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

The Group Signed A Strategic Cooperation Agreement with Shanxi Ligu New Energy

This announcement is a voluntary announcement made by China Carbon Neutral Development Group Limited (the "**Company**", collectively with its subsidiaries, the "**Group**") to inform the shareholders of the Company and potential investors of the latest development regarding the Group's business.

The board (the "**Board**") of directors (the "**Directors**") of the Company is pleased to announce that on 29 March 2026, the Group signed a strategic cooperation agreement (the "**Agreement**" or the "**Cooperation**") with Shanxi Ligu New Energy Co., Ltd. ("**Shanxi Ligu New Energy**")*. The two parties will make the most of their respective technological and industrial advantages in areas such as capital operation, carbon asset operation, channel resources, and the storage and transportation of hydrogen in organic liquids, as well as renewable energy. They will jointly build a full-chain technology system covering green hydrogen production, safe storage and transportation, industrial decarbonization, and green materials, contributing to the realization of the "dual carbon" goals.

(I) Basic Information of the Cooperation Partner

Shanxi Ligu New Energy was founded in June 2021. It focuses on the development and industrial application of complete sets of technologies for the storage and transportation of hydrogen in organic liquids and renewable energy technologies. Led by a national young talent, it has a deep industry-university research cooperation with East China University of Science and Technology and owns complete independent intellectual property rights. It has been selected as one of the "Top 20 Technology Enterprises with the Greatest Commercial Potential in the field of Carbon Neutrality in China"*, and as a leading entrepreneurial team in the "Nan Taihu Elite Plan"*. It has won the winning prize in the "Zhejiang division of the China Innovation and Entrepreneurship Competition"* and ranked among the top 30 in the "National Hydrogen Energy Competition"*. Its core technological advantages include:

1) **Toluene-Methylcyclohexane Liquid Organic Hydrogen Carrier ("LOHC"):** It is currently the only LOHC route in the world that is ready for large-scale commercialization conditions. Hydrogen is stored and transported in liquid form under ambient temperature and pressure, making use of existing petrochemical facilities without the need for building new infrastructure. The hydrogenation conversion rate is close to 100%, the purity of hydrogen after dehydrogenation reaches 99.87%, and the self-developed catalysts can operate continuously and stably for over 8,000 hours while maintaining an activity level of around 90%. The required capital investment for the project is relatively small and is economically leading; and

2) **Aqueous Phase Reforming of Methanol ("APRM") for Hydrogen Production:** Under low-temperature conditions of 180-210°C, the methanol conversion rate exceeds 99.5%, the hydrogen purity is 99.99%, and the carbon monoxide ("**CO**") content is less than 10 ppm. The hydrogen can be used directly in fuel cells without complex purification. The energy consumption is reduced by more than 40% compared with traditional technologies. The catalyst can operate stably for more than 600 hours, and the comprehensive hydrogen production cost is significantly lower than that of water electrolysis and externally purchased high-pressure hydrogen; and

3) **Steam Reforming of Biomass Glycerol for Hydrogen Production**: Using crude glycerol, a by-product of biodiesel, as raw material, turning waste into treasure. The reaction temperature is 20% lower than that of traditional methods. The glycerol conversion rate is above 99.2%, the hydrogen purity is 99.99%, the carbon emission reduction rate exceeds 90%, and truly green hydrogen is produced at a cost lower than conventional green hydrogen production methods; and

4) **Hydrogenation of Biomass Furfural and Oil to Produce Sustainable Aviation Fuel ("SAF"):** It provides the furfural route from agricultural and forestry waste and the hydro-processed esters and fatty acids ("**HEFA**") route from waste oil. The total yield of aviation kerosene is above 88%, and the product meets the "ASTM D7566" international standard without the need to retrofit existing aviation fuel facilities. The carbon emission reduction rates are above 80% and approximately 60-70% respectively, thereby providing a low-threshold and high-efficiency green transformation path for the aviation industry and petrochemical enterprises.

(II) Main Contents of the Cooperation

1) **Green Hydrogen Production and Technology Application Promotion:** Jointly promote the optimization of technologies such as aqueous phase reforming of methanol for hydrogen production and biomass glycerol for hydrogen production, improve hydrogen production efficiency and reduce carbon emissions. Based on the first domestic 200 kg per day dehydrogenation pilot plant built by Shanxi Ligu New Energy (which has passed the national-level scientific and technological achievement appraisal and whose overall technology is internationally advanced), the two parties will accelerate the industrial scaling up and standardized product development of this technology; and

