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*(Incorporated in the Cayman Islands with limited liability)*

**(Stock code: 228)**

**(1) PROPOSED CAPITAL REORGANISATION;  
(2) PROPOSED AMENDMENTS TO MEMORANDUM AND ARTICLES;  
AND  
(3) PROPOSED RIGHTS ISSUE ON THE BASIS OF  
ONE (1) RIGHTS SHARE FOR  
EVERY TWO (2) ADJUSTED SHARES  
HELD ON THE RECORD DATE ON  
A NON-UNDERWRITTEN BASIS**

**PROPOSED CAPITAL REORGANISATION**

The Board proposes to implement the Capital Reorganisation which will involve the Share Consolidation, Capital Reduction and Share Subdivision as follows:

**(1) Share Consolidation**

Immediately before the Capital Reduction becoming effective, every forty (40) issued and unissued Existing Shares of par value of HK\$0.05 each will be consolidated into one (1) Consolidated Share of par value of HK\$2.00 each;

**(2) Capital Reduction**

The issued share capital of the Company will be reduced by cancelling the paid-up share capital of the Company to the extent of HK\$1.95 on each of the then issued Consolidated Shares such that the par value of each issued Consolidated Share will be reduced from HK\$2.00 to HK\$0.05. Based on the 12,165,344,000 Existing Shares in issue as at the date of this announcement, a credit of approximately HK\$593,060,520 will arise from the Capital Reduction, which will be transferred to a contributed surplus account of the Company and the contributed surplus account will be applied by the Directors for such purposes permitted under the Companies Act and the Articles; and

### **(3) Share Subdivision**

Immediately following the Capital Reduction becoming effective, each of the authorised but unissued Consolidated Shares of par value of HK\$2.00 each in the authorised share capital of the Company will be subdivided into forty (40) authorised but unissued Adjusted Shares of par value of HK\$0.05 each. Forthwith the Share Subdivision becoming effective, the authorised share capital of the Company be changed to HK\$1,250,000,000 by the creation of such number of additional Adjusted Shares as shall be sufficient to increase the authorised share capital of the Company into HK\$1,250,000,000 divided into 25,000,000,000 shares of a par value of HK\$0.05 each.

### **PROPOSED AMENDMENTS TO MEMORANDUM AND ARTICLES**

Subject to the Capital Reorganisation taking effect, clause 8 of the Memorandum shall be deleted and replaced with the following:

“The share capital of the Company is HK\$1,250,000,000 divided into 25,000,000,000 shares of a nominal or par value of HK\$0.05 each, with power for the Company insofar as is permitted by law to redeem or purchase any of its shares and to increase or reduce the said capital subject to the provisions of the Companies Act (Revised) and the Articles of Association and to issue any part of its capital, whether original, redeemed or increased with or without any preference, priority or special privilege or subject to any postponement of rights or to any conditions or restrictions and so that unless the conditions of issue shall otherwise expressly declare every issue of shares whether stated to be preference or otherwise shall be subject to the powers hereinbefore contained.”,

and article 3(1) of the Articles shall be deleted and replaced with the following:

“The share capital of the Company shall be divided into shares of a par value of HK\$0.05 each.” (collective, the “**Amendments**”).

### **PROPOSED RIGHTS ISSUE**

The Board proposes, subject to the Capital Reorganisation becoming effective, to conduct the Rights Issue on the basis of one (1) Rights Share for every two (2) Adjusted Shares held by the Qualifying Shareholders as at the Record Date at the Subscription Price of HK\$1.57 per Rights Share, to raise up to approximately HK\$238.7 million before expenses by way of issuing up to 152,066,800 Rights Shares.

Assuming full subscription of the Rights Issue, the net proceeds from the Rights Issue after deducting the expenses are estimated to be approximately HK\$236.7 million, if there is no change in the total number of issued Shares from the date of this announcement up to and including the Record Date other than as a result of the Capital Reorganisation. The Company intends to apply the net proceeds as for additional capital reserve to capture business opportunities for exploration, production and distribution of natural gas in the PRC.

The Rights Issue is available only to the Qualifying Shareholders and will not be extended to the Non-Qualifying Shareholders. The Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptance of provisionally allotted Rights Shares. In the event that the provisional allotments for the Rights Issue are not fully subscribed, any Rights Shares not taken up by the Qualifying Shareholders together with the Rights Shares not provisionally allotted to the Non-Qualifying Shareholders and unsold aggregated fractions of Rights Shares will be made available for excess application under the EAFs. The legal advisers to the Company (as to the Cayman Islands law) have confirmed that there is no minimum subscription level or minimum amount to be raised under the Rights Issue under the Companies Act and the Articles, except the Company shall not issue Shares at a price below its par value.

### **LISTING RULES IMPLICATIONS**

The Capital Reorganisation and the Amendments are conditional upon, among other things, the approval by the Shareholders by way of poll at the EGM. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, none of the Shareholders or their respective associates had any interest in the Capital Reorganisation or the Amendments. Accordingly, no Shareholder is required to abstain from voting in favour of the resolutions relating to the Capital Reorganisation or the Amendments at the EGM.

As (i) the Company has not conducted any rights issue, open offer or specific mandate placing within the 12-month period immediately preceding the date of this announcement; (ii) the proposed Rights Issue will not increase either the total number of issued Shares (excluding treasury shares) or the market capitalisation of the Company by more than 50% (after taking into account the effect of the Capital Reorganisation); and (iii) the Rights Issue is not underwritten by a director, chief executive or controlling or substantial shareholder (or any of their respective associates) of the Company, the Rights Issue is not subject to minority shareholder's approval pursuant to Rule 7.19A of the Listing Rules.

The Rights Issue does not result in a theoretical dilution effect of 25% or more on its own. As such, the theoretical dilution impact of the Rights Issue is in compliance with Rule 7.27B of the Listing Rules.

### **POSSIBLE ADJUSTMENTS TO THE CONVERTIBLE BONDS**

As at the date of this announcement, the Company has outstanding Convertible Bonds which are convertible into 1,385,654,762 Existing Shares at the conversion price of HK\$0.168 per Existing Share (subject to adjustment mechanism in accordance with the terms and conditions of the Convertible Bonds).

Pursuant to the terms and conditions of the Convertible Bonds, the Capital Reorganisation and the Rights Issue may lead to adjustments to the conversion prices of the Convertible Bonds. The Company will notify the holder of the Convertible Bonds and the Shareholders by way of announcement (as and when appropriate) regarding adjustments to be made (if any) pursuant to the terms of the Convertible Bonds and such adjustment will be certified by an independent financial adviser or auditors of the Company (as the case may be).

## **GENERAL**

The EGM will be convened for the Shareholders to consider and, if thought fit, approve the Capital Reorganisation and the Amendments. The Circular containing, among other things, details of the Capital Reorganisation together with a notice convening the EGM and related form of proxy, is expected to be despatched to the Shareholders on or before Friday, 29 August 2025.

Subject to the fulfilment of the conditions of the Rights Issue, the Prospectus Documents setting out details of the Rights Issue will be made available to the Qualifying Shareholders on or about Wednesday, 19 November 2025. To the extent legally permissible and reasonably practicable, the Prospectus will be made available to the Non-Qualifying Shareholder(s) (if any) for information only, but the Company will not send the PAL and EAF to the Non-Qualifying Shareholder(s) (if any). A copy of the Prospectus will also be made available on the websites of the Company ([www.cnenergy.com.hk](http://www.cnenergy.com.hk)) and the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)).

