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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)

VOLUNTARY ANNOUNCEMENT - MAJOR BUSINESS PROGRESS

This announcement is made by China Carbon Neutral Development Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) on a voluntary basis.

The board of directors of the Company is pleased to announce that the Group officially initiated the formation of a carbon asset investment fund - Global Carbon Asset Investment Management Fund, L.P. (全球碳資產投資管理基金有限合夥) on 1 November 2021. The Group will accordingly set up Global Carbon Asset Investment Management, Ltd. (全球碳資產投資管理有限公司) to act as the general partner (the “**GP**”). The fund will actively participate in the global mandatory carbon trading market and voluntary carbon trading market, and relying on the Group’s outstanding abilities in the acquisition and allocation of carbon assets, it will actively invest in high-quality carbon assets in the world, providing investors with a new type of asset allocation options and a type of innovative investment strategy.

Carbon neutrality is an inevitable choice to deal with global climate change. The value discovery process of carbon assets (i.e. the activities to reduce carbon and increase sinks) will change the development model of countries, enterprises and individuals, and it is also one of the important ways to achieve carbon neutrality. According to the judgment of authoritative institutions, carbon assets are expected to become another important capital after digital assets and become an important element of enterprise development and international competition. The global carbon market is developing rapidly. The international and regional carbon markets are becoming more and more mature and the types and methods of trading are increasing. The segmented and active carbon markets provide a lot of investment opportunities for various trading strategies and trading methods.

The investment and allocation of carbon assets (as a new type of asset) requires a deep understanding and rich experience in the intrinsic value, the development cycle, and the demand and supply of the assets. In order to achieve carbon neutrality and accelerate “net zero carbon”, Asia and China has

created strong demand for carbon assets. Besides, the “decarbonization” process has increased the scale of carbon assets, and has gradually strengthened the financial attributes of carbon assets. It is very important to accurately grasp the regional development trend of carbon assets. As a leading regional carbon asset development and management enterprise, the Group has accumulated outstanding industry knowledge with an experienced team, and has formed advantages in cognition, execution, region and channels.

The Group believes that the establishment of the carbon asset investment fund is a natural expansion of the carbon asset development and operation business, which can: (1) significantly enhance the potential of related businesses, further strengthen the Group’s leading position in carbon asset management, and develop cross-border advantages; (2) enrich the Group’s ways and channels to participate in the global carbon market, and guide more funds to enter into the suitable carbon asset markets; (3) optimize the financial performance of the Group with incomes from asset management and performance.

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

Hong Kong, 1 November 2021

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