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ALPHA EAGLE LIMITED
佳鷹有限公司
(Incorporated in the Cayman Islands with limited liability)

CHINA ENERGY DEVELOPMENT HOLDINGS LIMITED
中國能源開發控股有限公司*
(Incorporated in the Cayman Islands with limited liability)
(Stock code: 228)

JOINT ANNOUNCEMENT

(1) MANDATORY UNCONDITIONAL CASH OFFERS BY CINDA INTERNATIONAL CAPITAL LIMITED FOR AND ON BEHALF OF ALPHA EAGLE LIMITED TO ACQUIRE ALL THE ISSUED SHARES AND OUTSTANDING CONVERTIBLE BONDS OF CHINA ENERGY DEVELOPMENT HOLDINGS LIMITED (OTHER THAN THOSE ALREADY OWNED OR AGREED TO BE ACQUIRED BY ALPHA EAGLE LIMITED AND PARTIES ACTING IN CONCERT WITH IT); (2) APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER; AND (3) RESUMPTION OF TRADING

Joint Financial Advisers to the Offeror

信達國際 CINDA INTERNATIONAL

CINDA INTERNATIONAL CAPITAL LIMITED

RAINBOW. RAINBOW CAPITAL (HK) LIMITED 滙博資本有限公司

RAINBOW CAPITAL (HK) LIMITED

Independent Financial Adviser to the Independent Board Committee

Donvex 富域資本

DONVEX CAPITAL LIMITED

RESULTS OF THE RIGHTS ISSUE

On 23 December 2025, the Company announced that at 4:00 p.m. on Tuesday, 16 December 2025 being the latest time for acceptance of and payment for the Rights Shares, and application and payment for excess Rights Shares, a total of 8 valid applications and acceptances were received, comprising:

(i) a total of 5 valid acceptances of provisional allotments under the PALs in respect of 46,440,029 Rights Shares, representing approximately 30.54% of the total number of the Rights Shares available under the Rights Issue; and

(ii) a total of 3 valid applications for excess Rights Shares under the EAFs in respect of 106,809,906 excess Rights Shares, representing approximately 70.24% of the total number of the Rights Shares available under the Rights Issue.

In aggregate, 153,249,935 Rights Shares validly accepted and applied for under the PALs and EAFs represent approximately 100.78% of the total number of 152,066,800 Rights Shares available under the Rights Issue. Accordingly, the Rights Issue was over-subscribed by 1,183,135 Rights Shares, representing approximately 0.78% of the total number of Rights Shares available for subscription under the Rights Issue.

Share certificates for all fully-paid Rights Shares will be posted to those Qualifying Shareholders entitled thereto, and the refund cheques for the partially unsuccessful applications for excess Rights Shares (without interest) will be posted to the relevant applicants, by ordinary post to their respective registered address at their own risk on Wednesday, 24 December 2025. Each such entitled Qualifying Shareholders will receive one share certificate for all the Rights Shares in fully-paid form. The gross proceeds from the Rights Issue are approximately HK$238.7 million, and the net proceeds from the Rights Issue after deducting all relevant expenses in relation to the Rights Issue are approximately HK$236.7 million.

MANDATORY UNCONDITIONAL CASH OFFERS

Immediately before the completion of the Rights Issue, the Offeror and its Concert Parties owned 90,750,000 Shares, representing approximately 29.84% of the total issued share capital of the Company prior to the issue of 152,066,800 Rights Shares under the Rights Issue.

The Offeror and its Concert Parties made an application to subscribe for a total of 152,066,763 Rights Shares at the Subscription Price under the Rights Issue, comprising (i) 45,375,000 Rights Shares by provisional allotments; (ii) 106,691,763 Rights Shares by excess application. Pursuant to the results of the Rights Issue, on 24 December 2025, a total of 150,885,035 Rights Shares (subject to the Final Allocation) will be issued to the Offeror, comprising (i) 45,375,000 Rights Shares from provisional allotments; (ii) 105,510,035 Rights Shares (subject to the Final Allocation) from excess application.

Immediately following the completion of the Rights Issue, subject to the Final Allocation, the Offeror and its Concert Parties will be interested in an aggregate of 241,634,939 Shares (comprising 90,750,000 Shares held by the Offeror as at the date of this joint announcement and 150,884,939 Rights Shares (subject to the Final Allocation) to be issued to the Offeror upon completion of the Rights Issue), representing approximately 52.97% of the total issued shares capital of the Company as enlarged by the issue of 152,066,800 Rights Shares. Accordingly, the Offeror is required to make mandatory unconditional cash offers for all the relevant securities (as defined under Note 4 to Rule 22 of the Takeovers Code) of the Company (other than those already owned or to be acquired by the Offeror and its Concert Parties) pursuant to Rule 26.1 and Rule 13 of the Takeovers Code.

Cinda and Rainbow have been appointed as the Joint Financial Advisers to the Offeror in respect of the Offers. Cinda will, for and on behalf of the Offeror, make the Offers on the basis set out below:

The Share Offer

For every Offer Share . . . . . HK$1.57 in cash

The Share Offer Price of HK$1.57 per Offer Share is equivalent to Subscription Price of HK$1.57 per Rights Shares paid by the Offeror under the Rights Issue.

The Convertible Bonds Offer

For every HK$1,000,000 face value of the Convertible Bonds . . . . . HK$233,630.95 in cash

The Convertible Bonds Offer will not apply to any Convertible Bonds which are or have been converted into Shares prior to the close of the Convertible Bonds Offer.