## **WARNING OF THE RISKS OF DEALING IN THE EXISTING SHARES, THE ADJUSTED SHARES AND/OR NIL-PAID RIGHTS SHARES**

**Shareholders and potential investors of the Company should note that the Capital Reorganisation is conditional upon satisfaction of the conditions set out in the paragraph headed “(1) Proposed Capital Reorganisation – Conditions of the Capital Reorganisation” in this announcement. Therefore, the Capital Reorganisation may or may not proceed.**

**The Rights Issue is subject to the fulfilment of conditions including, among other things, the Stock Exchange granting the listing of, and permission to deal in, the Rights Shares in their nil-paid and fully-paid forms. Please refer to the paragraph headed “(3) Proposed Rights Issue – Conditions of the Rights Issue” in this announcement.**

**Subject to the fulfillment of the conditions of the Rights Issue, the Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptance of the provisionally allotted Rights Shares. If there is an undersubscription of the Rights Issue as a result of excess Rights Shares not being fully taken up by Qualifying Shareholders or transferees of nil-paid Rights Shares, the size of the Rights Issue will be reduced accordingly.**

**Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Existing Shares, the Adjusted Shares and/or the Rights Shares. Any party who is in any doubt about his/her/its position or any action to be taken is recommended to consult his/her/its own professional adviser(s).**

**(1) PROPOSED CAPITAL REORGANISATION**

The Board proposes to implement the Capital Reorganisation which will involve the Share Consolidation, Capital Reduction and Share Subdivision as follows:

**(i) Share Consolidation**

Immediately before the Capital Reduction becoming effective, every forty (40) issued and unissued Existing Shares of par value of HK\$0.05 each will be consolidated into one (1) Consolidated Share of par value of HK\$2.00 each;

**(ii) Capital Reduction**

The issued share capital of the Company will be reduced by cancelling the paid-up share capital of the Company to the extent of HK\$1.95 on each of the then issued Consolidated Shares such that the par value of each issued Consolidated Share will be reduced from HK\$2.00 to HK\$0.05. The credit arising from the Capital Reduction in the amount of approximately HK\$593.1 million will be transferred to a contributed surplus account of the Company and the contributed surplus account will be applied by the Directors for such purposes permitted under the Companies Act and the Articles; and

**(iii) Share Subdivision**

Immediately following the Capital Reduction becoming effective, each of the authorised but unissued Consolidated Shares of par value of HK\$2.00 each in the authorised share capital of the Company will be subdivided into forty (40) authorised but unissued Adjusted Shares of par value of HK\$0.05 each. Forthwith the Share Subdivision becoming effective, the authorised share capital of the Company be changed to HK\$1,250,000,000 by the creation of such number of additional Adjusted Shares as shall be sufficient to increase the authorised share capital of the Company into HK\$1,250,000,000 divided into 25,000,000,000 shares of a par value of HK\$0.05 each.

## Effect of the Capital Reorganisation

As at the date of this announcement, the authorised share capital of the Company is HK\$1,250,000,000 divided into 25,000,000,000 Existing Shares of par value of HK\$0.05 each, of which 12,165,344,000 Existing Shares have been issued and are fully paid or credited as fully paid. Upon the Share Consolidation becoming effective but before the completion of the Capital Reduction and Rights Issue and assuming no change in the number of Shares in issue from the date of this announcement to the effective date of the Share Consolidation, the authorised share capital of the Company will become HK\$1,250,000,000 divided into 625,000,000 Consolidated Shares of HK\$2.00 each, of which 304,133,600 Consolidated Shares (which are fully paid or credited as fully-paid) will be in issue.

Upon the Share Consolidation becoming effective, the Consolidated Shares will rank *pari passu* in all respects with each other. No fractional Consolidated Shares will be issued by the Company. Any fractional entitlements of the Consolidated Shares will be aggregated and sold for the benefit of the Company. Fractional Consolidated Shares will only arise in respect of the entire shareholding of a holder of the Shares regardless of the number of share certificates held by such holder.

Immediately upon the Capital Reduction becoming effective and assuming no further Shares will be issued or repurchased from the date of this announcement up to and including the date of which the Capital Reorganisation shall become effective, the par value of all the issued Consolidated Shares shall be reduced from HK\$2.00 each to HK\$0.05 each by cancelling the paid-up share capital to the extent of HK\$1.95 per Consolidated Share in issue.

Upon the Share Subdivision becoming effective, each of the authorised but unissued Consolidated Shares of par value of HK\$2.00 each will be subdivided into forty (40) authorised but unissued Adjusted Shares of par value of HK\$0.05 each.

The Adjusted Shares will rank *pari passu* in all respects with each other and shall have the rights and privileges and be subject to the restrictions in accordance with the Articles. The issued share capital will be reduced to HK\$15,206,608 divided into 304,133,600 Adjusted Shares of par value of HK\$0.05 each.

Based on the 12,165,344,000 Existing Shares in issue as at the date of this announcement, a credit of approximately HK\$593,060,520 will arise from the Capital Reduction, which will be transferred to a contributed surplus account of the Company and the contributed surplus account will be applied by the Directors for such purposes permitted under the Companies Act and the Articles.

Other than the relevant expenses incurred and to be incurred, the implementation of the Capital Reorganisation will have no effect on the consolidated net asset value of the Group, nor will it alter the underlying assets, business, operations, management or financial position of the Company.



The Capital Reorganisation will not involve any diminution of any liability in respect of any unpaid capital of the Company or the repayment to the Shareholders of any unpaid capital of the Company nor will it result in any change in the relative rights of the Shareholders.

Assuming that there is no change in the issued share capital of the Company from the date of this announcement until the effective date of the Capital Reorganisation, the share capital structure of the Company (i) as at the date of this announcement; (ii) immediately after completion of the Share Consolidation but prior to the Capital Reduction and the Share Subdivision becoming effective; and (iii) immediately after the implementation of the Capital Reorganisation is summarised below:

	<b>As at the date of this announcement</b>	<b>Immediately after completion of the Share Consolidation but prior to the Capital Reduction</b>	<b>Immediately after the implementation of the Capital Reorganisation</b>
<b>Amount of authorised share capital</b>	HK\$1,250,000,000	HK\$1,250,000,000	HK\$1,250,000,000
<b>Par value</b>	HK\$0.05	HK\$2.00	HK\$0.05
<b>Number of authorised shares</b>	25,000,000,000	625,000,000	25,000,000,000
<b>Number of issued shares</b>	12,165,344,000	304,133,600	304,133,600
<b>Issued and fully paid- up or credited as fully paid-up share capital</b>	HK\$608,267,200	HK\$608,267,200	HK\$15,206,680

### **Conditions of the Capital Reorganisation**

The Capital Reorganisation is conditional upon:

- (i) the passing of the necessary resolution(s) by the Shareholders approving the Capital Reorganisation at the EGM;
- (ii) the Stock Exchange granting the listing of, and permission to deal in, the Adjusted Shares in issue and to be issued upon the Capital Reorganisation being effective;
- (iii) the compliance with the relevant procedures and requirements under the Listing Rules and the Companies Act to effect the Capital Reorganisation;

- (iv) an order being made by the Court confirming the Capital Reduction;
- (v) compliance with any condition which the Court may impose in relation to the Capital Reduction;
- (vi) registration by the Registrar of Companies of the Cayman Islands of a copy of the order of the Court confirming the Capital Reduction and the minutes approved by the Court containing the particulars required under the Companies Act with respect to the Capital Reduction; and
- (vii) all necessary approvals from the regulatory authorities or otherwise as may be required in respect of the Capital Reorganisation having been obtained.

The Capital Reorganisation will become effective when the conditions mentioned above are fulfilled. Upon the approval by the Shareholders of the Capital Reorganisation at the EGM, the legal advisers to the Company (as to the Cayman Islands law) will apply to the Court for hearing date(s) to confirm the Capital Reduction (if applicable) and a further announcement will be made by the Company as soon as practicable after the Court hearing date(s) is confirmed (if applicable). For the avoidance of doubt, the Share Consolidation is subject to the Capital Reduction, and the Share Consolidation will not take effect until and after the Capital Reduction is confirmed by the Court.

As at the date of this announcement, none of the above conditions have been fulfilled.

### **Application for listing and dealings**

Application will be made to the Listing Committee for the granting of the listing of, and permission to deal in, the Adjusted Shares arising from the Capital Reorganisation.

Subject to the granting of the listing of, and permission to deal in, the Adjusted Shares on the Stock Exchange, the Adjusted Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Adjusted Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

None of the Existing Shares or any debt securities of the Company are listed or dealt in on any other stock exchange other than the Stock Exchange, and at the time the Capital Reorganisation becomes effective, the Adjusted Shares in issue will not be listed or dealt in on any stock exchange other than the Stock Exchange, and no such listing or permission to deal is being or is proposed to be sought.



