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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)**

**CONVERSION OF CONVERTIBLE BONDS**

References are made to the announcements issued by China Environmental Technology Holdings Limited (the “**Company**”) dated (i) 29 December 2017 in relation to the proposed issue of convertible bonds due 2020 in the aggregate principal amount of US\$7,000,000 (the “**Convertible Bonds**”); (ii) 16 January 2018 in relation to the completion of the subscription of the Convertible Bonds; (iii) 29 March 2019 in relation to the sale and purchase agreement in respect of Convertible Bonds; (iv) 19 July 2021 in relation to the completion of the transfer of the Convertible Bonds; (v) 26 July 2021 in relation to amendments of the terms of the Convertible Bonds; (vi) 8 September 2021 in relation to the circular to shareholders in relation to amendments of the terms of the Convertible Bonds; (vii) 27 September 2021 in relation to poll results of the amendments of the terms of the Convertible Bonds; (viii) 5 and 8 December 2021 in relation to the transfer of portion of the Convertible Bonds from Mr. Zhang Zihong (“**Mr. Zhang**”) to Mr. Shengbiao Zhang; (ix) 8 July 2022 in relation to the purchase back of portion of the Convertible Bonds from Mr. Shengbiao Zhang by Mr. Zhang; and (x) 30 January 2023 in relation to the transfer of portions of the Convertible Bonds from Mr. Zhang to Classy Jade Limited (“**Classy Jade**”) and Mr. Hoshino Takayuki respectively (**collectively, the “Announcements**”). Capitalised terms used herein shall have the same meanings as those defined in the Announcements unless defined otherwise.

## CONVERSION OF CONVERTIBLE BONDS

The board (the “**Board**”) of directors (the “**Directors**”) of the Company hereby announces that on 29 July 2024 (after 4:30 pm), the Company received a conversion notice from Mr. Zhang in respect of the exercise of the conversion rights attached to the Convertible Bonds with the principle amount of US\$3,500,000 (equivalent to HK\$27,300,000) at the Conversion Price of HK\$0.5 per Conversion Share (“**Zhang Conversion**”). Accordingly, 54,600,000 Conversion Shares, representing approximately 21.65% of the total number of issued Shares immediately before the Conversions (as defined hereinbelow) and approximately 15.93% of the total number of issued Shares enlarged by the issue of the Conversion Shares immediately after the Conversions, were allotted and issued to Mr. Zhang on 5 August 2024.

On 30 July 2024, the Company received a conversion notice from Classy Jade in respect of the exercise of the conversion rights attached to the Convertible Bonds with the principle amount of US\$2,300,000 (equivalent to HK\$17,940,000) at the Conversion Price of HK\$0.5 per Conversion Share (“**Classy Jade Conversion**”, and together with Zhang Conversion, the “**Conversions**”). Accordingly, 35,880,000 Conversion Shares, representing approximately 14.23% of the total number of issued Shares immediately before the Conversion and approximately 10.47% of the total number of issued Shares enlarged by the issue of the Conversion Shares immediately after the Conversion, were allotted and issued to Classy Jade on 5 August 2024.

The Conversion Shares shall rank pari passu with, and carry the same rights in all aspects (including the rights to dividends) as, the other Shares in issue as at the date of the allotment and among themselves in all respects.

## EFFECT ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

The shareholding structures of the Company immediately before and after the Conversions are set out below:

Shareholders	Capacity / Nature of Interest	Immediately before the Conversions		Immediately after the Conversions	
		No. of shares	% of shareholding (approximately)	No. of shares	% of shareholding (approximately)
Xu Zhongping	Interest held by a indirectly controlled corporation ( <i>Note 1</i> )	53,429,000	21.18	53,429,000	15.59
	Beneficial owner	2,204,921	0.87	2,204,921	0.64
	Interest held by a directly controlled corporation	-	-	<u>35,880,000</u>	<u>10.47</u>
		<u>55,633,921</u>	<u>22.06</u>	<u>91,513,921</u>	<u>26.70</u>
Yang Baodong ( <i>Note 2</i> )	Beneficial owner	39,600	0.02	39,600	0.01
Hu Yueyue ( <i>Note 3</i> )	Beneficial owner	400,000	0.16	400,000	0.12
Zhang Zihong	Beneficial owner	33,980,000	13.47	88,580,000	25.85
Public shareholders		<u>162,164,417</u>	<u>64.30</u>	<u>162,164,417</u>	<u>47.32</u>
		<u>252,217,938</u>	<u>100.00</u>	<u>342,697,938</u>	<u>100.00</u>

Notes:

1. *These 53,429,000 shares were held under the name of Gentle International Holdings Limited ("Gentle"). Classy Jade owns 60% of the issued share capital of Gentle. Mr. Xu Zhongping, an executive Director, is the controlling shareholder of Classy Jade. Mr. Xu Zhongping was therefore deemed to be interested in the said 53,429,000 shares held by Gentle under Part XV of the SFO.*
2. *Mr. Yang Baodong is an executive Director.*
3. *Ms. Hu Yueyue is a non-executive Director.*
4. *Certain figures may not add up due to rounding.*

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

Hong Kong, 5 August 2024

*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.*