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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)

**(1) PROPOSED CAPITAL REORGANISATION;
(2) PROPOSED CHANGE IN BOARD LOT SIZE; AND
(3) PROPOSED RIGHTS ISSUE ON THE BASIS OF
SIX (6) RIGHTS SHARES FOR EVERY ONE (1) NEW SHARE
HELD ON THE RECORD DATE ON A NON-UNDERWRITTEN BASIS**

**The Independent Financial Adviser to the Independent Board Committee
and the Independent Shareholders**



DL Securities (HK) Limited

Placing Agent



PROPOSED CAPITAL REORGANISATION

The Board proposes to implement the Capital Reorganisation which will involve the Share Consolidation, Capital Reduction and Share Subdivision as follows:

(i) Share Consolidation

Immediately before the Capital Reduction becoming effective, every two (2) issued and unissued Existing Shares of par value of HK\$0.5 each will be consolidated into one (1) Consolidated Share of par value of HK\$1.00 each;

(ii) Capital Reduction

The issued share capital of the Company will be reduced by cancelling the paid-up share capital of the Company to the extent of HK\$0.99 on each of the then issued Consolidated Shares such that the par value of each issued Consolidated Share will be reduced from HK\$1.00 to HK\$0.01. The credit arising from the Capital Reduction in the amount of approximately HK\$169.6 million will be transferred to a contributed surplus account of the Company and the contributed surplus account will be applied by the Directors for such purposes permitted under the Companies Act and the Articles; and

(iii) Share Subdivision

Immediately following the Capital Reduction becoming effective, each of the authorised but unissued Consolidated Shares of par value of HK\$1.00 each in the authorised share capital of the Company will be subdivided into one hundred (100) authorised but unissued New Shares of par value of HK\$0.01 each. Immediately following the Share Subdivision becoming effective, the authorised share capital of the Company be changed to HK\$500,000,000 by the creation of such number of additional New Shares as shall be sufficient to increase the authorised share capital of the Company into HK\$500,000,000 divided into 50,000,000,000 shares of a par value of HK\$0.01 each.

PROPOSED CHANGE IN BOARD LOT SIZE

As of the date of this announcement, the Existing Shares in issue are traded on the Stock Exchange in the board lot size of 8,000 Existing Shares. It is proposed that, subject to and conditional upon the Capital Reorganisation becoming effective, the board lot size for trading on the Stock Exchange be changed from 8,000 Existing Shares to 10,000 New Shares.

PROPOSED RIGHTS ISSUE

The Board proposes subject to, among other things, the Capital Reorganisation becoming effective, to implement the Rights Issue on the basis of six (6) Rights Shares for every one (1) New Share held by the Qualifying Shareholders on the Record Date at the Subscription Price of HK\$0.185 per Rights Share, to raise up to approximately HK\$190.20 million before costs and expenses, by way of issuing up to 1,028,093,814 Rights Shares (assuming there is no change in the total number of issued Shares from the date of this announcement up to and including the Record Date). The Rights Issue is only available to the Qualifying Shareholders and will not be extended to Non-Qualifying Shareholders. There will be no excess application arrangement in relation to the Rights Issue.

The maximum net proceeds from the Rights Issue is expected to be approximately HK\$184.33 million. Details of the use of proceeds are set out in the section headed “Use of Proceeds and Reasons for and Benefits of the Rights Issue” in this announcement.

PLACING AGREEMENT

The Company will make arrangements described in Rule 7.21(1)(b) of the Listing Rules to dispose of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares by offering the Unsubscribed Rights Shares and the NQS Unsold Rights Shares to independent placees for the benefit of the Shareholders to whom they were offered by way of the rights.

Accordingly, on 1 September 2026 (after trading hours), the Company entered into the Placing Agreement with the Placing Agent to place the Unsubscribed Rights Shares and the NQS Unsold Rights Shares to independent Placees on a best effort basis.

UNDERTAKING

As at the date of this announcement, Mr. Xu and his associates are beneficially interested in an aggregate of 91,513,921 Existing Shares (representing 26.70% of the issued Shares). After the Share Consolidation becoming effective, Mr. Xu and his associates will be beneficially interested in 45,756,960 Consolidated Shares. Mr. Xu has irrevocably and unconditionally undertaken to the Company that (i) he will not dispose of, and will procure his associates not to dispose of, any of the in aggregate 91,513,921 Existing Shares or the 45,756,960 Consolidated Shares comprising the current shareholding in the Company owned by himself, Classy Jade and Gentle and such Shares will remain directly or indirectly beneficially owned by him and his associates up to and including the Record Date; (ii) he will lodge his acceptance and/or procure his associates to lodge acceptance, of in aggregate 274,541,760 Rights Shares, which will be the number of Rights Shares provisionally allotted to him, Classy Jade and Gentle in nil-paid form under the Rights Issue, with the Registrar or the Company, with payment in full therefor, by no later than the Latest Time for Acceptance or otherwise in accordance with the instructions set out in the Prospectus Documents; and (iii) in the event of an under-subscription of the Rights Shares, the Company has the power and authority to scale down their assured entitlement under the Rights issue to a level which does not trigger an obligation to make a general offer under the Takeovers Code immediately after completion of the Rights Issue.

LISTING RULES IMPLICATIONS

As the Rights Issue will increase the issued share capital of the Company by more than 50%, under Rules 7.19A and 7.27A of the Listing Rules, the Rights Issue is subject to the approval of the Independent Shareholders at the EGM by way of poll at which any controlling shareholders and their respective associates or, where there are no controlling shareholders, the Directors (excluding the independent non-executive Directors) and the chief executive of the Company, and their respective associates shall abstain from voting in favour of the Rights Issue. As at the date of this announcement, the Company has no controlling shareholder. Mr. Xu, an executive Director of the Company, is directly and indirectly interested, through himself and his associates, in an aggregate of 91,513,921 Shares, representing approximately 26.70% of the issued share capital of the Company. Accordingly, Mr. Xu and his associates shall abstain from voting in favour of the relevant resolution(s) of the Rights Issue at the EGM.

As at the date of this announcement, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, save for Mr. Xu and his associates, no other Shareholder is required to abstain from voting on the Rights Issue at the EGM. As at the date of this announcement, save for the Undertaking, the Optionholders' Undertakings and the CB Holders' Undertakings, the Board has not received any indication from any Shareholders of their intention to take up or not to take up the securities of the Company to be offered to them under the Rights Issue.

The Rights Issue will not result in a theoretical dilution effect of 25% or more. As such, the theoretical dilution impact of the Rights Issue is in compliance with Rule 7.27B of the Listing Rules.

INDEPENDENT BOARD COMMITTEE

The Independent Board Committee comprising all the independent non-executive Directors has been established to advise the Independent Shareholders (i) as to whether the terms of the Rights Issue are fair and reasonable and in the interest of the Shareholders as a whole; and (ii) how to vote at the EGM, taking into account the recommendations of the Independent Financial Adviser.

APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER

The Board is pleased to announce that DL Securities (HK) Limited has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Rights Issue. Such appointment has been approved by the Independent Board Committee pursuant to relevant Listing Rules. The letter of advice of the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Rights Issue will be included in the Circular to be despatched to the Shareholders.

GENERAL

The EGM will be convened for the Shareholders to consider, and if thought fit, approve the Capital Reorganisation and the Rights Issue. A Circular containing, among other things, (i) further details of the Capital Reorganisation; (ii) further details of the Rights Issue; (iii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders in respect of the Rights Issue; (iv) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders on the Rights Issue; and (v) a notice convening the EGM, is expected to be despatched to the Shareholders on or before Friday, 11 September 2026.

Subject to the fulfillment of certain conditions of the Rights Issue including the approval of the Independent Shareholders at the EGM, the Company will despatch the Prospectus Documents containing, among other matters, details of the Rights Issue, to the Qualifying Shareholders. The Company will despatch the Prospectus to the Non-Qualifying Shareholders for their information only but the Company will not send the PAL to the Non-Qualifying Shareholders.

WARNING OF THE RISKS OF DEALING IN SHARES AND RIGHTS SHARES IN NIL-PAID FORM

Shareholders and potential investors of the Company should note that the Rights Issue is conditional upon, among others, the fulfillment and/or waiver (where applicable) of conditions including, among other things, (i) obtaining the Independent Shareholders' approval for the Rights Issue; and (ii) the Stock Exchange granting the listing of, and permission to deal in, the Rights Shares in their nil-paid and fully-paid forms. Please refer to the sections headed "Conditions of the Rights Issue" in this announcement. Accordingly, the Rights Issue will not proceed if any of the conditions of the Rights Issue is not satisfied.

Any dealing in the Shares from the date of this announcement up to the date on which all the conditions of the Rights Issue are fulfilled, and any Shareholder dealing in the Rights Shares in nil-paid form will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed. Shareholders or other persons contemplating any dealing in the Shares or Rights Shares in their nil-paid form should consult their professional advisers.

The Shares are expected to be dealt in on an ex-rights basis from Wednesday, 28 October 2026. Dealings in the Rights Shares in nil-paid form are expected to take place from Tuesday, 10 November 2026 to Tuesday, 17 November 2026 (both days inclusive). Any Shareholder or other person contemplating transferring, selling or purchasing the Shares and/or Rights Shares in their nil-paid form is advised to exercise caution when dealing in the Shares and/or the nil-paid Rights Shares.

(1) PROPOSED CAPITAL REORGANISATION

The Board proposes to implement the Capital Reorganisation which will involve the Share Consolidation, Capital Reduction and Share Subdivision as follows:

(i) Share Consolidation

Immediately before the Capital Reduction becoming effective, every two (2) issued and unissued Existing Shares of par value of HK\$0.5 each will be consolidated into one (1) Consolidated Share of par value of HK\$1.00 each;

(ii) Capital Reduction

The issued share capital of the Company will be reduced by cancelling the paid-up share capital of the Company to the extent of HK\$0.99 on each of the then issued Consolidated Shares such that the par value of each issued Consolidated Share will be reduced from HK\$1.00 to HK\$0.01. The credit arising from the Capital Reduction in the amount of approximately HK\$169.6 million will be transferred to a contributed surplus account of the Company and the contributed surplus account will be applied by the Directors for such purposes permitted under the Companies Act and the Articles; and

(iii) Share Subdivision

Immediately following the Capital Reduction becoming effective, each of the authorised but unissued Consolidated Shares of par value of HK\$1.00 each in the authorised share capital of the Company will be subdivided into one hundred (100) authorised but unissued New Shares of par value of HK\$0.01 each. Immediately following the Share Subdivision becoming effective, the authorised share capital of the Company be changed to HK\$500,000,000 by the creation of such number of additional New Shares as shall be sufficient to increase the authorised share capital of the Company into HK\$500,000,000 divided into 50,000,000,000 shares of a par value of HK\$0.01 each.

Effect of the Capital Reorganisation

As at the date of this announcement, the authorised share capital of the Company is HK\$500,000,000 divided into 1,000,000,000 Existing Shares of par value of HK\$0.5 each, of which 342,697,938 Existing Shares have been issued and are fully paid or credited as fully paid. Upon the Share Consolidation becoming effective but before the completion of the Capital Reduction and Rights Issue and assuming no change in the number of Shares in issue from the date of this announcement to the effective date of the Share Consolidation, the authorised share capital of the Company will become HK\$500,000,000 divided into 500,000,000 Consolidated Shares of HK\$1 each, of which 171,348,969 Consolidated Shares (which are fully paid or credited as fully-paid) will be in issue.

Upon the Share Consolidation becoming effective, the Consolidated Shares will rank *pari passu* in all respects with each other. No fractional Consolidated Shares will be issued by the Company. Any fractional entitlements of the Consolidated Shares will be aggregated and sold for the benefit of the Company. Fractional Consolidated Shares will only arise in respect of the entire shareholding of a holder of the Shares regardless of the number of share certificates held by such holder.

Immediately upon the Capital Reduction becoming effective and assuming no further Shares will be issued or repurchased from the date of this announcement up to and including the date of which the Capital Reorganisation shall become effective, the par value of all the issued Consolidated Shares shall be reduced from HK\$1 each to HK\$0.01 each by cancelling the paid-up share capital to the extent of HK\$0.99 per Consolidated Share in issue.

Upon the Share Subdivision becoming effective, each of the authorised but unissued Consolidated Shares of par value of HK\$1 each will be subdivided into one hundred (100) authorised but unissued New Shares of par value of HK\$0.01 each.

The New Shares will rank *pari passu* in all respects with each other and shall have the rights and privileges and be subject to the restrictions in accordance with the Articles. The issued share capital will be reduced to HK\$1,713,489.69 divided into 171,348,969 New Shares of par value of HK\$0.01 each.

