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(Incorporated in the Cayman Islands with limited liability)

(Stock code: 228)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2025

HIGHLIGHTS

Year ended 31 December

	2025	2024	Increase/ (decrease)%
Revenue (HK\$'000)	234,258	300,101	(21.9)
EBITDA ⁽¹⁾ (HK\$'000)	135,565	174,027	(22.1)
Profit attributable to owners of the Company (HK\$'000)	25,874	27,344	(5.4)
Earnings per share		<i>Restated</i>	
– Basic (HK cents)	8.42	10.04	(16.14)
– Diluted (HK cents)	8.42	10.04	(16.14)

Note 1: EBITDA represents the EBITDA of the Company and its subsidiaries. EBITDA, which is a non HKFRS Accounting Standards financial measure used to measure the Group's operating profitability, is defined as the earnings before interest and other finance costs, taxation, provision of impairment, fair value change in financial assets, depreciation and amortisation.

* For identification purposes only

The board (the “**Board**”) of directors (the “**Directors**”) of China Energy Development Holdings Limited (the “**Company**”) is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively the “**Group**”) for the year ended 31 December 2025 together with comparative figures for 2024, as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2025

	<i>Notes</i>	2025 HK\$'000	2024 HK\$'000
Revenue	4	234,258	300,101
Direct cost		(47,679)	(51,631)
Other income	5	11,071	4,237
Selling and distribution expenses		(21,363)	(25,758)
Staff costs		(12,552)	(19,930)
Expenses related to short-term leases		(404)	(1,219)
Depreciation of property, plant and equipment		(28,706)	(33,912)
Depreciation of right-of-use assets		(1,268)	(3,460)
Fair value loss of financial assets at fair value through profit or loss		(2,301)	(7,679)
Gain on disposal of financial assets at fair value through profit or loss		–	863
Provision of impairment of accounts receivables		(10,058)	–
Provision of impairment of other receivables		(792)	–
Amortisation of intangible assets		(18,906)	(22,843)
Provision of impairment of property, plant and equipment		(10,840)	(9,121)
Provision of impairment of intangible assets	12	(10,677)	(4,554)
Expenses charged under Petroleum Contract		(15,253)	(12,029)
Other operating expenses		(12,513)	(20,607)
Finance costs	6	(19,738)	(36,059)
Profit before income tax	7	32,279	56,399
Income tax charge	8	(9,810)	(29,689)
Profit for the year		22,469	26,710

	<i>Notes</i>	2025 HK\$'000	2024 <i>HK\$'000</i>
Other comprehensive income/(loss) after tax:			
Items that may be reclassified to profit or loss:			
Exchange differences on translation of foreign operations attributable to:			
Owners of the Company		85,913	(50,483)
Non-controlling interests		477	(325)
		<u>86,390</u>	<u>(50,808)</u>
Total comprehensive income/(loss) for the year		<u>108,859</u>	<u>(24,098)</u>
Profit/(Loss) for the year attributable to:			
Owners of the Company		25,874	27,344
Non-controlling interests		(3,405)	(634)
		<u>22,469</u>	<u>26,710</u>
Total comprehensive income/(loss) attributable to:			
Owners of the Company		111,787	(23,139)
Non-controlling interests		(2,928)	(959)
		<u>108,859</u>	<u>(24,098)</u>
Earnings per share (HK cents)			
– Basic	10(a)	<u>8.42</u>	<i>(Restated)</i> <u>10.04</u>
– Diluted	10(b)	<u>8.42</u>	<u>10.04</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2025

		2025	2024
	Notes	HK\$'000	HK\$'000
Non-current assets			
Property, plant and equipment	11	1,072,904	1,047,432
Right-of-use assets		24,579	1,618
Intangible assets	12	1,060,032	1,040,610
Prepayments		3,517	–
Total non-current assets		2,161,032	2,089,660
Current assets			
Accounts receivables	13	125,179	116,251
Financial assets at fair value through profit or loss		12,475	14,776
Other receivables, deposits and prepayments		10,041	15,502
Cash and bank balances		295,158	34,346
Total current assets		442,853	180,875
Current liabilities			
Other payables and accruals		68,727	109,620
Lease liabilities		1,237	724
Amount due to a shareholder		33,769	32,719
Other borrowings		246,295	261,808
Total current liabilities		350,028	404,871
Net current assets/(liabilities)		92,825	(223,996)
Total assets less current liabilities		2,253,857	1,865,664

	<i>Notes</i>	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Non-current liabilities			
Lease liabilities		5,034	996
Provisions		22,314	–
Convertible notes	14	50,383	45,463
Deferred tax liabilities		40,187	28,822
		<hr/>	<hr/>
Total non-current liabilities		117,918	75,281
		<hr/>	<hr/>
Net assets		2,135,939	1,790,383
		<hr/> <hr/>	<hr/> <hr/>
Equity			
Share capital	15	22,809	608,267
Reserves		2,107,026	1,173,084
		<hr/>	<hr/>
Attributable to owners of the Company		2,129,835	1,781,351
Non-controlling interests		6,104	9,032
		<hr/>	<hr/>
Total equity		2,135,939	1,790,383
		<hr/> <hr/>	<hr/> <hr/>

Notes:

1. GENERAL INFORMATION

China Energy Development Holdings Limited (the “**Company**”) was incorporated on 4 April 2001 as an exempted company with limited liability in the Cayman Islands under the Companies Law of the Cayman Islands. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, Cayman Islands. Its principal place of business is located at Office J, 29/F, Plaza 88, No.88 Yeung Uk Road, Tsuen Wan, New Territories, Hong Kong.

The shares of the Company have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) since 18 February 2002.

The principal activity of the Company is investment holding. The Group is principally engaged in (i) oil and gas exploration; and (ii) distribution of natural gas.

