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**CHINA ENVIRONMENTAL TECHNOLOGY
HOLDINGS LIMITED**

中國環保科技控股有限公司

Incorporated in the Cayman Islands with limited liability)
(Stock Code: 646)

**QUARTERLY UPDATES IN RELATION TO
RESOLVING DISCLAIMER OF OPINION**

This announcement is made by China Environmental Technology Holding Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules).

Reference are made to the annual report of the Company for the year ended 31 December 2025 published on 29 April 2026 (the “**Annual Report**”) and the announcement of the Company dated 2 July 2026 (the “**Announcement**”) in relation to, inter alia, the financial impact of the Convertible Bonds. Unless otherwise defined, capitalized terms used herein shall have the same meanings as used in the Annual Report and the Announcement.

As disclosed in the Annual Report, the Company's auditor expressed disclaimer of opinion on the audited consolidated financial statements of the Company for the year ended 31 December 2025 due to the scope limitation relating to the assessment on the appropriateness of the going concern basis of preparing the consolidated financial statements (the **"Going Concern Issue"**). The Company has been undertaking plans and measures to improve the Group's liquidity and financial position. The board (the **"Board"**) of directors (the **"Directors"** and each a **"Director"**) of the Company would like to provide the shareholders and potential investors of the Company with the following updates on the progress of addressing the Going Concern Issue as of the date of this announcement as follows:

(1) As of the date of this announcement, all material business operations of the Group continues as usual and daily operations remain unaffected despite the auditor's disclaimer of opinion arising from the Going Concern Issue. The Group has maintained stable operations and acquired new projects and clients for both of its wastewater treatment business and energy management business. The Company will continue to closely monitor its business operations and will make further announcement(s) as and when appropriate.

(2) The executive Directors have officially engaged a financial advisor to assist to formulate a fund raising plan through single or multiple channels including but not limited to issuance of ordinary bonds, convertible bonds, or share placements. The executive Directors anticipate the next fund raising shall be completed within six months from now. The Company will make announcement(s) as and when appropriate in accordance with the Listing Rules to keep its shareholders and potential investors informed of the material development in this matter.

(3) In respect of the entrusted loans, the executive Directors have been continuously seeking an agreement on deferral of payments or debt restructuring with the holder of the entrusted loans. As of the date of this announcement, no such agreement has been reached. But the Group also has not received any formal demands from the holder of the entrusted loans for the repayment of the principal and interest of the entrusted loan in accordance with the judgement issued by the Court.

(4) The Group has been actively negotiating with banks and other lending institutions on loan renewal or alternative refinancing and new financing facilities. As of the date of the announcement, all of the bank loans that have matured so far this year have been successfully renewed.

In addition, as disclosed in the Announcement, the Group's consolidated financial statements for the year ended 31 December 2025 should be restated to reflect the financial impact of the Convertible Bonds especially the amount payable the bondholder which is approximately HK\$109 million as at 31 December 2025. As a result of the restatements, the Group's consolidated net liabilities as at 31 December 2025 should be increased by approximately RMB70 million. At present, the Company is negotiating a settlement agreement with the bondholder for the settlement of the Convertible Bonds and is expecting a formal agreement to be reached within the next month. The Company shall make announcement(s) as and when appropriate in accordance with the Listing Rules to keep its shareholders and potential investors informed of the material development in this matter.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
China Environmental Technology Holdings Limited
Xu Jinping
Chairman

Hong Kong, 29 July 2026

As at the date of this announcement, the executive Directors are Mr. Xu Jinping, Mr. Xu Zhongping and Mr. Yang Baodong; the non-executive Director are Ms. Hu Yueyue, Mr. Ma Tianfu and Mr. Wang Youming; and the independent non-executive Directors are Mr. Tse Chi Wai, Professor Zhu Nanwen and Professor Li Jun.