As at the date of this joint announcement, there are outstanding Convertible Bonds in the principal amount of HK$232,790,000 which carry rights to convert into 34,641,369 new Shares in full based on the existing conversion price of HK$6.72 per Share, and none of the Offeror and its Concert Parties has any interest in the Convertible Bonds. Pursuant to the terms and conditions of the Convertible Bonds, no adjustments are required to be made to the conversion price and/or the number of Shares that can be issued upon full exercise of the conversion right attached to the Convertible Bonds as a result of the Rights Issue. The conversion price and the number of Shares that can be issued upon full exercise of the conversion right attached to the Convertible Bonds remain the same at HK$6.72 per Share and 34,641,369 Shares, respectively.

The proposed offer price for the Convertible Bonds is HK$233,630.95 for every HK$1,000,000 face value of the Convertible Bonds, determined in accordance with Rule 13 of and Practice Note 6 to the Takeovers Code as the "see-through" consideration for the Convertible Bonds, being the number of new Shares which the Convertible Bonds could be convertible into (i.e. approximately 34,641,369 new Shares) multiplied by the Share Offer Price of HK$1.57 per Offer Share, valuing the total Convertible Bonds Offer at approximately HK$54,386,949.40.

Save for the Convertible Bonds, the Company does not have any outstanding options, warrants or derivatives or convertible rights affecting the Shares.

The Offeror confirms that the Share Offer Price and the Convertible Bonds Offer Price are final and will not be increased.

The Offers are unconditional in all respects when made and will not be conditional upon acceptances being received in respect of a minimum number of Offer Shares and in respect of a minimum number of Convertible Bonds.

Confirmation of financial resources

The maximum cash consideration payable by the Offeror under the Offers would be HK$391,254,723.10.

The Offeror shall finance and satisfy the consideration payable under the Offers in full by way of its internal resources.

Cinda and Rainbow, as the joint financial advisers to the Offeror in respect of the Offers, are satisfied that sufficient financial resources are available to the Offeror to satisfy the consideration for full acceptance of the Offers.

Intention of the Offeror

The Offeror intends to maintain the listing of the Shares on the Stock Exchange following the close of the Offers.

Principal terms of the Offers are set out in the section headed "Mandatory unconditional cash offers" in this joint announcement and further details will be set out in the Composite Document to be posted.

GENERAL

Despatch of the Composite Document

It is the intention of the Offeror and the Company to combine the offer document and the offeree board circular into the Composite Document to be posted.

Pursuant to Rule 8.2 of the Takeovers Code, the Composite Document containing, among other things, (i) the terms of the Offers (including the expected timetable); (ii) the letter from the Independent Board Committee in relation to the Offers; (iii) the letter of advice from the Independent Financial Adviser to the Independent Board Committee in respect of the Offers; and (iv) the relevant form(s) of acceptance, is required to be despatched to the Independent Shareholders no later than twenty-one (21) days after the date of this joint announcement (or such later date as the Executive may consent to).

Independent Board Committee and Independent Financial Adviser

The Independent Board Committee, comprising all independent non-executive Directors, namely Ms. Chin Ying Ying, Mr. Lee Man Tai and Mr. Zhang Zhenming, has been established to advise the Independent Shareholders and the Convertible Bondholders in relation to the terms and conditions of the Offers, in particular as to whether the Offers are fair and reasonable and as to acceptance of the Offers.

Pursuant to Rules 2.1 and 2.8 of the Takeovers Code, the Independent Board Committee should comprise all non-executive and independent non-executive directors. Since (i) Mr. Yan Danhua, being a non-executive director of the Company, is a director of XTRQ, which indirect wholly owns the Offeror; and (ii) Mr. Chen Jianxin, being a non-executive director of the Company, is the deputy general manager of XTRQ, such Directors are not independent for the purpose of giving advice or recommendations to the Independent Shareholders and will not be part of the Independent Board Committee.

Donvex has been appointed by the Company with the approval of the Independent Board Committee as the Independent Financial Adviser to advise the Independent Board Committee in respect of the Offers and, in particular, as to whether the Offers are fair and reasonable and as to acceptance of the Offers pursuant to Rule 2.1 of the Takeovers Code.

RESUMPTION OF TRADING IN SHARES OF THE COMPANY

At the request of the Company, the trading of the Shares on the Stock Exchange was suspended with effect from 9:00 a.m. on 17 December 2025 pending the release of this joint announcement. An application has been made by the Company to the Stock Exchange for the resumption of the trading of the Shares on the Stock Exchange with effect from 9:00 a.m. on 24 December 2025.

RESULTS OF THE RIGHTS ISSUE

On 23 December 2025, the Company announced that at 4:00 p.m. on Tuesday, 16 December 2025 being the latest time for acceptance of and payment for the Rights Shares, and application and payment for excess Rights Shares, a total of 8 valid applications and acceptances were received, comprising:

(i) a total of 5 valid acceptances of provisional allotments under the PALs in respect of 46,440,029 Rights Shares, representing approximately 30.54% of the total number of the Rights Shares available under the Rights Issue; and

(ii) a total of 3 valid applications for excess Rights Shares under the EAFs in respect of 106,809,906 excess Rights Shares, representing approximately 70.24% of the total number of the Rights Shares available under the Rights Issue.

In aggregate, 153,249,935 Rights Shares validly accepted and applied for under the PALs and EAFs represent approximately 100.78% of the total number of 152,066,800 Rights Shares available under the Rights Issue. Accordingly, the Rights Issue was over-subscribed by 1,183,135 Rights Shares, representing approximately 0.78% of the total number of Rights Shares available for subscription under the Rights Issue.