The immediate holding company of the Company is Alpha Eagle Limited. In the opinion of the Directors, as at the date of issue of these consolidated financial statements, Xinjiang Xintai Natural Gas Co., Ltd. (“**XTRQ**”), a company incorporated in the People’s Republic of China, is the ultimate holding company of the Company.

2. BASIS OF PREPARATION

(a) Statement of Compliance

The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards which collective term includes all applicable Hong Kong Financial Reporting Standards (“**HKFRSs**”), Hong Kong Accounting Standards (“**HKAS**”) and interpretations issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”), accounting principles generally accepted in Hong Kong and the applicable disclosure required by the Companies Ordinance (Cap. 622, Laws of Hong Kong). The consolidated financial statements also comply with the applicable disclosure provisions of Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Main Board Listing Rules**”).

These consolidated financial statements have been prepared on a basis consistent with the accounting policies adopted in the 2024 consolidated financial statements.

(b) Basis of measurement

The consolidated financial statements have been prepared under the historical cost basis except for financial assets at fair value through profit or loss, which are measured at fair value.

(c) Functional and presentation currency

The consolidated financial statements are presented in Hong Kong dollars (“**HK\$**”), which is the Group’s presentation currency. The Company’s functional currency is HK\$. The functional currency of the principal operating subsidiaries of the Group is Renminbi. The Directors consider that choosing HK\$ as the presentation currency best suits the needs of the shareholders and investors.

3. ADOPTION OF NEW AND REVISED HKFRS ACCOUNTING STANDARDS

In the current year, the Group has adopted the revised HKFRS Accounting Standard issued by the HKICPA that are relevant to the Group and effective for its accounting year beginning on 1 January 2025. The adoption of the revised HKFRS Accounting Standard does not have any significant impact on the consolidated financial statements.

The Group has not applied the new and revised HKFRS Accounting Standards that have been issued but are not yet effective. In this regard, the application of HKFRS 18 is not expected to have material impact on the financial position of the Group but is expected to affect the presentation of the consolidated statement of profit or loss and other comprehensive income and consolidated statement of cash flows and disclosures in the future financial statements.

Excepted as described above, the Directors do not anticipate that the adoption of the new and amendments HKFRS Accounting Standards in future periods will have any material impact on the results of the Group.

4. REVENUE AND SEGMENT INFORMATION

The Group determines its operating segments based on the internal reports that are regularly reviewed by the chief operating decision-maker in order to allocate resources to the segment and to assess its performance. In accordance with the Group's internal organisation and reporting structure, the operating segments are based on nature of business.

Sales of Food and Beverages Business segment and Money Lending Business segment are no longer operating and reportable segments of the Group upon the cessation of relating businesses in prior years.

The Group's operating and reportable segment currently is the Exploration, Production and Distribution of Natural Gas segment which is engaged in the exploration, development, production and sales of natural gas and the usage of pipeline for distribution of natural gas. The chief operating decision-maker of the Group considers that there is only one operating segment which is used to make strategic decisions.

(a) Disaggregation of revenue from contracts with customers:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Exploration, Production and Distribution of Natural Gas		
Geographical markets		
The People's Republic of China (the "PRC")	<u>234,258</u>	<u>300,101</u>
Major product		
Natural gas	<u>234,258</u>	<u>300,101</u>
Timing of revenue recognition		
At a point of time	<u>234,258</u>	<u>300,101</u>

(b) **Revenue from major customers:**

Details of the customers contributing 10% or more of total revenue of the Group are as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Customer A	<u>230,770</u>	<u>282,777</u>

(c) **Geographic information**

The following table provides an analysis of the Group's revenue from external customers and non-current assets.

	Revenue from external customers		Non-current assets	
	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Hong Kong (place of domicile)	–	–	42,777	44,626
The PRC	<u>234,258</u>	<u>300,101</u>	<u>2,118,255</u>	<u>2,045,034</u>
	<u>234,258</u>	<u>300,101</u>	<u>2,161,032</u>	<u>2,089,660</u>

5. **OTHER INCOME**

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Interest income	25	239
Exchange gain, net	2	1
Gain on modification of lease	–	134
Gain on written-back of other payables	7,694	–
Administration and management fee income	<u>3,350</u>	<u>3,863</u>
	<u>11,071</u>	<u>4,237</u>

6. **FINANCE COSTS**

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Interest on other borrowings	14,485	26,428
Interest on convertible notes	4,920	8,636
Interest on over-due other payables	170	107
Interest on amount due to a shareholder	–	683
Interest on lease liabilities	<u>163</u>	<u>205</u>
	<u>19,738</u>	<u>36,059</u>

7. PROFIT BEFORE INCOME TAX

The Group's profit before income tax is stated after charging:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Auditors' remuneration	1,200	1,000
Staff costs (including Directors' remuneration):		
Wages and salaries and other benefits	12,456	19,860
Pension fund contributions*	96	70
	12,552	19,930

* As at 31 December 2025 and 31 December 2024, the Group had no material forfeited contributions available to reduce its contribution to the pension schemes in future years.

8. INCOME TAX CHARGE

The amount of taxation in the consolidated statement of profit or loss and other comprehensive income represents:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Deferred taxation		
Origination and reversal of temporary differences	9,810	29,689
Total income tax charge	9,810	29,689

No provision for Hong Kong Profits Tax has been made as the Group did not have assessable profits for the years ended 31 December 2025 and 2024.

Under the Enterprise Income Tax Law (“EIT”) and Implementation Regulation of the EIT Law in the PRC, the statutory EIT rate in the PRC is 25% (2024: 25%). In accordance with the approval from the local taxation bureau in the PRC, certain PRC subsidiaries of the Group were entitled to a preferential income tax rate of 15% (2024: 15%) for the year ended 31 December 2025.

9. DIVIDEND

No dividend was paid or proposed for the year ended 31 December 2025 (2024: Nil), nor has any dividend been proposed since the end of reporting period.

10. EARNINGS PER SHARE

(a) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the year.