Based on the 342,697,938 Existing Shares in issue as at the date of this announcement, a credit of HK\$169,635,479.31 will arise from the Capital Reduction, which will be transferred to a contributed surplus account of the Company and the contributed surplus account will be applied by the Directors for such purposes permitted under the Companies Act and the Articles.

Other than the relevant expenses incurred and to be incurred, the implementation of the Capital Reorganisation will have no effect on the consolidated net liabilities of the Group, nor will it alter the underlying assets, business, operations, management or financial position of the Company.

The Capital Reorganisation will not involve any diminution of any liability in respect of any unpaid capital of the Company or the repayment to the Shareholders of any unpaid capital of the Company nor will it result in any change in the relative rights of the Shareholders.

Assuming that there is no change in the issued share capital of the Company from the date of this announcement until the effective date of the Capital Reorganisation, the share capital structure of the Company (i) as at the date of this announcement; (ii) immediately after completion of the Share Consolidation but prior to the Capital Reduction and the Share Subdivision becoming effective; and (iii) immediately after the implementation of the Capital Reorganisation is summarised below:

	As at the date of this announcement	Immediately after completion of the Share Consolidation but prior to the Capital Reduction	Immediately after the implementation of the Capital Reorganisation
Amount of authorised share capital	HK\$500,000,000	HK\$500,000,000	HK\$500,000,000
Par value	HK\$0.50	HK\$1.00	HK\$0.01
Number of authorised shares	1,000,000,000 Existing Shares	500,000,000 Consolidated Shares	50,000,000,000 New Shares
Number of issued shares	342,697,938 Existing Shares	171,348,969 Consolidated Shares	171,348,969 New Shares
Amount of issued share capital	HK\$171,348,969	HK\$171,348,969	HK\$1,713,489.69

Conditions of the Capital Reorganisation

The Capital Reorganisation is conditional upon:

- (i) the passing of a special resolution by the Shareholders approving the Capital Reorganisation at the EGM;
- (ii) the Stock Exchange granting the listing of, and permission to deal in the New Shares in issue and to be issued upon the Capital Reorganisation being effective;
- (iii) the Directors signing the solvency statement (the “**Solvency Statement**”) in accordance with the requirements of the Companies Act;
- (iv) registration by the Registrar of Companies in the Cayman Islands with a copy of the Solvency Statement and the EGM minutes which approved the Capital Reduction; and
- (v) the compliance with all relevant procedures and requirements under the applicable laws of the Cayman Islands and the Listing Rules to effect the Capital Reduction and Share Subdivision.

For the avoidance of doubt, the Share Consolidation is subject to the Capital Reduction, so the Share Consolidation will not take effect until all the conditions have been fulfilled. The Capital Reorganisation will become effective when the conditions mentioned above are fulfilled. Upon the approval by the Shareholders of the Capital Reduction and the Share Subdivision at the EGM, the Company will file the requisite documents with the Registrar of Companies in the Cayman Islands. It is expected that the Capital Reduction and the Share Subdivision shall be completed and take effect at the same time when the Share Consolidation takes effect.

As at the date of this announcement, none of the above conditions have been fulfilled.

Application for listing and dealings

Application will be made to the Listing Committee for the granting of the listing of, and permission to deal in, the New Shares arising from the Capital Reorganisation.

Subject to the granting of the listing of, and permission to deal in, the New Shares on the Stock Exchange, the New Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the New Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of HKSCC and HKSCC Operational Procedures in effect from time to time.

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

Status of the New Shares

The New Shares will be identical and rank *pari passu* in all respects with each other. All necessary arrangements will be made for the New Shares to be admitted into CCASS.

Free exchange of share certificates

Subject to the Capital Reorganisation becoming effective, the Shareholders may, on or after Tuesday, 27 October 2026 until Wednesday, 2 December 2026 (both days inclusive), submit share certificates for the Existing Shares to the Registrar, to exchange, at the expense of the Company, for new share certificates for the New Shares. Thereafter, certificates for the Existing Shares will be accepted for exchange only on payment of a fee of HK\$2.50 (or such other amount as may from time to time be specified by the Stock Exchange) by the Shareholders for each share certificate for the Existing Shares submitted for cancellation or each new share certificate issued for the New Shares, whichever the number of certificates cancelled/issued is higher. All existing share certificates of the Company will continue to be evidence of title to the Shares and continue to be valid for trading, settlement, registration and delivery purposes.

The new share certificates for the New Shares will be issued in another colour in order to distinguish them from the existing share certificates.

Arrangement on odd lot trading

In order to facilitate the trading of odd lots of the New Shares arising from the Capital Reorganisation, the Company will appoint a designated broker to provide matching service, on a best effort basis, to those Shareholders who wish to acquire odd lots of the New Shares to make up a full board lot, or to dispose of their holding of odd lots of the New Shares. Further details in respect of the odd lots matching arrangement will be set out in the circular to be issued by the Company. Holders of odd lots of the New Shares should note that the matching of the sale and purchase of odd lots of the New Shares is not guaranteed.

PROPOSED CHANGE IN BOARD LOT SIZE

As of the date of this announcement, the Existing Shares in issue are traded on the Stock Exchange in the board lot size of 8,000 Existing Shares. It is proposed that, subject to and conditional upon the Capital Reorganisation becoming effective, the board lot size for trading on the Stock Exchange be changed from 8,000 Existing Shares to 10,000 New Shares.

Based on the closing price of HK\$0.118 per Existing Share (equivalent to the theoretical closing price of HK\$0.236 per Consolidated Share) as at the date of this announcement, (i) the value of each existing board lot of Existing Shares is HK\$944; (ii) the value of each board lot of 8,000 New Shares would be HK\$1,888 on the assumption that the Capital Reorganisation becomes effective; and (iii) the value of each board lot of 10,000 New Shares would be HK\$2,360 on the assumption that the Change in Board Lot Size has also become effective.

The Change in Board Lot Size will not result in any change in relative rights of the Shareholders.

REASONS FOR THE CAPITAL REORGANISATION AND THE CHANGE IN BOARD LOT SIZE

Pursuant to Rule 13.64 of the Listing Rules, where the market price of the securities of an issuer approaches the extremities of HK\$0.01 or HK\$9,995.00, the Stock Exchange reserves the right to require the issuer either to change the trading method or proceed with a consolidation or splitting of securities. The “Guide on Trading Arrangements for Selected Types of Corporate Actions” issued by the Hong Kong Exchanges and Clearing Limited on 28 November 2008 and last updated in June 2026 (the “**Guide**”) has further stated that (i) market price of the shares at a level less than HK\$0.10 each will be considered as trading at extremity as referred to under Rule 13.64 of the Listing Rules; (ii) taking into account the minimum transaction costs for a securities trade, the expected value per board lot should be greater than HK\$1,000; and (iii) to adopt one of the eight standardised board lot units, i.e. 1, 50, 100, 500, 1,000, 2,000, 5,000 and 10,000.

As at the date of this announcement, the closing price of the Existing Share is HK\$0.118 per Existing Share, with a board lot size of 8,000 Shares, the existing board lot value is HK\$944, which is marginally in compliance with the trading requirement under the Guide. However, the board lot units does not meet the above standardised board lot units under the Guide.

In view of the recent trading prices of the Existing Shares at the level close to HK\$0.10 over the past three months (based on the closing price per Existing Share as quoted on the Stock Exchange) and the board lot value of close to HK\$1,000, the Board considers there is a certain possibility that the future market price of the Shares and the board lot value may fail to comply with the trading requirement under the Guide. Therefore, the Board proposes to implement the Share Consolidation in order to reduce the total number of Shares currently in issue. As such, it is expected that the Share Consolidation would bring about a corresponding upward adjustment in the market price of the Consolidated Shares which would ensure the Company will continue to comply with the trading requirements under the Listing Rules. Assuming that the Capital Reorganisation has become effective, based on the closing price of HK\$0.118 per Existing Share (equivalent to the theoretical closing price of HK\$0.236 per New Share) as quoted on the Stock Exchange at the date of this announcement and with a board lot size of 10,000 New Shares, the theoretical value of each board lot of the New Shares would be HK\$2,360.

Upon the Share Consolidation becoming effective but before implementation of the Capital Reduction, the par value of the Existing Shares will be consolidated from HK\$0.5 into HK\$1.00 per Consolidated Share. Pursuant to the Companies Act, the Company may not issue Shares at a discount to the par value of such Shares. As the Subscription Price, which was determined with reference to the prevailing market price of the Existing Shares and at a discount to the recent closing prices of the Existing Shares with a view to encouraging the Shareholders to participate in the potential growth of the Company, is below the par value of each Consolidated Share, the Company is not permitted to issue the Rights Shares under the Companies Act until and unless the par value of each Consolidated Share is reduced pursuant to the Capital Reorganisation. In order to facilitate the proposed Rights Issue and any possible fund raising activities in the future, it is necessary to implement the Capital Reorganisation to lower the par value of the Shares, giving greater flexibility to the Company to issue new Shares in the future.

Additionally, the credit in the contributed surplus account arising from the Capital Reorganisation will enable the Company to utilise for the purposes permitted under the Companies Act and the Articles.

In view of the above, the Board considers that the Capital Reorganisation is beneficial to and in the interests of the Company and the Shareholders as a whole.

As at the date of this announcement, save as disclosed in this announcement in respect of the Rights Issue, the Company currently (i) does not have any agreement, arrangement, understanding, intention, or negotiation (either concluded or in process) on any potential fundraising activities which will involve issue of equity securities of the Company; and (ii) has no other plan or intention to carry out any future corporate actions in the next twelve months which may have an effect of undermining or negating the intended purpose of the Capital Reorganisation.

PROPOSED RIGHTS ISSUE

The Board proposes subject to, among other things, the Capital Reorganisation becoming effective, to implement the Rights Issue on the basis of six (6) Rights Shares for every one (1) New Share held by the Qualifying Shareholders at the close of business on the Record Date.

Further details of the Rights Issue are set out as follows:

Issue statistics

Basis of the Rights Issue	:	Six (6) Rights Shares for every one (1) New Share held by the Qualifying Shareholders at the close of business on the Record Date
Subscription Price	:	HK\$0.185 per Rights Share
Net price per Rights Share (i.e., Subscription Price less cost and expenses incurred in the Rights Issue)	:	Approximately HK\$0.1793 per Rights Share (on the basis that all Rights Shares will be taken up)
Number of Existing Shares in issue as at the date of this announcement	:	342,697,938 Existing Shares
Number of New Shares in issue upon the Capital Reorganisation becoming effective	:	171,348,969 New Shares (assuming there is no further issue or repurchase of Shares up to the effective date of the Capital Reorganisation)

Number of Rights Shares to be issued pursuant to the Rights Issue	:	Assuming no change in the number of issued Shares on or before the Record Date (other than as a result of the Capital Reorganisation) and that no new Shares (other than the Rights Shares) will be allotted and issued on or before completion of the Rights Issue, up to 1,028,093,814 Rights Shares will be issued, representing (i) 600% of the issued share capital of the Company as at the date of the completion of the Capital Reorganisation; and (ii) 85.71% of the issued share capital of the Company as enlarged by the allotment and issue of the Rights Shares.
Total number of Shares in issue immediately upon completion of the Rights Issue	:	Up to 1,199,442,783 New Shares (assuming there is no change in the total number of issued Shares from the date of this announcement up to and including the Record Date other than in relation to the Capital Reorganisation) and that no new Shares (other than the Rights Shares) will be allotted and issued on or before the completion of the Rights Issue)
Gross proceeds from the Rights Issue	:	Up to approximately HK\$190.20 million
Net proceeds from the Rights Issue	:	Up to approximately HK\$184.33 million
Rights of excess application and underwriter	:	There will be no excess application arrangements in relation to the Rights Issue and the Rights Issue is not underwritten
Compensatory Arrangements	:	Any Unsubscribed Rights Shares and ES Unsold Rights Shares will be placed to independent placees on a best effort basis under the Compensatory Arrangements

Any of the Rights Shares which remain unsold in the market will not be issued by the Company and the size of the Rights Issue will be reduced accordingly

The theoretical dilution effect of the Rights Issue does not result in a theoretical dilution effect of 25% or more. As such, the theoretical dilution impact of the Rights issue is in compliance with Rule 7.27B of the Listing Rules.

Subscription Price

The Subscription Price of HK\$0.185 per Rights Share is payable in full by a Qualifying Shareholder upon acceptance of the relevant provisional allotment of the Rights Shares under the Rights Issue, or where a transferee of the nil-paid Rights Shares subscribes for the Rights Shares.

Each Qualifying Shareholder will be entitled to subscribe for the Rights Shares at the same Subscription Price in proportion to the Qualifying Shareholder's shareholding in the Company held on the Record Date.