Excess application

Based on the number of valid acceptances under the PALs as referred to above, 105,626,771 Rights Shares were available for subscription under the EAFs. A total of 106,809,906 excess Rights Shares were applied for under the EAFs.

The allocation of the excess Rights Shares was made pursuant to the principles set out in the Prospectus. Given that the number of excess Rights Shares available for subscription under the EAFs was insufficient to satisfy all valid applications, the allocation of the 105,626,771 Rights Shares to the Qualifying Shareholders who applied for excess Rights Shares was made on a fair and equitable basis, and as far as practicable on a pro-rata basis of approximately 98.89% of the number of excess Rights Shares applied for under each application. Reference for allocation of excess Rights Shares was only made to the number of excess Rights Shares applied for and no reference was made to the Rights Shares subscribed through applications by PALs or the existing number of Shares held by the Qualifying Shareholders. In addition, no preference was given to applications for topping up odd-lot holdings to whole lot holdings. The following table sets forth the details of excess applications validly received:

Number of valid excess applications	Total number of excess Rights Shares applied for	Total number of excess Rights Shares allotted	Approximate percentage of allocation based on the total number of excess Rights Shares applied for
3	106,809,906	105,626,771	98.89%

Use of proceeds

The gross proceeds from the Rights Issue are approximately HK$238.7 million, and the net proceeds from the Rights Issue after deducting all relevant expenses in relation to the Rights Issue are approximately HK$236.7 million. The Company currently intends to apply the net proceeds for additional capital reserve to capture business opportunities for exploration, production and distribution of natural gas in the PRC as set out in the Prospectus.

Shareholding structure of the Company

The following table sets out the shareholding structure of the Company (i) immediately before completion of the Rights Issue; and (ii) immediately after completion of the Rights Issue:

Name of Shareholder	**Immediately before completion of the Rights Issue**		**Immediately after completion of the Rights Issue**	
	Number of Shares	*Approximately %*	*Number of Shares*	*Approximately %*
The Offeror*(Note 1)*	66,500,000	21.87	205,259,939	45.00
Cypress Dragons Limited*(Note 1)*	24,250,000	7.97	36,375,000	7.97
Subtotal: The Offeror and its Concert Parties	**90,750,000**	**29.84**	**241,634,939**	**52.97**
U.K. Prolific Petroleum Group Company Ltd.*(Note 2)*	46,500,000	15.29	46,500,000	10.19
Public Shareholders	166,883,600	54.87	168,065,461	36.84
Total	304,133,600	100	456,200,400	100

Notes:

(1) As at the date of this joint announcement, Cypress Dragons Limited is legally and beneficially wholly-owned by the Offeror, whereas the Offeror is legally and beneficially wholly-owned by Xinjiang Mingxin Oil and Gas Exploration and Development Company Limited* (新疆明鑫聚合油氣勘探開發有限公司) ("**XJMX**"), which in turn is held by XTRQ as to 65.0% of its total issued share capital. Mr. Ming Zaiyuan is interested in 90,750,000 Shares through his holding of 41.07% of the total issued share capital of XTRQ.

(2) As at the date of this joint announcement, U.K. Prolific Petroleum Group Company Limited is interested in 46,500,000 Shares and the Convertible Bonds. Based on the disclosure of interest filings, UK Prolific Petroleum Group Company Limited is entirely controlled by Mr. Wang Guoju.

(3) None of the Directors hold any Shares as at the date of this joint announcement.

Despatch of share certificates for Rights Shares and refund cheque

Share certificates for all fully-paid Rights Shares will be posted to those Qualifying Shareholders entitled thereto, and the refund cheques for the partially unsuccessful applications for excess Rights Shares (without interest) will be posted to the relevant applicants, by ordinary post to their respective registered address at their own risk on Wednesday, 24 December 2025. Each such entitled Qualifying Shareholders will receive one share certificate for all the Rights Shares in fully-paid form, except HKSCC Nominees Limited.

Commencement of dealings in the fully-paid Rights Shares

Dealings in the Rights Shares, in their fully-paid form, on the Stock Exchange will commence at 9:00 a.m. on Monday, 29 December 2025.

MANDATORY UNCONDITIONAL CASH OFFERS

Immediately before the completion of the Rights Issue, the Offeror and its Concert Parties owned 90,750,000 Shares, representing approximately 29.84% of the total issued share capital of the Company prior to the issue of 152,066,800 Rights Shares under the Rights Issue.

The Offeror and its Concert Parties made an application to subscribe for a total of 152,066,763 Rights Shares at the Subscription Price under the Rights Issue, comprising (i) 45,375,000 Rights Shares by provisional allotments; (ii) 106,691,763 Rights Shares by excess application. Pursuant to the results of the Rights Issue, on 24 December 2025, a total of 150,885,035 Rights Shares (subject to the Final Allocation) will be issued to the Offeror, comprising (i) 45,375,000 Rights Shares from provisional allotments; (ii) 105,509,939 Rights Shares (subject to the Final Allocation) from excess application.

Immediately following the completion of the Rights Issue, subject to the Final Allocation, the Offeror and its Concert Parties will be interested in an aggregate of 241,634,939 Shares (comprising 90,750,000 Shares held by the Offeror as at the date of this joint announcement and 150,884,939 Rights Shares (subject to the Final Allocation) to be issued to the Offeror upon completion of the Rights Issue), representing approximately 52.97% of the total issued shares capital of the Company as enlarged by the issue of 152,066,800 Rights Shares. Accordingly, the Offeror is required to make mandatory unconditional cash offers for all the relevant securities (as defined under Note 4 to Rule 22 of the Takeovers Code) of the Company (other than those already owned or to be acquired by the Offeror and its Concert Parties) pursuant to Rule 26.1 and Rule 13 of the Takeovers Code.

