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)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2026

The board (the "**Board**") of Directors (the "**Directors**") of China Energy Development Holdings Limited (the "**Company**") hereby announces the unaudited condensed consolidated interim results of the Company and its subsidiaries (the "**Group**") for the six months ended 30 June 2026 together with comparative figures as follows. These interim financial statements have not been audited, but have been reviewed by the Company's Audit Committee.

FINANCIAL HIGHLIGHTS

Six months ended 30 June

Unaudited	**2026**	2025	
Revenue *(HK$'000)*	**98,138**	118,833	(17.4)
EBITDA[(1)] *(HK$'000)*	**41,253**	65,883	(37.4)
Profit attributable to Owners of the Company *(HK$'000)*	**16,420**	10,823	51.7
		(Restated)	
Earnings per share – Basic and Diluted *(HK cents)*	**3.60**	3.56	1.1

Note 1: EBITDA represents the EBITDA of the Company and its subsidiaries. EBITDA, which is a non-Hong Kong Financial Reporting Standards ("**Non-HKFRS**") financial measure used to measure the Group's operating profitability, is defined as the earnings before net interest and other finance costs, taxation, impairment and/or reversal of impairment, fair value change in financial assets, depreciation and amortisation.

* *For identification purposes only*

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the six months ended 30 June 2026

		Unaudited six months ended 30 June	
		2026	2025
	Notes	***HK$'000***	*HK$'000*
REVENUE	3	**98,138**	118,833
Direct cost		**(32,230)**	(25,503)
Other income	4	**948**	1,486
Selling and distributing expenses		**(9,660)**	(10,564)
Staff costs		**(4,056)**	(4,547)
Expenses related to short-term leases		**(29)**	(208)
Depreciation of right-of-use assets		**(1,023)**	(403)
Depreciation of property, plant and equipment		**(13,278)**	(14,397)
Amortisation of intangible assets		**(8,532)**	(9,506)
Fair value loss of financial assets at fair value through profit or loss		**(2,112)**	(1,158)
Gain on disposal of subsidiaries	19	**3,576**	–
Provision of impairment of property, plant and equipment		**–**	(2,537)
Provision of impairment of intangible assets		**–**	(9,620)
Provision for impairment of other receivables		**(414)**	–
Expense charged under Petroleum Contract		**(7,762)**	(7,369)
Other operating expenses		**(4,096)**	(6,245)
Finance costs	5	**(12,067)**	(11,353)
PROFIT BEFORE INCOME TAX	6	**7,403**	16,909
Income tax credit/(charge)	7	**7,161**	(7,117)
PROFIT FOR THE PERIOD		**14,564**	9,792
OTHER COMPREHENSIVE INCOME AFTER TAX:			
Items that may be reclassified to profit or loss:			
Exchange differences arising on translation of foreign operations attributable to:			
Owners of the Company		**70,601**	51,231
Non-controlling interests		**301**	308
Release of reserve upon disposal of subsidiaries		**(25)**	–
		70,877	51,539
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**85,441**	61,331

		Unaudited six months ended 30 June	
		2026	2025
	Notes	***HK$'000***	*HK$'000*
PROFIT/(LOSS) FOR THE PERIOD ATTRIBUTABLE TO:			
Owners of the Company		**16,420**	10,823
Non-controlling interests		**(1,856)**	(1,031)
		14,564	9,792
TOTAL COMPREHENSIVE INCOME/(LOSS) ATTRIBUTABLE TO:			
Owners of the Company		**86,996**	62,054
Non-controlling interests		**(1,555)**	(723)
		85,441	61,331
			(Restated)
EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY			
– Basic and Diluted *(HK cents)*	9	**3.60**	3.56

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2026

	Notes	**Unaudited 30 June 2026 HK$'000**	Audited 31 December 2025 HK$'000
Non-current assets			
Property, plant and equipment	10	**1,092,609**	1,072,904
Right-of-use assets		**24,284**	24,579
Intangible assets	11	**1,089,971**	1,060,032
Prepayments		**3,517**	3,517
Total non-current assets		**2,210,381**	2,161,032
Current assets			
Accounts receivables	12	**126,497**	125,179
Financial assets at fair value through profit or loss		**10,363**	12,475
Other receivables, deposits and prepayments		**14,214**	10,041
Cash and bank balances		**258,464**	295,158
Total current assets		**409,538**	442,853
Total assets		**2,619,919**	2,603,885
Current liabilities			
Other payables and accruals	13	**83,027**	68,727
Lease liabilities		**1,083**	1,237
Amount due to a shareholder	14	**34,018**	33,769
Other borrowings	15	**169,644**	246,295
Total current liabilities		**287,772**	350,028
Net current assets		**121,766**	92,825
Total assets less current liabilities		**2,332,147**	2,253,857

	Notes	**Unaudited 30 June 2026** *HK$'000*	Audited 31 December 2025 *HK$'000*
Non-current liabilities			
Lease liabilities		**4,440**	5,034
Provisions	13	**23,343**	22,314
Convertible notes	16	**53,110**	50,383
Deferred tax liabilities		**34,424**	40,187
Total non-current liabilities		**115,317**	117,918
Net assets		**2,216,830**	2,135,939
Equity attributable to			
Share capital	17	**22,810**	22,809
Reserves		**2,194,020**	2,107,026
Owners of the Company		**2,216,830**	2,129,835
Non-controlling interests		**–**	6,104
Total equity		**2,216,830**	2,135,939

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

a. Statement of compliance

The unaudited condensed consolidated interim financial statements (the "**Interim Financial Statements**") have been prepared in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**") as well as with applicable disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

The Interim Financial Statements do not include all the information and disclosures required in a full set of financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2025 ("**2025 Annual Report**").