2) **Industrialization of Liquid Organic Hydrogen Carrier:** Relying on the Group's pipeline and logistics resources, promote the toluene-methylcyclohexane liquid organic hydrogen carrier technology, and use the existing petrochemical logistics system to achieve long distance, low cost and safe hydrogen storage and transportation. Jointly develop standardized products of dehydrogenation devices suitable for hydrogen source demands of different scales, give priority to implementing applications in regions such as the Yangtze River Delta and the Guangdong - Hong Kong - Macao Greater Bay Area, and explore scenarios for national hydrogen energy strategic reserves and international hydrogen energy trade; and

3) **Industrial Decarbonization and Green Material Expansion**: Combine the Group's Capital Capture, Utilization and Storage ("**CCUS**") technology and Shanxi Ligu New Energy's low carbon technology to provide customized industrial decarbonization solutions for industries such as chemicals, steel, refining and coking, achieving ten-thousand-ton level carbon emission reduction. Jointly promote the industrialization of technologies such as biomass-based 2,5-furandicarboxylic acid ("**FDCA**") material preparation and SAF, covering four application scenarios, including civil aviation fuel supply, petrochemical enterprise upgrading, comprehensive utilization of county-level biomass and high-value utilization of urban kitchen waste.

(III) Significance and Prospects of the Cooperation

This cooperation is of great significance in five dimensions: industrial upgrading, environmental protection, rural revitalization, urban governance and the green energy ecosystem.

1) **Facilitating the Low-Carbon Transformation of the Civil Aviation Industry and Consolidating International Competitive Advantages**: Provide SAF that meets the Carbon Offsetting and Reduction Scheme for International Aviation ("**CORSIA**") standards for airlines, solving the compliance problem of carbon emissions reduction for international flights. The products of the two production routes are fully compatible with the existing aviation fuel storage, transportation and refueling systems, eliminating the need for facility renovation and accelerating the large-scale application of SAF; and

2) **Empowering the Transformation of Traditional Petrochemical Industries and Activating New Momentum for Industrial Development:** According to the device foundations of different enterprises, offer two flexible technical routes, HEFA (suitable for refineries with hydrogenation units) and furfural (suitable for furfural plants with agricultural and forestry waste resources), to help traditional petrochemical enterprises rapidly achieve green upgrades and the implementation of SAF production capacity; and

3) **Promoting the Circular Utilization of County-level Biomass and Empowering Rural Revitalization and Green Development:** Set up miniaturized furfural devices in major agricultural production areas to locally convert agricultural and forestry waste, such as straws, solving the problem of burning pollution at the source, increasing farmers' income and contributing to rural revitalization; and

4) **Solving the Problem of Urban Solid Waste Treatment and Achieving High-value Recycling of Resources:** Set up HEFA devices in densely populated areas to locally convert waste cooking oil, replacing landfills and incineration, realizing a closed loop cycle of "urban solid waste green fuel aviation emissions reduction" and improving resource utilization efficiency; and

5) **Building a Green Energy Ecosystem and Seizing the Opportunity for Industry Development:** Through multi-scenario collaborative cooperation, the entire industrial chain of "agricultural and forestry waste/kitchen waste - biomass conversion - SAF production - civil aviation/petrochemical application" can be connected. This not only reduces dependence on fossil energy but also realizes the circular utilization of solid waste resources, promoting the green and low-carbon transformation of China's civil aviation, petrochemical, and solid waste treatment industries. At the same time, it seizes the technological and market opportunities in the global SAF industrialization race.

The Board believes that this cooperation aligns with the Company's carbon neutrality strategic layout. It helps to strengthen the Group's technological and industrial layout in the green hydrogen new energy industry and the field of industrial decarbonization, and enhance its core competitiveness and sustainable development capabilities. Shanxi Ligu New Energy's internationally advanced technologies in areas such as liquid organic hydrogen carrier, aqueous phase reforming of methanol for hydrogen production, glycerol for hydrogen production, and SAF form a strong synergy with the Group's capital, carbon assets, and channel advantages. This will assist the Group in expanding its green and low-carbon business territory and creating new profit growth points. The Board believes that the cooperation is in the interests of the Company and its shareholders as a whole.

* *For identification purposes only.*

By order of the Board
China Carbon Neutral Development Group Limited
Chen Yonglan
Chairman and Non-executive Director

Hong Kong, 8 April 2026

As at the date of this announcement, the Board comprises of Mr. Di Ling, Mr. Cheung Hiu Tung and Mr. Lu Xiangyong as the Executive Directors; Mr. Chen Yonglan, Mr. Geng Zhiyuan (with Mr. Chen Lei as his alternate) and Mr. Zhong Guoxing as the Non-executive Directors; and Mr. Wang Jiasi, Mr. Cao Ming and Ms. Qiao Yanlin as the Independent Non-executive Directors.