

2022 Combat Climate Change Global Action (COE)

China Combat Climate Change Industry alliance

2022.8.20

1. Background

In June 2022, the World Meteorological Organization released a report on the state of the global climate in 2022, in which it pointed out that the indicators and impacts of global climate change will further deteriorate in 2022. On August 3, 2022, the Blue Book on Climate Change in China (2022) was released. Global warming is still continuing, with wildfires raging in many parts of the world, high temperatures, abnormal droughts, dry rivers, floods, and frequent extreme weather. It is time for human society to seriously and practically respond to global climate change and take comprehensive actions.

2. Our carbon footprint

Jiang Zubin's carbon footprint:

origin: From 1997 to 2006, he applied for 11 patents in the series of "thermosetting luminescent powder coatings and their manufacturing methods" at the State Intellectual Property Office of the People's Republic of China. From 2001 to 2006, the series of research and development, testing, and national scientific and technological achievements appraisal of luminescence, energy storage, and lighting received funding from the National Innovation Fund.

Seeking: From 2006 to July 2009, from China, Dalian, Liaoning, Shanxian County, Guangdong, Shenzhen, Guangzhou, Changting, Fujian, Xiangyang, Hubei, and Xi'an, Shaanxi carried out urban building emission reduction and street lamp energy-saving renovation projects, and at the same time looking for project partners. In July 2009, 50,000 sets of low-carbon emission lighting systems were signed for the first time in Shanxian, Shandong. In July 2010, Shenzhen and Shenzhen Songhe Capital negotiated financing for low-carbon emission lighting terminal system. In December 2010, the top-level design of the regional carbon finance demonstration area was preliminarily completed, The top-level design of the construction of the global climate governance

system has been completed, and the construction of the global climate economy and financial system has been launched, and a global climate governance project partner has been sought in China.

Formation: Partner Mr. Ren Junling, we jointly initiated the establishment of Zutown International Climate Change Investment Holding Co., Ltd. and Zutown International Investment Co., Ltd. in Xi'an, Shaanxi Province.。

Ren Junling's carbon footprint:

Laying foundation: Entering the forestry industry in 1992, starting from the basic work, participating in the organization of seedling raising, seedling introduction, desertification and afforestation, forestry project planning, implementation of key projects, forestry project management, forest management, ecological industry development and forestry resource assessment, etc. In 1999, the forestry ecology-related business has been expanded to various cities in Shaanxi Province and Inner Mongolia, Ningxia, Gansu, Qinghai, Xinjiang, Shanxi, Hebei and other provinces.

Awakening: In the continuous work practice, I began to think about the relationship between man and nature, the dialectical logic of the unity of nature and man, the survival and development of human beings, and the sustainable and future... In order to further practice their own ideas, it was established in 2005 Shaanxi Yuancheng Green Engineering Co., Ltd. specializes in forestry ecology and green industry related business, explores the method of harmonious development between man and nature, constantly summarizes practical experience, and gradually realizes its own ideals.

Actions: In 2011, he became acquainted with Mr. Jiang Zubin, founded Zutown together, opened up the global climate change project business, and acted in concert with the international community.

Our carbon footprint:

In July 2009, 50,000 sets of low-carbon emission lighting terminal systems were signed for the first time in Shanxian, Shandong.

In March 2010, the low-carbon emission lighting terminal system was released. In November 2011, Zutown International Investment Co., Ltd. was established.

In January 2012, the top-level design of the regional carbon finance demonstration area was basically completed.

In 2012, Shanxian County, Shandong signed a 543,000-mu forest carbon sink project.

In January 2013, Yulin, Shaanxi signed a 5 million mu forest carbon sink cooperation project.

In January 2014, signed a high-tech agricultural project in Shanxian County, Shandong Province with Shaanxi Biying.

In March 2014, 1,500 mu of carbon sinks and high-yield walnuts were planted in the Shanxian project area of Shandong Province.

In May 2015, Zutown International Climate Change Investment Holdings Co., Ltd. and Zutown International Investment Co., Ltd. organized more than 200 enterprises to jointly initiate the establishment of the China Climate Change Industry Alliance.