## **Status of the Adjusted Shares**

The Adjusted Shares will be identical and rank *pari passu* in all respects with each other. All necessary arrangements will be made for the Adjusted Shares to be admitted into CCASS.

## **Free exchange of share certificates**

Subject to the Capital Reorganisation becoming effective, the Shareholders may, on or after Monday, 3 November 2025 until Tuesday, 16 December 2025 (both days inclusive), submit share certificates for the Existing Shares to the Registrar, to exchange, at the expense of the Company, for new share certificates for the Adjusted Shares. Thereafter, certificates for the Existing Shares will be accepted for exchange only on payment of a fee of HK\$2.50 (or such other amount as may from time to time be specified by the Stock Exchange) by the Shareholders for each share certificate for the Existing Shares submitted for cancellation or each new share certificate issued for the Adjusted Shares, whichever the number of certificates cancelled/issued is higher. All existing share certificates of the Company will continue to be evidence of title to the Shares and continue to be valid for trading, settlement, registration and delivery purposes.

The new share certificates for the Adjusted Shares will be issued in another colour in order to distinguish them from the existing share certificates.

## **No change in board lot size**

As at the date of this announcement, the Existing Shares are traded on the Stock Exchange in board lots of 2,000 Existing Shares. Upon the Capital Reorganisation becoming effective, the Adjusted Shares will continue to be traded in the board lot size of 2,000 Adjusted Shares.

## **Arrangement on odd lot trading**

In order to facilitate the trading of odd lots of the Adjusted Shares arising from the Capital Reorganisation, the Company will appoint a designated broker to provide matching service, on a best effort basis, to those Shareholders who wish to acquire odd lots of the Adjusted Shares to make up a full board lot, or to dispose of their holding of odd lots of the Adjusted Shares. Further details in respect of the odd lots matching arrangement will be set out in the Circular to be issued by the Company. Holders of odd lots of the Adjusted Shares should note that the matching of the sale and purchase of odd lots of the Adjusted Shares is not guaranteed.

## REASONS FOR THE CAPITAL REORGANISATION

Pursuant to Rule 13.64 of the Listing Rules, where the market price of the securities of an issuer approaches the extremities of HK\$0.01 or HK\$9,995.00, the Stock Exchange reserves the right to require the issuer either to change the trading method or proceed with a consolidation or splitting of securities. The “Guide on Trading Arrangements for Selected Types of Corporate Actions” issued by the Hong Kong Exchanges and Clearing Limited on 28 November 2008 and last updated in September 2024 (the “**Guide**”) has further stated that (i) market price of the shares at a level less than HK\$0.10 each will be considered as trading at extremity as referred to under Rule 13.64 of the Listing Rules; and (ii) taking into account the minimum transaction costs for a securities trade, the expected value per board lot should be greater than HK\$2,000.

As at the date of this announcement, the closing price of the Existing Share is HK\$0.05 per Existing Share, with a board lot size of 2,000 Shares, the existing board lot value is only HK\$100, which is less than HK\$2,000. In view of the recent market price of the Existing Shares, the Directors resolved to propose the Share Consolidation with the view to complying with the trading requirements under the Listing Rules. In view of the recent trading prices of the Existing Shares at the level of below HK\$0.10 and board lot value of below HK\$2,000 over the past six months (based on the closing price per Existing Share as quoted on the Stock Exchange), the Board proposes to implement the Share Consolidation in order to reduce the total number of Shares currently in issue. As such, it is expected that the Share Consolidation would bring about a corresponding upward adjustment in the market price of the Consolidated Shares which would enable the Company to comply with the trading requirements under the Listing Rules. Assuming that the Capital Reorganisation has become effective, based on the closing price of HK\$0.05 per Existing Share (equivalent to the theoretical closing price of HK\$2.00 per Adjusted Share) as quoted on the Stock Exchange at the date of this announcement, the theoretical value of each board lot of the Adjusted Shares would be HK\$4,000.

Upon the Share Consolidation becoming effective but before implementation of the Capital Reduction, the par value of the Existing Shares will be consolidated from HK\$0.05 into HK\$2.00 per Consolidated Share. Pursuant to the Companies Act, the Company may not issue Shares at a discount to the par value of such Shares. As the Subscription Price, which was determined with reference to the prevailing market price of the Existing Shares and at a discount to the recent closing prices of the Existing Shares with a view to encouraging the Shareholders to participate in the potential growth of the Company, is below the par value of each Consolidated Share, the Company is not permitted to issue the Rights Shares under the Companies Act until and unless the par value of each Consolidated Share is reduced pursuant to the Capital Reorganisation. In order to facilitate possible fund raising activities including the Rights Issue in the future, it is necessary to implement the Capital Reorganisation to lower the par value of the Shares, giving greater flexibility to the Company to issue new Shares in the future.

Further, the credit in the contributed surplus account arising from the Capital Reorganisation will enable the Company to reduce its accumulated losses. As such, the Board proposes to implement the Capital Reorganisation.

In view of the above, the Board considers that the Capital Reorganisation is beneficial to and in the interests of the Company and the Shareholders as a whole.

As at the date of this announcement, save as disclosed in this announcement, the Company currently (i) does not have any agreement, arrangement, understanding, intention, or negotiation (either concluded or in process) on any potential fundraising activities which will involve issue of equity securities of the Company; and (ii) has no other plan or intention to carry out any future corporate actions in the next twelve months which may have an effect of undermining or negating the intended purpose of the Share Reorganisation.

## **(2) PROPOSED AMENDMENTS TO MEMORANDUM AND ARTICLES**

Subject to the Capital Reorganisation taking effect, clause 8 of the Memorandum shall be deleted and replaced with the following:

“The share capital of the Company is HK\$1,250,000,000 divided into 25,000,000,000 shares of a nominal or par value of HK\$0.05 each, with power for the Company insofar as is permitted by law to redeem or purchase any of its shares and to increase or reduce the said capital subject to the provisions of the Companies Act (Revised) and the Articles of Association and to issue any part of its capital, whether original, redeemed or increased with or without any preference, priority or special privilege or subject to any postponement of rights or to any conditions or restrictions and so that unless the conditions of issue shall otherwise expressly declare every issue of shares whether stated to be preference or otherwise shall be subject to the powers hereinbefore contained.”,

and article 3(1) of the Articles shall be deleted and replaced with the following:

“The share capital of the Company shall be divided into shares of a par value of \$0.05 each.”

The Company’s legal advisers as to Hong Kong laws and the Cayman Islands laws have confirmed that the Amendments conform with the requirements of the Listing Rules, where applicable, and the applicable laws of Hong Kong and the Cayman Islands, respectively.

The Board is of the view that the Amendments are in the interests of the Company and the Shareholders as a whole.

The Amendments shall be subject to the passing of the special resolution by the Shareholders at the EGM.

### (3) PROPOSED RIGHTS ISSUE

The Board proposes, subject to the Capital Reorganisation becoming effective, to conduct the Rights Issue on the basis of one (1) Rights Share for every two (2) Adjusted Shares held on the Record Date. Set out below are the details of the Rights Issue statistics.

#### **Rights Issue Statistics**

Basis of the Rights Issue	: One (1) Rights Share for every two (2) Adjusted Shares held by the Qualifying Shareholders on the Record Date
Subscription Price	: HK\$1.57 per Rights Share
Number of Existing Shares in issue as at the date of this announcement	: 12,165,344,000
Number of Adjusted Shares in issue upon the Capital Reorganisation becoming effective	: 304,133,600 Adjusted Shares (assuming there is no further issue or repurchase of Shares up to the effective date of the Capital Reorganisation)
Maximum number of Rights Shares	: 152,066,800 Rights Shares (assuming there is no change in the total number of issued Shares from the date of this announcement up to and including the Record Date other than as a result of the Capital Reorganisation), representing (i) 50% of the total issued Adjusted Shares upon the Capital Reorganisation having become effective; and (ii) approximately 33.3% of the total number of issued Adjusted Shares as enlarged immediately upon completion of the Rights Issue
Total number of Shares upon the Rights Issue becoming effective	: Up to 456,200,400 Adjusted Shares (assuming there is no change in the total number of issued Shares from the date of this announcement up to and including the Record Date other than as a result of the Capital Reorganisation)
Gross proceeds to be raised from the Rights Issue	: Approximately HK\$238.7 million (assuming all the Rights Shares will be taken up)

As at the date of this announcement, there are outstanding Convertible Bonds in the principal amount of HK\$232,790,000 which are convertible into a maximum of 1,385,654,762 Existing Shares upon full conversion of the Convertible Bonds based on the conversion price of HK\$0.168 per Existing Share (subject to adjustment mechanism in accordance with the terms and conditions of the Convertible Bonds). Save for the above, the Company has no other outstanding warrants, options or convertible securities in issue or other similar rights which confer any right to convert or exchange into or subscribe for Shares as at the date of this announcement.