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Profit attributable to owners of the Company	<u>25,874</u>	<u>27,344</u>
	<i>Number of Shares</i>	<i>Number of Shares (Restated)</i>
Weighted average number of ordinary shares in issue	<u>307,466,571</u>	<u>272,337,152</u>
	<i>HK Cents</i>	<i>HK Cents (Restated)</i>
Basic earnings per share	<u>8.42</u>	<u>10.04</u>

The weighted average number of ordinary shares for the calculation of the basic and diluted earnings per share for the year ended 31 December 2024 have been adjusted retrospectively to reflect the impact of share reorganisation (Note 15) during the year ended 31 December 2025.

The weighted average number of ordinary shares for the purpose of calculating basic loss per share for the years ended 31 December 2025 and 2024 has not been adjusted or restated retrospectively regarding the rights issue completed on 24 December 2025 (Note 15(b)), as the rights issue did not contain a bonus element.

(b) Diluted earnings per share

For the years ended 31 December 2025 and 2024, diluted earnings per share are the same as basic earnings per share as the potential ordinary shares on convertible notes are anti-dilutive.

11. PROPERTY, PLANT AND EQUIPMENT

During the year ended 31 December 2025, additions to property, plant and equipment were amounted to approximately HK\$18,457,000 (2024: approximately HK\$2,938,000).

12. INTANGIBLE ASSETS

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Cost		
At 1 January	2,535,826	2,608,278
Exchange differences	<u>120,753</u>	<u>(72,452)</u>
At 31 December	<u>2,656,579</u>	<u>2,535,826</u>
Accumulated amortisation and impairment		
At 1 January	1,495,216	1,510,282
Amortisation	18,906	22,843
Provision of impairment	10,677	4,554
Exchange differences	<u>71,748</u>	<u>(42,463)</u>
At 31 December	<u>1,596,547</u>	<u>1,495,216</u>
Carrying amount		
At 31 December	<u><u>1,060,032</u></u>	<u><u>1,040,610</u></u>

The intangible assets represented the interests in the Petroleum Contract (defined in the Business Review section in this announcement) which were amortised on unit of production method.

13. ACCOUNTS RECEIVABLES

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Accounts receivables		
– Sales of natural gas	135,423	116,251
Loan and interest receivables		
– Others	<u>37,100</u>	<u>37,100</u>
	172,523	153,351
Less: Expected credit losses	<u>(47,344)</u>	<u>(37,100)</u>
	<u><u>125,179</u></u>	<u><u>116,251</u></u>

The aging analysis of accounts receivables at the end of the reporting period, presented based on the revenue recognition dates, and net of allowance, is as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Within 3 months	33,819	54,046
More than 3 months but within 6 months	45,621	12,537
More than 6 months but within 1 year	6,297	46,518
More than 1 year	39,442	3,150
	<u>125,179</u>	<u>116,251</u>

14. CONVERTIBLE NOTES

Convertible notes represented the current year-end closing balance of the Tranche 1 zero coupon convertible notes with maturity in 30 years which was issued on 3 January 2011. The convertible notes do not bear any interest and are freely transferable, provided that where the convertible notes are intended to be transferred to a connected person (as defined in the Main Board Listing Rules) of the Group (other than the associates of the noteholder) such transfer shall comply with the requirements under the Main Board Listing Rules and/or requirements imposed by the Stock Exchange, if any.

The fair value of the liability component and the equity component were determined at the issuance of the convertible notes. The fair value of the liability component, included in the non-current liabilities, was calculated using a market interest rate of equivalent non-convertible notes. The effective interest rate of the liabilities is 11% per annum and the interest expenses will be charged to the profit or loss over the loan periods. The equity component of the convertible notes, representing the difference of the fair value of the convertible notes and the fair value of the liabilities component, was included in the owner's equity and denoted as convertible notes reserves.

The movement of the principal amount, liability component and equity component of the convertible notes are as follows:

	Carrying amount	
	Liability component <i>HK\$'000</i>	Equity component <i>HK\$'000</i>
As at 31 December 2023 and 1 January 2024	119,452	695,828
Interest expenses	8,636	–
Less: Conversion into ordinary shares during the year	<u>(82,625)</u>	<u>(457,504)</u>
As at 31 December 2024 and 1 January 2025	45,463	238,324
Interest expenses	<u>4,920</u>	<u>–</u>
As at 31 December 2025	<u>50,383</u>	<u>238,324</u>

Up to 31 December 2025, convertible notes with principal amount of HK\$1,046,210,000 have been converted into ordinary shares of the Company. During the year 2025, no convertible notes were converted into ordinary shares.

The convertible notes with outstanding principal amount of HK\$232,790,000 as at 31 December 2025 and 31 December 2024, have same maturity date falling 30 years from the date of issue on 3 January 2011.

15. SHARE CAPITAL

	Number of shares	Amount HK\$'000
Authorised:		
Ordinary shares of HK\$0.05 each		
At 1 January 2024, 31 December 2024 and 1 January 2025	25,000,000,000	1,250,000
Share Consolidation (<i>note (a)(i)</i>)	(24,375,000,000)	(1,218,750)
Share Subdivision (<i>note (a)(iii)</i>)	24,375,000,000	1,218,750
	<u>25,000,000,000</u>	<u>1,250,000</u>
At 31 December 2025	<u>25,000,000,000</u>	<u>1,250,000</u>
Issued and fully paid:		
Ordinary shares of HK\$0.05 each		
At 1 January 2024	9,505,344,000	475,267
Issue of shares upon conversion of convertible notes	2,660,000,000	133,000
	<u>12,165,344,000</u>	<u>608,267</u>
At 31 December 2024 and 1 January 2025	12,165,344,000	608,267
Consolidation of every issued and unissued existing shares of par value of HK\$0.05 each to 1 consolidated share of par value of HK\$2.00 each (<i>note (a)(i)</i>)		
	(11,861,210,400)	–
Capital Reduction (<i>note (a)(ii)</i>)	–	(593,061)
Issue of share upon issue of rights issue shares (<i>note (b)</i>)	152,066,800	7,603
	<u>456,200,400</u>	<u>22,809</u>
At 31 December 2025	<u>456,200,400</u>	<u>22,809</u>

