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## **CHINA ENVIRONMENTAL TECHNOLOGY AND BIOENERGY HOLDINGS LIMITED**

### **中科生物控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1237)**

### **DISCLOSEABLE TRANSACTION ACQUISITION OF EQUITY INTEREST IN THE TARGET COMPANY**

The Board is pleased to announce that on 30 November 2022 (after trading hours), the Purchaser, an indirect wholly-owned subsidiary of the Company, and the Vendor entered into the Share Transfer Agreement, pursuant to which, the Purchaser agreed to acquire, and the Vendor agreed to sell, the Sale Shares representing approximately 1.30% equity interest in the Target Company at a Consideration of RMB8,750,000.

#### **THE SHARE TRANSFER AGREEMENT**

**Date** : 30 November 2022

**Parties** : The Purchaser; and

The Vendor

The Vendor is a company established in the PRC with limited liability and principally engaged in processing and sales of iron ore and iron concentrate powder. To the best of the Directors' knowledge, information and belief having made all reasonable enquires, the Vendor and its ultimate beneficial owner are Independent Third Parties.

#### **The Acquisition**

Pursuant to the Share Transfer Agreement, the Vendor agreed to sell and the Purchaser agreed to purchase the Sale Shares, representing approximately 1.30% equity interest in the Target Company.

## **Consideration**

The Consideration is RMB8,750,000, of which RMB2,500,000 shall be paid by the Purchaser to the Vendor in cash within ten (10) days after the signing of the Share Transfer Agreement and RMB6,250,000 shall be paid by the Purchaser to the Vendor in cash within five (5) days after the transfer of equity interest of the Target Company and its relevant registration to the relevant government authorities, while such transfer and registration shall be completed before 31 January 2023.

The Consideration was financed by the internal resources of the Group.

The Consideration was determined after arm's length negotiations between the Vendor and the Purchaser with reference to (i) the net asset value of the Target Company as at 30 September 2022 (the "NAV") of approximately RMB961.9 million and (ii) the prevailing market sentiment. Corresponding NAV of approximately 1.30% of the Target Company is approximately RMB12.47 million, to which the Consideration represents a discount of approximately 29.84%.

In view of the above, the Directors consider that the Consideration is fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

## **Completion**

Completion shall take place when the transfer of equity interest of the Target Company and its relevant registration to the relevant government authorities is completed and the Consideration is paid in full by the Purchase to the Vendor.

## **INFORMATION OF THE TARGET COMPANY**

The Target Company is a company established in the PRC with limited liability and is owned as to approximately 2.61% by the Vendor and as to approximately 97.39% by Independent Third Parties immediately prior to Completion.

The principal activities of the Target Company included taking deposits from the general public, granting short, medium and long-term loans, domestic settlements, bills acceptance and discounting, providing agency services for issuing/redemption and underwriting of government bonds, trading government bonds, trading and issuing financial bonds, inter-bank placements, bank cards business, providing agency services of payment collection and insurance agency service, and other financial business activities approved by the CBIRC or other relevant regulators.

## Financial Information of the Target Company

The financial information of the Target Company for the years ended 31 December 2021 and 2020, as extracted from its audited financial statements for the year ended 31 December 2021, are set out below:

	For the year ended 31 December	
	2021 (audited) <i>RMB '000</i>	2020 (audited) <i>RMB '000</i>
Profit before taxation	122,034	111,537
Profit after taxation	94,551	78,851

According to the unaudited financial information of the Target Company, the unaudited amount of net assets of the Target Company as at 30 September 2022 was approximately RMB961.9 million.

## REASONS FOR THE ACQUISITION

The principal activity of Company is investment holding and the principal activities of its subsidiaries include but not limited to manufacturing and sales of outdoor wooden products, manufacturing and renewable energy products.

The Group has been identifying and exploring suitable projects and/or investment with good profit potential for acquisition so as to diversify the Group's business and bring return to the shareholders of the Company. The Target Company is a well-established bank licensed by the CBIRC with good track record on its profitability. Further, the Corresponding NAV of approximately 1.30% of the Target Company is approximately RMB12.47 million, to which the Consideration represents a discount of approximately 29.84%, and therefore, the Directors believe the Acquisition is an attractive investment opportunity to the Group.

The Directors consider that the Share Transfer Agreement is entered into upon normal commercial terms following arm's length negotiations between the Vendor and that the conditions and terms of the Share Transfer Agreement are fair and reasonable and are in the interests of the Shareholders as a whole.

## IMPLICATIONS UNDER THE LISTING RULES

As one or more of the applicable percentage ratios (as defined under the Listing Rules) for the Acquisition exceeds 5% and all of such ratios are below 25%, the Acquisition constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

## DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings when used herein:

<b>“Acquisition”</b>	the acquisition of the Sale Shares by the Purchaser pursuant to the terms and conditions of the Share Transfer Agreement
<b>“Board”</b>	the board of Directors
<b>“CBIRC”</b>	China Banking Insurance Regulatory Commission
<b>“Company”</b>	China Environmental Technology and Bioenergy Holdings Limited, a limited company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on the main board of the Stock Exchange (Stock Code: 1237)
<b>“Completion”</b>	completion of the Acquisition
<b>“Consideration”</b>	the consideration of RMB8,750,000 pursuant to the Share Transfer Agreement
<b>“Directors”</b>	directors of the Company
<b>“Group”</b>	the Company and its subsidiaries
<b>“Independent Third Party(ies)”</b>	any person(s) or company(ies) and their respective ultimate beneficial owner(s) whom, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are third parties independent of the Company and its connected persons of the Company in accordance with the Listing Rules
<b>“Listing Rules”</b>	the Rules Governing the Listing of Securities on the Stock Exchange
<b>“Purchaser”</b>	Fujian Zhangping Kimura Forestry Products Co., Ltd. (福建省漳平木村林產有限公司), a company established in the PRC with limited liability, an indirect wholly-owned subsidiary of the Company
<b>“PRC”</b>	the People’s Republic of China (for the purpose of this announcement, excluding Hong Kong, the Macau Special Administrative Region and Taiwan)
<b>“RMB”</b>	Renminbi, the lawful currency of the People’s Republic of China

“Sale Shares”	5,000,000 shares of the Target Company, representing approximately 1.30% of the issued shares of the Target Company
“Share(s)”	ordinary share(s) of HK\$0.05 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Share Transfer Agreement”	the share transfer agreement dated 30 November 2022 entered into between the Vendor and the Purchaser in relation to the acquisition of the Sale Shares
“Target Company”	Fujian Zhangping Rural Commercial Bank Co., Ltd. (福建漳平農村商業銀行股份有限公司), a company established under PRC laws with limited liability
“Vendor”	Zhangping Hongsheng Minerals Co., Ltd. (漳平市宏生礦業有限責任公司), a company established in the PRC with limited liability
“%”	per cent

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

Zhangping, the PRC, 1 December 2022

*As at the date of this announcement, the executive Directors are Ms. Xie Qingmei and Mr. Wu Zheyang, and the independent non-executive Directors are Mr. Tse Kwok Hing, Henry, Prof. Jin Zhongwei and Prof. Su Wenqiang.*