### **The Subscription Price**

The Subscription Price is HK\$1.57 per Rights Share, which shall be payable in full by a Qualifying Shareholder upon acceptance of the relevant provisional allotment of the Rights Shares or when a transferee of nil-paid Rights Shares applies for the Rights Shares. According to the Companies Act, the Company shall not issue Shares at a price below its par value.

The Subscription Price represents (assuming the Capital Reorganisation has become effective as at the date of this announcement and there is no change in the number of Shares in issue from the date of this announcement to the Record Date other than the Capital Reorganisation):

- (i) a discount of approximately 19.90% to the adjusted closing price of HK\$1.96 per Adjusted Share (based on the closing price of HK\$0.049 per Existing Share as quoted on the Stock Exchange on the Last Trading Day and adjusted for the effect of the Capital Reorganisation);
- (ii) a discount of approximately 19.90% to the adjusted average closing price of HK\$1.96 per Adjusted Share (based on the average closing price of HK\$0.049 per Existing Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Day and adjusted for the effect of the Capital Reorganisation);
- (iii) a discount of approximately 21.50% to the adjusted average closing price of HK\$2.00 per Adjusted Share (based on the average closing price of approximately HK\$0.050 per Existing Share as quoted on the Stock Exchange for the last ten consecutive trading days up to and including the Last Trading Day and adjusted for the effect of the Capital Reorganisation);
- (iv) a discount of approximately 73.34% to the audited consolidated net asset value per Adjusted Share as at 31 December 2024 of approximately HK\$5.89 (based on the audited consolidated net asset value as at 31 December 2024 of approximately HK\$1,790.38 million and the total number of Adjusted Shares immediately upon the Capital Reorganisation becoming effective); and

- (v) a theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) represented by a discount of approximately 6.63%, represented by the theoretical diluted price of approximately HK\$1.83 per Adjusted Share to the benchmarked price of approximately HK\$1.96 per Adjusted Share (as defined under Rule 7.27B of the Listing Rules, taking into account the higher of the closing price on the Last Trading Day of HK\$0.049 per Existing Share and the average of the closing prices of the Existing Shares as quoted on the Stock Exchange for the five (5) previous consecutive trading days prior to the date of this announcement of HK\$0.049 per Existing Share, and also the effect of the Capital Reorganisation).

The Subscription Price was determined with reference to (i) the prevailing market conditions; (ii) the prevailing market prices of the Shares; (iii) the current financial position of the Group; and (iv) the amount of funds the Company intends to raise under the Rights Issue.

The Board considers that the terms of the Rights Issue, including the Subscription Price, are fair and reasonable and in the best interests of the Company and the Shareholders as a whole. The net price per Rights Share (i.e. Subscription Price less cost and expenses incurred in the Rights Issue) upon full acceptance of the relevant provisional allotment of Rights Shares will be approximately HK\$1.56 (assuming that there is no change in the issued share capital of the Company from the date of this announcement until the Record Date).

#### **Non-underwritten basis**

Subject to the fulfilment of the conditions of the Rights Issue, the Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptances of the provisionally allotted Rights Shares. In the event that there is an under-subscription of the Rights Issue, the size of the Rights Issue will be reduced accordingly. The legal advisers to the Company (as to the Cayman Islands law) have confirmed that there is no minimum subscription level or minimum amount to be raised under the Rights Issue under the Companies Act and the Articles, except the Company shall not issue Shares at a price below its par value.

Besides, any Shareholder who applies to take up all or part of his/her/its entitlement under the PAL or applies for excess Rights Shares under EAF may unwittingly incur an obligation to make a general offer for the Shares and the Convertible Bonds under the Takeovers Code, unless a waiver from the Executive (as defined in the Takeovers Code) has been obtained.



Accordingly, the Rights Issue will be made on the term that the Company will provide for Shareholders (other than HKSCC Nominees Limited) to apply on the basis that if the Rights Shares are not fully taken up, the applications of any Shareholder for his/her/its entitlement under the PAL or for excess Rights Shares under the EAF can be scaled down to a level which (i) does not result in any non-compliance with the public float requirements under Rule 8.08(1) of the Listing Rules on the part of the Company; and (ii) does not trigger an obligation on part of the relevant Shareholder to make a general offer under the Takeovers Code in accordance to the note to Rule 7.19(5)(b) of the Listing Rules.

As at the date of this announcement, the Company has not received any information or irrevocable undertaking from any Shareholders of their intention in relation to the Rights Shares to be provisionally allotted to them under the Rights Issue.

### **Conditions of the Rights Issue**

The Rights Issue is conditional upon each of the following conditions being fulfilled:

- (i) the Capital Reorganisation having become effective;
- (ii) the delivery of the Prospectus Documents to the Stock Exchange for authorisation and registration with the Registrar of Companies in Hong Kong in compliance with the Listing Rules and the Companies (Winding Up and Miscellaneous Provisions) Ordinance not later than the Posting Date;
- (iii) following registration, the Prospectus Documents having been made available to the Qualifying Shareholders and the Prospectus for information only to the Non-Qualifying Shareholders the publication of the Prospectus Documents on the website of the Stock Exchange on or before the Posting Date;
- (iv) the grant of listing of the Rights Shares (in both nil-paid and fully paid forms) by the Stock Exchange (either unconditionally or subject only to the allotment and despatch of the share certificates in respect thereof) and the grant of permission to deal in the nil-paid Rights Shares and the fully-paid Rights Shares by the Stock Exchange (and such permission and listing not subsequently having been withdrawn or revoked); and
- (v) all other necessary waivers, consent and approvals (if required) from the relevant governmental or regulatory authorities for the Rights Issue and the transactions contemplated thereunder having been obtained and fulfilled.

None of the above conditions can be waived. If any of the conditions referred to above are not fulfilled at or before 4:30 p.m. on Tuesday, 31 March 2026, the Rights Issue will not proceed.

**As the proposed Rights Issue is subject to the above conditions, it may or may not proceed.**

### **Status of the Rights Shares**

The Rights Shares (when allotted, fully-paid or credited as fully paid and issued) will rank *pari passu* in all respects among themselves and with the Adjusted Shares in issue on the date of allotment and issue of the Rights Shares. Holders of the fully-paid Rights Shares will be entitled to receive all future dividends and distributions which may be declared, made or paid on or after the date of allotment and issue of the fully paid Rights Shares.

### **Stamp duty and other applicable fees**

Dealings in the Rights Shares in both their nil-paid and fully-paid forms will be subject to payment of stamp duty, Stock Exchange trading fee, SFC transaction levy, AFRC transaction levy or any other applicable fees and charges in Hong Kong.

### **Qualifying Shareholders**

The Rights Issue is only available to the Qualifying Shareholders. To qualify for the Rights Issue, Shareholder must be registered as a member of the Company on the Record Date and not be a Non-Qualifying Shareholder.

In order to be registered as members of the Company prior to the closing of business on the Record Date, all transfers of Adjusted Shares (together with the relevant share certificates and instruments of transfer) must be lodged with the Registrar, by 4:30 p.m. on Tuesday, 11 November 2025.

Subject to the Capital Reorganisation becoming effective and the registration of the Prospectus Documents in accordance with the applicable laws and regulations, the Company will despatch the Prospectus Documents to the Qualifying Shareholders on the Posting Date and will despatch the Prospectus only (without the PAL and the EAF) to the Non-Qualifying Shareholder for their information only.