The accounting policies and methods of computation used in the preparation of the Interim Financial Statements are consistent with those used in the annual financial statements for the year ended 31 December 2025.

The Interim Financial Statements were approved and authorised for issue by the Board on 11 August 2026.

b. Basis of measurement and going concern assumption

Basis of measurement

The condensed consolidated financial statements have been prepared under the historical cost basis except for certain financial instruments, which are measured at fair values.

c. Functional and presentation currency

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

2. ADOPTION OF NEW AND REVISED HKFRS ACCOUNTING STANDARDS

In the current interim period, the Group has adopted all the revised HKFRS Accounting Standards issued by the HKICPA that are relevant to its operations and effective for its accounting year beginning on 1 January 2026. HKFRS Accounting Standards comprise Hong Kong Financial Reporting Standards ("**HKFRS**"); Hong Kong Accounting Standards ("**HKAS**"); and Interpretations issued by the HKICPA.

The application of these revised HKFRS Accounting Standards did not result in significant changes to the Group's accounting policies, presentation of the Group's financial statements and amounts reported for the current period and prior years. The Group has not early applied the revised HKFRS Accounting Standards that have been issued but are not yet effective. The Directors anticipate that the application of these new standard(s), amendments and interpretation(s) will have no material impact on the unaudited condensed consolidated financial statements.

3. REVENUE AND OPERATING 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.

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.

The accounting policies of the operating segment are the same as the Group's accounting policies described in note 4 to the consolidated financial statements stated in the 2025 Annual Report.

(a) Disaggregation of revenue from contracts with customers:

	Unaudited six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
Exploration, Production and Distribution of Natural Gas		
Geographical markets		
The People's Republic of China ("**PRC**")	**98,138**	118,833
Major product		
Natural gas	**98,138**	118,833
Timing of revenue recognition		
At a point of time	**98,138**	118,833

(b) Revenue from major customer:

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

	Unaudited six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
Customer A	**98,138**	118,833

(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 six months ended 30 June		Non-current assets	
	2026	2025	**30 June 2026**	31 December 2025
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong (place of domicile)	**–**	–	**42,140**	42,777
The PRC	**98,138**	118,833	**2,168,241**	2,118,255
	98,138	118,833	**2,210,381**	2,161,032

4. OTHER INCOME

	Unaudited six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
Interest income	**948**	17
Others	**–**	1,469
	948	1,486

5. FINANCE COSTS

	Unaudited six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
Interest expense on other borrowings	**9,218**	8,826
Interest expense on lease liabilities	**122**	67
Interest expense on liability component of convertible notes *(Note 16)*	**2,727**	2,460
	12,067	11,353

6. PROFIT BEFORE INCOME TAX

	Unaudited six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
The Group's profit before income tax is stated after charging/(crediting):		
Exchange gains, net	**(482)**	(3)
Staff costs (including Directors' remuneration)		
– Wages and salaries and other benefits	**4,006**	4,501
– Pension fund contributions	**50**	46

7. INCOME TAX CREDIT/(CHARGE)

The amount of taxation in the condensed consolidated statement of comprehensive income represents:

	Unaudited six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
Current tax	**–**	–
Deferred tax credit/(charge)	**7,161**	(7,117)
Total tax credit/(charge) for the period	**7,161**	(7,117)

No provision for Hong Kong Profits Tax has been made as the Group had no assessable profits for both periods. No provision for Enterprise Income Tax in the PRC has been made during both periods as the Group had unused tax losses brought forward to offset the current periods' profit.

According to HKAS 12 Income Taxes, deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled.

8. DIVIDEND

No dividend was paid or proposed for the six months ended 30 June 2026 (six months ended 30 June 2025: Nil), nor has any dividend been proposed since the end of reporting period.

9. 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 period.

	Unaudited six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
Profit attributable to owners of the Company	**16,420**	10,823
	Number of Shares	
		(Restated)
Weighted average number of ordinary shares in issue	**456,200,400**	304,133,600
	HK Cents	
Basic earnings per share	**3.60**	3.56

The weighted average number of ordinary shares for the calculation of the basic and diluted earnings per share for the year ended 31 December 2025 have been adjusted retrospectively to reflect the impact of the share reorganisation (Note 17) during the year ended 31 December 2025.

The weighted average number of ordinary shares for the purpose of calculating basic earnings per share for the six months ended 30 June 2026 and the year ended 31 December 2025 has not been adjusted or restated retrospectively regarding the rights issue completed on 24 December 2025 (Note 17 (b)), as the rights issue did not contain a bonus element.

(b) Diluted earnings per share

For the six months ended 30 June 2025 and 2026, diluted earnings per share are the same as basic earnings per share as the potential ordinary shares on convertible notes are anti-dilutive.

10. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2026, the Group purchased property, plant and equipment of approximately HK$3,063,000 (six months ended 30 June 2025: HK$1,823,000). Disposal of subsidiaries took away approximately HK$7,970,000 during the six months ended 30 June 2026 (Note 19) (six months ended 30 June 2025: Nil).

The Group carried out reviews of the recoverable amount of the Kashi Project semi-annually. These assets are used in the Group's Exploration, Production and Distribution of Natural Gas segment. No provision of impairment was recognised for the six months ended 30 June 2026 (six months ended 30 June 2025: Provision of impairment of approximately HK$2,537,000) as the recoverable amount was similar to the carrying amount of the related cash-generating unit ("**CGU**") for the Kashi Project (six months ended 30 June 2025: the carrying amount was higher than the recoverable amount). The recoverable amount of the relevant asset has been determined on the basis of their value in use using discounted cash flow method. The pre-tax discount rate used was 13.7% for the six months ended 30 June 2026 (six months ended 30 June 2025: 15.8%).

11. INTANGIBLE ASSETS

As at 30 June 2026, the interest in the petroleum production sharing contract acquired in previous years in relation to the acquisition of subsidiaries was recognised as intangible assets at costs. For the six months ended 30 June 2026, amortisation of approximately HK$8,532,000 (six months ended 30 June 2025: approximately HK$9,506,000) was provided and is amortised under unit of production method.

No provision of impairment loss of intangible assets was recognised during the six months ended 30 June 2026 (six months ended 30 June 2025: provision of impairment loss of approximately HK$9,620,000) was recognised during the six months ended 30 June 2026 as the recoverable amount was similar to carrying amount of the related CGU for the Kashi Project (six months ended 30 June 2025: carrying amount was higher than the recoverable amount). The recoverable amount of the CGU for the Kashi Project was based on value in use calculation using discounted cash flow method (level 3 fair value measurements). The pre-tax discount rate used for value in use calculations is 13.7% (six months ended 30 June 2025: 15.8%) for the six months ended 30 June 2026.

12. ACCOUNTS RECEIVABLES

	As at 30 June 2026 (Unaudited) ***HK$'000***	As at 31 December 2025 (Audited) *HK$'000*
Accounts receivable *(Note (a))*		
– Sales of natural gas	**136,741**	135,423
Loan and interest receivables *(Note (b))*		
– Other	**37,100**	37,100
	173,841	172,523
Less: Expected credit losses	**(47,344)**	(47,344)
	126,497	125,179

Note (a): Sales of natural gas mainly represent the receivables recognised under the production sharing contract with CNPC for the Group's operation in the Kashi Project, the PRC. Sales to customer is normally made with credit terms of 30 to 60 days. The Group did not hold any collateral over the balance.

Note (b): Loan receivable from an independent third party, Sing Pao Media Enterprises Limited ("**Sing Pao**"), which was unsecured, interest bearing at 1% per month and repayable within 1 year, had been fully impaired during the year ended 31 December 2011. The loan receivable from Sing Pao was secured by a personal guarantee of a third party. Sing Pao's shares were listed on the Stock Exchange but was delisted on 18 August 2015. During the year ended 31 December 2015, a windingup order was made against Sing Pao and the Group had already submitted proof of debt form to liquidator of Sing Pao on 7 January 2016. On 2 November 2017, the Group's legal advisor was informed by the liquidator that the process of realisation of assets of Sing Pao was completed and there was unlikely to be any surplus assets for distribution to creditors (including the Company) after payment of the costs of the liquidation. As a result, expected credit loss of HK$37,100,000 (31 December 2025: HK$37,100,000) was provided for loan receivables and interest.

Accounts receivables represent the receivables recognised from the exploration, production and distribution of natural gas segment. Sales to customer is normally made with credit terms of 30 to 60 days.

The balances of accounts receivables from sales of natural gas are non-interest bearing and unsecured.

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

	As at 30 June 2026 (Unaudited) ***HK$'000***	As at 31 December 2025 (Audited) *HK$'000*
Within 3 months	**49,970**	33,819
More than 3 months but within 6 months	**30,788**	45,621
More than 6 months but within 1 year	**–**	6,297
More than 1 year	**45,739**	39,442
	126,497	125,179

13. PROVISIONS, OTHER PAYABLES AND ACCRUALS

	As at 30 June 2026 (Unaudited) ***HK$'000***	As at 31 December 2025 (Audited) *HK$'000*
Property, plant and equipment/exploration and evaluation cost payables *(Note (a))*	**83,432**	45,365
Other payables and accruals *(Note (b))*	**4,320**	23,362
Provision for removal and restoration of property plant and equipment for the Kashi Project	**23,343**	22,314
Less: Disposal of subsidiaries *(Note 19)*	**(4,725)**	–
	106,370	91,041
Analysed as:		
Current	**83,027**	68,727
Non-current	**23,343**	22,314
	106,370	91,041

Note (a): Property, plant and equipment/exploration and evaluation cost payables represent balances payable to sub-contractors engaged by the Group to perform exploration, evaluation and development works on the area designated in the Petroleum Contract.

Note (b): Included above are the operating cost payable to CNPC amounted to approximately HK$4,320,000 (31 December 2025: approximately HK$2,229,000).

