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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)*

CONNECTED TRANSACTION IN RELATION TO PROPOSED ISSUE OF CONVERTIBLE BONDS UNDER SPECIFIC MANDATE

Reference is made to the announcement of China Carbon Neutral Development Group Limited (the “**Company**”) dated 30 May 2025 in relation to, among other things, the proposed issue of convertible bonds under specific mandate (the “**Announcement**”). Unless the context requires otherwise, capitalised terms used herein shall have the same meanings as those defined in the Announcement.

EXTENSION OF LONG STOP DATE OF THE SUBSCRIPTION AGREEMENTS

As disclosed in the Announcement, if the conditions precedent to the Subscription Agreements are not fulfilled (or waived, as the case may be) by 31 October 2025 (the “**Long Stop Date**”), the Subscription Agreements will terminate and cease to have any effect. As additional time is required for the fulfilment of the conditions precedent to the Subscription Agreements, on 31 October 2025, the Company and the Subscribers agreed in writing to extend the Long Stop Date to 31 December 2025 (or such other date as the parties may agree in writing). Save as disclosed above, all other terms and conditions of the Subscription Agreements remain unchanged and shall continue in full force and effect.

LISTING RULES IMPLICATIONS

As disclosed in the Announcement, the issue of the Convertible Bonds is for settlement of the Indebtedness. The Board would like to provide further information in relation to the Indebtedness as follows.

During January 2023 and August 2024, to address the Company’s operational and financial requirements, the Company obtained loans from certain creditors (the “**Original Creditors**”). During 2 January 2025 and 30 April 2025, Green Assets and Green Securities, the Subscribers, acquired debts from the Original Creditors in an aggregate principal amount of approximately HK\$47.5 million and HK\$29.8 million, respectively (the “**Loan Arrangement**”). The Original Creditors included certain connected persons of the Company, along with other third parties independent of the Company and its connected persons.

The proposed issuance of the Convertible Bonds at a discount to the Subscribers is intended to offset the Indebtedness, part of which was acquired by the Subscribers from the Original Creditors (including,

but not limited to, the Company's connected persons). As a result, when considering the Loan Arrangement and the issuance of the Convertible Bonds as a whole, the Subscribers are deemed connected persons under Chapter 14A of the Listing Rules.

Therefore, the proposed issue of the Convertible Bonds to the Subscribers constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules, and is therefore subject to the reporting, announcement, circular, independent financial advice and independent shareholders' approval requirements pursuant to Chapter 14A of the Listing Rules.

The independent board committee of the Company (the "**Independent Board Committee**") has been established, comprising all the independent non-executive Directors, to advise the Shareholders who are not required to abstain from voting at the EGM for the relevant resolutions with respect to the Subscription Agreements and the transactions contemplated thereunder (the "**Independent Shareholders**"), including but not limited to the issue of the Convertible Bonds, the allotment and issue of the Conversion Shares, and the grant of the Specific Mandate. Veda Capital Limited has been appointed as the independent financial advisor (the "**IFA**") to advise the Independent Board Committee and the Independent Shareholders in this regard.

A circular containing, among other things, (i) further information of the Subscription Agreements including the background thereof; (ii) the recommendation of the Independent Board Committee to the Independent Shareholders in relation to the Subscription; (iii) the advice of the IFA to the Independent Board Committee and the Independent Shareholders in relation to the Subscription; and (iv) a notice of the EGM, is expected to be despatched to the Shareholders on or before 10 December 2025 in accordance with the Listing Rules.

Completion of the Subscription Agreements is subject to the satisfaction (or waiver, as the case may be) of the conditions precedent therein. As the Subscription may or may not proceed, Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares and other securities of the Company.

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

Hong Kong, 31 October 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 Directors are Mr. Chen Yonglan and Mr. Geng Zhiyuan (Mr. Wang Guangzu as his alternate) and the independent non-executive Directors are Mr. Wang Jiasi, Mr. Cao Ming and Ms. Qiao Yanlin.