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Standard Development Group Limited

標準發展集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1867)

UPDATE ON DISCLOSEABLE AND CONNECTED TRANSACTION INVESTMENT AGREEMENT

Reference is made to the announcement of Standard Development Group Limited (the “**Company**”) dated 20 December 2022 and the circular of the Company dated 20 January 2023 (the “**Circular**”) in relation to the contribution of RMB20.0 million into the Target Company as registered capital by Standard Development (Shandong) pursuant to the terms and conditions of the Investment Agreement. Capitalized terms under in this announcement shall have the same meaning as those defined in the Circular, unless the context requires otherwise.

The Board would like to provide Shareholders and potential investors of the Company with certain updates on the Investment and the business development of the Target Company.

As disclosed in the Circular, the organic waste resource utilization demonstration project (the “**Project**”) in Juancheng, Heze City, Shandong Province to be carried out by the Target Company is in compliance with the relevant requirements of the Guidance Catalogue for Industrial Structure Adjustment (2019), the “14th Five-Year” Plan for the Development of Circular Economy, Document No. 1 of the Central Government in 2022 and the Technical Guide for Prevention of Pollution and Resourceful Use of Manure from Livestock and Poultry Breeding below the Scale in Shandong Province (for trial), and hence falls within the economic and social fields supported by the government.

The Company is pleased to announce that pursuant to the notice of investment projects within the central budget for 2023, the Project has been successfully enlisted in the investment projects within the central budget for 2023 and is expected to receive a national subsidised investment of RMB12.5 million, which is expected to positively promote the construction of the Project.

With the support of the national and local governments, the Company is confident that the Project, upon completion, will not only generate favorable economic benefits for the Target Company, but will also effectively promote the revitalisation of local villages, and contribute to energy security, food security, carbon reduction and environmental protection, thereby realizing the ecological and social benefits of a circular economy. It is expected that the Project will create long-term stable returns for the Company (as an investor of the Target Company) and its Shareholders.

By Order of the Board
Standard Development Group Limited
Liu Zhancheng
Chairman and Executive Director

Hong Kong, 25 July 2023

As at the date of this announcement, the Board comprises Mr. Liu Zhancheng, Ms. Qin Mingyue and Mr. Xu Jing as executive Directors; and Dr. Su Lixin, Mr. Liang Rongjin and Dr. Yan Bing as independent non-executive Directors.