14. AMOUNT DUE TO A SHAREHOLDER

The amount due to a shareholder is unsecured, interest-free and repayable upon demand.

15. OTHER BORROWINGS

	As at 30 June 2026 (Unaudited) *HK$'000*	As at 31 December 2025 (Audited) *HK$'000*
Unsecured other borrowings *(Note)*	**169,644**	246,295
Repayable:		
within one year or on demand	**169,644**	246,295

Note:

At 30 June 2026, included in the other borrowings, approximately RMB137,618,000 (Equivalent to approximately HK$156,885,000) (31 December 2025: approximately RMB212,581,000 (Equivalent to approximately HK$233,839,000)) is borrowed from fellow subsidiaries. These other borrowings are unsecured, carried at fixed interest rate of 3.45% per annum and repayable on 31 December 2027 (31 December 2025: other borrowings were unsecured, carried at fixed rate of 3.45% per annum and repayable on 31 December 2026).

At 30 June 2026, included in the other borrowings, approximately HK$10,345,000 (31 December 2025: approximately HK$10,099,000) is borrowed from another fellow subsidiary. This other borrowing is unsecured, carried at fixed interest rate of 5% per annum and repayable before 31 December 2027 (31 December 2025: other borrowings were unsecured, carried at fixed interest rate of 5% per annum and repayable before 31 December 2026).

At 30 June 2026, included in the other borrowings, approximately HK$2,414,000 (31 December 2025: approximately HK$2,357,000) is borrowed from the immediate holding company. This other borrowing is unsecured, carried at fixed interest rate of 5% per annum and repayable before 31 December 2027 (31 December 2025: other borrowings were unsecured, carried at fixed interest rate of 5% per annum and repayable before 31 December 2026).

16. CONVERTIBLE NOTES

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

	Carrying amount	
	Liability component *HK$'000*	**Equity component** *HK$'000*
As at 31 December 2025 and 1 January 2026	50,383	238,324
Interest expenses (unaudited) *(Note 5)*	2,727	–
As at 30 June 2026	**53,110**	**238,324**

Up to 30 June 2026, convertible notes with principal amount of HK$1,046,210,000 have been converted into ordinary shares of the Company. No convertible notes have been converted during the six months ended 30 June 2026 and the year ended 31 December 2025. The Company released convertible notes reserve of HK$457,504,000 up to the date of the announcement.

The convertible notes with outstanding principal amount of HK$232,790,000 as at 30 June 2026 and 31 December 2025 have maturity date falling 30 years from the date of issue on 3 January 2011.

17. SHARE CAPITAL

	Number of shares	Amount
		HK$'000
Authorised:		
Ordinary shares of HK$0.05 each at 1 January 2025	25,000,000,000	1,250,000
Share Consolidation *(note (a)(i))*	(24,375,000,000)	(1,218,750)
Share Subdivision *(note (a)(iii))*	24,375,000,000	1,218,750
At 31 December 2025, 1 January 2026 and 30 June 2026	25,000,000,000	1,250,000
Issued and fully paid:		
Ordinary shares of HK$0.05 each at 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 *(note (a)(iii))*	(11,861,210,400)	–
Capital Reduction *(note (a)(ii))*	–	(593,061)
Issue of share upon issue of rights issue shares *(note (b))*	152,066,800	7,604
At 31 December 2025, 1 January 2026 and 30 June 2026	**456,200,400**	**22,810**

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 were 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 be 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 "**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 briefed out 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.

18. RELATED PARTY TRANSACTIONS

Transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Save as those disclosed elsewhere in the consolidated financial statements, the Group had the following material transactions with related and connected parties which are not members of the Group:

	Unaudited six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
Loan interest to fellow subsidiaries	**9,161**	8,826
Loan interest to immediate holding company	**57**	78
Other payables and accruals to a shareholder*	**(2,156)**	(2,080)
Other receivables from companies controlled by a shareholder (net of expected credit losses)*	**7,106**	7,260

* *The amounts due were unsecured, interest-free and repayable on demand.*

19. DISPOSAL OF SUBSIDIARIES

On 29 April 2026, the Group entered an equity transfer agreement for disposal of its interests in Di Maria Limited ("**Di Maria**") which carried investments in two fellow subsidiaries with the principal business of oil gas pipeline transportation in Xinjiang, China. On 28 May 2026, the Group received a consideration of sales of its 100% interests in Di Maria of RMB5,000,000.00 (equivalent to approximately HK$5,750,000.00). On 25 June 2026, old directors have resigned and new directors have been appointed. The details are as follows:

	Unaudited six months ended 30 June 2026
	HK$'000
Net assets disposed of:	
Property, plant and equipment	**7,970**
Other receivables, deposits and prepayments	**1,939**
Cash and bank balances	**1,514**
Other payables and accruals	**(4,725)**
	6,698

	2026
	HK$'000
Consideration received:	
Cash consideration	**5,750**

Analysis of net inflow of cash and cash equivalents in respect of disposal of businesses:

	HK$'000
Cash consideration	**5,750**
Cash and cash equivalents disposed	**(1,514)**
Net inflow of cash and cash equivalents	**4,236**
Gain on disposal of subsidiaries:	
Consideration received or receivable	**5,750**
Net assets disposed of	**(6,698)**
Non-controlling interests	**4,549**
Reclassification adjustment of exchange differences arising from disposed subsidiaries from equity to profit or loss	**(25)**
Gain on disposal of subsidiaries	**3,576**

20. EVENTS AFTER THE REPORTING PERIOD

There were no important events affecting the Group, which occurred after the end of the six months ended 30 June 2026 and up to the date of this announcement.