The Subscription Price represents (assuming the Capital Reorganisation has become effective as at the date of this announcement and there is no change in the number of Shares in issue from the date of this announcement to the Record Date other than the Capital Reorganisation):

- (a) a discount of approximately 21.61% to the adjusted closing price of HK\$0.236 per New Share (based on the average closing price of HK\$0.118 per Existing Share as quoted on the Stock Exchange on the Last Trading Day and adjusted for the effect of the Capital Reorganisation);
- (b) a discount of approximately 21.34 % to the adjusted average closing price of approximately HK\$0.2352 per New Share (based on the average closing price of HK\$0.1176 per Existing Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the Last Trading Day and adjusted for the effect of the Capital Reorganisation);
- (c) a discount of approximately 25.28 % to the adjusted average closing price of approximately HK\$0.2476 per New Share (based on the average closing price of approximately HK\$0.1238 per Existing Share as quoted on the Stock Exchange for the last ten consecutive trading days immediately prior to the Last Trading Day and adjusted for the effect of the Capital Reorganisation);
- (d) a discount of approximately 3.80% to the theoretical ex-rights price of approximately HK\$0.1923 per New Share as adjusted for the effect of the Rights Issue, based on the adjusted closing price of HK\$0.236 per New Share (based on the closing price of HK\$0.118 per Existing Share as quoted on the Stock Exchange on the Last Trading Day and adjusted for the effect of the Capital Reorganisation as quoted on the Stock Exchange on the Last Trading Day; and

- (e) a theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) represented by a discount of approximately 18.52 % to the theoretical diluted price of approximately HK\$0.1923 per New Share based on the benchmarked price of approximately HK\$0.236 per New Share (as defined under Rule 7.27B of the Listing Rules, taking into account the higher of the closing price on the Last Trading Day of HK\$0.118 per Existing Share and the average of the closing prices of the Shares as quoted on the Stock Exchange for the five consecutive trading days immediately prior to the Last Trading Day of approximately HK\$0.1176 per Existing Share, and the effect of the Capital Reorganisation).

The Subscription Price and the Rights Issue size were determined taking into consideration of (i) the short-term indebtedness of the Group; (ii) the funding needs and intended use of proceeds of the Rights Issue; (iii) the stressed financial position of the Group, particularly the net current liabilities of the Group of approximately HK\$576.73 million as at 30 June 2026; and (iv) the prevailing market prices of the Shares.

The Share prices have been showing a fluctuating decline trend in the prices of the Shares from 1 January 2026 up to and including the Last Trading Day (the “**Reference Period**”), with closing price falling from HK\$0.164 on 1 January 2026 per Share to HK\$0.118 per Share on the Last Trading Day, representing a decrease of approximately 28.05%. Meanwhile, the trading volume of the Shares during the Reference Period was thin. The average daily trading volume was approximately 120,000 Shares, representing less than 0.1% of the current issued share capital of 342,697,938 Shares. In view of the declining trend of Share prices and thin trading volume and after having considered the amount of funds the Company intends to raise under the Rights Issue for the purposes described in the section headed “Reasons for and benefits of the Rights Issue and use of proceeds” in this announcement, particularly majority of the net proceeds from the Rights Issue (over 80%) is intended to be utilised for improvement of the net liabilities position of the Group. The Directors consider that the Subscription Price must be set at a relatively deep discount to the current market price of the Shares in order to enhance the attractiveness of the Rights Issue, and in turn encourage the Shareholders to participate in the Rights Issue, and accordingly allow them to maintain their shareholdings in the Company and participate in the future growth and development of the Group. The Rights Issue size of six (6) Rights Shares for every one (1) New Share is considered the most appropriate size to match the identified funding needs and Subscription Price.

Based on the above, the Board (other than the members of the Independent Board Committee who will form their view after reviewing and considering the advice from the Independent Financial Adviser) considers that the terms of the Rights Issue (including the Subscription Price and the Rights Issue size) are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Conditions of the Rights Issue

The Rights Issue is conditional upon:

- (a) the Capital Reorganisation having become effective;
- (b) the passing of the resolution for approving the Rights Issue at the EGM by the Independent Shareholders;
- (c) the grant (or agreement to grant) by the Listing Committee of the Stock Exchange (and such grant not having withdrawn or revoked) of the listing of and permission to deal in all the Rights Shares (in their nil-paid and fully-paid forms);
- (d) the delivery of the Prospectus Documents to the Stock Exchange for authorization and the registration with the Registrar of Companies in Hong Kong respectively one copy of the Prospectus Documents each duly signed by two Directors (or by their agents duly authorized in writing) as having been approved by resolutions of the Directors (and all other documents required to be attached thereto) and otherwise in compliance with the Listing Rules and the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) not later than the Posting Date;
- (e) the publication of the Prospectus on the website of the Stock Exchange and the posting of the Prospectus Documents to Qualifying Shareholders on the Posting Date;
- (f) compliance with the requirements under the applicable laws and regulations of Hong Kong;
- (g) if necessary, the obtaining of the consent or permission from the Cayman Islands Monetary Authority in respect of the issue of the Rights Shares pursuant to the Rights Issue; and
- (h) the Placing Agreement not being terminated on or before the Latest Time for Termination.

All conditions set out above cannot be waived by any party. If any of the above conditions is not satisfied at or prior to the respective time stipulated therein, the Rights Issue will not proceed.

As the proposed Rights Issue is subject to the above conditions, it may or may not proceed.

Status of the Rights Shares

The Rights Shares (when allotted, fully paid or credited as fully paid and issued) will rank *pari passu* in all respects among themselves and with the existing Shares in issue on the date of allotment and issue of the Rights Shares. Holders of the fully paid Rights Shares will be entitled to receive all future dividends and distributions which may be declared, made or paid on or after the date of allotment and issue of the fully paid Rights Shares. Dealings in the Rights Shares in both their nil-paid and fully-paid forms will be subject to payment of stamp duty, Stock Exchange trading fee, transaction levy, investor compensation levy or any other applicable fees and charges in Hong Kong.

Qualifying Shareholders

The Rights Issue is only available to the Qualifying Shareholders. To qualify for the Rights Issue, a Shareholder must be registered as a member of the Company as at the close of business on the Record Date and not be a Non-Qualifying Shareholder.

Subject to the passing of the resolution to approve the Rights Issue by the Independent Shareholders at the EGM and the registration of the Prospectus Documents in accordance with the applicable laws and regulations, the Company will despatch the Prospectus Documents to the Qualifying Shareholders on the Despatch Date and will despatch the Prospectus only (without the PAL) to the Non-Qualifying Shareholders for their information only.

Shareholders with their Shares held by a nominee (or held in CCASS) should note that the Board will consider the nominee (including HKSCC Nominees Limited) as one single Shareholder according to the register of members of the Company and are advised to consider whether they would like to arrange for the registration of the relevant Shares in their own names prior to the Record Date.

In order to be registered as members of the Company prior to the close of business on the Record Date, all transfers of the existing Shares (together with the relevant share certificate(s) and/or the instrument(s) of transfer) must be lodged with the Registrar at 17th Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration no later than 4: 30 p.m. (Hong Kong time) on Thursday, 29 October 2026 (Hong Kong time).

Qualifying Shareholders who do not take up the Rights Shares to which they are entitled should note that their shareholdings in the Company will be diluted.

Closure of register of members

The register of members of the Company will be closed from Friday, 30 October 2026 to Thursday, 5 November 2026 (both days inclusive) for determining the Shareholders' entitlements to the Rights Issue.

No transfer of the Shares will be registered during the above book closure periods.

Basis of provisional allotments

The Rights Shares will be allotted on the basis of six (6) Rights Shares for every one (1) Share held by the Qualifying Shareholders as at the close of business on the Record Date. There will be no excess application arrangements in relation to the Rights Issue.

Application for all or any part of a Qualifying Shareholder's provisional allotment should be made only by completing a PAL and lodging the same with a remittance for the Rights Shares being applied for with the Registrar on or before the Latest Time for Acceptance.

Non-underwritten basis

Subject to the fulfilment of the conditions of the Rights Issue, the Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptance of the provisionally allotted Rights Shares. In the event that the Rights Issue is not fully subscribed, any Unsubscribed Rights Shares and the NQS Unsold Rights Shares will be placed to independent placees on a best effort basis by the Placing Agent under the Compensatory Arrangements. Any Unsubscribed Rights Shares and NQS Unsold Rights Shares which are not placed under the Compensatory Arrangements will not be issued by the Company and the size of the Rights Issue will be reduced accordingly.

There are no statutory requirements regarding the minimum subscription levels in respect of the Rights Issue. As the Rights Issue will proceed on a non-underwritten basis, any Shareholder who applies to take up all or part of his/her/its entitlement under the PAL(s) may unwittingly incur an obligation to make a general offer for the Shares under the Takeovers Code. Accordingly, the Rights Issue will be made on terms that the Company will provide for the Shareholders to apply on the basis that if the Rights Shares are not fully taken-up, the application of any Shareholder (except for HKSCC Nominees Limited) for his/her/its assured entitlement under the Rights Issue will be scaled down to a level which (a) does not trigger an obligation on the part of the relevant Shareholder to make a general offer under the Takeovers Code in accordance with the note to Rule 7.19(5)(b) of the Listing Rules; and (b) does not result in non-compliance with the public float requirement under Rule 13.32B of the Listing Rules.

Rights of Overseas Shareholders

If, at the close of business on the Record Date, a Shareholder's address on the Company's register of members is in a place outside Hong Kong, such Shareholder may not be eligible to take part in the Rights Issue. The Prospectus Documents to be issued in connection with the Rights Issue will not be registered or filed under the securities law of any jurisdiction other than Hong Kong. Overseas Shareholders may not be eligible to take part in the Rights Issue as explained below.

The Company will comply with Rule 13.36(2)(a) of the Listing Rules and make necessary enquiries regarding the feasibility of extending the Rights Issue to the Overseas Shareholders (if any) under the laws of the relevant overseas jurisdictions and the requirements of the relevant regulatory bodies or stock exchanges. If, based on legal advice to be provided by the legal advisers to the Company, the Board is of the opinion that it would be necessary or expedient not to offer the Rights Shares to any Overseas Shareholders on account of such offer being unlawful or impracticable due to either the legal restrictions under the laws of the place(s) of their registered address(es) or the requirements of the relevant regulatory body(ies) or stock exchange(s) in such place(s), no provisional allotment of the nil-paid Rights Shares or allotment of fully-paid Rights Shares will be made to such Overseas Shareholders.

The Non-Qualifying Shareholders (which are excluded from the Rights Issue) will not have any entitlement under the Rights Issue. However, arrangements will be made for the Rights Shares, which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders in nil-paid form, to be sold in the market in their nil-paid form as soon as practicable after dealing in nil-paid Rights Shares commence and before dealing in the nil-paid Rights Shares end, if a premium (net of expenses) can be obtained. The proceeds from such sale, less expenses, of more than HK\$100 will be paid on pro-rata basis to the relevant Non-Qualifying Shareholders. In view of administrative costs, the Company will retain individual amounts of HK\$100 or less for its own benefit.

The Company will, to the extent permitted under the relevant laws and regulations and reasonably practicable, send the Prospectus to the Non-Qualifying Shareholders for information purposes only but will not send any PAL to them.

For the avoidance of doubt, the Non-Qualifying Shareholders may vote at the EGM unless such person is not an Independent Shareholder (in which case they shall abstain).

Overseas Shareholders should note that they may or may not be entitled to the Rights Issue, subject to the results of enquiries made by the Directors pursuant to Rule 13.36(2)(a) of the Listing Rules. The Company reserves the right to treat as invalid any acceptance of or applications for Rights Shares where it believes that such acceptance or application would violate the applicable securities or other laws or regulations of any territory or jurisdiction. Accordingly, the Overseas Shareholders should exercise caution when dealing in the Shares.

Application for the Rights Shares

The PALs relating to the Rights Shares will be enclosed with the Prospectus entitling the Qualifying Shareholders to whom it is addressed to subscribe for the Rights Shares as shown therein by completing such form(s) and lodging the same with separate remittance for the Rights Shares being applied for with the Registrar by the Latest Time for Acceptance.

Certificates of the Rights Shares

Subject to fulfilment of the conditions of the Rights Issue, share certificates for the fully-paid Rights Shares are expected to be sent on or before Monday, 14 December 2026, to those entitled thereto by ordinary post, at their own risk, to their registered addresses. Each Shareholder will receive one share certificate for all allotted Rights Shares, except for HKSCC Nominees Limited.

Refund cheques are expected to be posted on or before Monday, 14 December 2026 by ordinary post, at the respective Shareholders' own risk, to their registered addresses if the Rights Issue is terminated.

No fractional entitlement to the Rights Shares

On the basis of provisional allotment of six (6) Rights Shares for every one (1) New Share held, no fractional entitlement to Rights Shares shall arise.

