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(Incorporated in the Cayman Islands with limited liability)

(Stock code: 228)

POSITIVE PROFIT ALERT

This announcement is made by China Energy Development Holdings Limited (the “**Company**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that based on a preliminary review of the unaudited consolidated management accounts (the “**Management Accounts**”) of the Company and its subsidiaries (the “**Group**”) and information available to the Company, the Group is expected to record:

- (i) a significant increase of approximately 180% in the revenue for the six months ended 30 June 2021 (“**1H2021**”) as compared to the six months ended 30 June 2020 (“**1H2020**”), due to the production volume increase from newly-constructed gas processing facilities at North Kashi Block, Tarim Basin, China (the “**Kashi Project**”) which came into operation during the second half of 2020; and
- (ii) a turnaround to profit attributable to owners of the Company for 1H2021 of over HK\$45 million while the Group recorded a loss attributable to owners of approximately HK\$29.3 million for the corresponding period in 2020, principally due to the increase in revenue but partially offset by the depreciation of property, plant and equipment, amortisation of intangible assets, finance cost and income tax charge of the Kashi Project.

* For identification purposes only

The Company is still in the process of finalizing its interim results for 1H2021. The information contained in this announcement is only based on the preliminary assessment by the Board with reference to the Management Accounts of the Group for 1H2021 and other information currently available to the Board but is not based on any financial data or information that has been reviewed or audited by the Company's auditors. Shareholders and potential investors are advised to read the interim results announcement of the Company for 1H2021, which is expected to be published by the end of August 2021.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
China Energy Development Holdings Limited
Zhao Guoqiang
Chief Executive Officer & Executive Director

Hong Kong, 10 August 2021

As at the date of this announcement, the Board comprises Mr. Zhao Guoqiang (Chief Executive Officer and alternate director to Dr. Gu Quan Rong) as an executive Director; Dr. Gu Quan Rong as a non-executive Director; and Mr. Zong Ketao, Mr. Cheng Chun Ying and Mr. Lee Man Tai as independent non-executive Directors.