

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



中國碳中和發展集團有限公司

China Carbon Neutral Development Group Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1372)

COMPLETION OF PLACING OF NEW SHARES UNDER GENERAL MANDATE

Placing Agent



Guotai Junan Securities (Hong Kong) Limited

Reference is made to the announcement of China Carbon Neutral Development Group Limited (the “**Company**”) dated 26 July 2021 (the “**Announcement**”) in relation to the placing of up to 42,000,000 Placing Shares under the General Mandate at the Placing Price of HK\$5.50 per Placing Share through Guotai Junan Securities (Hong Kong) Limited as the Placing Agent. Capitalised terms used herein shall have the same meanings as those defined in the Announcement unless otherwise defined.

COMPLETION OF PLACING OF NEW SHARES UNDER GENERAL MANDATE

The Board is pleased to announce that all of the conditions of the Placing Agreement have been fulfilled and that completion of the Placing took place on 3 August 2021 pursuant to the Placing Agreement. Accordingly, an aggregate of 42,000,000 Placing Shares, representing approximately 13.91% of the enlarged issued share capital of the Company immediately after completion of the Placing, have been allotted and issued and successfully placed to not less than six Placees through the Placing Agent at the Placing Price of HK\$5.50 per Placing Share in accordance with the terms and conditions of the Placing Agreement.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, and based on the confirmation of the Placing Agent (by itself or through its sub-agents), all of the Placees and their ultimate beneficial owners (if applicable) are independent third parties who

are not connected persons of the Company within the meaning of the Listing Rules, and not acting in concert (as defined under the Takeovers Code) with any of them, and none of the Placees has become a substantial shareholder of the Company immediately upon completion of the Placing.

The net proceeds from the Placing (after deducting the commission payable to the Placing Agent, professional fees and other related costs and expenses incurred in the Placing) are approximately HK\$227,728,000, which will be used for (i) investment in basic industries (carbon capture and forest carbon sinks) and carbon assets; (ii) development of industrial team and carbon assets and related research and development; (iii) repayment of the debts of the Group and improving the financial position of the Group; and (iv) general working capital.

EFFECTS OF THE PLACING ON SHAREHOLDING STRUCTURE OF THE COMPANY

To the best of the Directors' knowledge, information and belief, after having made all reasonable enquiries, the following table sets out the shareholding structure of the Company (i) immediate before completion of the Placing; and (ii) immediately after completion of the Placing:

	As at the date of this announcement		Immediately after completion of the Placing	
	Number of Shares	Approximate %	Number of Shares	Approximate %
Youth Force Asia Limited ^(Note 1)	147,700,000	56.81	147,700,000	48.91
Public Shareholders				
Placees	–	–	42,000,000	13.91
Mao Yuan Capital Limited ^(Note 2)	23,760,000	9.14	23,760,000	7.87
Z&F International Trading Limited ^(Note 3)	16,240,000	6.25	16,240,000	5.37
Other public Shareholders	<u>72,300,000</u>	<u>27.80</u>	<u>72,300,000</u>	<u>23.94</u>
Total	<u>260,000,000</u>	<u>100.00</u>	<u>302,000,000</u>	<u>100.00</u>

Notes:

1. The issued capital of Youth Force Asia Limited is wholly owned by Mr. Jiang Jianhui.
2. The issued capital of Mao Yuan Capital Limited is wholly owned by Mr. Cao Junsheng.
3. The issued capital of Z&F International Trading Limited is owned as to 70% by Mr. Zhang Yaxun and as to 30% by Ms. Fan Xiaomiao.

4. The above percentage figures are subject to rounding adjustments.

By order of the Board
China Carbon Neutral Development Group Limited
Gao Gunter
Chairman

Hong Kong, 3 August 2021

As at the date of this announcement, the executive Directors are Dr. Gao Gunter, Mr. Chen Xinwei, Dr. Cui Dingjun, Mr. Di Ling, Mr. Chen Lei and Mr. Artem Matyushok; and the independent non-executive Directors are Mr. Ip Mei Shun, Mr. Leung Tsz Wing and Mr. Yu Wai Chun.