Odd lots arrangement

In order to alleviate difficulties in relation to the existence of odd lots (if any) of the Shares arising from the Rights Issue, a designated broker will be appointed to provide matching services on a best-effort basis to the Shareholders who wish to top up or sell their holdings of odd lots of the Shares. Holders of odd lots of Shares should note that successful matching of the sale and purchase of odd lots of Shares is not guaranteed. Any Shareholder who is in any doubt about the odd lot arrangement is recommended to consult his/her/its own professional advisers.

Application for listing

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and the permission to deal in, the Rights Shares (in both nil-paid and fully-paid forms) to be issued and allotted pursuant to the Rights Issue. No part of the securities of the Company is listed or dealt in, and no listing of or permission to deal in any such securities is being or is proposed to be sought, on any other stock exchanges.

Subject to the granting of the listing of, and the permission to deal in, the Rights Shares (in both their nil-paid and fully-paid forms) on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares (in both their nil-paid and fully-paid forms) will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in the Rights Shares in their nil-paid and fully-paid forms on the Stock Exchange, or such other dates as determined by HKSCC.

Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of HKSCC and HKSCC Operational Procedures in effect from time to time.

Dealings in the Rights Shares (in both nil-paid and fully-paid forms) which are registered in the register of members of the Company in Hong Kong will be in the board lots of 10,000 Shares and will be subject to the payment of stamp duty, Stock Exchange trading fee, SFC transaction levy or any other applicable fees and charges in Hong Kong.

Shareholders should seek advice from their licensed securities dealer(s) or other professional adviser(s) for details of those settlement arrangements and how such arrangements will affect their rights and interests.

Compensatory Arrangements

The Company will make arrangements described in Rule 7.21(1)(b) of the Listing Rules to dispose of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares by offering the Unsubscribed Rights Shares and the NQS Unsold Rights Shares to independent placees for the benefit of the Shareholders to whom they were offered by way of the rights. There will be no excess application arrangements in relation to the Rights Issue as stipulated under Rule 7.21(1)(a) of the Listing Rules.

The Company has therefore appointed the Placing Agent to place the Unsubscribed Rights Shares and the NQS Unsold Rights Shares after the Latest Time for Acceptance to independent placees on a best effort basis, and any premium over the aggregate amount of (i) the Subscription Price for those Rights Shares; and (ii) the expenses of the Placing Agent (including any other related expenses/fees), that is realized from the Placing will be paid to the No Action Shareholders. The Placing Agent will, on a best effort basis, procure, by not later than 6: 00 p.m. on Friday, 4 December 2026, acquirers for all (or as many as possible) of those Unsubscribed Rights Shares and the NQS Unsold Rights Shares at a price not less than the Subscription Price. Any unsold Unsubscribed Rights Shares and the NQS Unsold Rights Shares under the Compensatory Arrangements will not be issued by the Company and the size of the Rights Issue will be reduced accordingly.

Net Gain (if any) will be paid on a pro-rata basis (on the basis of all Unsubscribed Rights Shares and NQS Unsold Rights Shares) to the No Action Shareholders (but rounded down to the nearest cent) as set out below:

- (i) where the nil-paid rights are, at the time they lapse, represented by a PAL, to the person whose name and address appeared on the PAL (unless that person is covered by (iii) below);
- (ii) where the nil-paid rights are, at the time they lapse, registered in the name of HKSCC Nominees Limited, to the beneficial holders (via their respective CCASS participants) as the holder of those nil-paid rights in CCASS (unless that person is covered by (iii) below);
- (iii) if the Rights Issue is extended to the Overseas Shareholders and where an entitlement to the Rights Shares was not taken up by such Overseas Shareholders, to those Overseas Shareholders.

It is proposed that Net Gain to any of the No Action Shareholder(s) mentioned in (i) to (iii) above which is in an amount of HK\$100 or more will be paid to them in Hong Kong Dollars only and the Company will retain individual amounts of less than HK\$100 for its own benefit.

PLACING AGREEMENT

On 1 September 2026 (after trading hours), the Company and the Placing Agent entered into the Placing Agreement. Details of the Placing are as follows:

Date	:	1 September 2026 (after trading hours)
Issuer	:	The Company

Placing Agent	:	Cheer Union Securities Limited was appointed as the Placing Agent to procure, on a best effort basis, placees to subscribe for the Unsubscribed Rights Shares and the NQS Unsold Rights Shares. It is a corporation licensed to engage in type 1 (dealing in securities) and type 4 (advising on securities) regulated activities under the SFO. The Placing Agent has confirmed that: (a) it and its ultimate beneficial owner(s) are Independent Third Parties; and (b) as at the date of this announcement, neither the Placing Agent nor any of its associates hold any Shares.
Placing fee and expenses	:	3 % of the gross proceeds from the subscription of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares successfully procured by the Placing Agent and reimbursement for the expenses in relation to the Placing (including but not limited to all the costs and out-of-pocket expenses relating to the Placing actually, reasonably and properly incurred by the Placing Agent with the prior consent of the Company), which the Placing Agent is authorised to deduct from the payment to be made by the Placing Agent to the Company at the completion of the Placing.
Placing price of the Unsubscribed Rights Shares and/or and the NQS Unsold Rights Shares (as the case may be)	:	The final price determination will be dependent on the demand for and market conditions of the Unsubscribed Rights Shares and/or the NQS Unsold Rights Shares and, in any event, the Placing price will not be less than the Subscription Price.
Placees	:	The Unsubscribed Rights Shares and the NQS Unsold Rights Shares are expected to be placed to the placees who and whose ultimate beneficial owner(s) are Independent Third Parties.

The Placing shall not trigger any implications under the Takeovers Code and no Shareholder will be under any obligation to make a general offer under the Takeovers Code as a result of the Placing and the Company will continue to comply with the public float requirement under the Listing Rules upon completion of the Placing and the Rights Issue.

- Ranking of Unsubscribed Rights Shares and the NQS Unsold Rights Shares : The Unsubscribed Rights Shares and the NQS Unsold Rights Shares (when placed, allotted, issued and fully paid) shall rank *pari passu* in all respects among themselves and with the Shares then in issue.
- Conditions precedent : The obligations of the Placing Agent under the Placing Agreement are conditional upon the following conditions being fulfilled:
- (a) the Listing Committee of the Stock Exchange having granted the listing of, and permission to deal in, the Rights Shares in their nil-paid and fully-paid forms (subject to any customary conditions) and such approval not having been withdrawn or revoked;
 - (b) the passing of all necessary resolutions for approving the Rights Issue at the EGM;
 - (c) all necessary consents and approvals to be obtained on the part of each of the Placing Agent and the Company in respect of the Placing Agreement and the transactions contemplated thereunder having been obtained; and

- (d) none of the representations, warranties or undertakings contained in the Placing Agreement being or having become untrue, inaccurate or misleading in any material respect at any time before the Completion, and no fact or circumstance having arisen and nothing having been done or omitted to be done which would render any of such undertakings, representations or warranties untrue or inaccurate in any material respect if it was repeated as at the time of completion of the Placing Agreement.

Save for condition (d) which may be waived by either party by notice in writing to the other party, none of the above conditions is capable of being waived.

In the event that the above condition precedents have not been fulfilled or waived (as the case may be) on or before the Latest Time for Termination, all rights, obligations and liabilities of the parties thereunder in relation to the Placing shall cease and determine and none of the parties shall have any claim against the other in respect of the Placing save for any antecedent breach and/or any rights or obligations which may accrue under the Placing Agreement prior to such termination.

Termination : The Placing Agent may terminate the Placing Agreement without any liability to the Company, by giving notice in writing to the Company at any time prior to the Latest Time for Termination upon the occurrence of the following events which, in the reasonable opinion of the Placing Agent, has or may have an adverse material effect on the business or financial conditions of the Group taken as a whole or the success of the Placing or otherwise makes it inappropriate, inadvisable or inexpedient to proceed with the Placing on the terms and in the manner contemplated in the Placing Agreement if there develops, occurs or comes into force:

- (i) the occurrence of any event, development or change (whether or not local, national or international or forming part of a series of events, developments or changes occurring or continuing before on and/or after the date of the Placing Agreement) and including an event or change in relation to or a development of an existing state of affairs of a political, military, industry, financial, economic, fiscal, regulatory or other nature, resulting in a change in, or may result in a change in, political, economic, fiscal, financial, regulatory or stock market conditions and which in the Placing Agent's reasonable opinion would affect the success of the Placing; or
- (ii) the imposition of any moratorium, suspension or restriction on trading in securities generally on the Stock Exchange occurring due to exceptional financial circumstances or otherwise and which in the Placing Agent's absolute opinion, would affect the success of the Placing; or
- (iii) any new law or regulation or change in existing laws or regulations or any change in the interpretation or application thereof by any court or other competent authority in Hong Kong or any other jurisdiction relevant to the Group and if in the Placing Agent's reasonable opinion any such new law or change may affect the business or financial prospects of the Group and/or the success of the Placing; or
- (iv) any litigation or claim being instigated against any member of the Group or its senior management, which has or may have material adverse effect on the business or financial position of the Group and which in the Placing Agent's reasonable opinion would affect the success of the Placing; or

- (v) any breach of any of the representations and warranties given by the Company as set out in the Placing Agreement having come to the knowledge of the Placing Agent or any event having occurred or any matter having arisen on or after the date of the Placing Agreement and prior to the completion date of the Rights Issue which if it had occurred or arisen before the date of the Placing Agreement would have rendered any of such representations and warranties untrue or incorrect in a material respect or there has been a material breach by the Company of any other provision of the Placing Agreement; or
- (vi) there is any material change (whether or not forming part of a series of changes) in market conditions which in the reasonable opinion of the Placing Agent would materially and prejudicially affect the Placing or makes it inadvisable or inexpedient for the Placing to proceed.

The engagement between the Company and the Placing Agent for the placing of the Unsubscribed Rights Shares and/or and the NQS Unsold Rights Shares was determined after arm's length negotiations between the Placing Agent and the Company and is on normal commercial terms with reference to the existing financial position of the Group, the size of the Rights Issue, and the prevailing market conditions. The Board considers the terms of the Placing for the Placing Shares (including the placing fee payable) are on normal commercial terms.

UNDERTAKINGS

The Undertaking

As at the date of this announcement, Mr. Xu and his associates is beneficially interested in an aggregate of 91,513,921 Existing Shares (representing 26.70% of the issued Shares). After the Share Consolidation becomes effective, Mr. Xu and his associates will be beneficially interested in 45,756,960 Consolidated Shares. Mr. Xu has irrevocably and unconditionally undertaken to the Company that (i) he will not dispose of, and will procure his associates not to dispose of, any of the 91,513,921 Existing Shares or the 45,756,960 Consolidated Shares comprising the current shareholding in the Company owned by himself, Classy Jade and Gentle and such Shares will remain directly or indirectly beneficially owned by him up to and including the Record Date; (ii) he will lodge his acceptance, and/or procure his associate to lodge acceptance, of in aggregate 274,541,760 Rights Shares, which will be the number of Rights Shares provisionally allotted to him, Classy Jade and Gentle in nil-paid form under the Rights Issue, with the Registrar or the Company, with payment in full therefor, by no later than the Latest Time for Acceptance or otherwise in accordance with the instructions set out in the Prospectus Documents; and (iii) in the event of an under-subscription of the Rights Shares, the Company has the power and authority to scale down their assured entitlement under the Rights issue to a level which does not trigger an obligation to make a general offer under the Takeovers Code (the “**Scale Down**”) immediately after completion of the Rights Issue. The Scale Down will be applied pursuant to the note of Rule 7.19(5)(b) of the Listing Rules, when the rights issue is not fully underwritten and on the basis that if the issue is not fully taken up, the application of the Shareholder for his/her/its assured entitlement under the Rights Issue can be scaled down to a level which does not trigger an obligation on the part of the relevant Shareholder to make a general offer under the Takeovers Code.

The Optionholders’ Undertakings

As at the date of this announcement, there are 10,808,000 outstanding Share Options granted under the Share Option Scheme entitling the holders thereof to subscribe for a total of 10,808,000 Shares under the Share Option Scheme. On 1 September 2026, each of the holders of the Share Options executed the Optionholders’ Undertakings pursuant to which each of the holders of the Share Options has irrevocably undertaken in favour of the Company from the date of the Optionholders’ Undertakings up to and including the close of business of the Record Date not to exercise the Share Options (or any part thereof) granted to him/her.

The CB Holders' Undertakings

As at the date of this announcement, there are outstanding Convertible Bonds in an aggregate principal amount of US\$1,200,000 which entitle the holders to convert into 18,720,000 Existing Shares. On 1 September 2026, each of the holders of the Convertible Bonds executed the CB Holders' Undertakings pursuant to which each of the holders of the Convertible Bonds has irrevocably undertaken in favour of the Company from the date of the CB Holders' Undertakings up to and including the close of business of the Record Date, (i) the Convertible Bonds will remain registered in the name of and beneficially owned by him/her; and (ii) not to exercise any of the conversion rights attaching to the Convertible Bonds (or any part thereof).

