved and adopted''

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

Hong Kong, 22 September 2025

Notes:

1. All resolutions at the meeting will be taken by way of a poll (except where the chairman decides to allow a resolution relating to a procedural or administrative matter to be voted on by a show of hands in which case every shareholder present in person (or being a corporation, is present by a duly authorised representative), or by proxy(ies) shall have one vote provided that where more than one proxy is appointed by a shareholder which is a clearing house (or its nominee(s)), each such proxy shall have one vote on a show of hands) pursuant to the Listing Rules and the Articles of Association of the Company. The results of the poll will be published on the websites of Hong Kong Exchanges and Clearing Limited and the Company in accordance with the Listing Rules.

2. A proxy form for the meeting is published on the websites of Hong Kong Exchanges and Clearing Limited (http://www.hkexnews.hk) and the Company (http://www.merrygardenholdings.com).

   Any shareholder of the Company entitled to attend and vote at the meeting is entitled to appoint another person as his proxy to attend and vote instead of him. A proxy need not be a shareholder of the Company. If more than one proxy is appointed, the number of shares in respect of which each such proxy so appointed must be specified in the relevant proxy form. Every shareholder present in person or by proxy shall be entitled to one vote for each fully paid share held by him.

   In order to be valid, the proxy form together with the power of attorney or other authority, if any, under which it is signed or a certified copy of that power of attorney or authority, must be deposited at the Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for the meeting or any adjournment thereof (as the case may be). Completion and return of the proxy form shall not preclude a shareholder of the Company from attending and voting in person at the meeting and, in such event, the instrument appointing a proxy shall be deemed to be revoked.

3. Shareholders whose names appear on the register of members of the Company on Friday, 10 October 2025 (the extraordinary general meeting record date) will be entitled to attend and vote at the extraordinary general meeting. For the purpose of determining shareholders who are entitled to attend and vote at the extraordinary general meeting, the register of members of the Company will be closed from Monday, 13 October 2025 to Thursday, 16 October 2025, both days inclusive. In order to qualify for attending and voting at the extraordinary general meeting, all transfer documents should be lodged for registration with Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited, at shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Friday, 10 October 2025.

4. The extraordinary general meeting will be a physical meeting. If a black rainstorm warning, a tropical cyclone warning signal number 8 or above or "extreme conditions" caused by a super typhoon is hoisted or announced by the HKSAR Government after 7:00 a.m, on the date of the meeting, the meeting will be postponed to a later date. The Company will as soon as practicable post an announcement on the websites of Hong Kong Exchanges and Clearing Limited and the Company to notify the Shareholders of the date, time and place of the adjourned meeting.

   If a black rainstorm warning, a tropical cyclone warning signal number 8 or above or "extreme conditions" caused by a super typhoon is lowered or cancelled by the HKSAR Government at or before 7:00 a.m. on the date of the meeting and where conditions permit, the meeting will be held as scheduled.

   "Extreme conditions" herein include but not limited to serious disruption of public transport services, extensive flooding, major landslides or large-scale power outage after super typhoons.

The meeting will be held as scheduled when an "amber" or "red" rainstorm warning signal is in force.

5. References to time and dates in this notice are to Hong Kong time and dates.

6. Attendees are requested to observe and practise good personal hygiene at all times. To the extent permitted by law, the Company reserves the right to deny entry into the meeting venue or require any person to leave the venue so as to ensure the health of the meeting attendees. While the Company proposes and endeavours to implement a number of measures to safeguard the health of the attendees, no obligation or liability whatsoever will be assumed by the Company in connection with the successful implementation or otherwise of any or all of those measures. The Company may be required to change the meeting arrangements at short notice due to, among other matters, public health considerations. Shareholders should check the website of the Company for future announcements and updates on the meeting arrangements.

   In addition, the Company reminds all shareholders that physical attendance in person at the meeting is not necessary for the purpose of exercising voting rights. Shareholders may appoint the chairman of the meeting as their proxy to vote on the relevant resolution(s) at the meeting instead of attending the meeting in person, by completing and return the proxy form.

7. If any shareholder chooses not to attend the meeting in person but has any question about any resolution or about the Company, or has any matter for communication with the board of directors of the Company, he/she is welcome to send such question or matter in writing to the Company's head office and principal place of business in Hong Kong.

8. Shareholders may contact Customer Service Hotline of Computershare Hong Kong Investor Services Limited at (852) 2862 8555 from 9:00 a.m. to 5:00 p.m., Monday to Friday (excluding public holidays) for any enquiry regarding the aforesaid arrangement.