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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)

**SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO  
ANNUAL REPORT 2021**

Reference is made to the annual report of China Carbon Neutral Development Group Limited (the “**Company**”, together with its subsidiaries collectively known as the “**Group**”) for the year ended 31 December 2021 (the “**Year**”) dated 23 May 2022 (the “**Annual Report 2021**”). Unless otherwise defined, terms used herein shall bear the same meanings as defined in the Annual Report 2021.

The board (the “**Board**”) of directors (the “**Director(s)**”) of the Company wishes to provide the following additional information in relation to (1) the fundraising as disclosed in the sections “SUBSCRIPTION OF NEW SHARES” and “PLACING OF NEW SHARES” in the Management Discussion and Analysis; and (2) “SHARE OPTION SCHEME” as disclosed in Note 32 in Notes to the Consolidated Financial Statements of the Annual Report 2021.

**FUNDRAISING**

**SUBSCRIPTION OF NEW SHARES**

1. A total of 40,000,000 ordinary shares of the Company (“**Share(s)**”) were issued under the Subscriptions and their aggregate nominal value is HK\$400,000.
2. The net price of each Subscription Share was approximately HK\$4.80.
3. The closing price of the Shares was HK\$5.99 per Share, quoted on the Stock Exchange on 5 March 2021, being the last trading date immediately prior to the date of the subscription agreements of the Subscriptions.
4. The net proceeds from the Subscriptions (after deducting all applicable costs and expenses of the Subscriptions) was approximately HK\$192.0 million, of which HK\$60,000,000 was intended to be used for the general working capital of the Group and/or the repayment of the debts of the Group and was

fully utilized for the said intended use during the Year; and HK\$132,000,000 was intended to be used to develop the carbon neutral business and/or the exploration of other possible new business and was fully utilized for the said intended use during the Year.

## **PLACING OF NEW SHARES**

1. A total of 42,000,000 ordinary Shares were issued under the Placing and their aggregate nominal value is HK\$420,000.
2. The net price of each Placing Share was approximately HK\$5.45.
3. The closing price of the Shares was HK\$5.89 per Share as quoted on the Stock Exchange on 26 July 2021, being the date of the Placing Agreement.
4. The net proceeds from the Placing (after deducting the commission payable to the Placing Agent, professional fees and other related costs and expenses incurred in the Placing) was approximately HK\$ 229,100,000 (the “**Placing Proceeds**”). The Group intended to use and has already applied the Placing Proceeds (i) of approximately HK\$60,000,000 for investment in basic industries (carbon capture and forest carbon sinks) and carbon assets, development of industrial team, carbon assets and carbon informatization technology, as well as the related research and development; (ii) of approximately HK\$100,000,000 for repayment of the debts of the Group and improving the financial position of the Group; and (iii) of approximately HK\$69,100,000 for general working capital, and the Placing Proceeds were fully utilized as stated above during the Year.

## **SHARE OPTION SCHEME**

1. The total number of Shares available for issue under the Scheme is 20,000,000 Shares, representing approximately 6.55% of the issued Shares as at the date of the Annual Report 2021.
2. The Company has granted 7,900,000 share options during the Year and which were vested on 12 April 2022, of which 4,400,000 share options were granted to six individuals, being non-employees of the Group and each of them is a consultant and/or adviser to the Group (“**Consultant(s)**”). Each Consultant is an independent third party to the Company (as defined in the Listing Rules). The identity of, background of, services to be provided by, and expected benefits to the Group of each Consultant is set out below:

<b>Identity of the Consultant</b>	<b>Background of the Consultant</b>	<b>Number of share options Granted</b>	<b>Services provided by the Consultant</b>	<b>Expected benefits to the Group</b>
Consultant A: Ms. Ma Chao	Consultant A is the vice president of a media conglomerate and the chairman of the International Cultural and Economic Exchange Foundation* and	1,000,000	In respect of the development of the carbon neutral business of the Group, Consultant A leveraged her expertise and specialty to provide advice on carbon neutrality. Specifically,	Provide corresponding consulting services for the Group's media and financial investments so as to facilitate the development and management of the

	excels in resource integration.		she provided valuable solutions and suggestions on media and investment finance, including but not limited to the promotion of the Company's business with financial and social platforms and provision of strategies and advice on public relations, as to increase the popularity of the Company and enable the smooth development of the carbon neutral business.	Group's business, as well as bringing carbon neutral related business to the Group.
Consultant B: Mr. Zhang Xiaoqi	Consultant B is an expert in business, finance and accounting, and has extensive experience in investment management.	1,000,000	Consultant B has provided solutions, suggestions and services for financial investments and the development and management of new projects related to the carbon neutral business of the Group, including but not limited to provision of plans on fund raising activities, enabling the business to develop rapidly.	Provide corresponding services for financial investment and the development and management of new projects of the Group so as to facilitate the development and management of the Group's business, as well as bringing carbon neutral related business to the Group.
Consultant C: Mr. Guo Yi	Consultant C is the deputy director of the president's office of a comprehensive multinational investment consortium and has extensive experience in business negotiation.	300,000	Consultant C provided assistance in business negotiations and other matters related to the carbon neutral business of the Group, making outstanding contributions to the business.	Provide corresponding services for the Group's business development and management, so as to facilitate the Group's business development and management, as well as bringing carbon neutral related business to the Group.
Consultant D: Mr. Li Shu	Consultant D is the chief operating officer of a comprehensive multinational	500,000	Consultant D provided guidance and assistance to the Group's operations in respect of the Group's carbon neutral business	Provide corresponding services and suggestions on the operation and management of the

	investment consortium. He has extensive experience in overseeing corporate operations and establishing a unified operation and management policy.		and provided his professional advice on improving the management systems of the Group.	Group so as to facilitate the development and management of the Group's business, as well as bringing carbon neutral related business to the Group.
Consultant E: Mr. Zhuang Ting	Consultant E is the vice president of a comprehensive multinational investment consortium and has extensive experience in corporate operation and management.	800,000	Consultant E provided guidance and assistance to the Group's operations in respect of the Group's carbon neutral business and provided his professional advice on improving the management systems of the Group.	Provide corresponding services and suggestions on the operation and management of the Group so as to facilitate the development and management of the Group's business, as well as bringing carbon neutral related business to the Group.
Consultant F: Mr. Lam Chi Keong	Consultant F, an executive director of a property management company, has extensive experience in corporate management.	800,000	Consultant F provided guidance and assistance to the Group's operations in respect of the Group's carbon neutral business and provided his professional advice on improving the management systems of the Group.	Provide corresponding services and suggestions on the operation and management of the Group so as to facilitate the development and management of the Group's business, as well as bringing carbon neutral related business to the Group.

Each Consultant above is an eligible participant under the Share Option Scheme who has provided consultancy services and/or advice on the business development, financial investment or operational management of the Group and the share options granted were rewards to the Consultants. In addition, the Consultants continue to provide the Group with professional advice and/or guidance on the areas of business, fund raising, and operation and management (in terms of each Consultant's respective special skills or technical knowledge to fill any void experienced by the Group), as well as bring carbon neutral related business to the Group. Without affecting the operating costs of the Company, the grant of share options to the Consultants can provide an incentive and reward to motivate them to continue making their respective contributions to the Group and enable them to share in the results of the development of the Company at the same time. The Board believed that this would bring potential benefits to the Group.

The Board confirmed that the supplementary information provided in this announcement does not affect any other information contained in the Annual Report 2021 and, save as disclosed above, the content of the Annual Report 2021 remains unchanged.

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

Hong Kong, 10 August 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*