Notes:

- (a) The Company completed the share reorganisation (“**Share Reorganisation**”) on 3 November 2025, which was approved by the shareholders at the extraordinary general meeting held on 19 September 2025. Details of the Share Reorganisation are as follows:
- (i) Every 40 issued and unissued existing shares of par value of HK\$0.05 of the Company were consolidated into 1 consolidated share (the “**Consolidated Share**”) of par value of HK\$2.00 each (the “**Share Consolidation**”);
 - (ii) The issued share capital of the Company was 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 was reduced from HK\$2.00 to HK\$0.05. The credit arising from the Capital Reduction in the amount of approximately HK\$593,061,000 was transferred to a contributed surplus account of the Company and the contributed surplus account will applied by the Directors for such purposes permitted under the Companies Act (as revised) of the Cayman Islands and the amended and restated articles of association of the Company (the “**the Capital Reduction**”); and

- (iii) 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 were subdivided into 40 authorised but unissued adjusted shares (the “**Adjusted Shares**”) of par value of HK\$0.05 each (the “**Share Subdivision**”). Upon the Share Subdivision becoming effective, each of the authorised but unissued Consolidated Shares of par value of HK\$2.00 each were subdivided into 40 authorised but unissued Adjusted Shares of par value of HK\$0.05 each.

- (b) On 2 December 2025, the Company proposed a rights issue (the “**Rights Issue**”) to qualifying shareholders on the basis of one rights share (the “**Rights Share**”) for every 2 Adjusted Shares held by qualifying shareholders at the subscription price of HK\$1.57 per Rights Share.

The Rights Issue became effect on 24 December 2025 of which 152,066,800 Rights Shares were issued and the Company raised net proceeds of HK\$236,697,000. The Rights Shares rank *pari passu* with the existing shares in all respects.

Details of the Share Reorganisation and Rights Issue are detailed in the Company’s announcements dated 14 August 2025, 19 September 2025, 30 October 2025, 6 November 2025 and 17 November 2025 respectively, the circular of the Company dated 29 August 2025 relation to the Capital Reorganisation and the prospectus of the Company dated 2 December 2025 in relation to the Rights Issue.

MANAGEMENT DISCUSSION AND ANALYSIS

Operating Results

During the year ended 31 December 2025 (the “**year**”) and at present, the Group has been principally engaged in exploration, production and distribution of natural gas in the PRC. During the year, the Group recorded an audited consolidated gross amount from operations (“**revenue**”) of approximately HK\$234,258,000 (2024: HK\$300,101,000), mainly contributed by the production and distribution of natural gas.

Due to the technical problems incurred in certain gas wells such as water and slurry blockage during the year, the Group produced approximately 355.0 million cubic meters of natural gas, representing a decrease of approximately 17.6% compared with the last year. The revenue from the production and distribution of natural gas business for the year was approximately HK\$234,258,000, representing a decrease of approximately HK\$65,843,000 or 21.9% compared with the same period of last year.

Earnings before interest, tax, depreciation and amortisation (“**EBITDA**”) decreased from approximately HK\$174,027,000 for the year ended 31 December 2024 to approximately HK\$135,565,000 for the year ended 31 December 2025 by approximately HK\$38,462,000 or 22.1% which was in line with the decrease in revenue by approximately HK\$65,843,000 or 21.9% year-on-year.

Provision for impairment of property, plant and equipment of approximately HK\$9,121,000 for the year ended 31 December 2024 increased to approximately HK\$10,840,000 for the year ended 31 December 2025 whereas provision of impairment of intangible assets of approximately HK\$4,554,000 for the year ended 31 December 2024 increased to approximately HK\$10,677,000 for the year ended 31 December 2025. This was the result of widen up the difference between the recoverable amount of the cash generating unit (“**CGU**”) of the Kashi Project as at 31 December 2025 and the carrying amount of the CGU of the Kashi Project as at 31 December 2025. In addition, the fair value of the properties in Hong Kong fell below the carrying value as at 31 December 2025.

For calculation of the recoverable amount of the CGU of the Kashi Project, the key quantitative inputs included the current year and budgeted years’ net profit and cash flows to the Kashi Project and the pre-tax discount rate of 15.8% for the year ended 31 December 2025 (2024: 16.7%). The carrying amount of the CGU of the Kashi Project as at 31 December 2025 exceeded the recoverable amount of the CGU of the Kashi Project as at 31 December 2025 of approximately HK\$2,194,817,000 to bring out the provision of impairment of intangible assets of approximately HK\$10,677,000 and the provision of impairment of property, plant and equipment of approximately HK\$10,283,000 respectively.

The impairment assessment as at 31 December 2025 was made by APAC Asset Valuation and Consulting Limited, an independent third party valuer (the “**valuer**”). The methodology, the key general and specific assumptions on which the valuer had based its determination of the recoverable amount of the CGU of the Kashi Project as at 31 December 2025 were the same as those adopted for the assessment as at 31 December 2024.

The valuer has also made assessment of the fair value of the properties in Hong Kong as at 31 December 2025. Provision for impairment of property, plant and equipment of approximately HK\$557,000 was made for the variance arisen between the fair value less cost of disposal and the carrying value.

Decrease in other operating expenses by approximately HK\$8,094,000 or 39.3% to approximately HK\$12,513,000 was mainly due to cost control measures for the year.

Profit attributable to owners of the Company decreased by approximately HK\$1,470,000 or 5.4% to approximately HK\$25,874,000 for the year ended 31 December 2025. This was also mainly due to decrease in revenue of approximately HK\$65,843,000 during the year.