In May 2016, the Xinjiang Kashgar Desert Control Project was officially signed.

In December 2016, the "Climate Sustainable Development Carbon Finance Economic Transformation Demonstration Zone Model" was formally established and promoted in China.

In March 2017, the project of Xiuyan Climate Sustainable Development Carbon Finance Economic Transformation Demonstration Zone in China was officially signed.

In March 2017, the China Xiuyan International Wetland (Forest Carbon Sink) Park project was officially signed.

In November 2018, China Xiuyan 200MW wind power project was officially signed.

In May 2019, signed a 3000MW photovoltaic power station project with Inner Mongolia Wanxin Energy Co., Ltd.

In May 2019, signed a 129,000-mu climate sustainable development carbon finance economic transformation demonstration zone project with Inner Mongolia Wanchuang Energy Co., Ltd.

In May 2019, signed a 419.48 square kilometers climate sustainable development carbon finance economic transformation demonstration zone project with Inner Mongolia CYTS Investment and Development Co., Ltd.。

3.ten years of development process

2011.9, Zutown International Climate Change Investment Holdings Co., Ltd. was established.

2011.11, Zutown International Investment Co., Ltd. was established.

2014.4, Shanxian Zutown International Eco-Industry Development Co., Ltd. was established.

2014.4, Shanxian Jinze Pension Manor Investment Co., Ltd. was established.

2014.9, Shaanxi Feiyan New Energy Development Co., Ltd. was established.

2015.5, initiated the establishment of the China Climate Change Industry Alliance.

2020.8, Xi'an Zutown Yunkong Environmental Monitoring and Management Co., Ltd. was established.

In December 2020, Beijing Zutown Environmental Management Co., Ltd. was established.

In November 2020, the shareholder BVI Zutown International Climate Asset Investment Co., Ltd. was established.

In November 2020, the strategic investment BVI Raisen Climate Investment Holdings Co., Ltd. was established.

In January 2021, the shareholder BVI yuancheng Green Engineering Co., Ltd. was established.

In February 2022, Liaoning Raisen Environmental Protection Technology Co., Ltd. was established.

4. Global Action Plan

1. Introduction to the alliance

Company Profile

Zutown positioning

Founder of China Climate Change Industry Alliance.

China's industrial investment operator in the field of climate change, the first domestic third-party environmental governance company engaged in climate environmental governance.

Designers, developers, investors, and operators of global climate sustainable development carbon finance economic transition demonstration zone projects.

Zutown Business

Professionally provide comprehensive solutions for the atmospheric environment system in response to global climate change, reducing greenhouse gas emissions.

Venture capital, equity investment and project investment in all fields including climate change, intelligent ecosystem, clean mechanism, new energy, digital management of urban energy systems, and low-carbon energy-saving systems.

Alliance Purpose

Leading by carbon finance, accelerate the development of low-carbon industries, reduce greenhouse gas emissions, innovate industrial development models, and advocate the return of human beings to nature.

Alliance goals

Actively pay attention to climate change trends, promote the development of climate change industries, and promote the win-win development of regional economic and social benefits. Contribute to the industrial development model.

Alliance position in China and around the world

Up to now, the alliance is the world's largest investment operator alliance in the field of climate change.

The Alliance is the global initiator, promoter and practitioner of climate economics and carbon finance to promote the practice, implementation, operation and operation mechanism of regional economic development.

The alliance is an independent designer and promoter of the Chinese model and Chinese plan under the global 1.5°C warming control framework of "'Lucid Waters and Lush Mountains" are "Golden Mountains and Silver Mountains" Climate Sustainable Development Carbon Finance Economic Transformation Demonstration Zone, and promotes natural Living in harmony with mankind and participating in building a community of shared future for mankind is a historical mission

In the future, the Alliance will continue to practice the great practice of climate sustainable development, and will surely become a leader in the direction of sustainable development in the field of global climate change and a promoter of practical experience in climate sustainable development. Strive for the great ideal of building a community with a shared future for mankind

2. Action Plan for Global Climate Governance

Design the "Climate Sustainable Development Carbon Finance and Economic Transformation Demonstration Zone "'Lucid waters and lush mountains are invaluable assets", and provide the Chinese model and Chinese plan for the "1.5°C