Cinda and Rainbow have been appointed as the Joint Financial Advisers to the Offeror in respect of the Offers. Cinda will, for and on behalf of the Offeror, make the Offers on the basis set out below:

The Share Offer

For every Offer Share . . . . . .HK$1.57 in cash

The Share Offer Price of HK$1.57 per Offer Share is equivalent to Subscription Price of HK$1.57 per Rights Shares paid by the Offeror under the Rights Issue.

The Convertible Bonds Offer

For every HK$1,000,000 face value of the
Convertible Bonds . . . . . HK$233,630.95 in cash

The Convertible Bonds Offer will not apply to any Convertible Bonds which are or have been converted into Shares prior to the close of the Convertible Bonds Offer.

As at the date of this joint announcement, there are outstanding Convertible Bonds in the principal amount of HK$232,790,000 which carry rights to convert into 34,641,369 new Shares in full based on the existing conversion price of HK$6.72 per Share, and none of the Offeror and its Concert Parties has any interest in the Convertible Bonds. Pursuant to the terms and conditions of the Convertible Bonds, no adjustments are required to be made to the conversion price and/or the number of Shares that can be issued upon full exercise of the conversion right attached to the Convertible Bonds as a result of the Rights Issue. The conversion price and the number of Shares that can be issued upon full exercise of the conversion right attached to the Convertible Bonds remain the same at HK$6.72 per Share and 34,641,369 Shares, respectively.

The proposed offer price for the Convertible Bonds is HK$233,630.95 for every HK$1,000,000 face value of the Convertible Bonds, determined in accordance with Rule 13 of and Practice Note 6 to the Takeovers Code as the "see-through" consideration for the Convertible Bonds, being the number of new Shares which the Convertible Bonds could be convertible into (i.e. approximately 34,641,369 new Shares) multiplied by the Share Offer Price of HK$1.57 per Offer Share, valuing the total Convertible Bonds Offer at approximately HK$54,386,949.40.

Save for the Convertible Bonds, the Company does not have any outstanding options, warrants or derivatives or convertible rights affecting the Shares.

The Offeror confirms that the Share Offer Price and the Convertible Bonds Offer Price are final and will not be increased.

The Offers are unconditional in all respects when made and will not be conditional upon acceptances being received in respect of a minimum number of Offer Shares and in respect of a minimum number of Convertible Bonds.

Comparison of the Share Offer Price

The Share Offer Price of HK$1.57 represents:

(a) a premium of approximately 9.03% to the closing price of HK$1.44 per Share as quoted on the Stock Exchange on the Last Trading Day;

(b) a premium of approximately 9.03% to the average closing price of HK$1.44 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to and including the Last Trading Day;

(c) a premium of approximately 9.03% to the average closing price of HK$1.44 per Share as quoted on the Stock Exchange for the last ten consecutive trading days immediately prior to and including the Last Trading Day;

(d) a premium of approximately 13.69% to the average closing price of HK$1.38 per Share as quoted on the Stock Exchange for the last thirty consecutive trading days immediately prior to and including the Last Trading Day;

(e) a premium of approximately 14.81% to the average closing price of HK$1.37 per Share as quoted on the Stock Exchange for the last sixty consecutive trading days immediately prior to and including the Last Trading Day;

(f) a discount of approximately 73.34% to the audited consolidated net asset value per 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$1,790.4 million and the total number of Share); and

(g) a discount of approximately 74.22% to the unaudited consolidated net asset value per Share as at 30 June 2025 of approximately HK$6.09 (based on the unaudited consolidated net asset value as at 30 June 2025 of approximately HK$1,851.7 million and the total number of Shares).

Highest and lowest Share Price

During the six-month period immediately preceding the Last Trading Day:

(a) the highest closing price of the Shares quoted on the Stock Exchange was HK$2.72 per Share on 19 June 2025; and

(b) the lowest closing price of the Shares quoted on the Stock Exchange was HK$1.24 per Share on 27 and 29 August 2025.

Value of the Offers

Immediately following completion of the Rights Issue, the Company is expected to have 456,200,400 Shares in issue and outstanding Convertible Bonds in the principal amount of HK$232,790,000 which carry rights to convert into approximately 34,641,369 new Shares in full based on the conversion price of HK$6.72 per Share immediately upon the completion of the Rights Issue.

Assuming the Offers are accepted in full on the basis that (i) none of the conversion rights attaching to the Convertible Bonds were exercised prior to the close of the Offers; and (ii) there were no change in the total number of issued Shares of the Company from the date of this joint announcement up to the close of the Offers, a total of 214,565,461 issued Shares (representing the Shares not already owned or agreed to be acquired by the Offeror and its Concert Parties) would be subject to the Share Offer. The cash consideration payable by the Offeror under the Share Offer would be approximately HK$336,867,773.77, whereas the cash consideration payable by the Offeror under the Convertible Bonds Offer would be HK$54,386,949.40, aggregating to HK$391,254,723.17.

Assuming that (i) all the conversion rights attaching to the Convertible Bonds were exercised in full prior to the close of the Offers and there would be no outstanding Convertible Bonds remaining for acceptance under the Convertible Bonds Offer; and (ii) there were no other change in the total number of issued Shares of the Company from the date of this joint announcement up to the close of the Offers, a total of 249,206,830 Shares (representing the Shares not already owned or agreed to be acquired by the Offeror and its Concert Parties, including 34,641,369 new Shares to be issued pursuant to the exercise in full of the conversion rights attaching to the Convertible Bonds) would be subject to the Share Offer. Therefore, the maximum cash consideration payable by the Offeror under the Share Offer would be HK$391,254,723.10.

