



Suites 5801-04&08, 58/F, Central Plaza,
18 Harbour Road, Wanchai,
Hong Kong

13 January 2026

To the Independent Shareholders and the Convertible Bondholders

Dear Sir or Madam,

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

INTRODUCTION

Reference is made to the Joint Announcement.

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

The Offeror and its Concert Parties made an application to subscribe for a total of 152,066,763 Rights Shares at the Subscription Price under the Rights Issue, comprising (i) 45,375,000 Rights Shares by provisional allotments; (ii) 106,691,763 Rights Shares by excess application. Pursuant to the results of the Rights Issue, on 24 December 2025, a total of 150,884,939 Rights Shares (after the Final Allocation) were issued to the Offeror and its Concert Parties, comprising (i) 45,375,000 Rights Shares from provisional allotments; (ii) 105,509,939 Rights Shares (after the Final Allocation) from excess application.

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

Cinda is, on behalf of the Offeror, making the Offers in compliance with the Takeovers Code on the terms set out in this Composite Document.

This letter forms part of this Composite Document and sets out, among other things, details of the terms of the Offers, the information of the Offeror and the intention of the Offeror in relation to the Group. Further details of the terms and the procedures of acceptance of the Offers are set out in Appendix I to this Composite Document, and in the accompanying Forms of Acceptance.

The Independent Shareholders and the Convertible Bondholders are strongly advised to consider carefully the information contained in the “Letter from the Board”, the “Letter from the Independent Board Committee” and the “Letter from the Independent Financial Adviser”, the accompanying Forms of Acceptance and the appendices which form part of this Composite Document and to consult their professional advisers if in doubt before reaching a decision as to whether or not to accept the Offers.

THE OFFERS

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

The Share Offer

For every Offer Share HK\$1.57 in cash

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

The Convertible Bonds Offer

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

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

As at the Latest Practicable Date, there are outstanding Convertible Bonds in the principal amount of HK\$232,790,000 which carry rights to convert into 34,641,369 new Shares in full based on the conversion price of HK\$6.72 per Share, and none of the Offeror and its Concert Parties has any interest in the Convertible Bonds.

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

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

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

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

As at the Latest Practicable Date, the Company (i) has no dividend or other distributions declared but not paid; and (ii) will not declare and pay any dividend or other distributions before the close or lapse of the Offers.

Comparison of the Share Offer Price

The Share Offer Price of HK\$1.57 represents:

- (a) a premium of approximately 1.29% over the closing price of HK\$1.55 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (b) a premium of approximately 9.03% to the closing price of HK\$1.44 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (c) a premium of approximately 9.03% to the average closing price of HK\$1.44 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to and including the Last Trading Day;

- (d) a premium of approximately 9.03% to the average closing price of HK\$1.44 per Share as quoted on the Stock Exchange for the last ten consecutive trading days immediately prior to and including the Last Trading Day;
- (e) a premium of approximately 13.69% to the average closing price of HK\$1.38 per Share as quoted on the Stock Exchange for the last thirty consecutive trading days immediately prior to and including the Last Trading Day;
- (f) a premium of approximately 14.81% to the average closing price of HK\$1.37 per Share as quoted on the Stock Exchange for the last sixty consecutive trading days immediately prior to and including the Last Trading Day;
- (g) a discount of approximately 73.34% to the audited consolidated net asset value per Share as at 31 December 2024 of approximately HK\$5.89 (based on the audited consolidated net asset value as at 31 December 2024 of approximately HK\$1,790.4 million and the total number of Shares); and
- (h) a discount of approximately 74.22% to the unaudited consolidated net asset value per Share as at 30 June 2025 of approximately HK\$6.09 (based on the unaudited consolidated net asset value as at 30 June 2025 of approximately HK\$1,851.7 million and the total number of Shares).

Highest and lowest Share prices

During the Relevant Period, the highest closing price of the Shares quoted on the Stock Exchange was HK\$2.52 per Share on 23 June 2025 and the lowest closing price of the Shares quoted on the Stock Exchange was HK\$1.24 per Share on 27 and 29 August 2025.

Value of the Offers

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

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

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

Confirmation of financial resources available for the Offers

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

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

Effect of accepting the Offers

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

As at the Latest Practicable Date, the Company (i) has no dividend or other distributions declared but not paid; and (ii) will not declare and pay any dividend or other distributions before the close or lapse of the Offers.