Save for the irrevocably undertakings from Mr. Xu, the Optionholders' Undertakings and the CB Holders' Undertakings, the Company has not received any information or irrevocable undertaking from any Shareholder of their intention to take up the Rights Shares to be provisionally allotted to them under the Rights Issue as at the date of this announcement.

Stamp duty and other applicable fees

Dealing in the Rights Shares in both their nil-paid and fully-paid forms which are registered in the register of members of the Company in Hong Kong will be subject to the payment of stamp duty, Stock Exchange trading fee, transaction levy, investor compensation levy or any other applicable fees and charges in Hong Kong.

Taxation

Shareholders are advised to consult their professional advisers if they are in doubt as to the taxation implications of the receipt, purchase, holding, exercising, disposing of or dealing in, the nil-paid Rights Shares or the fully-paid Rights Shares and, regarding Excluded Shareholders, their receipt of the net proceeds, if any, from sales of the nil-paid Rights Shares on their behalf.

CHANGES IN THE SHAREHOLDING STRUCTURE OF THE COMPANY ARISING FROM THE RIGHTS ISSUE

Set out below is the shareholding structure of the Company (i) as at the date of this announcement; (ii) immediately upon the Capital Reorganisation becoming effective; and (ii) under the following two scenarios arising from different acceptance ratios of the Rights Issue (for illustrative purpose only), assuming there is no change in the number of Shares in issue since the date of this announcement:

- (a) assuming full acceptance by the Qualifying Shareholders and there is no Non-Qualifying Shareholders (“**Scenario I**”); and
- (b) assuming nil acceptance by the Qualifying Shareholders of Rights Shares (except Mr. Xu’s subscription for Committed Shares pursuant to the Undertaking) and all of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares having been placed by Placing Agent (“**Scenario II**”).

	As at the date of this announcement		Immediately upon the Capital Reorganisation becoming effective		Immediately after completion of the Rights Issue			
					Scenario I		Scenario II	
	<i>No. of Shares</i>	<i>Approximate %</i>	<i>No. of New Shares</i>	<i>Approximate %</i>	<i>No. of New Shares</i>	<i>Approximate %</i>	<i>No. of New Shares</i>	<i>Approximate %</i>
Classy Jade Limited (Note 1)	35,880,000	10.47	17,940,000	10.47	125,580,000	10.47	125,580,000	10.47
Gentle International Holdings Limited (Note 1)	53,429,000	15.59	26,714,500	15.59	187,001,500	15.59	187,001,500	15.59
Xu Zhongping (Notes 1 & 2)	2,204,921	0.64	1,102,460	0.64	7,717,220	0.64	7,717,220	0.64
Zhang Zihong	88,580,000	25.85	44,290,000	25.85	310,030,000	25.85	44,290,000	3.69
Placee(s)	-	-	-	-	-	-	753,552,054	62.83
Other public Shareholders	162,604,017	47.45	81,302,009	47.45	569,114,063	47.45	81,302,009	6.78
Total	342,697,938	100.00	171,348,969	100.00	1,199,442,783	100.00	1,199,442,783	100.00

Notes:

1. Classy Jade Limited (“**Classy Jade**”) owns 60% of the issued share capital of Gentle International Holdings Limited (“**Gentle**”). Mr. Xu Zhongping is the controlling shareholder of Classy Jade and was therefore deemed to be interested in the said 53,429,000 shares held by Gentle and 35,880,000 shares held by Classy Jade under Part XV of the SFO.
2. Mr. Xu Zhongping is an executive Director.

The Shareholders and the public investors of the Company should note that the above shareholding changes are for illustrative purposes only and the actual changes in the shareholding structure of the Company upon completion of the Rights Issue and the Placing are subject to various factors, including the results of the acceptance of the Rights Issue. The public float requirements under Rule 13.32B of the Listing Rules shall be maintained by the Company at all times, and the Company will take all appropriate steps to ensure that sufficient public float shall be at all times in compliance with the Listing Rules.

USE OF PROCEEDS AND REASONS FOR AND BENEFITS OF THE RIGHTS ISSUE

The Group is principally engaged in the environmental related business in the PRC including the provision of environmental technologies, products, equipment and system integration relating to water treatment, conservation, purification, recycling and management, and wastewater treatment.

As disclosed in the annual report of the Company for the year ended 31 December 2025 (the “**2025 Annual Report**”), the Group had bank and cash balances of approximately HK\$1.69 million, whereas interest-bearing short-term bank and other borrowings amounted to approximately HK\$87.7 million and other payables and accruals of approximately HK\$356.45 million as at 31 December 2025. Additionally, as disclosed in the announcement of the Company dated 2 July 2026, additional current liabilities in the amount of approximately HK\$70.24 million was recognised as a result of judgment made by the High Court of Hong Kong which granted a declaration that, among other matters, the subscription agreement in relation to subscription of the 2021 Due Convertible Bonds are valid and enforceable. (Details of the matters in relation to the 2021 Due Convertible Bonds were disclosed in the announcements of the Company dated 16 May 2018, 19 July 2018, 12 April 2019, 1 April 2026, 29 April 2026, 5 June 2026 and 2 July 2026).

As at 31 July 2026, the Group's interest-bearing short-term bank and other borrowings, other payables and accruals and trade payables amounted to approximately HK\$537.08 million. Set out below in tabular format are the Group's material liabilities (the “**Liabilities Table**”):

Item	Lender	Nature	Outstanding amount (Approximate HK\$' million)	Due date	Latest progress
1.	An independent PRC bank	Interest bearing entrusted loan	88.95	Overdue	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. The Company plans to reserve HK\$20 million from the net proceeds of the Rights Issue as an initial partial settlement towards the entrusted loan, which is expected to facilitate negotiations for a more favourable repayment terms.
2.	An independent PRC bank	Interest bearing bank loan	4.66	HK\$2.33 million will be due in October 2026 and HK\$2.33 million will be due in December 2026	–
3.	An independent PRC bank	Interest bearing bank loan	11.56	Approximately HK\$9.31million will be due in June 2027 and approximately HK\$2.25 million will be due in November 2027	–
4.	An independent PRC bank	Interest bearing bank loan	5.82	Approximately HK\$2.32 million will be due in June 2027 and approximately HK\$3.5 million will be due in October 2026	–

Item	Lender	Nature	Outstanding amount (Approximate HK\$' million)	Due date	Latest progress
5.	An independent PRC bank	Interest bearing bank loan	3.49	Due in December 2026	The Company plans to repay the entire outstanding amount from the net proceeds of the Rights Issue.
6.	An independent PRC bank	Interest bearing bank loan	3.49	Due in February 2027	The Company plans to repay the entire outstanding amount from the net proceeds of the Rights Issue.
7.	Mr. Zhang Zihong, a substantial Shareholder	Interest bearing Shareholder's loan	157.20	No specific terms	Mr. Zhang Zihong has agreed not to demand for immediate payment.
8.	Mr. Xu Zhongping, a substantial Shareholder	Interest free Shareholder's loan	21.38	No specific terms	Mr. Xu Zhongping has agreed not to demand for immediate payment.
9.	An independent creditor	Interest bearing loan	10.71	Repayable on demand	–
10.	An independent creditor	Loan	6.39	Overdue	The Company plans to repay the entire outstanding amount from the net proceeds of the Rights Issue.
11.	An independent creditor	Subscription of a 8% bond issued by the Company	4.56	Overdue	The bond holder has agreed not to take legal action against the Company at this moment. The Company plans to repay the entire outstanding amount from the net proceeds of the Rights Issue.
12.	7 independent creditors	Subscription of convertible bonds issued by the Company	12.01	Mature on 31 July 2027	–
13.	Staff of the Group and Directors	Outstanding staff salaries and Directors' remuneration and related expenses	43.06	Overdue	The Company has been in negotiation with relevant staff and Directors on the repayment schedule. The Company plans to partially repay approximately HK\$36.87 million from the net proceeds of the Rights Issue.

Item	Lender	Nature	Outstanding amount (Approximate HK\$' million)	Due date	Latest progress
14.	Several independent professional firms	Outstanding financial advisory fees, legal advisory fees and audit fees	18.32	Overdue	The Company has been in negotiation with relevant parties on the repayment schedule. The Company plans to partially repay approximately HK\$6.52 million from the net proceeds of the Rights Issue.
15.	Several independent office utilities suppliers	Outstanding payables	0.47	Overdue	The Company plans to repay the whole amount from the net proceeds of the Rights Issue.
16.	Sure Fast Enterprises Limited (“ Sure Fast ”) (Note 1)	Outstanding total sum under the 2021 Due Convertible Bonds	112.54 (equivalently to approximately US\$14.3 million) (Note 2)	Overdue	After negotiations, Sure Fast agreed to make concessions, granting the Company a certain repayment period, given that its financial situation is insufficient to repay the amount ordered by the court, so that the Company can raise funds to gradually repay the debt. As of August 6, 2026, Sure Fast had circulated a settlement agreement draft to the Company. The Company is currently evaluating the terms of the settlement agreement with its legal adviser, striving to reach a reasonable and appropriate settlement agreement with Sure Fast while maximising the interests of Shareholders and creditors. Pursuant to the draft settlement agreement, the repayment schedule is as follows: (i) approximately US\$5.6 million on or before 31 December 2026; (ii) approximately US\$5.6 million on or before 30 June 2027; (iii) the remaining on or before 31 December 2027.

Item	Lender	Nature	Outstanding amount (Approximate HK\$' million)	Due date	Latest progress
17.	59 independent suppliers	Outstanding trade payables	30.3	Overdue	The Company plans to partially repay approximately HK\$26.73 million from the net proceeds of the Rights Issue.
18.	9 independent suppliers	Outstanding trade payables	2.17	Due gradually within twelve months from 31 July 2027	–
Total			537.08		

Note(s):

1. Sure Fast is wholly-owned by Mr. Chan Tsang Wing (“**Mr. Chan**”). To the best knowledge, information and belief of the Directors, (i) Sure Fast and Mr. Chan have no relationship with Leon Li based on (a) the observations of Mr. Chan’s conduct throughout the protracted court proceedings from 2019 to 2026; and (b) despite the unsubstantiated statements made by a third party to the Company suggesting a connection between Leon Li and Sure Fast, the results of legal works performed by the Company’s legal adviser in relation to Sure Fast, particularly after coming into contact with Sure Fast’s witnesses and legal counsel, revealed no indication of any such relationship; and (ii) Mr. Chan and Sure Fast are Independent Third Parties.
2. The breakdown of the outstanding amount of approximately HK\$112.54 million under the 2021 Due Convertible Bonds comprises (a) redemption of 112% to the principal amount of US\$7.84 million (equivalent to approximately HK\$61.48 million) pursuant to the terms of the 2021 Due Convertible Bonds; (b) 8% coupon in the aggregate amount of approximately US\$1.68 million (equivalent to approximately HK\$13.18 million); (c) legal costs in respect of the legal proceedings in connection with the 2021 Due Convertible Bonds of approximately US\$1.77 million (equivalent to approximately HK\$13.88 million); and (d) default interest calculated at 10% per annum since the maturity date on 28 June 2021 in the aggregate amount of approximately US\$3.06 million (equivalent to approximately HK\$24 million).

In respect of the subscription monies of US\$7 million received by the Group in respect of the 2021 Due Convertible Bonds, (i) US\$5.5 million was paid by a third party designated by Sure Fast into to a bank account of Beijing INNOMED North Medical Technology Service Co., Limited (北京醫諾北方醫療技術服務有限公司) (“**Beijing Innomed**”, the then indirect wholly owned subsidiary of the Company), which was jointly controlled by Beijing Innomed and Sure Fast (the “**Jointly Control Account**”). The Jointly Control Account required the countersignature of both Ms. Hu Yueyue (the executive Director) and Mr. Wang Xi (Sure Fast’s nominee) for any payments to be processed. The entire amount was utilised, under the joint signatures and approval of Ms Hu Yueyue and Mr. Wang Xi, for the renovation, equipment procurement, and operating funds of the proposed hospital to be operated by Beijing Innomed during the period from 12 July 2018 to 29 October 2018; and (ii) US\$1.5 million was paid by Sure Fast to Pacific Fertility Institutes (Singapore) Pte Ltd (“**PFI Singapore**”), the then indirect wholly owned subsidiary of the Company. The entire proceeds was utilised for the renovation, equipment procurement, and operating funds of the Singapore clinic and R&D centre.