Confirmation of financial resources

The Offeror shall finance and satisfy the consideration payable under the Offers in full by way of its internal resources.

Cinda and Rainbow, as the joint financial advisers to the Offeror in respect of the Offers, are satisfied that sufficient financial resources are available to the Offeror to satisfy the consideration for full acceptance of the Offers upon full acceptance of the Share Offer in respect of 214,565,461 Offer Shares (representing the Shares not already owned or agreed to be acquired by the Offeror and its Concert Parties) and the Convertible Bonds Offer.

Effect of accepting the Offers

Acceptance of the Share Offer by Independent Shareholders will be deemed to constitute a warranty by such person that all Shares sold by such person under the Share Offer are free from all Encumbrances whatsoever and together with all rights accruing or attaching thereto, including, without limitation, the right to receive dividends and distributions declared, made or paid, if any, on or after the date on which the Share Offer is made.

As at the date of this joint announcement, the Company (i) has no dividend or other distributions declared but not paid; and (ii) will not declare and pay any dividend or other distributions before the close or lapse of the Offer.

Acceptance of the Convertible Bonds Offer by any Convertible Bondholders will be deemed to constitute a warranty by such person that all Convertible Bonds sold by such person under the Convertible Bonds Offer are free from all Encumbrances whatsoever.

Acceptance of the Offers would be irrevocable and would not be capable of being withdrawn, subject to the provisions of the Takeovers Code.

Hong Kong stamp duty

The seller's Hong Kong ad valorem stamp duty arising in connection with acceptance of the Share Offer amounting to HK$1.00 for every HK$1,000 or part thereof of the amount payable in respect of relevant acceptances by the Independent Shareholders, or (if higher) the value of the Shares as determined by the Collector of Stamp Revenue under the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong), will be deducted from the amount payable to the Independent Shareholders who accept the Share Offer. The Offeror will then pay the stamp duty so deducted to the Stamp Office of Hong Kong. The Offeror will bear buyer's ad valorem stamp duty.

The seller's Hong Kong ad valorem stamp duty (if any) in connection with acceptance of the Convertible Bonds Offer amounting to HK$1.00 for every HK$1,000 or part thereof of the amount payable in respect of relevant acceptances by the Convertible Bondholders, or (if higher) the value of the Convertible Bonds as determined by the Collector of Stamp Revenue under the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong), will be deducted from the amount payable to the Convertible Bondholders who accept the Convertible Bonds Offer. The Offeror will then pay the stamp duty (if any) so deducted to the Stamp Office of Hong Kong. The Offeror will bear buyer's ad valorem stamp duty (if any).

Taxation advice

The Independent Shareholders and the Convertible Bondholders are recommended to consult their own professional advisers as to the taxation implications of accepting or rejecting the Offers. None of the Offeror, its Concert Parties, the Company, the Joint Financial Advisors and their respective ultimate beneficial owners, directors, officers, agents or associates or any other person involved in the Offers accepts any responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Offers.

Payment

Payment in cash in respect of acceptances of the Offers (after deducting the stamp duty) will be made as soon as possible but in any event no later than seven (7) Business Days of the date of receipt of a duly completed acceptance. Relevant documents evidencing title must be received by or on behalf of the Offeror to render such acceptance of the Offers complete and valid pursuant to the Takeovers Code.

No fractions of a cent will be payable and the amount of the consideration payable to an Independent Shareholder or Convertible Bondholder who accepts the Share Offer or Convertible Bonds Offer (as the case may be) will be rounded up to the nearest cent.

Overseas Shareholders and Overseas Convertible Bondholders

The Offeror intends to make the Offers available to all the Independent Shareholders and all Convertible Bondholders, including the Overseas Shareholders.

As the Offers to persons who are not residents in Hong Kong may be affected by the laws of the relevant jurisdiction in which they reside, the Overseas Shareholders and the Overseas Convertible Bondholders who are citizens, residents or nationals of a jurisdiction outside Hong Kong should observe any applicable legal or regulatory requirements and, where necessary, seek legal advice. It is the responsibility of the Overseas Shareholders and the Overseas Convertible Bondholders who wish to accept the Offers to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection with the acceptance of the Offers (including the obtaining of any governmental or other consent which may be required or the compliance with other necessary formalities and the payment of any transfer or other taxes due from such accepting Overseas Shareholders or Overseas Convertible Bondholders in respect of such jurisdictions).

Any acceptance of the Offers by any Overseas Shareholder or Overseas Convertible Bondholder will be deemed to constitute a representation and warranty from such Overseas Shareholder or Overseas Convertible Bondholder to the Offeror that the local laws and requirements have been complied with. The Overseas Shareholders and the Overseas Convertible Bondholders should consult their professional advisers if in doubt.

