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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

CCNG and China Agricultural Sea Rice Signed Strategic Cooperation Agreement to Promote Demonstration Project for Saline-Alkali Land Management

This announcement is a voluntary disclosure made by China Carbon Neutral Development Group Company Limited ("the Company," collectively with its subsidiaries, "the Group").

The Board of Directors of the Company is pleased to announce that on 20 May 2025, the Group signed a Strategic Cooperation Framework Agreement with China Agriculture Sea Rice (Shenzhen) Biotechnology Company Limited ("China Agriculture Sea Rice"). China Agriculture Sea Rice is a company established as a joint venture by the Shenzhen Agricultural Genome Research Institute of the Chinese Academy of Agricultural Sciences. It is a leading enterprise in the research, development, and industrial application of salt-alkali tolerant crops. Its business scope includes utilizing specific germplasm resources of salt-alkali tolerant crops such as seawater rice (saline-alkali rice), conducting functional gene mining, breeding new varieties, researching cultivation models and techniques, comprehensive utilization of saline-alkali land, and innovating health functional foods. The company has been awarded titles such as a National High-Tech Enterprise, "Specialized, Refined, Characteristic, and Innovative" enterprise in Shenzhen, a key leading enterprise in agricultural industrialization of the Guangdong Province, and a leading agricultural enterprise in Xinjiang Autonomous Region, with remarkable technological strength and industry standing.

As a leader in the research, development, and industrial application of salt-alkali tolerant crops, China Agriculture Sea Rice possesses original germplasm resources, core technologies, and industrial capacity for crops including salt-alkali tolerant rice, wheat, and soybeans. It has accumulated 27 patents and holds 8 national plant variety rights. It has established 33 bases across 12 provinces nationwide, with a seawater rice cultivation and promotion area of 500,000 mu. The average rice yield per mu is 670-850 kg, wheat yields exceed 800 kg per mu on average, and soybeans average 422.1 kg per mu. Its technological achievements have been inspected over a hundred times by party and national leaders, and its innovative practices have been extensively reported by central media such as China Central Radio and Television, and Xinhua News Agency.

According to the policies outlined in the "Opinions on Promoting the Comprehensive Utilization of Saline-Alkali Land" (Document No. 44 [2023] by the General Office of the CPC Central Committee and the General Office of the State Council), China's current arable land red line is 1.8 billion mu, with approximately 1.5 billion mu of saline-alkali land stock. Of these, about 500 million mu have potential for comprehensive utilization, which is of great significance for ensuring food security and achieving the strategic goals of "carbon peaking and carbon neutrality". The comprehensive management of saline-alkali land not only helps expand arable land resources but also significantly enhances carbon sequestration of the ecosystem through vegetation and soil improvement, thereby actively supporting the realization of the "carbon peaking and carbon neutrality" objectives.

The agreement between the Group and China Agriculture Sea Rice stipulates that both parties will uphold the principles of "joint construction and sharing, mutual benefit, and win-win cooperation", engaging in comprehensive strategic collaboration in areas including ecological management of saline-alkali land, cultivation of salt-alkali tolerant crops, development of carbon sink assets, and industrial demonstration and promotion. Both sides plan to implement phased projects, starting in 2025 with the launch of a 1 million mu of saline-alkali land improvement in core areas domestically, and in the medium to long term, they aim to expand the scope of saline-alkali land utilization and carbon sink restoration projects to a total of 200 million mu domestically and internationally. Regarding talent development for carbon neutrality, both parties will jointly promote the training of professional talents in agricultural carbon management. The Group will collaborate with China Agriculture Sea Rice to support government and related enterprise initiatives to establish scientific and standardized carbon neutrality management teams, thereby empowering local green development and industrial transformation.

Under the terms of the agreement, the Group and China Agriculture Sea Rice will be strategic partners. Their cooperation will include, but is not limited to equity investments and ecological governance business collaborations. The Group is also expected to make strategic investments in China Agriculture Sea Rice.

This collaboration further expands the Group's industry presence in the field of carbon neutrality. Improving saline-alkali land can increase soil carbon storage and reduce greenhouse gas emissions. The accumulation of calcium carbonate in alkaline soils forms a stable inorganic carbon reservoir, providing strong support for the "carbon peaking and carbon neutrality" strategies. Various measures in land improvement can enhance soil carbon sink functions, promote green ecological construction and industry development, and generate significant opportunities for carbon sink reserve development, thereby becoming a new engine for the Group's business growth. Through technological innovation, data-driven approaches, and in-depth project implementation, the transformation of saline-alkali land from an "ecological negative asset" into a "carbon sink positive asset" will be achieved, improving regional green ecological construction levels and enriching the Group's applications in carbon asset development, trading, planning, green finance, and ESG disclosures.

The Board believes this strategic cooperation will accelerate the commercialization of innovative saline-alkali land management technologies, establish a sustainable carbon sink development and operation system, and strengthen the Group's core competitiveness in green and low-carbon transformation. It will also lay a solid foundation for the Company's long-term and stable business growth and financial returns on the global carbon neutrality track, ultimately safeguarding the overall interests of the Company and its shareholders.

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

Hong Kong, 22 May 2025

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 (Mr. Wang Guangzu as his alternate) and the Independent Non-executive Directors are Mr. Cao Ming, Mr. Wang Jiasi and Ms. Qiao Yanlin.