**Qualifying Shareholders who do not take up the Rights Shares to which they are entitled and Non-Qualifying Shareholders should note that their shareholdings in the Company will be diluted.**

### **Closure of register of members**

The register of members of the Company will be closed from Wednesday, 12 November 2025 to Tuesday, 18 November 2025 (both days inclusive) for determining the entitlements to the Rights Issue. No transfer of Shares will be registered during this period.

## **Basis of provisional allotment**

The basis of the provisional allotment shall be one (1) Rights Share (in nil-paid form) for every two (2) Adjusted Shares in issue and held by the Qualifying Shareholders on the Record Date. Application for all or any part of a Qualifying Shareholder's provisional allotment should be made by completing the PAL and a cheque or a banker's cashier order for the sum payable for the Rights Shares being applied for. Any holdings (or balance of holdings) of less than two (2) Shares will not entitle their holders to be provisionally allotted a Rights Share. Please refer to the arrangement as referred to in the paragraph headed "Fractional entitlements" below.

## **Fractional entitlements**

The Company will not provisionally allot and will not accept applications for any fractions of the Rights Shares. All fractions of the Rights Shares will be aggregated (and rounded down to the nearest whole number) and all nil-paid Rights Shares arising from such aggregation will be sold in the market and the proceeds will be retained by the Company for its own benefit, if a premium (net of expenses and stamp duty) can be obtained. Any such unsold aggregated fractions of nil-paid Rights Shares will be made available for excess application by the Qualifying Shareholders.

## **Application for excess Rights Shares**

Qualifying Shareholders shall be entitled to apply, by way of excess application, for (i) the Rights Shares representing the entitlement of the Non-Qualifying Shareholders which cannot be sold at a net premium; and (ii) any Rights Shares provisionally allotted but not validly accepted by the Qualifying Shareholders or transferees of nil-paid Rights Shares.

Application for excess Rights Shares can be made only by duly completing and signing an EAF (in accordance with the instructions printed therein) and lodging the same with a separate cheque or banker's cashier order for the sum payable for the excess Rights Shares being applied for with the Registrar on or before the Latest time for Acceptance, which is currently expected to be 4:30 p.m. on Wednesday, 3 December 2025 (Hong Kong time).

The Directors will allocate the excess Rights Shares (if any) at their discretion on a fair and equitable basis and on a pro rata basis in proportion to the number of excess Rights Shares being applied for under each application. No reference will be made to Rights Shares subscribed through applications by PAL(s) or the existing number of Shares held by Qualifying Shareholders. If the aggregate number of Rights Shares not taken up by the Qualifying Shareholders under PAL(s) and/or transferees of nil-paid Rights Shares is greater than the aggregate number of excess Rights Shares applied for through EAF(s), the Directors will allocate in full to each Qualifying Shareholder the number of excess Rights Shares applied for under the EAF(s).

In applying the above principles, reference will only be made to the number of excess Rights Shares being applied for. No preference will be given to topping up odd lots to whole board lots.

Shareholders with Shares held by a nominee (or which are held in CCASS) should note that the Board will consider the nominee (including HKSCC Nominees Limited) as one single Shareholder according to the register of members of the Company. Accordingly, such Shareholders should note that the aforesaid arrangement in relation to the allocation of the excess Rights Shares will not be extended to the relevant beneficial owners individually.

Shareholders with Shares held by a nominee (or which are held in CCASS) are advised to consider whether they would like to arrange for the registration of their relevant Shares under the names of the beneficial owners prior to the Record Date for the purpose of the Rights Issue. Shareholders and investors should consult their professional advisers if they are in doubt as to their status.

#### **Arrangement on odd lot trading**

Upon completion of the Rights Issue, the board lots of the Company will remain as 2,000 Shares. In order to facilitate the trading of odd lots of the Rights Shares arising from the Rights Issue, the Company will appoint a designated broker to provide matching service, on a best effort basis, to those Shareholders who wish to acquire odd lots of the Rights Shares to make up a full board lot, or to dispose of their holding of odd lots of the Rights Shares. Further details in respect of the odd lots matching arrangement will be set out in the Prospectus Documents. Holders of odd lots of the Rights Shares should note that the matching of the sale and purchase of odd lots of the Rights Shares is not guaranteed.

#### **Rights of Overseas Shareholders**

The Prospectus Documents are not intended to be registered or filed under the applicable securities legislation of any jurisdiction other than Hong Kong. The Company will comply with Rule 13.36(2)(a) of the Listing Rules to make enquiries regarding the feasibility of extending the offer of the Rights Issue to Overseas Shareholders, if any. If, based on the legal advice to be provided by the legal advisor of the Company, the Board considers that it would be necessary or expedient not to offer the Rights Shares to the Overseas Shareholders on account of either the legal restrictions under the laws of the relevant jurisdiction or the requirements of the relevant regulatory body or stock exchange in such relevant jurisdiction, the Rights Issue will not be extended to such Overseas Shareholders. In such circumstances, the Rights Issue will not be extended to the Non-Qualifying Shareholders. The basis for excluding the Non-Qualifying Shareholders, if any, from the Rights Issue will be set out in the Prospectus to be issued.

Arrangements will be made for the Rights Shares which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders, to be sold in the market in their nil-paid form as soon as practicable after dealings in the Rights Shares in their nil-paid form commence and before dealings in the Rights Shares in their nil-paid form end, if a premium (net of expenses) can be obtained. The proceeds of such sale, less expenses and stamp duty, of more than HK\$100 will be paid to the Non-Qualifying Shareholders pro rata to their shareholdings held on the Record Date. In light of administrative costs, the Company will retain individual amounts of HK\$100 or less for its own benefit.

**Overseas Shareholders should note that they may or may not be entitled to participate in the Rights Issue, subject to the results of the enquiries to be made by the Board pursuant to Rule 13.36(2)(a) of the Listing Rules. Accordingly, Overseas Shareholders should exercise caution when dealing in the Shares.**

### **Share certificates and refund cheques for the Rights Issue**

Subject to fulfilment of the conditions of the Rights Issue, share certificates for the fully paid Rights Shares are expected to be posted on or before Wednesday, 10 December 2025 to those entitled thereto at their registered addresses by ordinary post at their own risk. If the Rights Issue does not become unconditional, refund cheques without interest are expected to be posted on or before Wednesday, 10 December 2025 by ordinary post to the respective applicants, at their own risk, to their registered addresses.

### **Application for listing of the Rights Shares**

The Company will apply to the Stock Exchange for the listing of, and the permission to deal in, the Rights Shares in the board lot of size of 2,000 Rights Shares, in both their nil-paid and fully paid forms.

Subject to the granting of the listing of, and permission to deal in, the Rights Shares in both their nil paid and fully-paid forms on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares in both their nil-paid and fully paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement dates of the dealings in the Rights Shares in both their nil-paid and fully-paid forms or such other dates as may be determined by HKSCC.

Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Dealing in the Rights Shares in both their nil-paid and fully-paid forms which are registered in the register of members of the Company in Hong Kong will be subject to the payment of stamp duty, Stock Exchange trading fee, transaction levy, investor compensation levy or any other applicable fees and charges in Hong Kong.

None of the Existing Shares or any debt securities of the Company are listed or dealt in on any other stock exchange other than the Stock Exchange, the Rights Shares will not be listed or dealt in on any stock exchange other than the Stock Exchange, and no such listing or permission to deal is being or is proposed to be sought.

Shareholders are advised to consult their professional advisers if they are in doubt as to the taxation implications of the receipt, purchase, holding, exercising, disposing of or dealing in, the nil-paid Rights Shares or the fully-paid Rights Shares and, regarding Non-Qualifying Shareholders, their receipt of the net proceeds, if any, from sales of the nil-paid Rights Shares on their behalf.

### **Rights Shares will be eligible for admission into CCASS**

Subject to the granting of the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares in both their nil-paid and fully paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange or such other dates as determined by HKSCC.

Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. Shareholders should seek advice from their licensed securities dealer(s) or other professional adviser(s) for details of those settlement arrangements and how such arrangements will affect their rights and interests.

### **WARNING OF THE RISKS OF DEALING IN THE EXISTING SHARES, THE ADJUSTED SHARES AND/OR THE NIL-PAID RIGHTS SHARES**

**Shareholders and potential investors of the Company should note that the Capital Reorganisation is conditional upon satisfaction of the conditions set out in the paragraph headed “(1) Proposed Capital Reorganisation – Conditions of the Capital Reorganisation” in this announcement. Therefore, the Capital Reorganisation may or may not proceed.**



**The Rights Issue is subject to the fulfilment of conditions including, among other things, the Stock Exchange granting the listing of, and permission to deal in, the Rights Shares in their nil-paid and fully-paid forms. Please refer to the paragraph headed “(3) Proposed Rights Issue – Conditions of the Rights Issue” in this announcement.**

**Shareholders and potential investors of the Company should note that the Rights Issue is subject to the fulfilment of certain conditions. If any of the conditions of the Rights Issue are not fulfilled, the Rights Issue will not proceed.**

**Subject to the fulfilment of conditions, the Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptance of provisionally allotted Rights Shares. Accordingly, if the Rights Issue is undersubscribed, the size of the Rights Issue will be reduced. Qualifying Shareholders who do not take up their assured entitlements in full and Non-Qualifying Shareholders, if any, should note that their shareholdings in the Company may be diluted, the extent of which will depend in part on the size of the Rights Issue.**

**Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Existing Shares, the Adjusted Shares and/or the Rights Shares. Any party who is in any doubt about his/her/its position or any action to be taken is recommended to consult his/her/its own professional adviser(s).**

## **REASONS FOR THE RIGHTS ISSUE**

The Group is principally engaged in exploration, production and distribution of natural gas in the PRC.

The net proceeds from the Rights Issue after deducting the expenses are estimated to be approximately HK\$236.7 million (assuming no change in the number of Shares in issue from the date of this announcement to the Record Date other than the Capital Reorganisation).

The net proceeds are intended to be used for additional capital reserve to capture business opportunities for exploration, production and distribution of natural gas in the PRC. In particular, the Company intends to use the net proceeds to be raised from the Rights Issue as follows:

- (a) approximately 42.5% of the net proceeds or approximately HK\$100.6 million for production costs and pipeline transportation fees at the gas fields located in the Kashi project at Akemomu, North Kashi Block, Tarim Basin, China (the “**Akemomu Gas Field**”) for the financial year ending 31 December 2026;
- (b) approximately 20.4% of the net proceeds or approximately HK\$48.2 million for the operating expenses for 3–4 existing stimulation wells (措施井) and surface engineering in 2026 at the Akemomu Gas Field; and

- (c) approximately 37.1% of the net proceeds or approximately HK\$87.9 million for partially funding the construction of 3 new production wells (生產井) in or around May 2026 at the Akemomu Gas Field.

In the event that there is an undersubscription of the Rights Issue, the net proceeds of the Rights Issue will be utilised in accordance with the abovementioned order of priority.

The Qualifying Shareholders who elect not to participate in the Rights Issue will have the opportunity to sell the nil-paid Rights Shares in the market while the Qualifying Shareholders who wish to increase their shareholding in the Company through the Rights Issue will have the opportunity to acquire additional nil-paid Rights Shares in the market and/or through application for excess Rights Shares.

The Directors consider that the Rights Issue provides a good opportunity for the Group to strengthen its capital base without incurring debt financing cost and to enhance its financial position, while at the same time the Rights Issue will enable the Shareholders to participate in the future development of the Group. Therefore, the Directors are of the view that it is in the interests of the Company and the Shareholders as a whole to raise capital through the Rights Issue.

The Group has considered fund raising by issuing debt securities or debt financing but the Board considers that any further debt financing or borrowings for the time being would increase the gearing ratio of the Group, leading to the Group incurring further interest expenses which is contrary to the Board's intention to reduce the gearing ratio and interest expenses of the Group to a more favourable level. Therefore, the Board has ruled out debt financing as a source for raising funds in this occasion.

The Board also considered the option of placing new Shares, but taking into account (i) the dilution of the interests of Shareholders without giving them the opportunity to take part in the exercise; and (ii) the engagement of a placing agent which would incur additional costs and expenses on the part of the Company, it was not considered by the Board to be the most suitable fund-raising method for the Company in this occasion. Further, the Board considered that a rights issue would be more favourable and attractive to the Shareholders than an open offer because it would allow Shareholders to have more flexibility in dealing with the Shares and the nil-paid rights attaching thereto.

In light of the above, the Board is of the view that the Rights Issue is the most appropriate fund-raising method in this occasion and that the terms of the Rights Issue are fair and reasonable and in the interest of the Company and the Shareholders as a whole.

The Company will make further announcement(s) in the future in accordance with the applicable requirements of the Listing Rules as and when appropriate if any other suitable fund-raising opportunities arise, having regard to the financing needs of the Group at the time.

## **POSSIBLE ADJUSTMENTS TO THE CONVERTIBLE BONDS**

As at the date of this announcement, the Company has outstanding Convertible Bonds which are convertible into 1,385,654,762 Existing Shares at the conversion price of HK\$0.168 per Existing Share (subject to adjustment mechanism in accordance with the terms and conditions of the Convertible Bonds).

Pursuant to the terms and conditions of the Convertible Bonds, the Capital Reorganisation and the Rights Issue may lead to adjustments to the conversion prices of the Convertible Bonds. The Company will notify the holder of the Convertible Bonds and the Shareholders by way of announcement (as and when appropriate) regarding adjustments to be made (if any) pursuant to the terms of the Convertible Bonds and such adjustment will be certified by an independent financial adviser or auditors of the Company (as the case may be).

Save as disclosed above, as at the date of this announcement, the Company does not have any other share options, derivatives, options, warrants and conversion rights or other similar rights which are convertible or exchangeable into, any Existing Shares, Consolidated Shares or Adjusted Shares.

## **EQUITY FUNDRAISING ACTIVITIES IN THE PAST 12 MONTHS FROM THE DATE OF THIS ANNOUNCEMENT**

The Company has not conducted any fund-raising activities involving issue of its securities in the past 12 months immediately preceding the date of this announcement.

## **TAXATION**

Shareholders are advised to consult their professional advisers if they are in doubt as to the taxation implications of the receipt, purchase, holding, exercising, disposing of or dealing in, the nil-paid Rights Shares or the fully-paid Rights Shares and, regarding Non-Qualifying Shareholders, their receipt of the net proceeds, if any, from sales of the nil-paid Rights Shares on their behalf.

## **EXPECTED TIMETABLE**

Set out below is the expected timetable for the proposed Capital Reorganisation and the proposed Rights Issue which is indicative only and has been prepared on the assumption that all the conditions of the Rights Issue will be fulfilled. The expected timetable is subject to change and further announcement(s) will be made by the Company should there be any changes to the expected timetable.

