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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)

**INSIDE INFORMATION
UPDATE ON LEGAL PROCEEDINGS**

This announcement is made by China Environmental Technology Holding Limited (the “**Company**”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules).

References are made to the announcements of the Company dated (i) 16 May 2018 in relation to the proposed issue of convertible bonds due 2021 in the aggregate principal amount of US\$7,000,000 (the “**Convertible Bonds**”); (ii) 19 July 2018 in relation to the completion of subscription of the Convertible Bonds; (iii) 12 April 2019 in relation to the invalidity of the issuance of the Convertible Bonds; (iv) 1 April 2026 in relation to the judgement (the “**Judgement**”) made by the High Court of Hong Kong which granted a declaration that the Subscription Agreement, the Convertible Bonds, the terms and conditions of the Convertible Bonds and the Side Letter Agreement are valid and enforceable; (v) 29 April 2026, 5 June 2026 and 2 July 2026 in relation to, inter alia, the update on the legal proceedings related to the Convertible Bonds (collectively, the “**Announcements**”); and the Company’s 2025 annual report (the “**Annual Report**”) published on 29 April 2026. Unless otherwise defined, capitalized terms used herein shall have the same meanings as used in the Announcements and the Annual Report.

The board (the “**Board**”) of directors (the “**Directors**” and each a “**Director**”) of the Company is delighted to announce that the Company and Sure Fast has entered into a Deed of Settlement (the “**Deed**”) on 4 September 2026. Among other things, the key terms of the Deed are:

- 1) The Company and Sure Fast agreed the final settlement sum (the “**Settlement Sum**”) should be US\$11,294,265.68 plus an interest (the “**Interest**”) calculated as $US\$168,613.7 + US\$9,520,000 \times 10\% / 365 \times [\text{Number of days from 28 June 2021 to the date on which the Settlement Sum is paid in full}]$.
- 2) The Company shall pay the Settlement Sum to Sure Fast in three instalments as follows:
 - a. 1st instalment: US\$5,647,132.84 on or before 31 December 2026;
 - b. 2nd instalment: US\$5,647,132.84 on or before 30 June 2027; and
 - c. 3rd instalment: the entire sum of the Interest on or before 31 December 2027.
- 3) Sure Fast agrees that from the effective date of the Deed until the occurrence of an event of default (the “**Event of Default**”), it shall not
 - a. present winding up petition against the Company;
 - b. commence or continue any proceedings or claims against the Company or its related persons arising out of or in connection with the court proceedings, the terms and conditions of the Convertible Bonds, the Subscription Agreement or the Side Letter Agreement; or
 - c. take any steps to enforce the Judgement.
- 4) Event of Default includes
 - a. the Company fails to repay any instalment of the Settlement Sum on or before the due date specified in 2) above;
 - b. the Company (i) voluntarily commences any proceedings for its winding up, liquidation, judicial management, administration or analogous proceedings; or (ii) has such proceedings commenced against it which are not discharged, stayed or dismissed within 30 days; or (iii) has a receiver, administrator, provisional liquidator or analogous officer appointed over all or a substantial part of its assets and such appointment remains in effect for 30 days;
 - c. the Company enters into, or proposes to enter into, any scheme of arrangement, composition, workout or other arrangement with its creditors, which is reasonably likely to materially prejudice Sure Fast's rights or recoveries under the Deed, provided that no Event of Default shall occur solely because the Company undertakes any refinancing, capital raising, debt restructuring intended in good faith to improve its financial position or ability to perform the Deed;

- d. the Company ceases or threatens to cease to carry on all or substantially all of its business other than as part of a bona fide internal reorganisation, restructuring, merger, acquisition or disposal undertaken in the ordinary course or for the purpose of improving its financial position;
 - e. the Company's shares are suspended from trading on the Stock Exchange of Hong Kong Limited for a continuous period exceeding 45 Business Days, unless such suspension results solely from a transaction involving refinancing, restructuring, reverse takeover, acquisition, disposal or other corporate exercise reasonably undertaken to improve the Company's financial position or ability to perform the Deed;
 - f. the Company fails to provide, upon request by Sure Fast, i) its latest unaudited management accounts; ii) written confirmation that, to the best of its information and knowledge, no Event of Default has occurred and is continuing; and iii) such other financial information as is reasonably necessary for Sure Fast to monitor the Company's ability to comply with its obligations under the Deed; provided that the Company shall not be required to disclose any information which is confidential, legally privileged, constitutes inside information, or the disclosure of which is restricted by applicable laws or any binding obligation of confidentiality; Sure Fast shall keep all information provided under this clause strictly confidential and shall use such information solely for the purposes of monitoring the Company's compliance with the Deed; Sure Fast shall comply with all applicable laws relating to market misconduct, insider dealing and securities trading, and shall procure that its related persons receiving such information from it likewise comply with such obligations and refrain from dealing in any securities while in possession of any inside information;
 - g. any event or series of events occurs which, has a material adverse effect on the Company's ability to perform or comply with its obligations under the Deed or the Company's financial condition, business, assets or prospects taken as a whole, provided that no Event of Default shall arise solely by reason of: (i) fluctuations in the Company's share price or market capitalisation; (ii) any bona fide refinancing, equity fundraising, debt restructuring, merger, acquisition, reverse takeover or change in control undertaken in good faith for the purpose of improving the Company's financial position or ability to perform the Deed; or (iii) any matter already fairly disclosed to Sure Fast before the date of this Deed.
- 5) The Company and Sure Fast shall bear their own costs, fees and expenses incurred by them relating to and/or in connection with the negotiation, preparation and execution of the Deed,
- 6) The effective date of the Deed is the date when it is signed and dated by the Company and Sure Fast, which is 4 September 2026,

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

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

Hong Kong, 4 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 Director are Ms. Hu Yueyue, Mr. Ma Tianfu and Mr. Wang Youming; and the independent non-executive Directors are Mr. Tse Chi Wai, Professor Zhu Nanwen and Professor Li Jun.