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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

SIGNING CARBON CREDITS TRANSACTIONS AGREEMENT WITH PETROSINGAPORE

This announcement is made by China Carbon Neutral Development Group Limited (the “**Company**”, together with its subsidiaries collectively known as the “**Group**”) on a voluntary basis to provide updates on the Group’s business development to the Company’s shareholders and potential investors.

The board of directors of the Company (the “**Board**”) is pleased to announce that the Group has signed the carbon credits transactions agreement with PetroSingapore Holdings Pte Ltd (“**PetroSingapore**”) on 28 September 2022. PetroSingapore will purchase 2 million tons of high-quality carbon credits assets from the Group, all of which are emissions reductions under international VCS standard (“**VCU**”). The transaction will bring considerable revenue to the Group and is also one of the largest carbon emission reduction transactions in Asia. This is meaningful for promoting the development of the voluntary emission reduction market in Asia.

Subsequent to signing a memorandum of understanding with PetroSingapore on 12 May 2022, both parties continued to actively implement projects related to the global carbon market business. In 2022, Singapore announced to impose a carbon tax higher than the expectation of the market to provide a long-term financial support for its decarbonization. Singapore will gradually increase the carbon tax to SGD 25/tCO₂e in 2024, SGD 45/tCO₂e in 2026 and SGD 50-80/tCO₂e in 2030. And it is clearly stated that only carbon credit assets of VCS and GS standards can be used to deduct carbon tax. The policy provides finance to its decarbonization efforts, establishes a regional carbon market and brings forward its timeline for net-zero emissions. This policy has also made Singapore one of the first countries in Asia to implement carbon tax, which strongly encourages all enterprises to consider decarbonization and sent a strong intentional message to the market.

With the introduction of carbon credit markets in Singapore, Malaysia and Hong Kong, the demand and trading of carbon credits will develop rapidly. There will be greater opportunities for the Company’s carbon asset development and operation business and creating more financial returns.

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

Hong Kong, 29 September 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.