Event	Date and time (Hong Kong time) 2025
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Despatch date of the Circular, proxy form and notice of the EGM . . . . .	Friday, 29 August
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Latest time for lodging transfers of Shares to qualify for attendance and voting at the EGM . . . . .	4:30 p.m. on Friday, 12 September
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Closure of register of members of the Company to determine entitlement to attend and vote at the EGM (both days inclusive). . . . .	Monday, 15 September to Friday, 19 September
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Latest time for lodging proxy forms for the EGM . . . . .	2:00 p.m. on Wednesday, 17 September
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Record date for determining attendance and voting at the EGM . . . . .	Friday, 19 September
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Expected date and time of the EGM . . . . .	2:00 p.m. on Friday, 19 September
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Announcement of poll results of the EGM . . . . .	Friday, 19 September
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Re-opening of the register of members of the Company . . . . .	Monday, 22 September
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**The following events are conditional on the fulfillment of the conditions for the implementation of the Capital Reorganisation, which are included in this announcement:**

Expected effective date of the Capital Reorganisation . . . . .	Monday, 3 November
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Commencement of dealings in the Adjusted Shares . . . . .	9:00 a.m. on Monday, 3 November
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Original counter for trading in Existing Shares in board lot of 2,000 Existing Shares (in the form of existing share certificates) temporarily closes . . . . .	9:00 a.m. on Monday, 3 November
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Temporary counter for trading in the Adjusted Shares in board lot of 50 Adjusted Shares (in the form of existing share certificates) opens . . . . .	9:00 a.m. on Monday, 3 November
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<b>Event</b>	<b>Date and time (Hong Kong time) 2025</b>
First day for free exchange of existing share certificates for the Existing Shares into new share certificates for the Adjusted Shares . . . . .	Monday, 3 November
Last day of dealings in Adjusted Shares on a cum-rights basis . . . . .	Friday, 7 November
First day of dealings in the Adjusted Shares on an ex-rights basis . . . . .	Monday, 10 November
Latest time for lodging transfer of Adjusted Shares to qualify for the Rights Issue . . . . .	4:30 p.m. on Tuesday, 11 November
Closure of register of members of the Company to determine entitlement to the Rights Issue (both days inclusive) . . . . .	Wednesday, 12 November to Tuesday, 18 November
Original counter for trading in the Adjusted Shares in board lot of 2,000 Adjusted Shares (in the form of new share certificates) re-opens . . . . .	9:00 a.m. on Monday, 17 November
Parallel trading in the Adjusted Shares (in the form of both existing share certificates in board lots of 50 Adjusted Shares and new share certificates in board lots of 2,000 Adjusted Shares) commences . . . . .	9:00 a.m. on Monday, 17 November
Designated broker starts to stand in the market to provide matching services for odd lot of the Adjusted Shares . . . . .	9:00 a.m. on Monday, 17 November
Record Date for determining entitlements to the Rights Issue . . . . .	Tuesday, 18 November
Register of members of the Company re-opens . . . . .	Wednesday, 19 November

<b>Event</b>	<b>Date and time (Hong Kong time) 2025</b>
Despatch of Prospectus Documents (in the case of Non-Qualifying Shareholders, the Prospectus only) . . . . .	Wednesday, 19 November
First day of dealing in Nil-Paid Rights in board lot of 2,000 Adjusted Shares . . . . .	9:00 a.m. on Friday, 21 November
Latest time for splitting of the PAL . . . . .	4:30 p.m. on Tuesday, 25 November
Last day of dealing in Nil-Paid Rights in board lot of 2,000 Adjusted Shares . . . . .	Friday, 28 November
Latest Time for Acceptance of and payment for the Rights Shares and application and payment for excess Rights Shares . . . . .	4:30 p.m. on Wednesday, 3 December
Designated broker ceases to stand in the market to provide matching services for odd lots of Shares . . . . .	4:00 p.m. on Friday, 5 December
Temporary counter for trading in the Adjusted Shares in board lot of 50 Adjusted Shares (in the form of existing share certificates) ends . . . . .	4:10 p.m. on Friday, 5 December
Parallel trading in the Adjusted Shares (in the form of both existing share certificates in board lots of 50 Adjusted Shares and new share certificates in board lots of 2,000 Adjusted Shares) ends . . . . .	4:10 p.m. on Friday, 5 December
Last day for free exchange of existing share certificates for the Existing Shares into new share certificates for the Adjusted Shares. . . . .	Tuesday, 9 December
Announcement of results of the Rights Issue . . . . .	Wednesday, 10 December



**Event****Date and time  
(Hong Kong time)  
2025**

Despatch of certificates for fully-paid Rights Shares  
and refund cheques, if any, in respect of  
wholly or partially unsuccessful application  
for excess Rights Shares ..... Thursday, 11 December

Expected first day of dealings in fully-paid Rights Shares ..... 9:00 a.m. on  
Friday, 12 December

All times and dates stated in this announcement refer to Hong Kong local times and dates. Dates or deadlines specified in the expected timetable above are indicative only and may be extended or varied by the Company. Any changes to the expected timetable will be published or notified to the Shareholders as and when appropriate.

**EFFECT OF BAD WEATHER ON THE LATEST TIME FOR ACCEPTANCE**

The Latest Time for Acceptance will not take place if there is a tropical cyclone warning signal no. 8 or above, Extreme Condition, or a “black” rainstorm warning signal:

- (i) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on the date of the Latest Time for Acceptance. Instead, the Latest Time for Acceptance will be extended to 5:00 p.m. on the same Business Day; or
- (ii) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on the date of the Latest Time for Acceptance. Instead, the Latest Time for Acceptance will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:00 p.m. in Hong Kong.

If the Latest Time for Acceptance does not take place on the currently scheduled date, the dates mentioned in the section headed “Expected timetable” in this announcement may be affected. The Company will notify the Shareholders by way of announcement(s) on any change to the expected timetable as soon as practicable.

## EFFECTS ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

Sets out the shareholding structure of the Company (i) as at the date of this announcement; (ii) immediately upon the Capital Reorganisation becoming effective; and (iii) immediately upon completion of the Rights Issue:

- (1) Assuming no new Shares are allotted and issued pursuant to the conversion of the Convertible Bonds and no change in the number of Shares in issue from the date of this announcement to the Record Date other than the Capital Reorganisation:

Name of Shareholder	As at the date of this announcement		Immediately upon the Capital Reorganisation becoming effective		Immediately after completion of the Rights Issue (assuming full acceptance of the Rights Shares by all Qualifying Shareholders and no excess Rights Shares taken up)	
	Number of Shares	Approximately %	Number of Shares	Approximately %	Number of Shares	Approximately %
Alpha Eagle Limited (Note 1)	2,660,000,000	21.87	66,500,000	21.87	99,750,000	21.87
Cypress Dragons Limited (Note 1)	970,000,000	7.97	24,250,000	7.97	36,375,000	7.97
U.K. Prolific Petroleum Group Company Ltd. (Note 2)	1,860,000,000	15.29	46,500,000	15.29	69,750,000	15.29
Public Shareholders	6,675,344,000	54.87	166,883,600	54.87	250,325,400	54.87
<b>Total</b>	<b>12,165,344,000</b>	<b>100.00</b>	<b>304,133,600</b>	<b>100.00</b>	<b>456,200,400</b>	<b>100.00</b>

- (2) Assuming new Shares are allotted and issued subsequent to the completion of the Capital Reorganisation and on or before the Record Date pursuant to the full conversion of the Convertible Bonds but otherwise no other change in the number of Shares in issue on or before the Record Date:

Name of Shareholder	As at the date of this announcement		Immediately upon the Capital Reorganisation becoming effective		Immediately after full conversion of the Convertible Bonds but otherwise no other change in the number of Shares in issue subsequent to the completion of the Capital Reorganisation up to the Record Date		Immediately after completion of the Rights Issue (assuming full acceptance of the Rights Shares by all Qualifying Shareholders and no excess Rights Shares taken up)	
	Number of Shares	Approximately %	Number of Shares	Approximately %	Number of Shares	Approximately %	Number of Shares	Approximately %
Alpha Eagle Limited (Note 1)	2,660,000,000	21.87	66,500,000	21.87	66,500,000	19.63	99,750,000	19.63
Cypress Dragons Limited (Note 1)	970,000,000	7.97	24,250,000	7.97	24,250,000	7.16	36,375,000	7.16
U.K. Prolific Petroleum Group Company Ltd. (Note 2)	1,860,000,000	15.29	46,500,000	15.29	81,141,369	23.95	121,712,054	23.95
Public Shareholders	6,675,344,000	54.87	166,883,600	54.87	166,883,600	49.26	250,325,400	49.26
<b>Total</b>	<b>12,165,344,000</b>	<b>100.00</b>	<b>304,133,600</b>	<b>100.00</b>	<b>338,774,969</b>	<b>100.00</b>	<b>508,162,454</b>	<b>100.00</b>

*Notes:*

- (1) As at the date of this announcement, Cypress Dragons Limited is entirely controlled by Alpha Eagle Limited whereas Alpha Eagle Limited is entirely controlled by Xinjiang Mingxin Oil Gas Exploration Development Co., Ltd. (“**XM**”), which in turn is controlled by Xinjiang Xintai Natural Gas Natural Gas Co., Ltd. (“**XTRQ**”) through its holding 65.0% of the total issued share capital of XM. Mr. Ming Zaiyuan is interested in 3,630,000,000 Shares of the Company through his holding of 41.07% of the total issued share capital of XTRQ.
- (2) Based on the disclosure of interest filings, as at the date of this announcement, U.K. Prolific Petroleum Group Company Limited is interested in 1,860,000,000 Existing Shares and the Convertible Bonds. Based on the DI filings, UK Prolific is entirely controlled by Mr. Wang Guoju.