Other arrangements

As at the date of this joint announcement,

(a) save as disclosed in the paragraph headed "Shareholding structure of the Company", neither the Offeror nor its Concert Parties owned or had control or direction over any voting rights or rights over any Shares or convertible securities, warrants, options of the Company or any other relevant securities (as defined in Note 4 of Rule 22 of the Takeovers Code) of the Company;

(b) there are no outstanding derivatives in respect of securities in the Company, which are owned, controlled or directed by, or have been entered into by the Offeror and its Concert Parties;

(c) neither the Offeror nor its Concert Parties has received any irrevocable commitment to accept or reject the Offers;

(d) there are no arrangements (whether by way of option, indemnity or otherwise) of the kind referred to in Note 8 to Rule 22 of the Takeovers Code in relation to the Shares or shares of the Offeror which might be material to the Offers;

(e) there is no agreement or arrangement to which the Offeror (or the parties acting in concert with him) is a party which relates to the circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the Offers;

(f) there are no relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company which the Offeror nor its Concert Parties has borrowed or lent;

(g) there were no dealings by the Offeror and its Concert Parties in the relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company within six months preceding the date of this joint announcement;

(h) there is no understanding, arrangement or agreement which constitutes a special deal (as defined under Rule 25 of the Takeovers Code) between the Offeror or its Concert Parties on one hand, and the Company, its subsidiaries or associated companies on the other hand; and

(i) there is no understanding, arrangement or agreement which constitutes a special deal (as defined under Rule 25 of the Takeovers Code) between any Shareholder, and (a) the Offeror and/or its Concert Parties; or (b) the Company, its subsidiaries or associated companies.

INFORMATION OF THE GROUP

The Company was incorporated in the Cayman Islands with limited liability and its issued Shares are listed on the Main Board of the Stock Exchange. The Group is principally engaged in exploration, production and distribution of natural gas in the PRC.

Set out below is a summary of the audited consolidated results of the Group for the two financial years ended 31 December 2023 and 2024 as extracted from the annual report of the Company for the year ended 31 December 2024, and the unaudited consolidated results of the Group for the six months ended 30 June 2024 and 2025 as extracted from the interim reports of the Company for the six months ended 30 June 2024 and 2025.

	For the six months ended 30 June 2025	**For the six months ended 30 June 2024**	**For the year ended 31 December 2024**	**For the year ended 31 December 2023**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
	(Unaudited)	*(Unaudited)*	*(Audited)*	*(Audited)*
Revenue	118,833	165,807	300,101	332,034
Profit before income tax	16,909	41,933	56,399	90,765
Profit for the year/period	9,792	32,911	26,710	68,880

	As at 30 June 2025	**As at 30 June 2024**	**As at 31 December 2024**	**As at 31 December 2023**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
	(Unaudited)	*(Unaudited)*	*(Audited)*	*(Audited)*
Net assets	1,851,714	1,813,820	1,790,383	1,731,856

INFORMATION OF THE OFFEROR

The Offeror is a company incorporated in Cayman Islands with limited liability and is legally and beneficially wholly-owned by XJMX, which in turn is held by (i) XTRQ as to 65.0%; and (ii) Karamay Fucheng Energy Group Co., Ltd.* (克拉瑪依市富城能源集團有限公司) ("**Karamay Fucheng**") as to 35% of its total issued share capital.

Cypress Dragons Limited is a company incorporated in the British Virgin Islands with limited liability and is legally and beneficially wholly-owned by the Offeror and is principally engaged in investment holding.

Karamay Fucheng is legally and beneficially wholly-owned by Karamay City Construction Investment Development Co., Ltd.* (克拉瑪依市城市建設投資發展有限責任公司), which is legally and beneficially wholly-owned by Karamay Xitan Relocation Project Management Co., Ltd.* (克拉瑪依市投資控股有限責任公司), which is legally and beneficially wholly-owned by Karamay State-owned Assets Supervision and Administration Commission* (克拉瑪依市國有資產監督管理委員會).

As at the date of this joint announcement, as the Offeror holds 66,500,000 Shares and Cypress Dragons Limited holds 24,250,000 Shares, Mr. Ming Zaiyuan ("**Mr. Ming**") is interested in 90,750,000 Shares of the Company through his holding of 41.07% of the total issued share capital of XTRQ.

The Offeror is principally engaged in investment holding. XTRQ is principally engaged in the distribution and sales of natural gas. XTRQ provides natural gas sales services, including natural gas sales for civilian use and commercial use, natural gas installation services, as well as compressed natural gas transportation services. XTRQ is a company incorporated under the laws of the PRC and its shares are listed on the Shanghai Stock Exchange (stock code: 603393). The controlling shareholder of XTRQ is Mr. Ming, holding approximately 41.07% of the total issued shares of XTRQ as at the date of this joint announcement. According to publicly available information, the shareholding structure of the remaining approximately 58.93% of the total issued shares of XTRQ is relatively scattered and is owned by the directors and/or senior management of XTRQ and various investment funds and public shareholders as at the date of this joint announcement.

Mr. Ming has been the chairman of the board of XTRQ since January 2013. Mr. Ming graduated from the correspondence college of Party College of Sichuan Province Committee of the Communist Party of China (中共四川省委黨校函授學院) in 1987, majoring in law.

INTENTION OF THE OFFEROR IN RELATION TO THE GROUP

It is the intention of the Offeror to continue the existing business of the Company and has no intention to put forward any major changes to the business of the Company after the close of the Offers.

The Offeror has no intention to discontinue any employment of the employees of the Company or to dispose of or re-allocate the Company's assets which are not in the ordinary and usual course of business of the Company.

PROPOSED CHANGE TO THE BOARD COMPOSITION OF THE COMPANY

As at the date of this joint announcement, the Board comprises Mr. Liu Wenxuan and Mr. Liu Dong 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.

The Offeror does not have any intention to nominate new Directors to the Board but may do so in the future. If the Offeror in the future wishes to nominate new Directors to the Board it shall be with effect from the earliest time permitted under the Takeovers Code. Further announcement(s) will be made by the Company in compliance with the requirements of the Listing Rules as and when there are changes in the composition of the Board.

