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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

MAJOR STRATEGIC COOPERATION AND 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 the Company is pleased to announce that, the Company and Sinochem Environmental Holdings Co., Ltd. (“**Sinochem Environmental**”) has entered into a strategic cooperation agreement (“**Strategic Cooperation**”) and start off carbon asset development.

The content of Strategic Cooperation

1. Sinochem Environmental will cooperate with the Company in the carbon emission reduction by leveraging its technological advantages and operating experience in environmental governance, energy saving and low-carbon, resource recycling, etc., enhancing the research and development and application of low-carbon technology, developing domestic and international carbon credit assets, jointly formulating a comprehensive solution for green and low-carbon, developing a win-win business cooperation model, and achieving goals of carbon peak and carbon neutralization.
2. The Company will take advantage of its resources in the ecological environment in China, forestry, grassland and carbon emission reduction technologies to provide Sinochem Environmental with professional services in carbon consultation and carbon asset management. The Company will cooperate with Sinochem Environmental for a model of carbon asset development and asset management recognized by the global carbon financial market, and provide Sinochem Environmental with carbon asset development services; The Company will cooperate with Sinochem Environmental for methods to the realization of carbon peak and carbon neutralization, and provide Sinochem Environmental with professional services in the implementation of carbon peak and carbon neutralization, etc..
3. Both parties will rely on the Sinochem Environmental Environmental Monitoring Centre constructed and managed by Sinochem Environmental, and make full use of advantages of Sinochem Environmental in the industry of environmental protection and energy saving and the Company's low-

carbon technology to provide, so as to provide service of carbon emission reduction technology, carbon asset management and integrated solutions of carbon emission reduction. The Sinochem Environmental's team is responsible for business communication while the Company's team provides technical and business model support.

Information about Sinochem Holdings Corporation Ltd. (“Sinochem Holdings”)

Sinochem Holdings is formed through the restructuring of Sinochem Group Co., Ltd. and China National Chemical Corporation Ltd. It is a leading state-owned enterprise under the supervision of State-owned Assets Supervision and Administration Commission of the State Council. Sinochem Holdings has approximately 220,000 employees. With a wide array of businesses covering life science, materials science, petrochemicals, environmental science, rubber & tire, machinery & equipment, city operation, and industrial finance, Sinochem Holdings rises as world's largest chemical conglomerate after the restructuring.

Information about Sinochem Environment

Sinochem Environmental, a wholly-owned subsidiary of Sinochem Holdings, is a comprehensive business platform for the development of environmental science. It has advanced experience in industrial wastewater, industrial solid waste, soil remediation, industrial waste gas treatment and environmental monitoring. It provides services on the fields of industrial recycling and green recycling agriculture, focusing on the three major areas of environmental governance, low carbon energy conservation and resource recycling and actively promoting the realization of the “double-carbon” goal.

Benefits of the Strategic Cooperation

With the advantages of the various types of project resources that planned, operated, and owned by Sinochem Environment in the field of carbon emission reduction and the Group's competitiveness in the development of domestic and international carbon credit assets, the Strategic Cooperation promotes the goal of developing international and domestic carbon credit assets efficiently and accurately, and enhances the development of carbon neutral related businesses.

The Group believes that entering into the Strategic Cooperation with one of the world-renowned large enterprises reflects the Group's competitiveness and professionalism in carbon neutrality and related fields. The successful development of a win-win business cooperation model also reflects the Group's commercialization capabilities. The Strategic Cooperation constitutes a part of the Group's implementation of global carbon neutralization business development which bring good benefits to the Group's carbon asset development and operation business, and lay a solid foundation for other business expansion. Therefore, entering into and implementation of the Strategic Cooperation is in the interests of the Group and the shareholders of the Company as a whole. The Group will actively implement carbon asset development and other related business cooperation.

By order of the Board
China Carbon Neutral Development Group Limited
Chan Tan Na, Donna
Chairman

Hong Kong, 19 December 2021

As at the date of this announcement, the executive Directors are Ms. Chan Tan Na, Donna, 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. Wang Anyuan and Mr. Yu Wai Chun.