MANAGEMENT DISCUSSION AND ANALYSIS

(1) Company Overview

The principal activity of China Energy Development Holdings Limited (the "**Company**") is investment holding. The Company, through its major subsidiaries, is principally engaged in (i) oil and gas exploration; (ii) distribution of natural gas; (iii) sales of food and beverages and (iv) money lending business.

Our Group's principal activities are exploration, development, production and sales of oil and natural gas. As at the date of this interim results announcement, our Group currently has two key projects: (i) Kashi Project, which is an oil and natural gas exploration, development and production project; and (ii) a project primarily engaged in the transportation and sales of natural gas pipelines situated in the Xinjiang region of the PRC.

The Company's indirectly wholly-owned subsidiary, China Era Energy Power Investment (Hong Kong) Limited ("**China Era**") entered into a petroleum contract ("**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**").

Since 19 August 2016, the Company has owned 51% equity interest of Karamay Fuhai Petroleum Chemical Engineering Co., Limited. This subsidiary in turn owns 51% equity interest of Karamay Weirun Gas Company Limited. Such company's principal activities are mainly operations of natural gas pipeline transportation and sales in the neighbouring region of Karamay City, Xinjiang, PRC ("**Karamay Project**"). The Group disposed its entire equity interest of Di Maria Limited on 25 June 2026 and the transaction of the disposal was fully recognised for the six months ended 30 June 2026.

(2) Business Review

In the first half of 2026, strong resilience was demonstrated in domestic economic recovery. In the first two quarters, China's GDP grew by 4.7% year-on-year, as prices began to show marginal increase, and the overall economy maintained a stable and progressive development trend. Gas industry in China, where policy support and market challenges co-exist, underwent profound changes.

Challenges persist on the demand side of domestic natural gas, with China's apparent natural gas consumption marginally increased by 1.6% year-on-year to approximately 133 billion cubic meters from January to June this year. The supply side is another story. The nation has accelerated the implementation of its strategy to diversify energy imports, increasing imports of pipeline gas to effectively ensure a stable balance between supply and demand in the domestic market.

In the first half of the financial year, the Group was, as always, committed to safety production; and seized policy opportunities for the gas business and explored users' gas demand.

(a) Exploration, Production and Distribution of Natural Gas Segment

The Petroleum Contract of the Kashi Project is for a term of 30 years commencing on 1 June 2009.

Under the Petroleum Contract, the Group shall apply its appropriate and advanced technology and management expertise and assign its competent experts to perform exploration, development, and production of natural gas and/or oil within the site. Under the Petroleum Contract, in the event that any oil field and/or gas field is discovered within the site, the development costs shall be borne by CNPC and the Group 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. On 20 June 2019, China Era and CNPC entered into a second supplemental agreement to the Petroleum Contract (the "**2nd Supplemental Agreement**") to set out 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. As disclosed in the Company's announcement dated 28 April 2020, the Gas Sales Agreement ("**GSA**") was signed on 27 April 2020.

The Group's exploration, production and distribution of natural gas segment comprises the natural gas exploration, production and distribution under Kashi Project and the Group's natural gas distribution operation in Karamay, Xinjiang, the PRC. During the six months ended 30 June 2026, this segment contributed revenue of approximately HK$98,138,000 (six months ended 30 June 2025: approximately HK$118,833,000). Regarding the Kashi Project, the Group's sharing of natural gas under the Petroleum Contract was approximately 154.7 million cubic meters ("**MMm^3**") for the six months ended 30 June 2026 (six months ended 30 June 2025: approximately 180.2 MMm^3).

(b) Sales of Food and Beverages Business

For the six months ended 30 June 2026, the Group did not record any revenue from the sales of food and beverages business segment (six months ended 30 June 2025: Nil). The Group will continue to keep track of the economic environment and review the future allocation of resources as and when required.

(c) Money Lending Business

For the six months ended 30 June 2026, no revenue is generated from the money lending business operated by its indirect wholly-owned subsidiary, Zhong Neng Finance Ltd., a licensed money lender under the Money Lenders Ordinance (Cap.163, Laws of Hong

Kong) (six months ended 30 June 2025: Nil). Due to uncertainties on recent slow economic recovery, the Group continued to adopt a stringent credit policy to mitigate the credit risk arising from the money lending business.

(3) Operating Results

During the six months ended 30 June 2026, the Group recorded a revenue in the amount of approximately HK$98.1 million (six months ended 30 June 2025: approximately HK$118.8 million). The Group's revenue was principally derived from the exploration, production and distribution of natural gas segment of approximately HK$98.1 million (six months ended 30 June 2025: approximately HK$118.8 million). During the six months ended 30 June 2026, neither the money lending business segment nor the sales of food and beverages segment contributed any revenue to the Group (six months ended 30 June 2025: both Nil).

The Group's revenue declined by approximately HK$20.7 million or 17.4% period on period to approximately HK$98.1 million for the six months ended 30 June 2026, which was mainly due to repair and maintenance of oil and gas pipeline and processing factory facility for a few weeks in May 2026 during the six months ended 30 June 2026.