## LISTING RULES IMPLICATIONS

The Capital Reorganisation and the Amendments are conditional upon, among other things, the approval by the Shareholders by way of poll at the EGM. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, none of the Shareholders or their respective associates had any interest in the Capital Reorganisation or the Amendments. Accordingly, no Shareholder is required to abstain from voting in favour of the resolutions relating to the Capital Reorganisation or the Amendments at the EGM.

Pursuant to Rule 7.19A(1) of the Listing Rules, since the Rights Issue would not increase either the number of issued Shares or the market capitalisation of the Company by more than 50% (on its own or when aggregated with any other rights issues or open offers announced by the Company (i) within the 12 month period immediately preceding this announcement or (ii) prior to such 12 month period where dealing in respect of the Shares issued pursuant thereto commenced within such 12 month period, together with any bonus securities, warrants or other convertible securities (assuming full conversion) granted or to be granted to Shareholders as part of such rights issues or open offers), the Rights Issue is not conditional upon approval by the Shareholders.

The Rights Issue does not result in a theoretical dilution effect of 25% or more on its own. As such, the theoretical dilution impact of the Rights Issue is in compliance with Rule 7.27B of the Listing Rules.

## DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms have the following meanings:

“Adjusted Share(s)”	the ordinary share(s) of par value of HK\$0.05 each in the share capital of the Company immediately upon the Capital Reorganisation becoming effective
“AFRC”	the Accounting and Financial Reporting Council
“Amendments”	the proposed amendments to the Memorandum and the Articles concurrently with the effectiveness of the Capital Reorganisation
“Articles”	the amended and restated articles of association of the Company, as amended from time to time
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors

“Business Day”	any day (other than a Saturday, Sunday or public holiday or a day on which a typhoon signal no. 8 or above or black rainstorm signal is hoisted or the Extreme Conditions is announced in Hong Kong between 9:00 a.m. and 5:00 p.m.) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours
“Capital Reduction”	the proposed reduction of the issued share capital of the Company by reducing the par value of each Existing Share from HK\$2.00 to HK\$0.05 by cancelling the paid-up share capital to the extent of HK\$1.95 on each issued Existing Share
“Capital Reorganisation”	the proposed Share Consolidation, Capital Reduction and Share Subdivision
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Circular”	the circular to be despatched to the Shareholders in respect of, among other things, the Capital Reorganisation and the Amendments
“Companies Act”	the Companies Act (as revised) of the Cayman Islands, as amended, modified and supplemented from time to time
“Company”	China Energy Development Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on the Main Board of the Stock Exchange with stock code: 228
“Consolidated Shares(s)”	the ordinary share(s) of par value of HK\$2.00 each in the share capital of the Company immediately after the Share Consolidation but prior to the Capital Reduction and Share Subdivision
“Convertible Bonds”	Convertible bonds in the principal amount of HK\$232,790,000 due in 2041 not carrying any interest with right to convert into 1,385,654,762 Existing Shares at a convertible price of HK\$0.168 per Existing Share
“Court”	the Grand Court of the Cayman Islands
“Director(s)”	the director(s) of the Company

“EAF(s)”	the excess application form(s) to be issued to the Qualifying Shareholders to apply for Excess Rights Shares
“EGM”	the extraordinary general meeting of the Company to be convened for the purpose of considering, and if thought fit, approving the resolutions in relation to the Capital Reorganisation and the Amendments, which is expected to be held at Conference Room, Office J, 29/F Plaza 88, No. 88 Yeung Uk Road, Tsuen Wan, New Territories, Hong Kong on Friday, 19 September 2025 at 2:00 p.m. and any adjournment thereof
“Excess Rights Shares”	any Rights Shares provisionally allotted but not subscribed for prior to the Latest Time for Acceptance, any entitlements not provisionally allotted to any Non-Qualifying Shareholders
“Existing Share(s)”	the ordinary share(s) of HK\$0.05 each in the share capital of the Company prior to the Capital Reorganisation becoming effective
“Extreme Condition(s)”	extreme conditions including but not limited to serious disruption of public transport services, extensive flooding, major landslides or large-scale power outage after super typhoons as announced by the government of Hong Kong
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Last Trading Day”	13 August 2025, being the last full trading day before the release of this announcement
“Latest Time for Acceptance”	4:30 p.m. on Wednesday, 3 December 2025 (or such other time and date as may be determined by the Company), being the latest time for the acceptance of, and payment for, the Rights Shares
“Listing Committee”	the listing committee of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange



“Memorandum”	the amended and restated memorandum of association of the Company, as amended from time to time
“Non-Qualifying Shareholder(s)”	Overseas Shareholder(s) whom the Board, after making enquiries, consider it necessary or expedient not to offer the Rights Shares to such Shareholder(s) on account either of the legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place
“Overseas Shareholder(s)”	Shareholder(s) whose name(s) appear on the register of members of the Company as at close of business on the Record Date and whose address(es) as shown on such register at that time is(are) in (a) place(s) outside Hong Kong
“PAL(s)”	the provisional allotment letter(s) to be issued to the Qualifying Shareholders in connection with the Rights Issue
“Posting Date”	Wednesday, 19 November 2025 (or such other date as may be determined by the Company), being the date on which the Prospectus Documents are made available to the Qualifying Shareholders and the Prospectus for information only to the Non-Qualifying Shareholders
“PRC”	the People’s Republic of China, which for the purpose of this announcement excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Prospectus”	the prospectus to be issued by the Company in relation to the Rights Issue
“Prospectus Documents”	the Prospectus, the PAL and the EAF
“Qualifying Shareholder(s)”	Shareholder(s), other than the Non-Qualifying Shareholders whose name(s) appear on the register of members of the Company on the Record Date
“Record Date”	Tuesday, 18 November 2025 or such other date as the Company may determine, for the determination of the entitlements under the Rights Issue
“Registrar”	the Company’s branch share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong

“Rights Issue”	the issue of Rights Shares at the Subscription Price on the basis of one (1) Rights Share for every two (2) Adjusted Shares held on the Record Date payable in full on acceptance
“Rights Share(s)”	152,066,800 Adjusted Shares to be allotted and issued pursuant to the Rights Issue (assuming no change in the number of Shares in issue from the date of this announcement to the Record Date other than the Capital Reorganisation)
“SFC”	the Securities and Futures Commission
“Share(s)”	the Existing Share(s), Consolidated Share(s) and/or Adjusted Share(s) as the case may be
“Share Consolidation”	the proposed consolidation of every forty (40) Existing Shares of par value of HK\$0.05 each into one (1) Consolidated Share of par value of HK\$2.00 each in the share capital of the Company
“Share Subdivision”	the proposed subdivision of authorised but unissued Shares of par value of HK\$2.00 each into forty (40) Adjusted Shares of par value of HK\$0.05 each
“Shareholder(s)”	holder(s) of the share(s) in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	the subscription price of HK\$1.57 per Rights Share
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers issued by the SFC (as may be amended from time to time)
“%”	per cent

By order of the Board of  
**China Energy Development Holdings Limited**  
**Liu Wenxuan**  
*Chairman and Executive Director*

Hong Kong, 14 August 2025

*As at the date of this announcement, the Board comprises Mr. Liu Wenxuan (Chairman of the Board) and Mr. Liu Dong (Chief Executive Officer) as executive Directors; Mr. Yan Danhua and Mr. Chen Jianxin as non-executive Directors and Mr. Zhang Zhenming, Mr. Lee Man Tai and Ms. Chin Ying Ying as independent non-executive Directors.*