Temperature Increase Control Demonstration Zone"

① . Plan ideas: Introduce climate sustainable development, environmental governance, carbon emission, and carbon financial management systems, and adopt the investment and construction model of PPP+fund+CCER+CDM+EMC. From the top-level design, demonstrate the park construction and climate sustainable development carbon Combined with the economic transformation of financial regions, carry out comprehensive management of carbon assets operation in the whole process of the project, tap the environmental benefits of the whole region, and improve the operation and layout of regional economic transformation for climate sustainable development.

②. Program requirements: From the top-level design, "lucid waters and lush mountains" are the specific practical operation mode of "golden mountains and silver mountains". The construction of the demonstration park should be based on the protection and restoration of biodiversity, forest and terrestrial ecosystems, freshwater resources, and marine and marine ecosystems, sustainable agriculture and food system safety, improving green infrastructure, and continuing to promote sustainable and coordinated economic, social, and environmental development, and embark on a sustainable development path with Chinese characteristics.

③. Purpose of the plan: To implement CCER development in the whole region, store carbon emission indicators, establish a carbon financial system, build a demonstration park for carbon financial economic transformation, and build a zero-carbon emission economic transformation demonstration park.

Zutown strategic plan

Zutown: Building the first share of the global climate change industry

Zutown future system composition

China's Climate Change Industry Alliance, the number of alliance members increased to 1,000

Daqinling Tian-Earth Integrated Climate Change System Comprehensive Platform

Global Financing Platform: Forming a Global Climate Change Financing Company

Global Data Platform: Build a Smart City Data Center in a Global Demonstration

Area

Global Management Center: Establishing a Global Project Management Center

Affiliated companies: set up a complete system supporting company

200 global partners and 50 global project investors

Cooperative institutions: 100 government agencies at all levels, international organizations, academic institutions, and third-party service agencies

Global Emissions Exchange: 20 partners

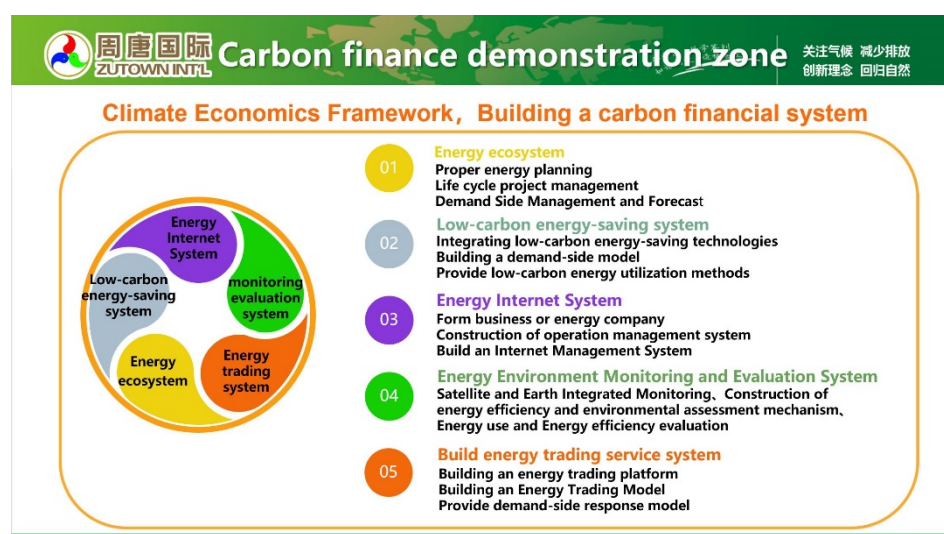
Listing institution: Frankfurt Stock Exchange

Financial institutions: 30 global cooperative banks, 10 cooperative funds, and 10 established funds of not less than 10 billion

Project expansion: 40 regional projects in China, 20 countries worldwide, benefiting 60 million people, emission control area of 500,000 km², CO₂ emission reduction of 4.89 trillion tons; expansion of clean energy power generation by 30000MW, CO₂ emission reduction of 29.8 million tons/ year

3. Building a global climate governance system

①. carbon financial system:



②. Construction of the government's climate change financial system

③. Construction of climate change management system

④. Construction of climate change monitoring system

⑤. Construction of climate change legal system

5. Global capital market layout

1. Global capital market financing planning

Parent company—Zutown International Climate Change Investment Holdings

Co., Ltd.