Profit for the six months ended 30 June 2026 (the "**period**") increased by approximately HK$4.8 million or 48.7% which was mainly due to:

(i) gain on disposal of a subsidiary of approximately HK$3.6 million during the period;

(ii) no provisions for impairment of property, plant and equipment and intangible assets made for the period for the reason of balancing off the carrying amount and the recoverable amount of the cash generating units of the property, plant and equipment and intangible assets of the Kashi Project (six months ended 30 June 2025: provision for impairment of property, plant and equipment of approximately HK$2.5 million whereas provision for impairment of intangible assets of approximately HK9.6 million); and

(iii) income tax credit of approximately HK$7.2 million for the period turning around from income tax charge of approximately HK$7.1 million for the same period last year.

The above factors outweighed the effect of decrease in revenue by approximately HK$20.7 million for the six months ended 30 June 2026.

Earnings before interest, tax, depreciation and amortisation ("**EBITDA**") decreased from approximately HK$65.9 million for the six months ended 30 June 2025 to approximately HK$41.3 million for the six months ended 30 June 2026 which was in line with the decrease in revenue by approximately HK$20.7 million or 17.4% period-on-period.

Provision for impairment of property, plant and equipment of approximately HK$2,537,000 for the six months ended 30 June 2025 decreased to no provision for impairment of property, plant and equipment whereas provision for impairment of intangible assets of approximately HK$9,620,000 for the six months ended 30 June 2025 decreased to no provision for impairment of intangible assets for the six months ended 30 June 2026. This was the result of narrowing down the difference between the recoverable amount of the cash generating unit ("**CGU**") of the Kashi Project as at 30 June 2026 and the carrying amount of the CGU of the Kashi Project as at 30 June 2026.

For calculation of the recoverable amount of the CGU of the Kashi Project, the key quantitative inputs included the current period and budgeted years' net profit and cash flows generated by the Kashi Project and the pre-tax discount rate of 13.7% for the six months ended 30 June 2026 (six months ended 30 June 2025: 15.8%). The carrying amount of the CGU of the Kashi Project as at 30 June 2026 of approximately HK$1,911,484,000, which was similar to the recoverable amount of approximately HK$1,910,864,000 by a margin to bring out no provision of impairment of intangible assets and no provision of impairment of property, plant and equipment respectively.

The impairment assessment as at 30 June 2026 was made by the management of the Company with reference to the assessment made by an independent professional valuer as at 31 December 2025. The methodology, the key general and specific assumptions on which the management had based its determination of the CGU's recoverable amount as at 30 June 2026 were similar to those adopted for the assessment as at 31 December 2025 with consideration of certain variables for the six months ended 30 June 2026.

Profit attributable to owners of the Company increased by approximately HK$5.6 million or 51.9% to approximately HK$16.4 million for the six months ended 30 June 2026. This was mainly due to the description in the third paragraph of (3) Operating Results on page 19 of this announcement.

A decrease in EBITDA margin by 13.4% period-on-period to 42.0% for the six months ended 30 June 2026 with an increase in net profit margin by 6.6% period-on-period to 14.8% for the six months ended 30 June 2026 was mainly due to the above mentioned reasons for increase in the profit for the period.

Exchange differences on translation of foreign operations

As a result of improvement in depreciation of Renminbi ("**RMB**") against the Hong Kong Dollars ("**HKD**") during the six months ended 30 June 2026, the exchange differences on translation of foreign operations were positively impacted. During the period, the exchange gain attributable to owners of the Company increased from approximately HK$51.2 million for the six months ended 30 June 2025 to approximately HK$70.6 million for the six months ended 30 June 2026. Meanwhile, the exchange difference on translation of foreign operations attributable to non-controlling interests decreased from gain of approximately HK$308,000 for the six months ended 30 June 2025 to loss of approximately HK$1,856,000 for the six months ended 30 June 2026.

Such exchange difference reflected the translation difference of currency between RMB and the HKD in the presentation of condensed consolidated financial statements and did not have any significant impact on the operations of the Group. Therefore, the management does not see the necessity to take any measure at this moment.

Natural gas business analysis

Analysis of business performance for the six months ended 30 June 2026

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:

(a) *Results of operations in exploration, production and distribution of natural gas segment*

	Unaudited six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
Revenue	**98,138**	118,833
Direct cost	**(32,230)**	(25,503)
Other income	**948**	1,481
Selling and distribution expenses	**(9,660)**	(10,564)
Operating expenses	**(13,098)**	(13,923)
Amortisation	**(8,532)**	(9,506)
Depreciation	**(14,301)**	(14,023)
Provision of impairment	**–**	(12,157)
Finance costs	**(9,037)**	(8,893)
Profit from operations before income tax expenses	**12,228**	25,745

(b) Costs incurred for exploration and evaluation assets acquisitions and exploration activities

Exploration and evaluation assets

The exploration and evaluation assets mainly represents costs directly associated with exploratory wells (drilling cost and others) that are capitalised and pending a determination of whether sufficient quantities of potentially economic gas reserves have been discovered.

