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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)

BUSINESS UPDATE

This is a voluntary announcement made by the board (the “**Board**”) of directors (the “**Directors**”) of China Environmental Technology and Bioenergy Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) in relation to the update of business development of the Group.

Reference is made to the announcement of the Company dated 30 January 2020 (the “**Announcement**”). Unless defined otherwise, capitalised terms used herein shall have the same meanings as those defined in the Announcement.

Further to the announcement of the initiation of the Investigations on 29 January 2020, on 9 June 2020, the U.S. Department of Commerce (the “**Commerce**”) announced the affirmative preliminary determination in the countervailing duty (the “**CVD**”) investigation of imports of wood mouldings and millwork products from China, finding that exporters received countervailable subsidies at rates from 13.61% to 245.34%. The Commerce will instruct U.S. Customs and Border Protection (the “**US CBP**”) to collect cash deposits from importers of wood mouldings and millwork products from China based on these preliminary rates.

As a result of the above preliminary determination, certain of the Group’s wood products exported to the United States will be subjected to such CVD. The Group is currently negotiating with its customers in the United States in respect of the payment of the cash deposits to be collected by the US CBP.

The Commerce further announced that it is currently scheduled to announce its final CVD determination on or about 20 October 2020. If Commerce makes an affirmative final determination, the U.S. International Trade Commission (the “**US ITC**”) will be scheduled to make its final injury determination on or about 3 December 2020.

The Group will closely monitor the development on the Investigations, evaluate the impact to the Group and seek for necessary and decisive actions to minimise the negative impact.

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

Hong Kong, 15 June 2020

As at the date of this announcement, the executive Directors are Ms. Xie Qingmei and Mr. Wu Zheyuan, the non-executive Director is Mr. Wu Dongping, and the independent non-executive Directors are Mr. Lam Hin Chi, Prof. Jin Zhongwei and Prof. Su Wenqiang.