Details of the background and deconsolidation of PFI Singapore

The Company has, through PFI Singapore, established a reproductive medicine clinic in Singapore (the “**Medical Clinic**”) in mid of 2018 which is principally engaged in the provision of In-Vitro Fertilization service. The total contributions to PFI Singapore by the Group was approximately HK\$35.28 million (inclusive of the US\$1.5 million (equivalent to approximately HK\$8.62 million) received by the Group in respect of the issue of the 2021 Due Convertible Bonds). Mr. Leon Li, the then substantial shareholder of the Company and a director of PFI Singapore, was the sole management-in-charge of the business operations of PFI Singapore responsible for team recruitment, daily operations as well as finance management. Since the establishment of the Medical Clinic up to November 2018, the Medical Clinic had contributed revenue of approximately HK\$3.08 million to the Group.

Reference is made to the announcements of the Company dated 19 November 2018, 17 January 2019, 5 March 2019, 29 April 2019, 7 June 2019 and 23 June 2019.

In November 2018, Mr. Leon Li was arrested by the Hong Kong police for violating Hong Kong law (the “**Leon Li Incident**”). After the Leon Li Incident, all staff of the PFI Singapore has resigned progressively, and the Company was being notified that the Medical Clinic was running out of working capital, which eventually leading to the inability of PFI Singapore to operate the Medical Clinic. On 21 February 2019, a creditor of PFI Singapore claiming an outstanding amount of S\$1,273,689.20 owing by PFI Singapore filed an originating summons (Case No. HC/OS 221/2019) in the Singapore Court seeking an appointment of judicial managers over PFI Singapore. On 22 February 2019, the Singapore Court made an order to appoint the joint and several interim judicial managers (the “**Judicial Managers**”) of the PFI Singapore, whereby, among other things, the Judicial Managers were empowered and authorised to exercise all powers and entitlements of directors of PFI Singapore and manage the affairs, business and property of the PFI Singapore. Therefore, PFI Singapore was deconsolidated from the Group since 22 February 2019. Subsequently, the Medical Clinic was closed and eventually PFI Singapore was placed into liquidation. As PFI Singapore possessed no remaining cash resources upon being liquidated, no proceeds or returns were received by the Group from PFI Singapore. As disclosed in the annual report of the Company for the year ended 31 December 2019, the Company recorded gain on of approximately HK\$27.56 million as a result of the deconsolidation of PFI Singapore.

In June 2019, the Company was advised by the Judicial Managers that a writ of summons was filed with the Court against Mr. Leon Li in the name of PFI Singapore to sought for, inter alia, (i) a declaration that Leon Li had breached his duties owed to PFI Singapore as a director; and (ii) the repayment by Leon Li of a sum of S\$2,469,571, which was suspected to have been misappropriated by Leon Li through fund transferred to him or a company controlled by him between June 2017 and March 2018. Subsequently, despite the Group’s repeated attempts to locate and contact Mr. Leon Li, he has remained untraceable. As such, the above-mentioned sum has not yet been received by the Group as at the date of this announcement.

Based on the above and to the best knowledge, information and belief of the Directors, the inability of PFI Singapore to settle the outstanding amount due to the creditor are mainly due to (i) the resignation of all staff of PFI Singapore, leading to the inability of PFI Singapore to operate the Medical Clinic and generate revenue; and (ii) the misappropriation of fund of PFI Singapore by Mr. Leon Li as above-mentioned.

Details of the background of Beijing Jianbao Kangying Medical Technology Co., Limited and its disposal

On 23 November 2017, the Group completed the acquisition of 90% equity interest in Beijing Jianbao Kangying Medical Technology Co., Limited* (北京健寶康英醫療科技有限公司), which in turn holds 100% equity interest in Beijing INNOMED Women's and Children's Hospital. Co., Limited* (北京醫諾婦兒醫院有限責任公司) (“**Beijing Jianbao**”, and together with Beijing INNOMED Women's and Children's Hospital. Co., Limited* (北京醫諾婦兒醫院有限責任公司), the “**Beijing Jianbao Group**”) at a consideration of RMB1. The Beijing Jianbao Group is principally engaged in the provision of medical services and hospital management in Beijing. On 2 November 2019, the Group disposed of its entire shareholding in Beijing Jianbao Kangying Medical Technology Co., Limited* (北京健寶康英醫療科技有限公司) at a consideration of RMB1 (the “**Disposal**”). As at the date of the Disposal, the Beijing Jianbao Group was constructing a hospital – Beijing INNOMED Women's and Children's Hospital* (北京醫諾婦兒醫院) (the “**Hospital**”).

Up to the date of the Disposal, the Group has invested a total sum of approximately HK\$83.80 million (inclusive of the US\$5.50 million raised from the issue of the 2021 Due Convertible Bonds). Details of the breakdown of usage are as follows:

Item	Amount (Approximate HK\$'million)
Renovation cost of the Hospital	26.64
Rental expenses	32.54
Rental deposit	3.90
Operating expenses	20.72
Total	83.80

At the time of the Disposal, the Beijing Jianbao Group did not generate revenue and recorded net liabilities of approximately HK\$3,406,000.

The Disposal was, at the time, considered in the best interests of the Company and the Shareholders as a whole on the basis that (i) due to changes in key executive management of the Group and the lack of historical and practical reference on the Group's operating performance in hospital operations, there are inherent uncertainties as to whether the Group can operate the Hospital as planned; (ii) the construction of the Hospital is causing significant amount of cash outflow to the Group on an ongoing basis; and (iii) since Beijing Jianbao Group is in a net liability position, the Board expects that the Disposal, if completed, will significantly improve the financial position of the Company by reducing its liabilities, improving gearing position and enabling the remaining Group to place and focus its resources towards its wastewater treatment business which is expected to achieve and deliver better economic value to the remaining Group.

As disclosed in the announcement of the Company dated 29 July 2026, the management of the Company has been undertaking a number of measures to mitigate the liquidity pressure and to improve the financial position of the Group, including but not limited to (i) 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; (ii) continuously seeking an agreement on deferral of payments or debt restructuring with the holder of the entrusted loans; and (iii) maintaining stable operations and acquired new projects and clients for both of its wastewater treatment business and energy management business.

Latest progress of the Company's action plans are as follows:

Plan	Amount (HK\$' million)	Latest progress
To extend the maturity date of other loan principal of HK\$800,000 under a loan agreement executed on 27 March 2019 to 30 September 2027 and not to demand for repayment for other loan principal of HK\$800,000 and the accrued interest of approximately HK\$568,000 as at 31 December 2025 before July 2027, and all interests accrued from this other loan are to be repaid on the new maturity date or if such date is not a business day, the next business day;	1.37	Completed
To extend the maturity date of other loan principal of approximately HK\$19,158,000 executed on 23 September 2019 to 31 December 2027 and not to demand for repayment for other loan principal of approximately HK\$19,158,000 and the accrued interest of approximately HK\$13,293,000 as at 31 December 2025 before July 2027, and all interests accrued from this other loan are to be repaid on the new maturity date or if such date is not a business day, the next business day;	32.45	Completed
To extend the maturity date of other loan principal of approximately HK\$10,091,000 executed on 25 January 2021 to 31 December 2027 and not to demand for repayment for other loan principal of approximately HK\$10,091,000 and the accrued interest of approximately HK\$8,039,000 as at 31 December 2025 before July 2027, and all interests accrued from this other loan are to be repaid on the new maturity date or if such date is not a business day, the next business day;	18.13	Completed

Plan	Amount (HK\$' million)	Latest progress
To extend the maturity date of other loan principal of approximately HK\$40,000,000 executed on 27 March 2019 to 27 September 2027 and not to demand for repayment for other loan principal of approximately HK\$40,000,000 and the accrued interest of approximately HK\$45,234,000 as at 31 December 2025 before July 2027, and all interests accrued from this other loan are to be repaid on the new maturity date or if such date is not a business day, the next business day;	85.23	Completed
Not to demand for repayment for a car rental fee of approximately RMB200,000 (approximately HK\$221,000) before July 2027;	0.22	Completed
Not to demand for repayment for the interest of approximately HK\$11,997,000 before July 2027 related to the 8% 3-year convertible bonds which the investor had converted to shares of the Company during the year ended 31 December 2024;	12.00	Completed
Not to demand for repayment for working capital of approximately RMB2,070,000 (approximately HK\$2,286,000) lent to the Group and approximately HK\$1,347,000 lent to the Group by a investor before July 2027;	3.63	Completed
Classy Jade Limited, a company controlled by Mr. Xu Zhongping, has agreed not to demand for repayment for the interest of approximately HK\$2,269,000 before July 2027 related to the 8% 3-year convertible bonds which Classy Jade Limited had converted to shares of the Company during the year ended 31 December 2024;	2.27	Completed
An executive Director has agreed (i) not to demand for repayment for working capital of approximately HK\$13,774,629 lent to the Group before July 2027; and (ii) not to demand repayment of the other loan principal of approximately RMB4,595,000 (approximately HK\$5,340,769) and any accrued interest (which was nil as at 31 December 2025) before July 2027;	19.12	Completed
An executive Director has confirmed to provide adequate financial support to the Group in an amount not less than HK\$130,000,000 to ensure the Group's continuing operation for a period of at least fifteen months from 31 March 2026;	–	Provided

Plan	Amount (HK\$' million)	Latest progress
The Group is making every effort to expand its presence in the energy management and wastewater treatment markets and to strive for increased revenue from its principal operations;	–	The Company has secured new orders from its clients in the first half of 2026.
The executive Directors are continuing to broaden the Group's financing channels and is considering raising fund through the issuance of ordinary bonds, convertible bonds, or share placements in the future to support its business development;	–	The proposed Rights Issue represents a significant step of the executive Directors to materialize fund raising activities of the Company to support its business development.
The executive Directors are maintaining ongoing and proactive communication with the holder of the entrusted loans to seek deferral of payments or debt restructuring;	–	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.
The executive Directors are negotiating with banks and other lending institutions to secure loan renewals or obtain alternative refinancing and new financing facilities;	–	The Company has renewed existing bank loans in an aggregate amount of approximately HK\$29.50 million.

Plan	Amount (HK\$' million)	Latest progress
The Board is continuing to consider debt and group restructuring for certain capital-deficient subsidiaries to reduce the level of liabilities	174.42	The Company has identified and disposed of a capital-deficient subsidiary in the first half of 2026.

As a result of the above measures implemented, the Group has lessened the immediate financial pressure in an aggregate amount of approximately HK\$174.42 million. However, in view of (i) the Group's indebtedness of approximately HK\$537.08 million as at 31 July 2026; (ii) despite the Company has renewed its existing bank loans, certain bank loans in an aggregate amount of approximately HK\$11.65 million (i.e. item 2, HK\$3.50 million in item 4 and item 5 in the Liabilities Table) will be maturing in December 2026, the Company must plan its funding arrangements in advance; (iii) after taking into account the financial support from an executive Director in the amount of HK\$130 million, the Group would still need to resolve the remaining liabilities of approximately HK\$232.66 million.

Therefore, the Group is currently still facing imminent needs for financial resources to settle the above liabilities and replenish its working capital. The Board considers that the Rights Issue will assist in reducing the immediate financial burden of the Group significantly and have a positive impact on the financial position of the Group.

The Directors had considered other fund-raising alternatives available to the Group, including debt financing such as bank borrowings, and other equity financing such as placing or subscription of new Shares. The Directors are of the view that the Group will not be able to obtain new debt financing given its current net liabilities position. Even if it can obtain, debt financing will result in additional interest burden and the interest rate is expected to further increase in the prevailing borrowing market environment. Besides, the debt financing will further increase the gearing ratio of the Group which is not beneficial to the Group.

The Directors consider that financing the funding needs of the Group in the form of equity is the most viable alternative. Amongst the equity financing methods, placing or subscription of new Shares would dilute the shareholding of the existing Shareholders without giving the chance to the existing Shareholders to participate the subscription of new Shares. Instead of the placing or subscription of new Shares, the Rights Issue enables the Group to improve its financial position without increasing its debt or finance costs.

Since the Rights Issue will allow the Qualifying Shareholders to maintain their proportional shareholdings in the Company and allow the Group fulfil its aforementioned needs for financial resources to partially settle the overdue liabilities and replenish its working capital, the Directors consider that raising capital through the Rights Issue is in the best interest of the Company and the Shareholders as a whole. However, those Qualifying Shareholders who do not take up the Rights Shares to which they are entitled and Non Qualifying Shareholders (if any) should note that their shareholdings in the Company will be diluted.

