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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)

**ADOPTION OF SHARE AWARD SCHEME
AND
GRANT OF AWARD SHARES PURSUANT TO THE
SHARE AWARD SEHEME UNDER GENERAL
MANDATE**

The Board is pleased to announce that on the 14 December 2020, the Board has adopted the Share Award Scheme which does not constitute a share option scheme of the Company for the purpose of Chapter 17 of the Listing Rules and resolved to award an aggregate of 42,550,000 Award Shares to 12 Selected Participants by way of issue and allotment of new Shares pursuant to the General Mandate. A summary of the principal terms of the Share Award Scheme and details of the award of the Award Shares are set out below:

THE SHARE AWARD SCHEME

Purpose of the Share Award Scheme and duration

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.

Administration

The Board has the power to administer the Share Award Scheme, including the power to construe and interpret the rules of the Share Award Scheme, the terms of the Awards granted under the Share Award Scheme. The Board may delegate the authority to administer the Share Award Scheme to a committee of the Board or other person(s) as deemed appropriate at the sole discretion of the Board. The Board or its delegate(s) may also appoint one or more independent third party contractors to assist in the administration of the Share Award Scheme as they think fit.

Eligible Persons under the Share Award Scheme

Any individual, being an employee, a director, an officer, a consultant or an advisor of any member of the Group or any Affiliate whom the Board or its delegate(s) considers, in its sole discretion, to have contributed or will contribute to the Group is eligible to receive an award. However, no individual who is a resident in a place where the grant or acceptance of Award Shares pursuant to the Share Award Scheme is not permitted under the laws and regulations of such place or where, in the view of the Board, compliance with applicable laws and regulations in such place makes it necessary or expedient to exclude such individual, shall be entitled to participate in the Share Award Scheme.

Issue of Award Shares

The Company shall issue and allot Award Shares to Selected Participants under the general or specific mandates granted or to be granted by the Shareholders at the general meetings from time to time.

The Company shall comply with the relevant Listing Rules when issuing new Award Shares and application will be made to the Stock Exchange for the granting of the listing of, and permission to deal in, the new Award Shares to be issued. The Company intends to use the general mandate available at the time of granting the Award Shares in accordance with the terms of the Share Award Scheme, subject to the compliance of the additional requirements under Chapter 14A of the Listing Rules for any grant of Shares to connected persons of the Company.

The Awards Shares, once issued, will rank equal to all other Shares in issue at that time and the Award Shares are not subject to any vesting condition. The Selected Participants will therefore have the right to receive dividends on the Awards Shares, dispose of the Award Shares and/or exercise the rights underlying the Award Shares as per his/her own wishes once they are issued.

Maximum number of Award Shares to be issued

The aggregate number of Award Shares to be made pursuant to the Share Award Scheme will not exceed 20% of the total number of issued Shares as at the Adoption Date (i.e. 741,200,400 Shares). The aggregate number of Award Shares which may be awarded to a Selected Participant under the Share Award Scheme shall not exceed 2% of the total number of issued share of the Company as at the Adoption Date.

Duration

Subject to any early termination as may be determined by the Board, the Share Award Scheme shall be valid and effective for a term of 10 years commencing from the Adoption Date.

GRANT OF THE AWARD SHARES

On 14 December 2020, the Board has resolved to award an aggregate of 42,550,000 Award Shares to 12 Selected Participants under the Share Award Scheme. The grant of the Award Shares under the Share Award Scheme will be settled by way of issue and allotment of new Shares pursuant to the General Mandate.

The aggregate of 42,550,000 Award Shares to be issued and allotted by the Company to the Selected Participants represent approximately 5.74% of the total number of Shares in issue as at the date of this announcement and approximately 5.43% of the total number of Shares in issue as enlarged by the issue and allotment of the said Award Shares. The Selected Participants are mainly (i) senior and middle management of the Group; (ii) staff who served the Group for over 5 years; and (iii) consultants and advisors of the Group.

The Board considers that the award of the Award Shares to the Selected Participants provides incentives to the Selected Participants and will allow the Group to attract, retain and motivate talents for the continual operation and development of the Group. The award of the Award Shares to the Selected Participants recognizes their continual support to the Group and their effort will promote the Group's future development.

Furthermore, there will not be any actual cash outflow by the Group under the award of the Award Shares to provide incentives to the Selected Participants. In this regard, the Directors consider that the terms and conditions of the Share Award Scheme are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

Based on the closing price of HK\$0.154 per Share as quoted on the Stock Exchange as at the date of this announcement, the market value of the 42,550,000 Award Shares will be HK\$6,552,700.

The Award Shares, when issued and fully paid, shall rank pari passu among themselves and with those Shares in issue, with the right to receive all dividends and other distributions declared, made or paid on or after the date of allotment.

At the Company's annual general meeting held on 29 May 2020, the shareholders of the Company granted the Board the General Mandate. The 42,550,000 Award Shares are to be issued under the General Mandate, which has not yet been utilized since the date of its grant, and accordingly, the issuance of the said 42,550,000 Award Shares under the Share Award Scheme does not require separate approval by the Shareholders.

GENERAL

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 42,550,000 Award Shares.

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.

DEFINITIONS

“Adoption Date”	14 December 2020, being the date on which the Board approved the adoption of the Share Award Scheme
“Affiliate”	means a company that directly, indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, the Company and includes any company which is (a) the holding company of the Company; or (b) a subsidiary of holding company of the Company; or (c) a subsidiary of the Company; or (d) a fellow subsidiary of the Company; or (e) the controlling shareholder of the Company; or (f) a company controlled by the controlling shareholder of the Company; or (g) a company controlled by the Company; or (h) an associated company of the holding company of the Company; or (i) an associated company of the Company; or (j) associated company of controlling shareholder of the Company
“Award Shares”	the Shares granted under the Share Award Scheme to a Selected Participant
“Board”	The Board of Directors of the Company
“Business Day”	any day on which the Stock Exchange is open for the business of dealing in securities

“Company”	China Environmental Technology and Bioenergy Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the Shares of which are listed on the Main Board of the Stock Exchange
“Director(s)”	the director(s) of the Company
“Eligible Person”	any individual, being an employee, a director, an officer, a consultant or an advisor of any member of the Group or any Affiliate who the Board or its delegate(s) considers, in their sole discretion, to have contributed or will contribute to the Group; however, no individual who is a resident in a place where the grant or acceptance of Award Shares pursuant to the Share Award Scheme is not permitted under the laws and regulations of such place or where, in the view of the Board or its delegate(s), compliance with applicable laws and regulations in such place makes it necessary or expedient to exclude such individual, shall be entitled to participate in the Share Award Scheme and such individual shall therefore be excluded from the term Eligible Person
“Group”	the Company and its subsidiaries from time to time
“General Mandate”	The general mandate granted to the Directors by the Shareholders during the annual general meeting held on 29 May 2020 to allot, issue or deal with additional Shares of not exceeding 20% of the number of issued Shares of the Company as at 29 May 2020
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Scheme Rules”	the rules relating to the Share Award Scheme
“Selected Participant”	any Eligible Person approved for participation in the Share Award Scheme and who has been granted any Award pursuant to the Scheme Rules
“Share Award Scheme”	the share award scheme adopted by the Board on the Adoption Date, as amended from time to time
“Share(s)”	ordinary share(s) of the Company

“Shareholder(s)” holder(s) of the Share(s)

“Stock Exchange” The Stock Exchange of Hong Kong Limited

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

Hong Kong, 14 December 2020

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. Lam Hin Chi, Prof. Jin Zhongwei and Prof. Su Wenqiang.