MAINTAINING THE LISTING STATUS OF AND SUFFICIENT PUBLIC FLOAT OF THE COMPANY

The Stock Exchange has stated that if, at the close of the offer, less than the minimum prescribed percentage applicable to the listed issuer, being 25% of the issued shares (excluding treasury shares), are held by the public, or if the Stock Exchange believes that:

(a) a false market exists or may exist in the trading of the Shares; or

(b) that there are insufficient Shares in public hands to maintain an orderly market,

it will consider exercising its discretion to suspend dealings in the shares.

The Offeror intends the Company to remain listed on the Stock Exchange. The Offeror does not intend to avail itself of any powers of compulsory acquisition of any Shares outstanding after the close of the Offers. The Offeror will undertake to the Stock Exchange to take appropriate steps to ensure that sufficient public float exists in the Shares. The Offeror considers that the appropriate actions to be taken after the close of the Offers shall include placing down of sufficient number of accepted Offer Shares by the Offeror where appropriate. The Offeror and the Company will issue a further announcement as and when necessary in this regard.

GENERAL

Despatch of the Composite Document

It is the intention of the Offeror and the Company to combine the offer document and the offeree board circular into the Composite Document to be posted.

Pursuant to Rule 8.2 of the Takeovers Code, the Composite Document containing, among other things, (i) the terms of the Offers (including the expected timetable); (ii) the letter from the Independent Board Committee in relation to the Offers; (iii) the letter of advice from the Independent Financial Adviser to the Independent Board Committee in respect of the Offers; and (iv) the relevant form(s) of acceptance, is required to be despatched to the Independent Shareholders within twenty-one (21) days of the date of this joint announcement (or such later date as the Executive may consent to).

Independent Board Committee and Independent Financial Adviser

The Independent Board Committee, comprising all independent non-executive Directors, namely Ms. Chin Ying Ying, Mr. Lee Man Tai and Mr. Zhang Zhenming, has been established to advise the Independent Shareholders and the Convertible Bondholders in relation to the terms and conditions of the Offers, in particular as to whether the Offers are fair and reasonable and as to acceptance of the Offers.

Pursuant to Rules 2.1 and 2.8 of the Takeovers Code, the Independent Board Committee should comprise all non-executive and independent non-executive directors. Since (i) Mr. Yan Danhua, being a non-executive director of the Company, is a director of XTRQ, which indirect wholly owns the Offeror; and (ii) Mr. Chen Jianxin, being a non-executive director of the Company, is the deputy general manager of XTRQ, such Directors are not independent for the purpose of giving advice or recommendations to the Independent Shareholders and will not be part of the Independent Board Committee.

Donvex has been appointed by the Company with the approval of the Independent Board Committee as the Independent Financial Adviser to advise the Independent Board Committee in respect of the Offers and, in particular, as to whether the Offers are fair and reasonable and as to acceptance of the Offers pursuant to Rule 2.1 of the Takeovers Code.

DEALING DISCLOSURE

In accordance with Rule 3.8 of the Takeovers Code, the respective associates of the Company and the Offeror (as defined under the Takeovers Code and including but not limited to any person who owns or controls 5% or more of any class of relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company or the Offeror) are reminded to disclose their dealings in the relevant securities of the Company pursuant to the requirements of the Takeovers Code

The full text of Note 11 of Rule 22 of the Takeovers Code is reproduced below pursuant to Rule 3.8 of the Takeovers Code:

"Responsibilities of stockbrokers, banks and other intermediaries

Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates of an offeror or the offeree company and other persons under Rule 22 and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules.

However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than $1 million.

This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.

Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation."

RESUMPTION OF TRADING IN SHARES OF THE COMPANY

At the request of the Company, the trading of the Shares on the Stock Exchange was suspended with effect from 9:00 a.m. on 17 December 2025 pending the release of this joint announcement. An application has been made by the Company to the Stock Exchange for the resumption of the trading of the Shares on the Stock Exchange with effect from 9:00 a.m. on 24 December 2025.

WARNING:

The Directors make no recommendation as to the fairness or reasonableness of the Offers or as to the acceptance of the Offers in this joint announcement, and strongly recommend the Independent Shareholders and Convertible Bondholders not to form a view on the Offers unless and until they have received and read the composite document, including the recommendation of the Independent Board Committee to the Independent Shareholders and the Convertible Bondholders in respect of the Offers and the letter of advice from Independent Financial Adviser to the Independent Board Committee. The Independent Shareholders and Convertible Bondholders are encouraged to read the composite document carefully before deciding whether or not to accept the Offers.

Shareholders and potential investors are reminded to monitor the announcements to be made by the Company or jointly by the Offeror and the Company in respect of the progress of the Offers and are advised to exercise caution when dealing in the Shares. If Shareholders and potential investors are in any doubt about their position, they should consult their professional advisers.