Assuming full subscription under the Rights Issue, the maximum gross and net proceeds (after deducting related expenses) from the Rights Issue are estimated to be approximately up to HK\$190.20 million and HK\$184.33 million, respectively. The Company intends to apply the net proceeds from the Rights Issue in the following manner:

- (i) approximately HK\$152.75 million (or approximately 82.87%) for partial redemption of the 2021 Due Convertible Bonds and repayment of interest-bearing bank loans and other borrowings, and other payables and accruals of the Group; and
- (ii) approximately HK\$31.58 million (or approximately 17.13%) as working capital of the Group, including (i) approximately HK\$17.29 million as general working capital of the Company for the next twelve months comprising office rent, staff salaries, Directors' fees, legal and professional fees and other office overheads and administrative expenses; (ii) approximately HK\$9.26 million as working capital of the Group's waterwaste treatment segment for the next twelve months comprising rent, research and development cost, marketing expenses, upfront deposit and cost to accept orders from customers, staff salaries and administrative expenses; (iii) approximately HK\$3.84 million as working capital of the Group's energy management segment for the next twelve months comprising rent, staff salaries, upfront deposit and cost to accept orders from customers, marketing expenses and administrative expenses; and (iv) approximately HK\$1.19 million as working capital of the Group's asset management business for the next twelve months comprising staff salaries and administrative expenses.

Details on the repayment of indebtedness of the Group

In respect of the approximately HK\$152.75 million from the net proceeds of the Rights Issue earmarked for repayment of the Group's indebtedness, the allocation is as follows:

Item	Amount (Approximate HK\$' million)
Partial settlement of the outstanding amount of the 2021 Due Convertible Bonds which is scheduled to be settled by 31 December 2026 (i.e. Item 16 in the Liabilities Table)	44.23
Partial settlement of accrued legal and professional fees including financial advisory fees, auditors remuneration, legal advisory fees (i.e. Item 14 in the Liabilities Table)	6.52
Reserve as initial repayment to facilitate re-negotiations with the creditor in respect of the entrusted loan (i.e. Item 1 in the Liabilities Table)	20.00
Partial settlement of accrued staff salaries, Directors' remuneration and other administrative expenses (i.e. Item 13 in the Liabilities Table)	36.87
Partial settlement of other borrowings and payables (i.e. Items 10, 11 and 15 in the Liabilities Table)	11.42
Settlement of bank loans (i.e. Items 5 and 6 in the Liabilities Table)	6.98
Partial settlement of trade payables (i.e. Item 17 in the Liabilities Table)	26.73
Total	152.75

In the event that there is an under subscription of the Rights Issue, the net proceeds will be utilised on a pro rata basis as set out above.

In view of the above, the Board considers that it is fair and reasonable and in the best interests of the Company and the Shareholders as a whole to proceed with the Rights Issue to provide existing Shareholders the opportunity to participate in the enlarged capital base of the Company.

FUND RAISING ACTIVITIES INVOLVING ISSUE OF SECURITIES IN THE PAST 12 MONTHS

The Company has not conducted any fund-raising activities involving issue of its securities in the past 12 months immediately preceding the date of this announcement.

EXPECTED TIMETABLE

The expected timetable for the Capital Reorganization and the Rights Issue is set out below, which is for indicative only and has been prepared on the assumption that all the conditions of the Rights Issue will be fulfilled.

Event	Date (Hong Kong time)
Expected despatch date of the Circular, proxy form and the notice of the EGM	on or before Friday, 11 September 2026
Latest time for lodging transfers of Shares to qualify for attendance and voting at the EGM	4:30 p.m. on Friday, 25 September 2026
Closure of register of members of the Company for attending and voting at the EGM (both days inclusive)	Monday, 28 September 2026 to Monday, 5 October 2026
Latest time for lodging proxy forms for the EGM (not less than 48 hours prior to the time of the EGM)	11:00 a.m. on Saturday, 3 October 2026

Record date for determining attendance and
voting at the EGM Monday, 5 October 2026

Expected time and date of the EGM 11:00 a.m. on Monday,
5 October 2026

Announcement of the poll results of the EGM. Monday, 5 October 2026

Register of members of the Company re-opens Tuesday, 6 October 2026

**The following events are conditional upon the results of the EGM and the registration of the
Solvency Statement and the EGM minutes by the Registrar of Companies in the Cayman
Islands and therefore the dates are tentative only.**

Effective date of the Capital Reorganisation Tuesday, 27 October 2026

Commencement of dealings in the New Shares 9:00 a.m. on Tuesday,
27 October 2026

Original counter for trading in Existing Shares in
board lot of 8,000 Existing Shares (in the form of
existing share certificates) temporarily closes 9:00 a.m. on Tuesday,
27 October 2026

Temporary counter for trading in the New Shares in
board lot of 4,000 New Shares (in the form of existing
share certificates) opens 9:00 a.m. on Tuesday,
27 October 2026

First day for free exchange of existing share certificates
for the Existing Shares into new share certificates
for the New Shares Tuesday, 27 October 2026

Last day of dealings in the New Shares on cum-rights
basis relating to the Rights Issue Tuesday, 27 October 2026

First day of dealings in the New Shares on ex-rights
basis relating to the Rights Issue Wednesday, 28 October 2026

Latest time for the Shareholders to lodge transfer of
New Shares in order to qualify for the Rights Issue 4:30 p.m. on Thursday,
29 October 2026

Closure of register of members to determine
entitlements to the Rights Issue (both days inclusive) Friday, 30 October 2026 to
Thursday, 5 November 2026

Record date for determining entitlements to the
Rights Issue Thursday, 5 November 2026

Register of members of the Company re-opens Friday, 6 November 2026

Despatch of (i) Prospectus Documents to Qualifying
Shareholders; and (ii) the Prospectus with the Overseas
Letter to Non-Qualifying Shareholders (if any) Friday, 6 November 2026

Designated broker starts to stand in the market to provide
matching services for odd lots of the New Shares 9:00 a.m. on Tuesday,
10 November 2026

Original counter for trading in the New Shares in
board lots of 10,000 New Shares (in the form of new
share certificates) re-opens 9:00 a.m. on Tuesday,
10 November 2026

Parallel trading in the New Shares (in the form of both
existing share certificates and new share certificates)
commences 9:00 a.m. on Tuesday,
10 November 2026

First day of dealings in nil-paid Rights Shares Tuesday, 10 November 2026

Latest time for splitting of PAL 4:30 p.m. on Thursday,
12 November 2026

Last day of dealings in nil-paid Rights Shares Tuesday, 17 November 2026

Latest time to lodge transfer of nil-paid Rights Shares to qualify for the payment of Net Gain	4:00 p.m. on Friday, 20 November 2026
Latest time for acceptance and payment of the Rights Issue	4:00 p.m. on Friday, 20 November 2026
Announcement of the number of Unsubscribed Rights Shares subject to the Compensatory Arrangements and the NQS Unsold Rights Shares	Tuesday, 24 November 2026
Commencement of placing the Unsubscribed Rights Shares and the NQS Unsold Rights Shares by the Placing Agent	Wednesday, 25 November 2026
Designated broker ceases to provide matching services for odd lots of the New Shares.	4:00 p.m. on Monday, 30 November 2026
Temporary counter for trading in board lots of 4,000 New Shares (in the form of existing share certificates) closes	4:10 p.m. on Monday, 30 November 2026
Parallel trading in New Shares (in the form of both existing share certificates and new share certificates) ends.	4:10 p.m. on Monday, 30 November 2026
Last day for free exchange of existing share certificates for the Existing Shares into new share certificates for the New Shares	Wednesday, 2 December 2026
Latest time of placing the Unsubscribed Rights Shares and the NQS Unsold Rights Shares by the Placing Agent	6:00 p.m. on Friday, 4 December 2026
Latest Time for Termination	4:00 p.m. on Monday, 7 December 2026

Announcement of results of the Rights Issue (including results of the placing of Unsubscribed Rights Shares and the NQS Unsold Rights Shares)	Friday, 11 December 2026
Despatch of refund cheques (if the Rights Issue is terminated)	Monday, 14 December 2026
Despatch of share certificates for fully-paid Rights Shares	Monday, 14 December 2026
Commencement of dealings in fully-paid Rights Shares	Tuesday, 15 December 2026
Designated broker starts to stand in the market to provide matching services for odd lots of Rights Shares.	Tuesday, 15 December 2026
Payment of Net Gain relevant No Action Shareholders (if any) or Non-Qualifying Shareholders (if any).	Friday, 18 December 2026
Designated broker ceases to provide matching services for odd lots of Rights Shares	Wednesday, 6 January 2027

Shareholders should note that the dates and deadlines specified in the above timetable and in other parts of this announcement are indicative only and subject to change. Further announcement(s) will be made if there is any change to the expected timetable.

EFFECT OF BAD WEATHER ON THE LATEST TIME FOR ACCEPTANCE OF AND PAYMENT FOR THE RIGHTS SHARES

The Latest Time for Acceptance of and payment for the Rights Shares will not take place as scheduled if there is a tropical cyclone warning signal number 8 or above, or a “black” rainstorm warning or “extreme conditions”:

- (i) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on Friday, 20 November 2026. Instead, the Latest Time for Acceptance will be extended to 5:00 p.m. on the same Business Day; or
- (ii) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on the Latest Time for Acceptance. Instead, the Latest Time for Acceptance will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warning in force in Hong Kong at any time between 9:00 a.m. and 4:00 p.m.

If the Latest Time for Acceptance do not take place on or before 4:00 p.m. on the currently scheduled date as mentioned in the section headed “Expected Timetable” in this announcement may be affected. The Company will notify the Shareholders by way of announcement(s) on any change to the expected timetable as soon as practicable.

APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER

The Board is pleased to announce that DL Securities (HK) Limited, has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Rights Issue. Such appointment has been approved by the Independent Board Committee pursuant to relevant Listing Rules. The letter of advice of the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Rights Issue will be included in the Circular to be despatched to the Shareholders.

LISTING RULES IMPLICATIONS

As the Rights Issue will increase the issued share capital of the Company by more than 50%, under Rules 7.19A and 7.27A of the Listing Rules, the Rights Issue is subject to the approval of the Independent Shareholders at the EGM by way of poll at which any controlling shareholders and their respective associates or, where there are no controlling shareholders, the Directors (excluding the independent non-executive Directors) and the chief executive of the Company, and their respective associates shall abstain from voting in favour of the Rights Issue. As at the date of this announcement, the Company has no controlling shareholder. Mr. Xu, an executive Director of the Company, is directly and indirectly interested, through himself and his associates, in an aggregate of 91,513,921 Shares, representing approximately 26.70% of the issued share capital of the Company. Accordingly, Mr. Xu and his associates shall abstain from voting in favour of the relevant resolution(s) of the Rights Issue at the EGM.

As at the date of this announcement, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, save for Mr. Xu and his associates, no other Shareholder is required to abstain from voting on the Rights Issue at the EGM. As at the date of this announcement, save for the Undertaking, the Optionholders’ Undertaking and the CB Holders’ Undertaking, the Board has not received any indication from any Shareholders of their intention to take up or not to take up the securities of the Company to be offered to them under the Rights Issue.

The Rights Issue will not result in a theoretical dilution effect of 25% or more. As such, the theoretical dilution impact of the Rights Issue is in compliance with Rule 7.27B of the Listing Rules.

GENERAL

The Independent Board Committee comprising all the independent non-executive Directors has been established to advise the Independent Shareholders (i) as to whether the terms of the Rights Issue are fair and reasonable and in the interest of the Shareholders as a whole; and (ii) how to vote, taking into account the recommendations of the Independent Financial Adviser.

A circular containing, among other things, (i) further details of the Capital Reorganisation and the Change in Board Lot Size; (ii) further details of the Rights Issue; (iii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders in respect of the Rights Issue; (iv) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders on the Rights Issue; and (v) a notice convening the EGM, is expected to be despatched to the Shareholders on or before Friday, 11 September 2026.

Subject to the fulfillment of certain conditions of the Rights Issue including the approval of the Independent Shareholders at the EGM, the Company will despatch the Prospectus Documents containing, among other matters, details of the Rights Issue, to the Qualifying Shareholders. The Company will despatch the Prospectus to the Non-Qualifying Shareholders for their information only but the Company will not send the PAL to the Non-Qualifying Shareholders.

POSSIBLE ADJUSTMENTS TO THE SHARE OPTIONS AND THE CONVERTIBLE BONDS

As at the date of this announcement, there are 10,808,000 outstanding Share Options granted under the Share Option Scheme entitling the holders thereof to subscribe for an aggregate of 10,808,000 Existing Shares. Pursuant to the terms of the Share Option Scheme, the Capital Reorganisation and the Rights Issue may lead to adjustments to, among others, the exercise price and/or the number of Shares to be issued upon exercise of the outstanding Share Options under the Share Option Scheme. The Company will notify the holders of such Share Options and the Shareholders by way of announcement (as and when appropriate) regarding adjustments to be made (if any) pursuant to the terms of the Share Option Scheme and such adjustments will be certified by an independent financial adviser or auditors of the Company (as the case may be).

