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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)

SUBSCRIPTIONS OF NEW SHARES UNDER THE GENERAL MANDATE

The Board is pleased to announce that, on 4 December 2024, the Company (as issuer) entered into six separate Subscription Agreements with six Subscribers in respect of the Subscription of an aggregate of 107,160,000 Subscription Shares at the Subscription Price of HK\$0.22 per Share.

The issue of the Subscription Shares will not be subject to the approval by the Shareholders and the Subscription Shares will be issued under the General Mandate granted to the Directors at the AGM.

Given that completion of the Subscriptions is subject to conditions and the Subscriptions may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

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The Subscription Agreements

Each of the Subscription Agreements is on substantially the same terms (other than the number of Subscription Shares) and the major terms of the Subscription Agreements are as follows:

Date: 4 December 2024

Parties and number of Subscription Shares:

Subscription Agreement	Parties	No. of Subscription Shares	Consideration (HK\$)
A	1. The Company 2. Subscriber A	30,158,000	6,634,760
B	1. The Company 2. Subscriber B	29,500,000	6,490,000
C	1. The Company 2. Subscriber C	26,000,000	5,720,000
D	1. The Company 2. Subscriber D	21,500,000	4,730,000
E	1. The Company 2. Subscriber E	1,000	220
F	1. The Company 2. Subscriber F	1,000	220
Total		107,160,000	23,575,200

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, each Subscriber is a third party independent of and not connected with the Company and its connected persons (as defined in the Listing Rules) and an individual investor.

Subscription Shares

The 107,160,000 Subscription Shares in aggregate represent (i) 20.00 % of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 16.67.% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares (assuming that there is no change in the issued share capital of the Company from the date of this announcement to the Completion Date save for the issue of the Subscription Shares). The aggregate nominal value of the Subscription Shares will be HK\$1,071,600.

Rights of the Subscription Shares

The Subscription Shares will be fully paid and rank pari passu with all other issued Shares in all respects as at the date of issue.

The Subscription Price

The Subscription Price is HK\$0.22 per Share, which represents:

(i) a discount of approximately 13.73% over the closing price of HK\$0.255 per Share as quoted on the Stock Exchange on the date of the Subscription Agreements; and

(ii) a discount of approximately 13.39% to the average of the closing prices of approximately HK\$0.254 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of the Subscription Agreements; and

The Subscription Price was negotiated on an arm's length basis between the Company and each of the Subscribers and was determined with reference to the prevailing and recent market prices and trading volume of the Shares.

Condition Precedent for the Subscriptions

The Subscriptions under each of the Subscription Agreements are conditional on the Listing Committee of the Stock Exchange granting and not having withdrawn or revoked a listing of and permission to deal in the Subscription Shares.

As to the Subscription Agreements, in addition to the condition set out above, completion of the Subscription Agreements is also subject to the Company having sufficient public float in compliance with Rule 8.08(1) of the Listing Rules upon completion of the transactions contemplated thereunder.

Completion

Completion shall take place within ten (10) Business Days upon satisfaction of the condition precedent (or such other date as the parties thereto may agree). Completion of any Subscription is not inter-conditional upon each other.

GENERAL MANDATE TO ISSUE THE SUBSCRIPTION SHARES

The issue of the Subscription Shares will not be subject to the approval by the Shareholders and the Subscription Shares will be issued under the General Mandate granted to the Directors at the AGM. Pursuant to the General Mandate, the total number of new Shares that the Company is authorized to issue is 107,160,000 shares, representing 20% of the number of issued Shares as at the date of the AGM, which is the maximum number of new Shares could be allotted and issued by the Company under the General Mandate, and there will be no new Shares remaining after this issue.

APPLICATION FOR LISTING

Application will be made by the Company to the Stock Exchange for the listing of and permission to deal in the Subscription Shares.