In this joint announcement, the following expressions have the meanings set out below unless the context requires otherwise:

"acting in concert"	has the meaning ascribed to it under the Takeovers Code
"associate(s)"	has the meaning ascribed to it under the Takeovers Code
"Business Day"	a business day is a day on which the Stock Exchange is open for the transaction of business
"Board"	the board of Directors
"Cinda"	Cinda International Capital Limited, a licensed corporation to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO, being one of the joint financial advisers to the Offeror
"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
"Composite Document"	the composite offer and response document to be issued jointly by the Offeror and the Company to all the Shareholders in accordance with the Takeovers Code containing, amongst other things, the detailed terms of the Offers
"Concert Parties"	parties acting in concert with the Offeror (including Cypress Dragon Limited)
"connected persons"	has the meaning ascribed to it under the Listing Rules
"Convertible Bonds"	Convertible bonds in the principal amount of HK$232,790,000 which carry rights to convert into 34,641,369 new Shares in full based on the existing conversion price of HK$6.72 per Share
"Convertible Bondholder(s)"	the holder of the Convertible Bond(s) from time to time
"Convertible Bonds Offer"	the offer to be made by Cinda on behalf of the Offeror to acquire the Convertible Bonds in accordance with the terms described in this joint announcement

"Directors"	the director(s) of the Company
"EAF(s)"	the form(s) of application for use by the Qualifying Shareholders who wish to apply for excess Rights Shares
"Encumbrance(s)"	a mortgage, charge, pledge, lien, option, restriction, right of first refusal, right of pre-emption, third-party right or interest, other encumbrance or security interest of any kind, or another type of preferential arrangement (including, without limitation, a title transfer or retention arrangement) having similar effect
"Executive"	the Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director
"Final Allocation"	the allocation of Rights Shares allotted to HKSCC Nominees Limited by HKSCC amongst CCASS participants that have validly applied for excess Rights Shares
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"HKSCC"	the Hong Kong Securities Clearing Company Limited
"Hong Kong"	Hong Kong Special Administrative Region of the People's Republic of China
"Independent Board Committee"	an independent committee of the Board, comprising all independent non-executive Directors, namely Ms. Chin Ying Ying, Mr. Lee Man Tai and Mr. Zhang Zhenming, established for the purpose of making a recommendation to the Independent Shareholders and the Convertible Bondholders as to whether the Offers are fair and reasonable and whether to accept the Offers
"Independent Financial Adviser" or "Donvex"	Donvex Capital Limited, a licensed corporation to carry out type 6 (advising on corporate finance) regulated activities under the SFO, being the independent financial adviser to advise the Independent Board Committee in respect of the Offers
"Independent Shareholder(s)"	Shareholder(s) other than the Offeror and its Concert Parties
"Last Trading Day"	16 December 2025, being the last trading day of the Shares on the Stock Exchange before the publication of this joint announcement

"Listing Rules"	Rules Governing the Listing of Securities on the Stock Exchange
"Offers"	the Share Offer and the Convertible Bonds Offer
"Offer Period"	the period commencing from 23 December 2025, being the date of this joint announcement and ending on the date of the close of the Offers
"Offer Price"	HK$1.57 per Offer Share payable by the Offeror to an Independent Shareholder accepting the Offers
"Offer Share(s)"	all issued Share(s) (other than those already owned or agreed to be acquired by Offeror and its Concert Parties)
"Offeror"	Alpha Eagle Limited, a company incorporated in the Cayman Islands with limited liability
"Overseas Shareholder(s)"	the Shareholder(s) whose names appear on the register of members of the Company with registered address(es) outside Hong Kong
"PAL(s)"	the provisional allotment letter(s) issued to the Qualifying Shareholders in connection with the Rights Issue
"Prospectus"	the prospectus of the Company dated 2 December 2025 relating to the Rights Issue
"Qualifying Shareholder(s)"	the Shareholders whose names appeared on the register of members of the Company at the close of business on the record date (i.e. 1 December 2025)
"Rainbow"	Rainbow Capital (HK) Limited, a licensed corporation to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO, being one of the joint financial advisers to the Offeror
"Rights Issue"	the issue of Rights Shares at the Subscription Price on the basis of one (1) Rights Share for every two (2) Shares held on the record date (i.e. 1 December 2025) payable in full on acceptance
"Rights Share(s)"	152,066,800 Shares to be issued under the Rights Issue
"SFC"	the Securities and Futures Commission of Hong Kong
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)

"Share Offer"	the mandatory unconditional cash offer to be made by Cinda, on behalf of the Offeror, to acquire all the issued Shares (other than those already owned or agreed to be acquired by Offeror and its Concert Parties)
"Shareholder(s)"	the holder(s) of the Share(s)
"Shares"	the ordinary share(s) with par value of HK$0.05 each 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
"subsidiary(ies)"	has the same meaning as in Rule 1.01 of the Listing Rules
"Takeovers Code"	The Code on Takeovers and Mergers published by the SFC and as amended from time to time
"XTRQ"	新疆鑫泰天然氣股份有限公司 (Xinjiang Xintai Natural Gas Co., Ltd.*) a company incorporated in the PRC and listed on the Shanghai Stock Exchange (stock code: 603393)
"%"	per cent

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

Hong Kong, 23 December 2025

As at the date of this joint announcement, the sole director of the Offeror is Mr. Wang Bing.

The sole director of the Offeror accepts full responsibility for the accuracy of the information contained in this joint announcement (other than that relating to the Group) and confirms, having made all reasonable enquiries, that to the best of his knowledge, opinions expressed in this joint announcement (other than opinions expressed by the Directors in their capacity as such) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.

As of the date of this joint announcement, the executive directors of XTRQ are Mr. Ming Zaiyuan, Mr. Zhang Shu, Mr. Yan Danhua, Mr. Zhang Jianbing, Mr. Gong Chihua and Mr. Zhang Xinlong and the independent directors of XTRQ are Mr. Wen Xiaojun, Ms. Huan Juan and Ms. Zhao Aiqing.

The directors of XTRQ jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than that relating to the Group) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than opinions expressed by the Directors in their capacity as such) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.

As at the date of this joint 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.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than that relating to the Offeror) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than opinions expressed by the sole director of the Offeror in his capacity as such) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.

* *For identification purpose only.*