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

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

The Independent Shareholders and the Convertible Bondholders are reminded to read the recommendations of the Independent Board Committee and the advice of the Independent Financial Adviser in respect of the Offers which are included in the “Letter from the Independent Board Committee” and the “Letter from the Independent Financial Adviser” as contained in this Composite Document.

Taxation advice

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

Hong Kong stamp duty

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

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

Payment

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

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

Overseas Shareholders and Overseas Convertible Bondholders

As at the Latest Practicable Date, the Company had four Overseas Shareholders with registered addresses situated in the PRC, the Cayman Islands and the British Virgin Islands with the following shareholding structure:

Jurisdiction	Number of Shareholder(s) Overseas	Shareholder(s) in the jurisdiction	Aggregated number of Shares held by Overseas	Approximate % of the issued share capital of the Company
British Virgin Islands	2 ^(Note 1)	82,875,000	82,875,000	18.17%
Cayman Islands	1 ^(Note 2)	205,259,939	205,259,939	45.00%
PRC	1	2,099,700	2,099,700	0.46%
Total	4	290,234,639	290,234,639	63.63%

Notes:

1. The two Overseas Shareholders in the British Virgin Islands are Cypress Dragons Limited and U.K. Prolific Petroleum Group Company Limited.
2. The Overseas Shareholder in the Cayman Islands is the Offeror.

As at the Latest Practicable Date, the Company had one overseas Convertible Bondholder with registered address in the British Virgin Islands who holds Convertible Bonds in the principal amount of HK\$232,790,000 which are convertible into a maximum of 34,641,369 Shares upon full conversion of the Convertible Bonds based on the conversion price of HK\$6.72 per Share.

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

The Offeror has obtained advice from law firms qualified to advise on the laws of the PRC and the British Virgin Islands, each of them opined that there is no requirement for any of the Offeror, Cinda or the Company to obtain any prior approval, consent or registration with any governmental, regulatory or such other authority in the PRC or the British Virgin Islands (as the case may be) in relation to the extension of the Offers, and the despatch of this Composite Document to the Overseas Shareholders and Overseas Convertible Bondholders with registered addresses in the PRC or the British Virgin Islands (as the case may be).

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

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

INFORMATION OF THE GROUP

The Company was incorporated in the Cayman Islands with limited liability and its issued Shares are listed on the Main Board of the Stock Exchange. The Group is principally engaged in exploration, production and distribution of natural gas in the PRC. Further information on the Group is set out in the paragraph headed “Information of the Group” in the “Letter from the Board” as contained in this Composite Document. Financial Information on the Group is set out in Appendix II to this Composite Document.

INFORMATION OF THE OFFEROR

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

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

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

As at the Latest Practicable Date, as the Offeror holds 205,259,939 Shares and Cypress Dragons Limited holds 36,375,000 Shares, Mr. Ming Zaiyuan (“**Mr. Ming**”) is interested in 241,634,939 Shares of the Company through his holding of 41.07% of the total issued share capital of XTRQ.

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

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

THE OFFEROR’S INTENTION ON THE GROUP

It is the intention of the Offeror to continue the existing business of the Company and has no intention to put forward any major changes to the business of the Company after the close of the Offers. The Offeror will neither redeploy nor dispose of any of the assets (including fixed assets) of the Group other than in the ordinary course of business.

As at the Latest Practicable Date, the Offeror has no intention to, and has not entered into, any negotiation, agreement, arrangement and understanding on (i) the disposal, restructuring or downsizing of the Company’s existing assets and/or business; and (ii) injecting any new business and/or assets into the Group.

Nevertheless, following the close of the Offers, the Offeror will conduct a detailed review on the existing principal operations and business, and the financial position of the Group for the purpose of formulating business plans and strategies for the Group’s long-term business development and will explore other business opportunities for the Group. Should such corporate actions materialise, further announcement(s) will be made in accordance with the Listing Rules.

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

PROPOSED CHANGE TO THE BOARD COMPOSITION OF THE COMPANY

As at the Latest Practicable Date, the Board comprises Mr. Liu Wexuan and Mr. Liu Dong as executive Directors; Mr. Yan Danhua and Mr. Chen Jianxin as non-executive Directors; and Mr. Zhang Zhenming, Mr. Lee Man Tai and Ms. Chin Ying Ying as independent non-executive Directors.

