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(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1372)

VOLUNTARY ANNOUNCEMENT

**The Group has jointly established Global Carbon Asset Investment Management, Ltd.
in collaboration with BRICS Capital**

This announcement is made by China Carbon Neutral Development Group Limited (the “**Company**”, collectively with its subsidiaries, the “**Group**”) on a voluntary basis to inform the Company’s shareholders and potential investors of the latest business developments of the Group.

The Board of Directors of the Company is pleased to announce that the Group has jointly established Global Carbon Asset Investment Management, Ltd. in collaboration with BRICS Capital Management Limited (“**BRICS Capital**”).

BRICS Capital is headquartered in Hong Kong, with offices in Beijing and Shenzhen. BRICS Capital focuses on investment strategies supported by high-quality project pipelines, differentiated competitive advantages, and an experienced investment team. It prioritizes investment in countries and regions along China’s “Belt and Road” initiative, aiming to create maximum investment returns for investors while serving national strategies and real economy development.

The establishment of a global carbon asset investment fund, focusing on investments in carbon assets and carbon reduction technologies, will become a key financial instrument to drive the global carbon neutrality process.

I. Fund's Positioning and Vision

- Positioning: The Fund is a global private equity/venture capital fund oriented towards impact investing, with a focus on carbon valorisation and deep decarbonisation sectors.
- Vision: Through strategic capital deployment, the Fund aims to accelerate the global transition to carbon neutrality, generating long-term financial returns for investors while delivering measurable and verifiable positive environmental impacts

II. Investment Strategy and Core Focus

The Fund will adopt a “dual-drive” strategy to balance short-term needs with the disruptive potential of long-term technologies.

1. Carbon Asset Investment ("Spot" and "Futures" Phases): This phase aims to capture current value in carbon markets and provide liquidity.
 - Primary Market Development: Direct investment in high-quality carbon reduction projects globally, especially in developing countries (e.g., REDD+ forestry projects, renewable energy plants, methane capture, improved agricultural practices), assisting in the development and generation of certified carbon credits (such as Verified Carbon Standard, -VCS, Gold Standard-GS, etc.).
 - Secondary Market Trading and Holding: Trading and holding of carbon allowances (e.g., European Union Allowances-EUAs) and carbon credits globally, leveraging cross-market and cross-tenor strategies to generate returns and build a diversified carbon asset portfolio.
 - Carbon Asset Management and Financial Services: Investment or establishment of platform companies engaged in carbon asset custody, carbon credit pledge financing, carbon insurance, carbon forward contracts, and other financial services to address current market liquidity shortages and financing challenges.
2. Investment in Emerging Carbon Reduction Technologies (“Innovation” and “Growth” Phases). The Fund’s strategy targets investment in technologies capable of driving fundamental transformation and capturing exponential growth opportunities.
 - Energy Alternatives: Next-generation solar photovoltaic and wind power technologies; low-cost long-duration energy storage (such as solid-state batteries and compressed air energy storage); green hydrogen full industry chain (production, storage, transportation, and utilization).

- **Electrification and Energy Efficiency:** Electric vehicles and charging ecosystems, electric aviation, green steel (hydrogen-based direct reduction), low-carbon cement, smart grids, and virtual power plants.
- **Carbon Capture, Utilization, and Storage (CCUS):** Point-source carbon capture technologies, Direct Air Capture (DAC), carbon utilization (synthetic fuels, chemicals), and biochar.
- **Digitalization and Monitoring, Reporting & Verification (MRV):** Application of Internet of Things (IoT), Artificial Intelligence (AI), and blockchain technologies to enhance the efficiency and credibility of carbon footprint monitoring, reporting, and verification processes, which are foundational to the functioning of carbon markets.

III. Significance of the Fund

1. Significance to Global Climate Governance

- **Provision of Critical Capital:** Filling the funding gap for carbon reduction projects in developing countries, aiding them in achieving their Nationally Determined Contributions (“NDC”) targets.
- **Acceleration of Technology Commercialization:** Providing growth capital to breakthrough carbon reduction technologies with high potential in laboratories, facilitating rapid commercialization and large-scale application.
- **Enhancement of Carbon Market Effectiveness:** By offering liquidity and a diversified range of financial products, strengthening the price discovery function of carbon markets, enabling carbon prices to better reflect the real cost of emissions reductions, thus effectively guiding resources towards emissions reduction.

2. Significance to Investors

- **Positioning Core Future Assets:** Carbon allowances and carbon credits — emerging as new commodities under tightening global carbon constraints — possess significant appreciation potential; carbon reduction technology companies are future industry leaders.
- **Achieving Excess Returns:** Early-stage investments in innovative technologies are expected to yield venture capital-level returns. Carbon assets themselves exhibit strong counter-cyclicality and unique market volatility opportunities.
- **Optimization of Investment Portfolios:** Carbon assets have low correlation with traditional assets (stocks, bonds), providing effective portfolio diversification and hedging against the “stranded asset” risk faced by high-carbon assets.

- Meeting ESG Requirements: The Fund serves as a pure ESG and impact investing vehicle, significantly aiding institutional investors (such as pension funds and sovereign wealth funds) in fulfilling their net-zero investment commitments.

3. Significance to Industry and Economy

- Sending Clear Price Signals: The Fund's large-scale investments will send a strong signal to the market, attracting more capital into the low-carbon sector.
- Reducing Global Emission Reduction Costs: Through investment and technological innovation, the Fund aims to continuously lower the cost curves of renewable energy, energy storage, and other technologies, making the global carbon neutrality transition more economical and smoother.
- Creating Green Employment: Projects and companies invested by the Fund will generate a large number of high-skilled green jobs globally.

IV. Key Success Factors and Challenges

- Top-tier Interdisciplinary Team: The Fund requires a multidisciplinary team combining expertise in financial investment, carbon market policies, cutting-edge technology insights, and project development management.
- Strong Policy Interpretation Capability: The value of carbon assets heavily depends on global policy frameworks, and the Fund must be able to accurately anticipate policy trends.
- Outstanding Technical Due Diligence: The Fund must identify leading carbon reduction technologies from a vast array of options that have genuine commercialisation potential and scalability.
- Establishment of a Global Collaboration Network: Building strong relationships with governments, developers, exchanges, and research institutions to secure high-quality project pipelines and trading opportunities.
- Addressing Challenges: The Fund must manage risks from policy uncertainties, carbon market volatility, technology failures, and ethical risks in the Monitoring, Reporting and Verification (MRV) processes.

The Board believes that the establishment of the Global Carbon Asset Investment Fund leverages Hong Kong's unique advantages as an international financial center to build a capital bridge connecting carbon markets across different regions. With capital flowing towards the low-carbon sector, high-carbon industries and enterprises will be compelled to undergo green technological transformation, thereby accelerating the green and low-carbon transition of the broader economic structure. This initiative represents a strategic layout focused on the core trajectory of global economic development over the coming decades. It skillfully combines addressing humanity's most urgent climate challenges with capturing the greatest scale of commercial value. The Fund serves as both a builder of "lucid waters and lush mountains" and a harvester of "gold and silver mountains." Such a fund is poised to become a flagship channel for directing global capital towards green industries, an accelerator for achieving the goals of the Paris Agreement, and ultimately one of the most influential investment instruments of our era.

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

Hong Kong, 26 August 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 are Mr. Geng Zhiyuan (Mr. Wang Guangzu as his alternate) and Mr. Chen Yonglan; and the Independent Non-executive Directors are Mr. Cao Ming, Mr. Wang Jiasi and Ms. Qiao Yanlin.