During the six months ended 30 June 2026, the Directors considered that the exploration and evaluation assets capitalised in the previous years and utilised for generating revenue in the development stage should be reclassified as oil properties under property, plant and equipment.

During the six months ended 30 June 2026, the Group did not incur any exploration and evaluation cost (six months ended 30 June 2025: Nil), and no exploration and evaluation assets which were reclassified to oil properties under property, plant and equipment during the six months ended 30 June 2026 (six months ended 30 June 2025: Nil).

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 30 June 2026. Decline of financial assets at fair value through profit or loss by approximately HK$2,112,000 or 16.9% period-on-period to approximately HK$10,363,000 as at 30 June 2026 was mainly due to poor stock market sentiment under the slow economic recovery during the six months ended 30 June 2026.

Account receivables

No additional provision for impairment of accounts receivables was recognised for the six months ended 30 June 2026 (six months ended 30 June 2025: Nil), as the credit risk profile of the major debtor remained unchanged.

Provisions, other payables and accruals

Provisions, other payables and accruals mainly represents the 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 CNPC as at 30 June 2026. Increase in other payables and accruals by approximately HK$14.3 million or 20.8% to approximately HK$83.0 million as at 30 June 2026 was mainly due to higher payable to contractors during the six months ended 30 June 2026 whereas provisions increased marginally by approximately HK$1.0 million or 4.6% to approximately HK$23.3 million due to exchange difference.

Other borrowings

Other borrowings mainly represents unsecured other borrowings of approximately HK$169,644,000 (31 December 2025: approximately HK$246,295,000). Those other borrowings amounted to approximately HK$169,644,000 are repayable before 30 June 2027 or repayable upon demand.

(4) Financial Review

Liquidity, Financial Resources and Capital Structure

As at 30 June 2026, the Group has outstanding unsecured other borrowings of approximately HK$169,644,000 (as at 31 December 2025: approximately HK$246,295,000). The cash and cash equivalents of the Group were approximately HK$258,464,000 (as at 31 December 2025: approximately HK$295,158,000). The Group's current ratio (current assets to current liabilities) was approximately 142.3% (as at 31 December 2025: approximately 126.5%). The ratio of total liabilities to total assets of the Group was approximately 15.4% (as at 31 December 2025: approximately 18.0%).

As at 30 June 2026, the convertible notes have an outstanding principal amount of HK$232,790,000 (31 December 2025: 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 six months ended 30 June 2026, no convertible note was converted to ordinary shares of the Company.

(5) Prospects

Exploration, Production and Distribution of Natural Gas

As a key transitional energy source for the transformation of the global energy structure, natural gas is continuously promoting new breakthrough under the guidance of the national energy security and low-carbon strategy in oil and gas exploration and development as well as increasing reserves and production. Details and key milestones of the Kashi Project were disclosed in the Company's circular dated 3 December 2010. In conclusion, the ODP covers an exploration period, a development period and a production period of up to six years (which has been extended by CNPC according to the supplementary agreement). The exploration work of the Kashi North project is being carried out in an orderly manner, and the development plan of the Akemomu gas field is also being optimised and adjusted. A two ways approach is taken to promote the increase in reserves and production of the Kashi North project.

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 the operation of the new gas processing facilities on 1 July 2020, the Joint Management Committee of North Kashi Block Cooperation 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, new production wells commenced operation or construction at the Akemomu Gas Field, including: (1) the commencement of operations of a new well, WD-1, which was originally designed as an exploratory well and was converted 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 and has been in 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 has been in operation since the first quarter of 2022.

As disclosed in the Company's announcement dated 14 August 2025, upon successful completion of the capital reorganisation and the Rights Issue, the Company will intend to use the net proceeds raised from the Rights Issue to further operate and develop the facilities as described on "REASONS FOR THE RIGHTS ISSUE".

Reference is made to the announcement dated 23 December 2025 in relation to, among other things, (1) results of the rights issue on the basis of one (1) rights share for every two (2) adjusted shares held on the record date on a non-underwritten basis; and (2) adjustments to the convertible bonds, for the use of proceeds as mentioned on page 2 of the announcement dated 23 December 2025.

The gross proceeds from the Rights Issue were approximately HK$238.7 million, and the net proceeds from the Rights Issue after deducting all relevant expenses in relation to the Rights Issue were 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 Rights Issue prospectus. Up to the date of this announcement, the progress of the use of the proceeds is on right track without any changes of the original plan of the use of proceeds.

The Company is taking the remedial actions for the problems incurred on the production of natural gas such as the reason of flooding in the North Kashi Gas Field and monitors closely on the progress. The Company also coordinates with CNPC, the Chinese Partner, for any possible ways to improve the operations and drive up our sales revenue as far as possible.

The Company's management will continue to follow up with potential lenders and investors with a 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.

Sales of Food and Beverages Business

The management has adopted a cautious approach to manage the operations of the food and beverages segment. The Group will assess the value and performance of this segment periodically, and continue to keep track of the economic environment and review the future allocation of resources as needed.

Money Lending Business

The management has taken a prudent approach in money lending business in view of the uncertainties surrounding the economic outlook. The management will continue to look for high-quality borrowers in order to minimise the risk of default.

TREASURY MANAGEMENT AND POLICIES

The Group adopts a prudent approach for its cash management and risk control. The objective of the Group's treasury policies is to minimise risks and exposures due to fluctuations in foreign currency exchange rates and interest rates.