It is intended that none of the existing Directors will resign from the Board with effect prior to the close of the Offers or the earliest time permitted under the Takeovers Code and the Listing Rules.

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

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

The Stock Exchange has stated that;

- (a) if, at the close of the Offers, the Stock Exchange believes that:
 - a. a false market exists or may exist in the trading of the Shares; or
 - b. an orderly market does not exist or may not exist;
- it will consider exercising its discretion to suspend dealings in the Shares; and
- (b) if, at the close of the Offers, the Company has a Significant Public Float Shortfall (as defined in Rule 13.32F of the Listing Rules), then:
 - a. the Stock Exchange will add a designated marker to the stock name of the Shares; and
 - b. the Stock Exchange will cancel the listing of the Shares if the Company fails to re-comply with Rule 13.32B of the Listing Rules for a continuous period of 18 months from the commencement of the Significant Public Float Shortfall.

The Offeror intends the Company to remain listed on the Stock Exchange. The sole director of the Offeror has undertaken and new directors to be appointed to the Board will jointly and severally undertake to the Stock Exchange that if, at the close of the Offers, the Company fails to comply with the requirement of rule 13.32B of the Listing Rules, they will take appropriate steps to ensure the Company's compliance with rule 13.32B of the Listing Rules at the earliest possible moment.

The Offeror considers that the appropriate actions to be taken after the close of the Offers shall include placing down of sufficient number of accepted Offer Shares by the Offeror where appropriate. The Offeror and the Company will issue a further announcement as and when necessary in this regard.

ACCEPTANCE AND SETTLEMENT

Your attention is drawn to the further details regarding further terms and conditions of the Offers, the procedures for acceptance and settlement and the acceptance period as set out in Appendix I to this Composite Document and the accompanying Forms of Acceptance.

COMPULSORY ACQUISITION

The Offeror does not intend to exercise any right which may be available to it in respect of the compulsory acquisition of any outstanding Shares or Convertible Bonds that are not tendered for acceptance under the Offers.

GENERAL

To ensure equality of treatment of all the Independent Shareholders and all the Convertible Bondholders, those Independent Shareholders and/or Convertible Bondholders who hold Shares and/or Convertible Bonds as nominee on behalf of more than one beneficial owner should, as far as practicable, treat the holding of such beneficial owner separately. It is essential for the beneficial owners of the Shares and/or Convertible Bonds whose investments are registered in the names of nominees to provide instructions to their nominees of their intentions with regard to the Offers.

Attention of the Overseas Shareholders and Overseas Convertible Bondholders is drawn to the paragraph headed “8. Overseas Shareholders and Overseas Convertible Bondholders” in Appendix I to this Composite Document. All communications, notices, Forms of Acceptance, share certificate(s), certificate(s) of the Convertible Bonds, transfer receipt(s), other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) and remittances to settle the consideration payable under the Offers to be delivered by or sent to or from the Independent Shareholders and/or Convertible Bondholders will be delivered by or sent to or from them, or their designated agents, by ordinary post at their own risk. None of the Company, the Offeror, its Concert Parties, the Independent Financial Adviser, the Joint Financial Advisers, the Registrar or any of their respective directors or other parties involved in the Offers or any of their respective agents accept any liability for any loss in postage, delay in transmission or any other liabilities that may arise as a result thereof.

Further details have been set out in Appendix I to this Composite Document and in the accompanying Forms of Acceptance.

ADDITIONAL INFORMATION

Your attention is drawn to the additional information regarding the Offers set out in the appendices to this Composite Document and the accompanying Form of Acceptance, which form part of this Composite Document. You are reminded to read carefully the “Letter from the Board”, the “Letter from the Independent Board Committee” and the letter of advice by the Independent Financial Adviser to the Independent Board Committee in respect of the Offers as set out in the “Letter from the Independent Financial Adviser” as contained in this Composite Document before deciding whether or not to accept the Offers.

If you are in doubt about your position in connection with the Offers, you should consult a licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional advisers.

Yours faithfully,
For and On behalf of
Cinda International Capital Limited



Pun Hung Ming
Executive Director