Listing on the Frankfurt Stock Exchange (30 April 2023)

Hong Kong Stock Exchange (30 September 2023)

Zutown International Investment Co., Ltd.

Listing on the Science and Technology Innovation Board (March 30, 2023)

Subsidiary—Shanxian Zutown International Ecological Industry

Development Co., Ltd.

Listed on the Nasdaq Stock Exchange (September 30, 2023)

Shanxian Jinze Pension Manor Investment Co., Ltd.

Listed on the Nasdaq Stock Exchange (March 30, 2024)

Jingbian Feiyan New Energy Co., Ltd. (no plan yet)

Xi'an Zutown Operation Control Environmental Monitoring and
Management Co., Ltd. (no plan yet)

Beijing Zutown Environmental Management Co., Ltd. (domestic equity
company, no plans yet)

China Climate Change Industry Alliance (Association of Zutown
International Climate Change Investment Holdings Co., Ltd.)

2. Overseas capital market:

The main body of the parent company is listed on the main board in Frankfurt, Germany.

At present, BVI companies Leidian Climate Investment Holdings Co., Ltd., Zutown Climate Assets Investment Co., Ltd., and Yuancheng Green Engineering Co., Ltd. have been established.。



3. Company valuation



Explanation:

1. The project's emission control area is 8737km², the land soil organic carbon carbon emission reduction is 9780 tons / km², the total emission reduction is 85.458 million tons; the land soil inorganic carbon emission reduction is 6370 tons / km², the total emission reduction is 55.698 million tons Total 114.156 million tons
2. The average transaction price of the Chinese carbon market is 30 yuan, and the average transaction price of the European carbon market is 30 euros.
3. Comprehensive income such as construction, transportation, industry, agriculture, industrial projects, industrial funds, and government subsidies are not included



Explanation:

1. 1MW of photovoltaic power generation reduces 994 tons per year, Inner Mongolia photovoltaic power station 3000MW, annual reduction of 2.982 million tons; wind power 1MW reduction of 1,713 tons, Inner Mongolia 20MW of wind power generation, annual reduction of 2.6 million tons; Xuyuan wind power generation 20MW Annual reduction of 2.6 million tons
2. The average transaction price of the Chinese carbon market is 30 yuan, and the average transaction price of the European carbon market is 30 euros.
3. Forestry carbon sinks are 5.55 million mu, and the annual carbon sink is 1.11 million mu. The carbon sink is 57.46 tons / km², and the total carbon sink is 212,600 tons.
4. Comprehensive income from construction, transportation, industry, agriculture, industrial projects, industrial funds, government subsidies, etc. are not included

project	Trading area	first year income	second year income	Third year income	Fourth year income	5th year income	Five years total
Neimenggu Wind Power	Europe (100 million euros)	0.78	0.78	0.78	0.78	0.78	3.9
Xiuyan Wind Power	Europe (100 million euros)	0.78	0.78	0.78	0.78	0.78	3.9
Neimenggu photovoltaic power generation	Europe (100 million euros)	0.89	0.89	0.89	0.89	0.89	4.45
data center	Europe (100 million euros)	0.02	0.02	0.06	0.06	0.06	0.22
tota		1.86	1.86	1.9	1.9	1.9	9.42

Explanation:

1. The electricity price is calculated at 0.3 yuan / kwh. Inner Mongolia photovoltaic power station is 3000MW, generating 3.6 billion kwh per year, Inner Mongolia wind power is 20MW, Xiuyan wind power is 20MW, and the average annual power generation is 600 million kwh.
2. Calculation of RMB-Euro exchange rate: 1 Euro = RMB 7.778
3. Comprehensive income such as construction, transportation, industry, agriculture, industrial projects, industrial funds, and government subsidies are not included

project	Trading area	first year income	second year income	Third year income	Fourth year income	5th year income	Five years total
Carbon futures	Europe (100 million euros)	42.3					42.3
clean energy	Europe (100 million euros)	1.86	1.86	1.9	1.9	1.9	9.2
data center	Europe (100 million euros)	0.02	0.02	0.06	0.06	0.06	0.22
Project operation carbon futures	Europe (100 million euros)	2.51	2.51	2.51	2.51	2.51	12.55
tota		44.18	1.88	1.96	1.96	1.96	64.27

illustrate:

The full range of income from construction, transportation, industry, agriculture, industrial projects, industrial funds, government subsidies, etc. is not included

project	Trading area	first year income	second year income	Third year income	Fourth year income	5th year income	Five years total
climate economy	Europe (100 million euros)	44.18	1.88	1.96	1.96	1.96	64.27
climate friendly materials	Europe (100 million euros)	21.65	25.99	31.18	37.42	44.90	161.14
Climate Change Management and Commercial Aerospace	Europe (100 million euros)	28.44	42.66	63.99	92.43	113.76	341.28
tota	Europe (100 million euros)						566.69

illustrate: no

4. Fundraising plan



Fundraising plan

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Contracted Futures Assets in Project Areas of Five Provinces and Cities

7 Demonstration Areas (11 Projects):
Shan County, Shandong Province
Yulin City, Shaanxi Province
Xiuyan County, Liaoning Province
Dalat Banner, Inner Mongolia
Kashgar, Xinjiang Autonomous Region
Total control area: 8737 square kilometers
CO₂ emission reduction: 141.156 million tons
Carbon futures valuation: 4.23 billion yuan in the Chinese market
European market 4.23 billion euros

Remark:

1. The value of carbon futures placed in this raised capital is 4.23 billion euros, which is part of the estimated revenue of 64.27 in the climate economy segment of the company's three major business segments (see the table on page 78 of the business plan for details).
2. The company's three main business segments: climate economy segment, climate-friendly materials segment, climate change management and commercial aerospace segment total valuation 56.669 billion euros (see table on page 79 of the business plan).

Fundraising plan

According to the trading price of 30 euros per ton of carbon dioxide emission reduction in Europe, and only based on the carbon sink of soil carbon sequestration, the futures assets that have been formed are 4.23 billion euros (excluding vegetation buildings, transportation, industry, agriculture, new energy, Income from emission reductions of industrial projects and income from industrial funds, government subsidies, and gross ecological production), placed in Zhoutang International Climate Change Investment Holding Co., Ltd., a German listed main company (the company's total share capital is 2 billion shares), and the valuation per share 2.11 euros, offering at 2.75 euros per share, additional issue 10% of outstanding shares, i.e. 200 million outstanding shares, to raise funds 550 million euros.



Equity Income Analysis

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Analysis of Equity Income of Futures Assets in Project Area

1. The total emission reduction of soil organic carbon + inorganic carbon in the project area is 141.156 million tons, the domestic carbon trading market is valued at 4.23 billion yuan, and the European market is valued at 4.23 billion euros
2. The company is anchored in the European listing, calculated at a price-earnings ratio of 30 times, with a valuation of 126.9 billion euros after listing yuan, 63.45 euros per share, then the investment gain will increase by $63.45 / 2.75 = 23$ times
3. Valuation space: The above only calculates the market valuation of the regional soil CO₂ emission reduction, plus the expected emission reduction and expected income of the project, the valuation reaches 6.427 billion euros, and the post-listing valuation is 1928.1 100 million euros, 96.4 euros per share, real gain on equity $96.4 / 2.75 = 35$ times
4. Expansion expectations: The project area vegetation, buildings, transportation, industry, agriculture, new energy, the emission reduction income of industrial projects and the income of industrial funds, government subsidies, and gross ecological production are not included, and the expected expansion of the project is huge, which will increase by more than 50 times on the basis of the expected listing valuation
5. High-speed development period: The total revenue of the three major business segments is valued at 56.669 billion euros, then the post-listing valuation is 1.70007 billion euros, 850.04 euros per share, and the actual equity gains will increase $850.04 / 2.75 = 309$ times



5. Fund use plan:



Fundraising sources and directions of use

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A total of 10 strategic investors (PE/VC) have been raised for the following directions. Each investor transfers 1% of the equity for 55 million euros, with a total of 550 million euros.

