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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)

GRANT OF AWARD SHARES UNDER THE SHARE AWARD SCHEME

References are made to the announcement and supplemental announcement of China Environmental Technology and Bioenergy Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 14 December 2020 and 18 December 2020, respectively, in relation to the adoption of the share award scheme by the Company (the “**Share Award Scheme**”) and the grant of the award shares under the Share Award Scheme (the “**Announcements**”). Unless otherwise defined herein, capitalized terms used in this announcement shall have the same meanings as those defined in the Announcements.

DETAILS OF THE GRANT OF AWARD SHARES

Pursuant to Rule 17.06A of the Listing Rules, the Board announces that on 15 April 2024, the Company granted 3,900,000 Award Shares involving new Shares to Employee Participants (the “**Grantees**”) in accordance with the terms of the Share Award Scheme (subject to acceptance by the Grantees), representing approximately 4.23% of the total Shares in issue as at the date of this announcement and approximately 4.06% of the total Shares in issue as enlarged by the issue and allotment of the Award Shares.

The details of the Awards granted to the Grantees (the “**Grants**”) are as follows:

Date of the Grants:	15 April 2024 (the “ Grant Date ”)
Grantees:	7 employees of the Group and none of them is an existing shareholder of the Company (excluding Directors, senior managers and all connected persons (as defined under the Listing Rules) of the Company)
Purchase price of Award Shares granted:	Nil

Number of Award Shares granted:	3,900,000
Market price of the Shares on the Grant Date:	HK\$0.37 per Share
Vesting period:	All of the Award Shares are subject to a vesting period of 12 months.
Performance target and clawback mechanism:	There is no performance target nor clawback mechanism attached to the Award Shares.

The purpose of the Share Award Scheme is (i) to align the interests of the Eligible Persons with those of the Group through ownership of Shares, dividends and other distributions paid on Shares and/or the increase in value of the Shares; and (ii) to encourage and retain Eligible Persons to make contributions to the long-term growth and profits of the Group.

The Board is of the view that performance targets and clawback mechanism are not necessary as (i) the value of the Award Shares is subject to the future market price of the Shares, which, in turn, depends on the business performance of the Group, to which the Grantees would directly contribute; (ii) the Award Shares are subject to the vesting period as stated above and certain vesting conditions, which could ensure that the Grantees would be motivated to contribute to the Company's development; and (iii) the Grants, without any performance targets or clawback mechanism attached thereto, will serve as a more attractive reward for the Grantees' contributions to the success of the Group, and are expected to bring about immediate incentivization and motivation effect.

As such, the Board believes that without additional performance target and clawback mechanism, the grant of the Award Shares could align the interests of the Grantees with that of the Company and the shareholders of the Company, provide incentive to the Grantees to devote to the future continuous competitiveness, results of operation and growth of the Company, and reinforce their commitment to long term services of the Company, which is in line with the purpose of the Share Award Scheme.

Financial assistance:	The Group has not provided any financial assistance to the Grantees to facilitate the purchase of Shares under the Share Award Scheme.
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REASONS FOR AND BENEFITS FROM THE GRANTS

The Board considers that the Grants to the Grantees provide incentives to the Grantees and will allow the Group to attract, retain and motivate talents for the continual operation and development of the Group. The Grants to the Grantees recognize their continual support to the Group and their effort will be conducive to the Group's future development. In addition, there will not be any actual cash outflow by the Group in respect of the Grants for the purpose of providing incentives to the Grantees.

Based on the foregoing, the Directors consider that the issue of 3,900,000 new Shares as the Award Shares under the Share Award Scheme is fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

GENERAL INFORMATION

The Grants would not result in the options and awards granted and to be granted to each individual Grantee in the 12-month period up to and including the date of such grant in aggregate to exceed 1% of the Shares in issue. None of the Grants will be subject to approval by the Shareholders, and none of the Grantees is a Director, chief executive or substantial shareholder (as defined in the Listing Rules) of the Company or an associate (as defined in the Listing Rules) of any of them.

3,900,000 new Shares may be allotted and issued as the Award Shares by the Company under the General Mandate to the Grantees at no cost subject to the vesting period as mentioned above. Accordingly, no funds will be raised from the issue of the new Shares.

The Grants will be settled by way of issue and allotment of 3,900,000 new Shares pursuant to the general mandate (the "**General Mandate**") granted by the Shareholders to the Directors at the annual general meeting of the Company held on 31 May 2023 to issue, allot and deal with new Shares not exceeding 20% of the total number of Shares in issue as at 31 May 2023 (i.e. 18,427,410 Shares). As at the date of this announcement, no Shares have been utilized under the General Mandate and therefore the Company can allot and issue 18,427,410 Shares under the General Mandate. Accordingly, the issue of 3,900,000 Award Shares does not require separate approval by the Shareholders.

Application will be made by the Company to the Stock Exchange for the granting of the listing of, and permission to deal in, the aggregate of 3,900,000 Award Shares. The new Shares to be allotted and issued by the Company to satisfy the Grants represent approximately 4.23% of the total issued Shares of the Company as at the Grant Date. The new Shares, when issued and allotted, shall rank *pari passu* among themselves and with the fully paid Shares in issue.

The Company has not undertaken any fundraising by way of issue of equity securities during the 12 months immediately preceding the date of this announcement.

The aggregate number of Shares underlying all grants made pursuant to the Share Award Scheme (excluding Award Shares which have been forfeited in accordance with the Share Award Scheme) will not exceed 20% of the total number of issued Shares as at the Adoption Date (i.e. 74,120,040 Shares). As at the Grant Date, 7,206 Award Shares are available for future grant under the aforementioned scheme mandate limit under the Share Award Scheme, and there is no service provider sublimit under the Share Award Scheme.

The Share Award Scheme was adopted before the effective date of the new Chapter 17 of the Listing Rules. The Company will comply with the new Chapter 17 to the extent required by the transitional arrangements for the existing share schemes.

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

Hong Kong, 15 April 2024

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.