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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 5 August 2020, the U.S. Department of Commerce (the “**Commerce**”) announced the affirmative preliminary determination (the “**Preliminary Determination**”) in the anti-dumping duty (the “**AD**”) investigation of imports of wood mouldings and millwork products from China (the “**Products**”), that a dumping margins from 40.3% to 146.91% exist. The Commerce will instruct U.S. Customs and Border Protection (the “**US CBP**”) to collect cash deposits at a rate ranged from 29.57% to 136.18% from importers of the Products.

According to the Preliminary Determination, the Group’s wholly-owned subsidiary, Fujian Zhangping Kimura Forestry Products Co., Ltd. has been determined that the dumping margin of certain of its wood products exported to the United States was 79.4%. As a result of such Preliminary Determination, the US CBP shall collect cash deposits at a rate of 68.67% from the importer of such products. 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 will make its final AD determination no later than 135 days after the Preliminary Determination. If Commerce makes an affirmative final determination, the U.S. International Trade Commission (the “US ITC”) will make its final determination on whether the Products are materially injuring, or threaten material injury to the relevant industry in the United States.

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, 11 August 2020

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