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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)

COMPLETION OF ISSUE OF CONVERTIBLE BONDS UNDER SPECIFIC MANDATE

This announcement is made by China Carbon Neutral Development Group Limited (the “Company” and, together with its subsidiaries, collectively the “Group”). Reference is made to the announcement of the Company dated 30 May 2025 and 31 October 2025 (the “Announcement”) in relation to the issue of Convertible Bonds under the Specific Mandate. Unless otherwise defined herein, capitalized terms used in this announcement shall have the same meaning as defined in the Announcement.

COMPLETION OF THE ISSUE OF CONVERTIBLE BONDS

The Board is pleased to announce that the Conditions Precedent under the Subscription Agreements have been fulfilled and Closing took place on 14 January 2026. Upon Closing, the Convertible Bonds in the principal amount of HK\$57,659,479.52 have been issued by the Company to the Subscribers in accordance with the terms of the Subscription Agreements.

REASONS FOR AND BENEFITS OF THE ISSUE OF THE CONVERTIBLE BONDS

The Group is principally engaged in (i) global carbon neutral business, focusing on trading of carbon-credit assets, carbon credit and carbon asset development, management and investment in carbon neutral related fields and carbon consulting and planning; and utilising a blockchain-based dual-carbon digital control platform to connect and mobilise the entire dual carbon chain resource to support the sustainable development of the dual-carbon economy; (ii) a green development platform based on “Green Finance Open Platform” to provide ESG related services; and (iii) civil engineering works, building construction and maintenance works.

Pursuant to the terms of the Subscription Agreements, the Convertible Bonds will be settled over the period of two years. This arrangement aims to alleviate immediate repayment pressure and effectively address the Company's concern on immediate cashflow by spreading out the repayment of the Indebtedness over a longer term. Furthermore, the Settlement and Offset Agreements endeavour to enhance the Company's financial standing by converting the current liabilities into non-current liabilities, thereby allowing for greater flexibility in the allocation of financial resources towards business development. The Subscription offers an immediate resolution to the Company's Indebtedness by directly offsetting liabilities without requiring cash outflows.

As mentioned above, the issue of the Convertible Bonds is for settlement of the Indebtedness on a dollar-for-dollar basis. There will not be any proceeds from the issue of the Convertible Bonds. The Company engaged in discussions with the Subscribers regarding the possibility of applying a discount to the Indebtedness for issuing of the Convertible Bonds. However, the Subscribers were unwilling to agree to such a discount, as they considered the Loan Arrangements to be a commercial transaction conducted at their own risk and expense. The Subscribers emphasized that the settlement of the Indebtedness with the Convertible Bonds should be based on the full face value of the Indebtedness.

In view of the above, the Directors (in respect of Mr. Di Ling, he has expressed his views although he has abstained from voting) consider that the terms of the Subscription Agreements and the Convertible Bonds are fair and reasonable and are in the interest of the Company and the Shareholders as a whole.

EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

The shareholding structure of the Company (i) as at the date of this announcement; and (ii) upon full conversion of the Convertible Bonds (assuming that there is no change in the issued share capital of the Company from the date of this announcement up to the date of full conversion of the Convertible Bonds, and at the Conversion Price without any adjustments) are set out as follows:

	As at the date of this announcement		Upon full conversion of the Convertible Bonds (Note 1)	
	<i>Number of Shares</i>	<i>Approximate %</i>	<i>Number of Shares</i>	<i>Approximate %</i>
Green Securities Group Limited <i>(Note 2)</i>	-	-%	108,693,173	12.80%
Green Assets Management Limited <i>(Note 2)</i>	-	-%	97,233,539	11.45%
Quick Tycoon Limited <i>(Note 3)</i>	89,255,000	13.88%	89,255,000	10.51%
China Eco Fund Investment Limited <i>(Note 3)</i>	40,000,000	6.22%	40,000,000	4.71%
Mr. Sha Tao <i>(Note 3)</i>	27,299,000	4.25%	27,299,000	3.22%
Mr. Chai Ming	40,000,000	6.22%	40,000,000	4.71%
Mr. Geng Zhiyuan <i>(Note 4)</i>	22,000,000	3.42%	22,000,000	2.59%
Mr. Chen Yonglan <i>(Note 4)</i>	10,000,000	1.56%	10,000,000	1.18%
Public Shareholders				
Other Public Shareholders	414,406,000	64.45%	414,406,000	48.83%
Total	642,960,000	100%	848,886,712	100%

Notes:

- Assuming there will be no other change in the number of issued Shares between the Latest Practicable Date and the date of the conversion of the Convertible Bonds save for the allotment and issue of the Conversion Shares. Certain figures and percentage figures included in the above table have been subject to rounding adjustments.
- If the Conversion Shares are fully converted at the initial Conversion Price, Green Securities, Green Assets and Mr. Wu Mingming will be the substantial shareholders of the Company.

3. Both Quick Tycoon Limited and China Eco Fund Investment Limited are wholly owned by China Eco Investment Limited, a company which is wholly owned by Mr. Sha Tao. Mr. Sha Tao was deemed by virtue of the SFO to be interested in 156,554,000.

4. Mr. Geng Zhiyuan and Mr. Chen Yonglan are non-executive Directors of the Company.

Accordingly, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

By order of the Board

China Carbon Neutral Development Group Limited

Chen Yonglan

Chairman and Non-executive Director

Hong Kong, 16 January 2026

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