Decrease in EBITDA margin by 0.12% year-on-year to 57.87% for the year ended 31 December 2025 with decrease in net profit margin by 5.01% year-on-year to 13.78% for the year ended 31 December 2025 was mainly due to the above reasons mentioned in decrease in profit for the year ended 31 December 2025.

Exchange differences on translation of foreign operations

As a result of improved depreciation of Renminbi (“**RMB**”) against the Hong Kong Dollars (“**HKD**”) during the year ended 31 December 2025, the exchange differences on translation of foreign operations attributable to owners of the Company improved from exchange loss of approximately HK\$50,483,000 for the year ended 31 December 2024 to exchange gain of approximately HK\$85,913,000 for the year ended 31 December 2025. Meanwhile, the exchange differences on translation of foreign operations attributable to non-controlling interests also improved from exchange loss of approximately HK\$325,000 for the year ended 31 December 2024 to exchange gain of approximately HK\$477,000 for the year ended 31 December 2025.

Such exchange difference just represented the translation difference of currency between RMB and the HKD in the presentation of consolidated financial statements and did not have any significant impact on the operations of the Group.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss represented the fair value of listed equity securities based on quoted market price (level 1 fair value measurement) as at 31 December 2025. Decline of financial assets at fair value through profit or loss by approximately HK\$2,301,000 or 15.6% year-on-year to approximately HK\$12,475,000 as at 31 December 2025 was mainly due to poor market sentiment under the unsteady economic environment during the year ended 31 December 2025.

Other payables and accruals

Other payables and accruals mainly represented balances payable to contractors engaged by the Group to perform exploration, evaluation and development works on the area designated in the Petroleum Contract, and the receipt in advance from China National Petroleum Corporation (“**CNPC**”) as at 31 December 2025. Decrease in other payables and accruals by approximately HK\$40,893,000 or 40.5% year-on-year to approximately HK\$68,727,000 as at 31 December 2025 was mainly due to settlement of payable to contractors of approximately HK\$18,000,000 during the year ended 31 December 2025.

Other borrowings

The other borrowings represented unsecured borrowings repayable within a year from the drawdown date. Other borrowings amounted to approximately RMB223,905,000 (equivalent to approximately HK\$246,295,000) are repayable before 31 December 2026.

Business Review

Exploration, Production and Distribution of Natural Gas Segment

The Petroleum Contract

The Company’s indirectly wholly-owned subsidiary, China Era Energy Power Investment (Hong Kong) Limited (“**China Era**”) entered into a petroleum contract (the “**Petroleum Contract**”) with China National Petroleum Corporation (“**CNPC**”) for the drilling, exploration, development and production of oil and/or natural gas within the specified site located in North Kashi Block, Tarim Basin, Xinjiang, PRC (“**Kashi Project**”). The Petroleum Contract is for a term of 30 years commencing 1 June 2009.

Under the Petroleum Contract, China Era shall apply its appropriate and advanced technology and management expertise and assign its competent experts to perform exploration, development and production of oil and/or natural gas within the site. In the event that any oil field and/or gas field is discovered within the site, the development and production costs shall be borne by CNPC and China Era in the proportion of 51% and 49%, respectively.

According to the Petroleum Contract, the exploration period covers 6 years. The managements have devoted much of its resources during the period in exploration and research studies. On 6 December 2017, China Era and CNPC entered into a supplemental and amendment agreement to the Petroleum Contract (the “**Supplemental Agreement**”) extending the first phase exploration period to 5 December 2017 and agreeing on the aggregation of the costs incurred by CNPC between 1 June 2009 and 5 December 2017 with the pre-contract costs. The costs incurred between 1 June 2009 and 31 December 2015 was in the amount of RMB651,653,000 (mainly including three completed wells, reconstruction of natural gas processing plant and the operating costs incurred during the period). In 2018, the cost incurred by CNPC between 1 January 2016 and 31 December 2017 in the amount of approximately RMB94,042,000 was confirmed. On 20 June 2019, China Era and CNPC entered into a second supplemental agreement to the Petroleum Contract (the “**2nd Supplemental Agreement**”), which agreed the amount of profit sharing between 2009 and 2017.

The filing of the Overall Development Program (“ODP”) was completed on 8 July 2019, and the development period of the Kashi Project commenced with effect from 9 July 2019. Following to the operation of the new gas processing facilities on 1 July 2020, the Joint Management Committee of North Kashi Block Cooperations Project resolved that the commercial production stage commenced with effect from 1 October 2020. During the year ended 31 December 2025, the gas processing facilities were on the right track and no further documents were entered.

Segment Performance

During the year, this operation of Kashi Project together with the natural gas distribution operation in Karamay, Xinjiang, contributes revenue of approximately HK\$234,258,000 (2024: approximately HK\$300,101,000) and the segment profit before income tax was approximately HK\$51,330,000 (2024: approximately HK\$87,191,000).

The results of operations in exploration, production and distribution of natural gas segment and costs incurred for exploration and evaluation assets acquisition and exploration activities are shown as below:

Results of operations in exploration, production, and distribution of natural gas segment

	2025	2024
	HK\$'000	HK\$'000
Revenue	234,258	300,101
Direct cost	(47,679)	(51,631)
Other income	11,063	4,219
Provision of impairment of property, plant and equipment	(10,283)	(4,333)
Provision of impairment of intangible assets	(10,677)	(4,554)
Provision of impairment of accounts receivables	(10,058)	–
Provision of impairment of other receivables	(792)	–
Selling and distribution expenses	(21,363)	(25,758)
Operating expenses	(30,980)	(45,457)
Depreciation	(28,681)	(35,814)
Amortisation of intangible assets	(18,906)	(22,843)
Finance cost	(14,572)	(26,739)
	51,330	87,191
Results of operations before income tax	51,330	87,191

Financial Review

Liquidity, Financial Resources and Capital Structure

As at 31 December 2025, the Group has outstanding unsecured other borrowings of approximately HK\$246,295,000 (2024: secured and unsecured other borrowings approximately HK\$203,700,000 and HK\$58,108,000 respectively). The cash and cash equivalents of the Group were approximately HK\$295,158,000 (2024: approximately HK\$34,346,000). The Group's current ratio (current assets to current liabilities) was approximately 126.5% (2024: 44.7%). The ratio of total liabilities to total assets of the Group was approximately 18.0% (2024: 21.1%).

