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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)

**SUPPLEMENTAL ANNOUNCEMENT TO THE ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2024**

Reference is made to the annual report of China Environmental Technology Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) for the year ended 31 December 2024 (the “**Annual Report**”) published by the Company on 24 April 2025. Unless the context otherwise stated, capitalised terms used in this announcement have the same meanings as those defined in the Annual Report.

**SUPPLEMENTAL INFORMATION RELATING TO BUSINESS REVIEW
AND OUTLOOK**

Wastewater Treatment

The Group has advantages in brand, technology, practical cases and other aspects in the magnetic coagulation sub-sector of the wastewater treatment industry. We has obtained more than fifty patent authorizations and participated in the compilation of five industry and group standards, and takes the leading position in terms of popularity and service reputation. At present, the incremental market of wastewater treatment in China is slowing down, but the existing market is still huge. The financial support plan according to the national environmental protection requirements and large-scale equipment renewal, and the requirements of upgrading, renovating and equipment renewal being faced by a large number of old wastewater treatment plants are all opportunities for the Group.

After many years of accumulation, the Group has established long-term and good cooperative relationships with major domestic water groups, such as Shenzhen Water Group, Capital Ecological Environmental Protection Group, Northern Environmental Protection Group and other regional companies, and has cooperative relationships with companies of numerous engineering groups, such as China Communications Construction, China State Construction and PowerChina Construction. At the same time, we are vigorously developing agency cooperative enterprises in various regions, thus gradually maturing in the market network and diversifying the channels for obtaining information.

Based on the variability of the environmental protection market, the Group began to independently develop and apply the sand loading technology on the basis of the original magnetic coagulation in 2023. This technology can be used in not only wastewater treatment but also waterworks, complementing the magnetic coagulation technology and achieving a higher premium. Meanwhile, the Group is planning to start jointly developing magnetic biochemical technology with other technology companies in 2025 and expecting to promote it to the market in 2026 when the technology is mature.

The Group's core wastewater treatment company is a certified specialized, sophisticated, distinctive and innovative enterprise in Beijing and a national high-tech enterprise. It has been consistently taking technological innovation and service as its core competitiveness, and focusing on brand building, to ensure its leading position in the specific industry. The board (the “**Board**”) of directors (the “**Directors**”) of the Company believes that, as the fundamental business of the Group, the wastewater treatment business is currently developing relatively stably and is promoting diversified and combined technical services, and these new technologies will bring more opportunities.

In 2024, the Group's revenue from wastewater treatment business increased by 74.35% compared to the previous year, which was mainly due to the fact that both the number and scale of projects completed by the Group increased compared with the previous year. The Group completed 8 wastewater treatment projects in 2023 with total contract amount of approximately RMB14,813,000, and 9 wastewater treatment projects in 2024 with total contract amount of approximately RMB28,290,000, representing an increase of 90.98% over 2023.

As at the date of the Annual Report, the Group has 10 wastewater treatment projects contracted and ongoing or with purchase orders placed and final contracts under negotiation (“**Projects Obtained**”) with total contract amount of approximately RMB38,957,000, which are all expected to be completed in 2025 or 2026. Furthermore, the Group has 12 wastewater treatment projects under negotiation or following-up (“**Projects under Negotiation**”) where the Directors believe that it is likely that the Company can manage to have the sales contracts signed in 2025 or early 2026. The expected contract amounts of the Project under Negotiation are around RMB69,500,000 in total. Assuming all of the Projects under Negotiation can be contracted in 2025 or early 2026, these projects are also expected to be completed in 2025 or 2026. Based on the aforementioned expectations and assumptions, the Group expects that the revenue derived from wastewater treatment in 2025 and 2026 will be approximately HK\$28,936,000 and HK\$72,802,000 respectively.

The details are as follows:

	Number	Projects Expected to Complete	
		Total Contract Amount	Revenue Expected
		<i>RMB'000</i>	<i>HK\$'000</i>
2025			
- Projects Obtained	7	22,546	21,150
- Projects under Negotiation	<u>3</u>	<u>8,300</u>	<u>7,786</u>
Total	<u>10</u>	<u>30,846</u>	<u>28,936</u>
2026			
- Projects Obtained	3	16,411	15,394
- Projects under Negotiation	<u>9</u>	<u>61,200</u>	<u>57,408</u>
Total	<u>12</u>	<u>77,611</u>	<u>72,802</u>

** Figures in this table are estimated based on current information available and subject to changes when relative situations change.*

Energy Management

The Board considers the energy management business that the Group is currently vigorously promoting also has an environmental protection gene. It will form a synergy effect with the wastewater treatment business and promote the rapid development of the Group's business.

In 2024, the Group actively responded to the country's "dual carbon" strategy and the needs of new power system construction, formed a technical team led by experts returning from Europe, and officially entered the field of power trading and virtual power plants (VPP). Based on the digital and market-oriented transformation trend of the energy industry, the Group focuses its energy management business on power trading services, aggregation of distributed energy and adjustable loads, and demand responses, aiming to create an industry benchmark for flexible energy scheduling and value mining through technology-driven and resource integration. At present, substantial breakthroughs have been achieved in the business connection with Ningxia, Inner Mongolia and airport systems. Among them, the business in Inner Mongolia has achieved a breakthrough of zero revenue, which is of milestone significance.

As of the date of this announcement, an energy business subsidiary of the Group has signed an investment agreement for the VPP in an AI Port Computing Power Town with the Administration Committee of Yinchuan Economic and Technological Development Zone (ETDZ), Ningxia Hui Autonomous Region (an government agency), and has also signed an entrusted operation agreement for the high-voltage substation in the AI Port Computing Power Town with the subsidiary of the state-owned company of the ETDZ in accordance with the investment agreement. On these grounds, the subsidiary has officially obtained the power supply permission in the AI Port Computing Power Town and will officially start the operation within two months. At the same time, the Administration of the ETDZ has granted this energy business subsidiary the permission to carry out photovoltaic power generation and energy storage business in the ETDZ, laying a foundation for the company's future power supply business in the ETDZ.

In addition, the Group's energy technical team has conducted technical exchanges on VPP business with Guangzhou Baiyun International Airport, Changchun Airport, Yinchuan Airport, Zhuhai Airport, Tianjin Airport, and Taiyuan Airport, and has delivered technical and implementation plans for Taiyuan Airport and Changchun Airport. We anticipate achieving the implementation of VPP business in airport systems within this year.

In the future, the Group will vigorously develop VPP, smart microgrids and electricity sales businesses, taking the energy management business as the most important tool for the Group's transformation, fully understand the policy advantages of the current national power reform and the clear trend of the dual carbon goals, seize opportunities and deepen our root in new energy business to realize our "second entrepreneurship" in the field of environmental protection technology. The Group plans to achieve the established goals of operating the Ningxia project, expanding the scale in Inner Mongolia, and implementing the load-storage-source system in several airports within 2025, laying the foundation for the Group's future development.

The information contained in this supplemental announcement does not affect the other information contained in the Annual Report. Save as disclosed in this announcement, all the other information and contents in the Annual Report remain unchanged.

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

Hong Kong, 21 May 2025

As at the date of this announcement, the executive Directors are Mr. Xu Jinping, 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.