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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

**EXPANSION OF NEGATIVE CARBON BUSINESS
IN THE GREATER BAY AREA**

This announcement is made by China Carbon Neutral Development Group Limited (the “**Company**”, together with its subsidiaries collectively known as the “**Group**”) on a voluntary basis to provide updates on the Group’s business development to the Company’s shareholders and potential investors.

The board of directors (the “**Board**”) of the Company is pleased to announce that the Group is expanding its negative carbon business in the Greater Bay Area. In order to build the Pilot Demonstration Zone of “dual carbon” in Guangdong Province, Foshan Jialida Environmental Protection Technology Co., Ltd.* (佛山市佳利達環保科技股份有限公司), as the builder, implemented the "Carbon Capture and Utilization Demonstration Project of flue gas from coal-fired boilers (燃煤鍋爐煙氣二氧化碳捕集與資源綜合利用示範項目)" (the “**Project**”) in Jialida Coal-fired Thermal Power Plant. The Project is currently the first demonstration project of the "dual carbon" concept in the Guangdong-Hong Kong-Macao Greater Bay Area, and also the first Carbon Capture, Utilization and Storage (CCUS) demonstration project in China’s domestic printing and dyeing industry. The Project adopts polyamines high efficiency and low energy consumption CO₂ capture purification process (多氨基高效低能耗CO₂捕集提純工藝), using China University of Mining and Technology’s CCUS PDP. China Petroleum Engineering & Construction Corp*(中國石油工程建設有限公司) Beijing branch, being the general contractor, is responsible for the design and construction of the Project. Guangdong Runtan Technology Co., Ltd.* (廣東潤碳科技有限公司) provides on-site technical services for the Project. The Group provides negative carbon consultation service for the Project. The 10,000-ton level CCUS Project officially commenced in March 2022. The engineering tower and the control room building structure for the demonstration Project have been installed and completed respectively in July 2022. The whole construction is expected to be basically completed and put into operation by the end of 2022.

Negative carbon business is an essential part of the Group's carbon neutral business that integrates industry and finance and interacts with the carbon asset development and management business. The Greater Bay Area is a critical area for the Group to promote the business strategy of negative carbon business. The printing and dyeing industry that highly related to export and domestic demand is an important industrial area for the Group to implement negative carbon business. Various forms of involvement of the carbon negative business with CCUS as the core will gradually be an advantage for the Group's negative carbon business and thereby obtain favorable business opportunities.

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

Hong Kong, 20 July 2022

As at the date of this announcement, the executive Directors are Ms. Chan Tan Na Donna, Mr. Chen Xinwei, 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 Dr. Li Qun.

** For identification purpose only*