As at 31 December 2025, the convertible notes due in 2041 has an outstanding principal amount of HK\$232,790,000. These convertible notes do not carry any interest, but carry the right to convert the principal amount into ordinary shares of the Company. The conversion price is HK\$6.72 per share (subject to adjustments) and a maximum number of 34,641,369 shares may be allotted and issued upon exercise of the conversion rights attached to the convertible notes in full. During the year ended 31 December 2025, no convertible notes have been converted into ordinary shares (2024: principal amount of HK\$446,880,000 have been converted into ordinary shares).

Charge of Assets

There were no further secured other borrowings as at 31 December 2025. As at the date of 31 December 2024, account receivables in the amount of HK\$116,251,000 were pledged as security for other borrowings as at 31 December 2024. In addition, the rights of natural gas sharing amount and sales revenue under the product sharing agreement and the sales agreement were pledged as security for other borrowings as at 31 December 2024.

Exchange Exposure

The Group mainly operates in Hong Kong and the PRC and the exposure in exchange rate risks mainly arises from fluctuations in the HK dollar and Renminbi exchange rates. Exchange rate fluctuations and market trends have always been the concern of the Group. The policy of the Group for its operating entities operates in their corresponding local currencies to minimise currency risks. The Group, after reviewing its exposure for the time being, did not enter into any derivative contracts aimed at minimising exchange rate risks during the year. However, management will monitor foreign currency exposure and will consider hedging significant foreign currency exposure if necessary.

Capital Commitments

The Group had capital commitments of approximately HK\$2,840,000 (of which approximately HK\$1,448,400 would be borne by CNPC) (2024: approximately HK\$470,000 of which approximately HK\$240,000 would be borne by CNPC) and approximately HK\$115,445,000 (2024: approximately HK\$110,198,000) as at 31 December 2025 in respect of capital expenditure of exploration, production and distribution of natural gas segment and capital contributions in subsidiaries respectively.

Contingent Liabilities

The Group had no material contingent liabilities as at 31 December 2025 and 2024.

Employee and Remuneration Policies

As at 31 December 2025, the Group employed 50 full-time and part-time staff members (2024: 54). Staff costs during the year ended 31 December 2025, including Directors' emoluments, totalled approximately HK\$12,552,000 (2024: approximately HK\$19,930,000). In order to enhance the morale and productivity of employees, employees are remunerated based on their performance, experience and prevailing industry practices. Compensation policies and packages of management staff and functional heads are being reviewed on a yearly basis. In addition to basic salary, performance related salary may also be awarded to employees based on internal performance evaluation. The Group also invests in continuing education and training programmes for management staff and other employees with a view to upgrade their skills and knowledge. These training courses comprise internal courses run by the management of the Group and external courses provided by professional trainers and range from technical and safety training for the natural gas field workers to financial and administrative trainings for management staff.

The Audit Committee's view

During the audit process, the Audit Committee discussed with the management during which the management presented the financial highlights and conveyed the key audit matters expressed by the auditors. After considering the circumstances surrounding the key audit matters and the management's presentation, the Audit Committee concurred with the management's judgments regarding the going concern basis of the financial statements.

PROSPECTS

Exploration, Production and Distribution of Natural Gas

The project details and key milestones for the Kashi Project were disclosed in the Company's circular dated 3 December 2010. In essence, the Petroleum Contract covers an exploration period of up to six years (which was already extended by CNPC pursuant to the Supplemental Contract), a development period and a production period. The development period commences on the date after the date of filing completion of the ODP and ends on the date of the completion of the development operations required by the ODP to be completed during the development period. The end of the development period also signifies the commencement of the commercial production of the project and hence the production period, which runs for fifteen years for an oil field and twenty years for a gas field (subject to extension with the approval of the government).

As disclosed in the Company's announcement dated 25 July 2019, the filing of the ODP of Kashi Project was completed on 8 July 2019 and the development period commenced with effect from 9 July 2019. As disclosed in the Company's announcement dated 28 April 2020, the GSA was signed on 27 April 2020. Following to the operation of the new gas processing facilities on 1 July 2020, the Joint Management Committee of North Kashi Block Cooperations Project resolved that the commercial production stage commenced with effect from 1 October 2020.

As disclosed in the Company's announcement dated 30 September 2021, in the second half of 2021, further new production wells commenced operation or construction at the Akemomu Gas Field, including: (1) the commencement of operation of a new well, WD-1, which was originally designed as an exploratory well and was turned into a production well due to its production of commercial gas flow; (2) the completion of drilling of a new production well, AK1-H8, which is a horizontal well, currently in the operation since the first quarter of 2022; and (3) the commencement of drilling of a new production well, AK4-1, which is a vertical well, and is now on operation since the first quarter of 2022.

The Company's management will continue to follow up with potential lenders and investors with the view to secure additional debt and/or equity funding to finance the further development of the project. Further announcement(s) will be made by the Company as and when there is any significant progress of the Kashi Project.

Change of Directors' and Senior Management's Information

According to the latest disclosure of XTRQ, Mr. Liu Wenxuan, Chairman and Executive Director of the Company has been appointed as Deputy General Manager and Chief Executive Officer of Production Investment Financial Services Division of XTRQ, and Chairman of 新疆明鑫聚合油氣勘探開發有限公司, which is a subsidiary of XTRQ.

