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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 and 11 August 2020 (the “**Announcements**”). Unless defined otherwise, capitalised terms used herein shall have the same meanings as those defined in the Announcement.

On 29 December 2020, the Commerce announced the affirmative final determination (the “**Final Determination**”) on the AD investigation and countervailing duty (the “**CVD**”) investigation on imports of the Products, and determined that a dumping margin ranged from 44.6% to 230.36% and a countervailable subsidy rate ranged from 20.56% to 252.29% exist.

According to the Final Determination, the Group’s wholly-owned subsidiary, Fujian Zhangping Kimura Forestry Products Co., Ltd. (“**Zhangping Kimura**”) has been determined that its dumping margin and countervailable subsidy of certain of its wood products exported to the United States was 44.6% and 20.56% respectively. The Commerce will instruct the US CBP to collect cash deposits at a rate totaled at 54.43% from importers of the Group’s products.

The US ITC is currently scheduled to make its final injury determinations on or about 11 February 2021. If the US ITC makes affirmative final injury determinations, Commerce will issue AD and CVD orders on imports from China. If the US ITC makes negative final determinations of injury, the investigations will be terminated, and no orders will be issued.

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, 31 December 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.