1. Energy, industry, urban transportation, construction: implement all-round ecological low-carbon digitalization and renewable energy transformation or construction in the above fields, effectively manage and collect operational data, design urban energy management models, and establish urban energy operation management systems, to assist local governments to actively participate in global action against climate change, and to commit to low-carbon economic development to achieve regional carbon neutrality
2. Business and business cooperation: help business enterprises formulate climate policies and carbon dioxide emission reduction plans, evaluate environmental impacts, reduce energy consumption costs, and improve energy efficiency
3. Clean Power Action: Slow down the growth rate of carbon dioxide emissions and promote sustainable development by improving energy utilization efficiency and developing renewable energy sources, such as wind energy, biomass energy, solar energy, geothermal energy, tidal energy, waste sorting power generation, etc.
4. CCS Project: Carbon Capture and Storage
5. Forest projects: by increasing forest resources and quality, and carrying out sustainable forest management, promote forest protection and biodiversity restoration, and improve forest carbon sinks
6. Crop planting project: through the application of agricultural digital technology, increase soil organic matter, improve the growing environment of crops, and promote carbon sequestration of crops and underground microorganisms
7. Freshwater and watershed integrated management projects: carry out watershed, wetland and freshwater protection and comprehensive watershed management, vegetation protection in upstream areas, restoration of wetlands and freshwater ecosystems, research on the relationship between rivers, wetlands, fish, birds and habitats, and promote Sustainable use, realize flood control safety, drinking water safety and ecological safety, advocate water saving for families and enterprises; encourage cross-department/regional cooperation and communication; the government encourages public participation; planning and planning fully consider environmental water use; water-saving agriculture; people Human enjoyment of clean drinking water; wetland protection and rational use; comprehensive sewage treatment and reclaimed water utilization; ecological water conservancy to ensure environmental flow; sustainable fisheries; healthy estuaries and coastal waters
8. Marine Ecosystem Project: By promoting the balance between human survival and biodiversity conservation, the harmonious coexistence of human survival and development and marine ecosystem protection will be realized
9. Climate ecosystem monitoring platform: Space-earth integrated climate change satellite comprehensive environmental monitoring, detection, and early warning system center platform, climate emergency management platform, climate change response carbon inclusive innovation platform, climate change response and smart city data center
10. Application fields of climate-friendly new materials: R&D and industrialization of industrialized products for application of climate-specific functional materials, including industrialization bases for solid-state luminescence, graphene, and invisible materials, and R&D of application technology for emergency terminal sensing function products of climate monitoring, detection and early warning systems and industrial base
11. Comprehensive development and trading of futures in the climate field: establish a global climate financial innovation platform to provide consulting, design, trading, investment and financing for projects such as carbon offset, energy conservation and emission reduction, pollutant emission reduction, contract energy management, and energy and environmental equity investment, and other ancillary services; build a global climate product and industry trading center to trade greenhouse gases, energy conservation and related indicators, major pollutants, energy equity products and other energy and ecosystem gross product, environmental equity spot and derivatives contracts Provide trading venues and related supporting services

6. Domestic capital market: In the later stage, its subsidiaries were listed on the Hong Kong Stock Exchange, Shanghai Stock Exchange, Shenzhen Stock Exchange and Beijing Stock Exchange.

6. 2022: Global Action on Climate Change

1. In the first stage, start the following areas:

Yulin and Xi'an, Shaanxi Province, China

Anshan City, Shenyang City, Liaoning Province, China

2. Project implementation unit:

China Coalition for Climate Change Industry

Zutown International Climate Change Investment Holdings Co., Ltd.

Zutown International Investment Co., Ltd.

Beijing Zutown Environmental Management Co., Ltd.

Xi'an Zutown Transportation Control Environmental Monitoring and
Management Co., Ltd.

Liaoning Leidian Environmental Protection Technology Co., Ltd.

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