Reference is made to the announcement of Quali-Smart Holdings Limited (stock code: 1348) dated 30 January 2026, in which Ms. Chin Ying Ying, Independent Non-executive Director of the Company, has been appointed as the Independent Non-executive Director of Quali-Smart Holdings Limited with effect from 30 January 2026.

Reference is made to the announcement of Madison Holdings Group Limited (stock code: 8057) dated 25 March 2026, in which Mr. Lee Man Tai, Independent Non-executive Director of the Company, has been appointed as the Company Secretary, the Authorised Representative and the Process Agent of Madison Holdings Group Limited with effect from 26 March 2026.

Save as disclosed above, the Directors confirmed that no other information is required to be disclosed pursuant to Rule 13.51B(1) of the Main Board Listing Rules.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries had purchased, redeemed or sold any of the listed securities of the Company during the year ended 31 December 2025 (the “**Reporting Period**”).

INFORMATION ON THE NON-OPERATING USE OF FUNDS OF THE COMPANY BY THE CONTROLLING SHAREHOLDER AND OTHER RELATED PARTIES

During the Reporting Period, there was no non-operating use of funds of the Company by the controlling shareholder of the Company and other related parties.

INFORMATION ON ILLEGAL EXTERNAL GUARANTEES

During the Reporting Period, the Company had no illegal external guarantee.

MATTERS RELATING TO INSOLVENCY AND RESTRUCTURING

There was no matter relating to insolvency and restructuring during the Reporting Period.

MATERIAL CONTRACTS AND THEIR PERFORMANCE

Trust, contractual and lease arrangement

During the Reporting Period, the Company did not enter any trust arrangement, contractual arrangement and/or lease arrangement that will generate any profit or loss.

Material guarantee

During the Reporting Period, there was no material guarantee provided by the Company.

Other significant contracts

During the Reporting Period, the Company had no other significant contracts.

OTHER SIGNIFICANT INVESTMENTS HELD

During the Reporting Period, the Group did not hold any other significant investments save for financial assets at fair value through profit or loss on Consolidated Statement of Financial Position as at 31 December 2025 on page 4 of this announcement.

USE OF PROCEEDS OF RIGHTS ISSUE

Reference is made to the announcement of the Company dated 14 August 2025 and the prospectus of the Company dated 2 December 2025 (the “**Prospectus**”) in relation to the rights issue on the basis of one (1) rights share of the Company (the “**Rights Share**”) for every two (2) adjusted shares of the Company held on the record date on a non-underwritten basis (the “**Rights Issue**”). Upon completion of the Rights Issue on 24 December 2025, a total of 152,066,800 Rights Shares were issued in accordance with the terms of the Rights Issue, resulting in net proceeds (net of expenses) of approximately HK\$236.7 million (the “**Net Proceeds of the Rights Issue**”). The Group will utilise the Net Proceeds of the Rights Issue for additional capital reserve to capture business opportunities for exploration, production and distribution of nature gas in the PRC.

Details of the actual use of the Net Proceeds of the Rights Issue are as follows:

	Proposed applications of the net proceeds	Amount utilised up to 31 December 2025	Unutilised balance as at 31 December 2025	Expected amount to be utilised for the year ending 31 December 2026
	<i>HK\$' million</i>	<i>HK\$' million</i>	<i>HK\$' million</i>	<i>HK\$' million</i>
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 ”)	100.6	–	100.6	100.6
Operating expenses for 3–4 existing stimulation wells (措施井) and surface engineering in 2026 at the Akemomu Gas Field	48.2	–	48.2	48.2
Partially funding the construction of 3 new production wells (生產井) in or around May 2026 at the Akemomu Gas Field	87.9	–	87.9	87.9

As at the date of this results announcement, there is no change in the intended use of proceeds from the Rights Issue.

ACQUISITION AND DISPOSAL OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

During the Reporting Period, the Company did not have any material acquisition or disposal of subsidiaries, associates or joint ventures.

SUFFICIENCY OF PUBLIC FLOAT

According to the information disclosed publicly and as far as the Director are aware, during the Reporting Period, the Company maintained the amount of public float as required under the Main Board Listing Rules.

SUBSEQUENT EVENT

References are made to (i) the announcement of the Company dated 23 December 2025 in relation to, among other things, the results of the Rights Issue; (ii) the joint announcement jointly issued by Alpha Eagle Limited (the “**Offeror**”) and the Company in relation to, among other things, the mandatory unconditional cash offer by Cinda International Capital Limited for and on behalf of the Offeror (the “**Offer**”) to acquire all the issued shares of the Company (other than those shares already owned by the Offeror and parties acting in concert with it) dated 13 January 2026; (iii) the composite document jointly issued by the Offeror and the Company dated 13 January 2026; (iv) the joint announcement (the “**Joint Announcement**”) issued by the Offeror and the Company dated 3 February 2026 in relation to, among other things, the close of the Offer and results of the Offer.

The Offer closed on 3 February 2026 and the Offeror had received valid acceptances in respect of 28,226,590 Shares (the “**Acceptance Shares**”), representing approximately 6.19% of the total issued shares capital of the Company as at the date of the Joint Announcement. Immediately after the close of the Offer, taking into account the Acceptance Shares and Shares already owned by the Offeror and parties acting in concert with it, the Offeror and parties acting in concert with it are interested in an aggregate of 269,861,529 Shares, representing approximately 59.15% of the total issued shares capital of the Company as at the date of the Joint Announcement.

Save as disclosed above, there were no important events affecting the Group, which occurred after the end of the Reporting Period and up to the date of this announcement.

CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintaining good corporate governance standard and procedures. The Stock Exchange has promulgated the code provisions under Part 2 of the Corporate Governance Code (the “**CG Code**”) as set out in Appendix C1 to the Main Board Listing Rules and the applicable Main Board Listing Rules. During the Reporting Period, the Group has complied with the CG Code with the applicable Main Board Listing Rules except for the following:

- (a) In relation to Code Provision F.1.3 of Part 2 of the CG Code, the chairman of the Board should attend the annual general meeting to answer questions raised up in the meeting. As the position of chairman was vacant when the annual general meeting of the Company was held on 27 June 2025, Ms. Chin Ying Ying, the member of the Audit Committee and an independent non-executive Director, was elected by the Directors present at the meeting to preside over the meeting. At the same time, other Directors and members of the Audit Committee were present at the meeting to answer questions from Shareholders.

- (b) In relation to Code Provisions B.2.2 of Part 2 of the CG Code, every Director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years. According to article 61(1)(c) of the articles of association of the Company, any Director appointed to fill a casual vacancy or as an additional Director shall hold office only until the next general meeting of the Company and shall then be eligible for re-election at the meeting. During the Reporting Period, all remaining independent non-executive Directors of the Company have not been appointed for a specific term but they are subject to retirement by rotation in accordance with the Company's articles of association. The management experience, expertise and commitment of the re-electing Directors will be considered by the nomination committee of the Company before their re-election proposals are put forward to Shareholders. As such, the Company considers that sufficient measures have been taken to ensure that the Company's corporate governance practices regarding Directors' appointment are no less exacting than those in the CG Code.
- (c) In relation to Code Provision C.5.1 of Part 2 of the CG Code, the board should meet regularly and board meetings should be held at least four times a year at approximately quarterly intervals. In relation to Code Provision D.1.2 of Part 2 of the CG Code, management should provide all members of the board with monthly updates on the issuer's performance, position and prospects, which may include budgets, forecasts, monthly management accounts and material variance between the projections and actual results. During the Reporting Period, although regular Board meetings were held only on half-yearly basis and management accounts were not circulated to Board members on monthly basis, regular verbal updates were given by the management to the Directors on working level meetings from time to time, which the Directors consider to be sufficient and appropriate in the circumstances to enable them to form a balanced and understandable assessment of the Company's performance and to discharge their duties.
- (d) With respect to Code Provision D.2.2 of Part 2 of the CG Code, an issuer should have an internal audit function and issuers without an internal audit function should review the need for one on an annual basis and should disclose the reasons for the absence of such a function in the Corporate Governance Report. Due to the nature, size and scale of operations and as a matter of cost-control measures, the Group did not have internal audit function during the Reporting Period. However, the Company will carry out review on the adequacy and effectiveness of the risk management and internal control systems of the Group to assess the effectiveness of the risk management and internal control systems.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Listing Rules as its own code of conduct regarding securities transactions by the Directors of the Company. All existing Directors have confirmed following specific enquiry by the Company that they have complied with the required standard set out in the Model Code throughout the period under review.

DIVIDEND

The Board of Directors of the Company did not recommend any payment of dividend during the year (2024: Nil).

AUDIT COMMITTEE

During the Reporting Period and up to the date of this announcement, members of the Audit Committee included:

Mr. Lee Man Tai (*Chairman of Audit Committee*)

Mr. Zhang Zhenming

Mr. Yan Danhua

Mr. Chen Jianxin

Ms. Chin Ying Ying

As at the date of this announcement, the Audit Committee comprises two non-executive Directors and three independent non-executive Directors of the Company. Three out of five Audit Committee members, namely, Mr. Lee Man Tai, Mr. Chen Jianxin and Ms. Chin Ying Ying, possess recognised professional qualifications in accounting and have experience in audit and accounting. No former partner of the Company's existing auditing firm acted as a member of the Audit Committee within two years from ceasing to be a partner or having any financial interest in the auditing firm. The Audit Committee has adopted terms of reference which are in line with the CG Code and are available on the websites of the Stock Exchange and the Company. The Group's audited consolidated financial statements for year ended 31 December 2025 have been reviewed by the Audit Committee, which is of the opinion that such statements complied with applicable accounting standards, the Listing Rules and other legal requirements, and that adequate disclosures have been made.

SCOPE OF WORK OF FORVIS MAZARS CPA LIMITED

The figures in respect of the Company's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2025 as set out in the preliminary announcement have been agreed by the Company's auditors, Forvis Mazars CPA Limited, to the amounts set out in the Company's draft consolidated financial statements for the year. The work performed by Forvis Mazars CPA Limited in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Forvis Mazars CPA Limited on the preliminary announcement.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT WITH ENVIRONMENTAL, SOCIAL AND GOVERNANCE (“ESG”) REPORT

This results announcement is published on the Stock Exchange’s website (<http://www.hkexnews.hk>) and the Company’s website (<http://www.cnenergy.com.hk>). The 2025 annual report of the Company for the year ended 31 December 2025 will be dispatched upon request to shareholders and the 2025 annual report together with the ESG Report made available for viewing on the above websites on or before 30 April 2026. The Company will give further notice on the proposed date of the forthcoming annual general meeting of the Company (the “AGM”) and the book closure period for the purpose of ascertaining shareholders’ eligibility to attend and vote at the AGM.

FORWARD LOOKING STATEMENTS

There is no assurance that any forward-looking statements regarding the business development of the Group set out in this announcement or any of the matters set out therein are attainable, will actually occur or will be realised or are complete or accurate. Shareholders and/or potential investors of the Company are advised to exercise caution when dealing in the securities of the Company and not to place undue reliance on the information disclosed herein. Any holder of securities or potential investor of the Company who is in doubt is advised to seek advice from professional advisers.

APPRECIATION

Looking forward, we will continue our existing strategy of fostering opportunity for sustainable growth with the aim of enhancing return for our shareholders. Finally, on behalf of the Board, I would like to take this opportunity to express my sincere gratitude to our team of devoted staff and the independent third party professionals for their outstanding services and to our shareholders, customers, contractors, bankers, creditors, investors and stakeholders for your continued support.

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

Hong Kong, 27 March 2026

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.