As at the date of this announcement, the Company has outstanding Convertible Bonds which are convertible into 18,720,000 Existing Shares at the conversion price of US\$0.5 per Existing Share (subject to adjustment mechanism in accordance with the terms and conditions of the Convertible Bonds). The Capital Reorganisation and the Rights Issue may lead to adjustments to the conversion price and/or the number of Shares to be issued upon exercise of the conversion right attached to the Convertible Bonds. The Company will notify the holders of the Convertible Bonds and the Shareholders by way of announcement (as and when appropriate) regarding adjustments to be made (if any) pursuant to the terms and conditions of the Convertible Bonds and such adjustments will be certified by an independent financial adviser or auditors of the Company (as the case may be).

Save for the foregoing, as at the date of this announcement, the Company had no outstanding debt securities, derivatives, options, warrants, convertible securities or other similar securities which are convertible or exchangeable into Shares prior to the Record Date. The Company has no intention to issue or grant any Shares, convertible securities, warrants and/or options on or before the Record Date.

WARNING OF THE RISKS OF DEALING IN SHARES AND RIGHTS SHARES IN NIL-PAID FORM

Shareholders and potential investors of the Company should note that the Rights Issue is conditional upon, among others, the fulfillment and/or waiver (where applicable) of conditions including, among other things, (i) obtaining the Independent Shareholders' approval for the Rights Issue; and (ii) the Stock Exchange granting the listing of, and permission to deal in, the Rights Shares in their nil-paid and fully-paid forms. Please refer to the sections headed "Conditions of the Rights Issue" in this announcement. Accordingly, the Rights Issue will not proceed if any of the conditions of the Rights Issue is not satisfied.

Any dealing in the Shares from the date of this announcement up to the date on which all the conditions of the Rights Issue are fulfilled, and any Shareholder dealing in the Rights Shares in nil-paid form will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed. Shareholders or other persons contemplating any dealing in the Shares or Rights Shares in their nil-paid form should consult their professional advisers.

The Shares are expected to be dealt in on an ex-rights basis from Wednesday, 28 October 2026. Dealings in the Rights Shares in nil-paid form are expected to take place from Tuesday, 10 November 2026 to Tuesday, 17 November 2026 (both days inclusive). Any Shareholder or other person contemplating transferring, selling or purchasing the Shares and/or Rights Shares in their nil-paid form is advised to exercise caution when dealing in the Shares and/or the nil-paid Rights Shares.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“2021 Due Convertible Bonds”	the 8% coupon convertible bonds which were due 2021 in the aggregate principal amount of US\$7,000,000 issued by the Company to Sure Fast Enterprises Limited on 19 July 2018
“acting in concert”	has the meaning ascribed thereto under the Takeovers Code
“Articles”	the amended and restated articles of association of the Company, as amended from time to time
“associate(s)”	has the same meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Business Day(s)”	a day (excluding Saturday and Sunday or any day on which a tropical cyclone warning signal no. 8 or above or “extreme conditions” or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a “black” rainstorm warning is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are open for general business
“Capital Reduction”	the proposal for the reduction of the par value of the issued Consolidated Shares from HK\$1.00 each to HK\$0.01 each by cancelling the paid-up capital to the extent of HK\$0.99 on each issued Consolidated Share and the cancellation of any fractional Consolidated Share in the issued share capital of the Company arising from the Share Consolidation immediately after the Share Consolidation

“Capital Reorganisation”	the proposed reorganisation of the capital of the Company by way of (i) Share Consolidation; (ii) the Capital Reduction; and (iii) the Share Subdivision referred to in this announcement
“CB Holders’ Undertakings”	the undertaking(s) by the holders of the convertible bonds, whereby each of the relevant holders of the convertible bonds irrevocably undertakes, represents and warrants to the Company that (i) the Convertible Bonds will remain registered in the name of and beneficially owned by him/her/it; and (ii) not to exercise any of the conversion rights attaching to the Convertible Bonds (or any part thereof) for the period from the date of such undertaking up to and including the close of business of the Record Date
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Change in Board Lot Size”	the proposed change in board lot size for trading on the Stock Exchange from 8,000 Existing Shares to 10,000 New Shares upon the Capital Reorganisation becoming effective
“Circular”	the circular to be despatched to the Shareholders by the Company, relating to, among other things, the Rights Issue
“Classy Jade”	Classy Jade Limited, a company owned as to (i) 66% by Mr. Xu; (ii) 17% by Wei Jingyuan; and (iii) 17% by Zheng Guomin, and which owns 60% of the issued share capital of Gentle, and which is interested in 35,880,000 Shares. Each of Wei Jingyuan and Zheng Guomin is an Independent Third Party
“Committed Shares”	an aggregate of 274,541,760 Rights Shares to be offered to and subscribed by Mr. Xu under the Undertaking in respect of the 91,513,921 Existing Shares or 45,756,960 Consolidated Shares registered in his name and his controlled corporations as at the date of this announcement
“Companies Act”	the Companies Act (as revised) of the Cayman Islands, as amended, supplemented or otherwise modified from time to time

“Company”	China Environmental Technology Holdings Limited, an exempted company incorporated in Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 646)
“Compensatory Arrangements”	placing of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares by the Placing Agent on a best effort basis pursuant to the Placing Agreement in accordance with Rule 7.21(1)(b) of the Listing Rules
“connected person(s)”	has the same meaning ascribed to it under the Listing Rules
“Consolidated Share(s)”	the ordinary share(s) of par value of HK\$1.00 each in the capital of the Company immediately after the Share Consolidation but prior to the Capital Reduction
“controlling shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“Convertible Bonds”	the convertible bonds issued by the Company in the aggregate principal amount of US\$1,200,000
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened, in which resolutions will be proposed to consider, and, if thought fit, to approve the Capital Reorganisation and the Rights Issue
“ES Unsold Rights Share(s)”	the Rights Share(s) which would otherwise has/have been provisionally allotted to the Excluded Shareholders (if any) in nil-paid form that has/have not been sold by the Company
“Existing Share(s)”	the ordinary share(s) of par value of HK\$0.5 each in the share capital of the Company
“General Rules of HKSCC”	the terms and conditions regulating the use of CCASS, as may be amended or modified from time to time and where the context so permits, shall include the HKSCC Operational Procedures

“Gentle”	Gentle International Holdings Limited, a company owned as to 60% by Classy Jade and which is interested in 53,429,000 Shares
“Group”	the Company and its subsidiaries
“HKSCC”	Hong Kong Securities Clearing Company Limited
“HKSCC Operational Procedures”	the Operational Procedures of HKSCC in relation to CCASS, containing the practices, procedures and administrative requirements relating to operations and functions of CCASS, as from time to time
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Board Committee”	the independent committee of the Board, comprising Mr. Tse Chi Wai, Professor Zhu Nanwen and Professor Li Jun, being all of the independent non-executive Directors, which has been established to give recommendation to the Independent Shareholders in respect of the Rights Issue
“Independent Financial Adviser”	DL Securities (HK) Limited, a licensed corporation to carry out type 1 (dealing in securities), type 4 (advising on securities) and type 6 (advising on corporate finance) regulated activities under the SFO
“Independent Shareholder(s)”	any Shareholder(s) who are not required to abstain from voting at the EGM under the Listing Rules
“Independent Third Party(ies)”	third party(ies) who, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiry, are independent of and not connected with the Company and its connected persons or any of their respective associates
“Last Trading Day”	1 September 2026, being the last full trading day of the Shares on the Stock Exchange as at the date of this announcement

“Latest Time for Acceptance”	4:00 p.m. on Friday, 20 November 2026 (or such later time and date as may be determined by the Company), being the latest time for acceptance of and payment for Rights Shares
“Latest Time for Termination”	4:00 p.m. on Monday, 7 December 2026, (or such later time or date as may be agreed between the Company and the Placing Agent) being the latest time for termination of the Placing Agreement
“Listing Committee”	has the same meaning ascribed to it under the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Xu”	Mr. Xu Zhongping, a shareholder directly and indirectly interested in an aggregate of 91,513,921 Shares as at the date of this announcement, representing 26.70% of the issued share capital of the Company, an executive Director and the chief executive officer of the Company
“Net Gain”	the aggregate of any premium (being the aggregate amount paid by the placees after deducting (i) the aggregate amount of the Subscription Price for the Unsubscribed Rights Shares and the NQS Unsold Rights Shares placed by the Placing Agent under the Compensatory Arrangements; and (ii) the aggregate amount of the expenses of the Placing Agent and any other related expenses/fees)
“Net Proceeds”	the proceeds raised by the Rights Issue after deducting the relevant expenses
“New Share(s)”	the ordinary share(s) of par value of HK\$0.01 each in the share capital of the Company immediately upon the Capital Reorganisation becoming effective
“No Action Shareholder(s)”	Qualifying Shareholders who do not subscribe for the Rights Shares (whether partially or fully) under the PALs or their renouncees, or such persons who hold any nil-paid rights at the time such nil-paid rights are lapsed (including the Non-Qualifying Shareholders in respect of NQS Unsold Rights Shares)

“Non-Qualifying Shareholder(s)”	Overseas Shareholders in respect of whom the Board, based on legal advices provided by legal advisers in the relevant jurisdictions, considers it necessary or expedient to exclude from the Rights Issue
“NQS Unsold Rights Share(s)”	the Rights Shares which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders in nil-paid form that have not been sold by the Company
“Optionholder’s Undertaking(s)”	the undertaking(s) by the holders of the Share Options, whereby each of the relevant holders of the Share Option irrevocably undertakes, represents and warrants to the Company that he/she/it will not exercise such Share Options held by him/her/it for the period from the date of such undertaking up to and including the close of business of the Record Date
“Overseas Shareholder(s)”	Shareholder(s) whose address(es) on the register of members of the Company on the Record Date are outside Hong Kong
“PAL(s)”	the provisional allotment letter(s) for the Rights Issue
“Placing”	the offer by way of private placing of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares by the Placing Agent and/or its sub-placing agent(s) to the placees on the terms and subject to the conditions of the Placing Agreement
“Placing Agent”	Cheer Union Securities Limited, a licensed corporation to carry out type 1 (dealing in securities) and type 4 (advising on securities) regulated activities under the SFO
“Placing Agreement”	the placing agreement dated 1 September 2026 and entered into between the Company and the Placing Agent in relation to the Placing on best effort basis
“Posting Date”	the date of despatch of the Prospectus Documents to the Qualifying Shareholders, and the Prospectus (for information only) to the Non-Qualifying Shareholders (as the case may be)
“PRC”	the People’s Republic of China, which for the purpose of this announcement excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan

“Prospectus”	the prospectus to be despatched to the Qualifying Shareholders (and the Non-Qualifying Shareholder(s) for information only) in connection with the Rights Issue
“Prospectus Documents”	the Prospectus and the PAL(s) and any supplementary prospectus or supplementary provisional allotment letter (if required)
“Qualifying Shareholders”	Shareholder(s), whose names appear on the register of members of the Company as at the Record Date, other than the Non-Qualifying Shareholder(s)
“Record Date”	Thursday, 5 November 2026, being the record date to determine entitlements to the Rights Issue
“Registrar”	Tricor Investment Services Limited, the Company’s branch share registrar and transfer office in Hong Kong, situated at 17th Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong
“Rights Issue”	the proposed issue of up to 1,028,093,814 Rights Shares at the Subscription Price on the basis of six (6) Rights Shares for every one (1) Share held at the close of business on the Record Date payable in full on acceptance and subject to the conditions set out in the Prospectus Documents
“Rights Share(s)”	the New Share(s) to be allotted and issued by the Company under the Rights Issue
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (as amended and supplemented from time to time)
“Share Consolidation”	the proposed consolidation of every two (2) Existing Shares of par value of HK\$0.50 each into one (1) Consolidated Share of par value of HK\$1.00 each in the share capital of the Company
“Share Subdivision”	the proposed subdivision of each authorised but unissued Consolidated Share of par value of HK\$1.00 into one hundred (100) New Shares of par value of HK\$0.01 each

“Share(s)”	the Existing Share(s), Consolidated Share(s) and/or New Share(s) as the case may be
“Shareholder(s)”	holder(s) of the issued Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	the subscription price of HK\$0.185 per Rights Share
“substantial shareholder(s)”	has the meaning as ascribed to this term under the Listing Rules
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers (as amended and supplemented from time to time)
“Undertaking”	the irrevocable undertaking given by Mr. Xu in favour of the Company in relation to the proposed Rights Issue
“Unsubscribed Rights Shares”	Rights Shares that are not subscribed by the Qualifying Shareholders
“US\$”	the United States dollar, the lawful currency of the United States
“%”	per cent.

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

Hong Kong, 1 September 2026

As at the date of this announcement, the executive Directors are Mr. Xu Jingping, Mr. Xu Zhongping and Mr. Yang Baodong; the non-executive Directors 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.

* For identification purposes only