EFFECTS 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) as at the date of this announcement; and (ii) immediately after Completion, assuming that there is no change in the issued share capital of the Company from the date of this announcement to the Completion Date, is as follows:

	As at the date of this announcement		Immediately after Completion	
	Number of Shares	Approximate %	Number of Shares	Approximate %
Quick Tycoon Limited <i>(Note 1)</i>	89,470,000	16.70%	89,470,000	13.92%
China Eco Fund Investment Limited <i>(Note 1)</i>	40,000,000	7.47%	40,000,000	6.22%
Legit Aiming Limited <i>(Note 2)</i>	62,709,000	11.70%	62,709,000	9.75%
Youth Force Asia Limited <i>(Note 3)</i>	51,700,000	9.65%	51,700,000	8.04%
Public Shareholders				
<i>Subscribers</i>	-	-	107,160,000	16.67%
Other public Shareholders	291,921,000	54.48%	291,921,000	45.40%
Total	535,800,000	100%	642,960,000	100%

Notes:

- Both Quick Tycoon Limited and China Eco Fund Investment Limited are wholly owned by China Eco Investment Limited, a company which is wholly owned by Mr. Sha Tao.
- Youth Force Asia Ltd. is wholly owned by Mr. Jiang Jianhui.
- Legit Aiming Limited is owned by Mr. Hai Shixun and Mr. Gao Rihui as to respective 51% and 49%.

EQUITY FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The Company has not conducted any equity fundraising activities in the past twelve months immediately preceding the date of this announcement.

REASONS FOR THE SUBSCRIPTION AND USE OF PROCEEDS

The Group is principally engaged in (i) global carbon neutral business, focusing on trading of carbon-credit assets, carbon credit and carbon asset development, management and investment in carbon neutral related fields and carbon consulting and planning; and utilising a blockchain-based dual-carbon digital control platform to connect and mobilise the entire dual carbon chain resource to support the sustainable development of the dual-carbon economy; (ii) a green development platform based on “Green Finance Open Platform” to provide ESG related services; and (iii) civil engineering works, building construction and maintenance works.

The Group is actively developing its global carbon neutral business. Such business expansion requires the Company to increase its fund size, with an aim to improving the profit-making abilities and developing abilities of the Group. After having studied the feasibilities of many fundraising activities, the Company is of the view that (i) the Subscriptions will not result in interest costs or other expenses; (ii) the Subscriptions will ensure that the Company can obtain funds of a certain amount within a short time; and (iii) issuance of new Shares by the consideration of cash will improve the financial position of the Company, such as increasing the liquidity, lowering the gearing ratio and enhancing the risk resistance capacity in a whole. In addition, the Subscription Price and the quantity of the Subscriptions were made by reference to the prevailing and recent market prices and trading volume of the Shares. The Board believes that the Subscription Agreements are made on normal commercial terms, are fair and reasonable, and in the interests of the Company and the Shareholders as a whole.

The gross proceeds of the Subscriptions will be HK\$23,575,200. The net proceeds from the Subscriptions (after deducting all applicable costs and expenses of the Subscriptions) will be approximately HK\$23,575,000 and a net issue price of HK\$0.22 per Subscription Share. The Group intends to use the proceeds from the Subscriptions for (i) general working capital; (ii) repayment of the debts of the Group and improving the financial position of the Group; and (iii) investment in new developing businesses relating to new energy business and renewable energy business and etc.

Given that completion of the Subscriptions is subject to conditions and the Subscriptions may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

DEFINITIONS

In this announcement, unless the context otherwise requires, the expressions below have the meanings assigned:

“AGM”	the annual general meeting of the Company held on 22 November 2024
“Board”	the board of Directors
“Business Day(s)”	a day (other than Saturday, Sunday, public holiday or any day on which tropical cyclone warning no. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a “black” rainstorm warning is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours
“Company”	China Carbon Neutral Development Group Limited, a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on the Main Board of the Stock Exchange (stock code: 1372)
“Completion”	completion of the Subscriptions
“Completion Date”	the date of Completion which shall be a date falling within ten (10) Business Days after fulfillment of the last condition (or such other date as the parties thereto may agree)
“Directors”	directors of the Company
“General Mandate”	the general mandate granted to the Directors pursuant to an ordinary resolution of the Company passed at the AGM to allot, issue and deal with up to 20% of the then number of the issued Shares as at the date of the AGM
“Group”	the Company and its subsidiaries
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

By order of the Board
China Carbon Neutral Development Group Limited
Zhong Guoxing
Chairman and Executive Director

Hong Kong, 4 December 2024

As at the date of this announcement, the Executive Directors are Mr. Zhong Guoxing, Mr. Di Ling and Mr. Lu Xiangyong; the Non-executive Director, Mr. Geng Zhiyuan and the Independent Non-executive Directors are Mr. Wang Anyuan, Mr. Wang Jiasi and Ms. Lan Haiqing.