Cash has generally been placed in short-term deposits denominated in Hong Kong dollar, US dollar, and Renminbi. The Group has obtained bank facilities and borrowings with stable interest rates. The Group does not foresee any significant interest rate risks. The Group's transactions and investments are mostly denominated in Hong Kong dollar and Renminbi. As the Group's policy is to have its operating entities to operate in their corresponding local currencies to minimise currency risks, the Group does not anticipate any material foreign exchange exposures and risks.

During the period under review, no hedging transactions related to foreign exchange had been made, proper steps will be taken when the management considers appropriate.

SIGNIFICANT INVESTMENTS

As at 30 June 2026, the Group did not have any significant investments held except for the financial assets at fair value through profit or loss of approximately HK$10,363,000 (as at 31 December 2025: approximately HK$12,475,000).

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATED COMPANIES AND JOINT VENTURES

The Group did not have any material acquisitions and disposals of subsidiaries, associates and joint ventures during the six months ended 30 June 2026.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

During the six months ended 30 June 2026, neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities.

CHARGE OF ASSETS

During the six months ended 30 June 2026, no assets were charged.

EXCHANGE EXPOSURE

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

CAPITAL COMMITMENTS

The Group's capital commitments at the end of the reporting period are as follows:

	Jun 2026	31 Dec 2025
	HK$'000	*HK$'000*
Contracted but not provided for in respect of:		
– property, plant and equipment and exploration and evaluation expenditures	**2,840**	2,840
– capital contribution in subsidiaries	**119,643**	115,445

The Group had the following capital commitments:

(a) approximately HK$2,840,000 (of which approximately HK$1,448,000 would be borne by CNPC) (31 December 2025: HK$2,840,000 of which approximately HK$1,448,000 would be borne by CNPC) in respect of capital expenditure of exploration, production and distribution of natural gas segment; and

(b) approximately HK$119,643,000 (31 December 2025: approximately HK$115,445,000) as at 30 June 2026 in respect of capital contributions in subsidiaries.

CONTINGENT LIABILITIES

The Group had no material contingent liabilities as at 30 June 2026 and 31 December 2025.

EMPLOYEE AND REMUNERATION POLICY

As at 30 June 2026, the Group had a total workforce of 45 (31 December 2025: 50). Staff costs maintained at a competitive level with total staff costs for the six months ended 30 June 2026 amounted to approximately HK$4,056,000 (six months ended 30 June 2025: approximately HK$4,547,000). The remuneration policy is based on principles of equality, motivation, performance and prevailing market practice, and remuneration packages are normally reviewed on an annual basis. Other staff benefits including provident fund, medical insurance coverage, etc. There was also a share option scheme offered to employees and eligible participants, which expired on 25 June 2024. No share options were granted under the Company's share option scheme during the six months ended 30 June 2026 and 2025 respectively.

INTERIM DIVIDENDS

The Board does not recommend the payment of interim dividends for the six months ended 30 June 2026 (six months ended 30 June 2025: Nil).

SUBSEQUENT EVENT

There were no important events after the Reporting Period and up to the date of this announcement.

CHANGE OF DIRECTORS' AND SENIOR MANAGEMENT'S INFORMATION

During the period under review and up to the date hereof, the following changes in Directors' information are disclosed pursuant to Rule 13.51B of the Listing Rules:

Reference is made to the announcement of Fujian Holdings Limited (stock code 00181) dated 4 May 2026, in which Mr. Lee Man Tai, Independent Non-executive Director of the Company, has been appointed as the Company Secretary of Fujian Holdings Limited with effect from 4 May 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 Listing Rules.

OTHER INFORMATION

CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintain good corporate governance standard and procedures. The Board recognizes the importance of and benefit from good corporate governance practices. We believe that improvement in corporate governance not only assists the Company in effective supervision and control on its business operation, but also attracts investment from international institutional investors, thereby creating and enhancing shareholder value.

1. 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 as set out in Appendix C1 to the Main Board Listing Rules (the "**CG Code**") and the applicable Main Board Listing Rules. During the six months ended 30 June 2026 (the "**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 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 year, 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.

(b) 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 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 period, although regular Board meetings were held only on a 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.

(c) 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 an internal audit function during the 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 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. During the six months ended 30 June 2026, all 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.

AUDIT COMMITTEE

During the six months period and up to the date of this announcement, members of the Audit Committee included:

Mr. Lee Man Tai *(Chairman of Audit Committee)*
Ms. Chin Ying Ying
Mr. Zhang Zhenming
Mr. Yan Danhua
Mr. Chen Jianxin

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 and Ms. Chin Ying Ying and Mr. Chen Jianxin, 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 unaudited consolidated financial statements for the six months ended 30 June 2026 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.

PUBLICATION OF INTERIM RESULTS AND REPORT

This interim 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 interim report of the Company for the six months ended 30 June 2026 containing all information required by the Listing Rules will be dispatched to Shareholders and made available on the above websites in due course.

ACKNOWLEDGEMENT

On behalf of the Board of Directors, I extend my gratitude to all our staff for their hard work and dedication.

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

Hong Kong, 11 August 2026

As at the date of this announcement, the board of Directors of the Company 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.