



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

**(Stock code: 228)**

13 January 2026

*To Independent Shareholders and Convertible Bondholders,*

Dear Sir/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.

This letter forms part of this Composite Document which provides you with, among other things, (i) details of the Offers; (ii) a letter of recommendations from the Independent Board Committee to the Independent Shareholders and the Convertible Bondholders in relation to the Offers; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee in relation to the Offers; and (iv) information relating to the Company and the Offeror, together with the Forms of Acceptance. Unless the context otherwise requires, terms used in these letters shall have the same meanings as those defined in this Composite Document.

#### **INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER**

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

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

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

You are advised to read the “Letter from the Independent Board Committee” addressed to the Independent Shareholders, the “Letter from the Independent Financial Adviser”, the “Letter from Cinda” and the additional information contained in the appendices to this Composite Document before taking any action in respect of the Offers.

## **THE OFFERS**

The terms of the Offers set out in the “Letter from Cinda” contained in this Composite Document are extracted below. You are recommended to refer to the “Letter from Cinda” and the Forms of Acceptance for further details.

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.

Further details regarding the Offers, including the terms and procedures for acceptance of the Offers are set out in the “Letter from Cinda” and Appendix I to this Composite Document and the accompanying Forms of Acceptance.

## **INFORMATION OF THE GROUP**

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

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

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



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

Your attention is drawn to the further details of the information of the Group as set out in Appendices II and IV to this Composite Document.

### SHAREHOLDING STRUCTURE OF THE COMPANY

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

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

*Notes:*

1. As at the Latest Practicable Date, Cypress Dragons Limited is legally and beneficially wholly-owned by the Offeror, whereas the Offeror is legally and beneficially wholly-owned by XJMX, which in turn is held by XTRQ as to 65.0% of its total issued share capital. Mr. Ming Zaiyuan is interested in 241,634,939 Shares through his holding of 41.07% of the total issued share capital of XTRQ.
2. As at the Latest Practicable Date, U.K. Prolific Petroleum Group Company Limited is interested in 46,500,000 Shares and the Convertible Bonds. Based on the disclosure of interest filings, U.K. Prolific Petroleum Group Company Limited is entirely controlled by Mr. Wang Guoju.
3. None of the Directors hold any Shares as at the Latest Practicable Date.

## **INFORMATION OF THE OFFEROR**

Your attention is drawn to the section headed "Information of the Offeror" in the "Letter from Cinda" as set out in this Composite Document.

## **INTENTION OF THE OFFEROR IN RELATION TO THE GROUP**

Your attention is drawn to the section headed "Intention of the Offeror in relation to the Group" in the "Letter from Cinda" as set out in this Composite Document. The Board is pleased to note that the Offeror intends to continue the existing business of the Group. The Offeror has no intention to discontinue any employment of the employees of the Group or to dispose of or re-allocate the Group's assets which are not in the ordinary and usual course of business of the Group.

The Board is aware of the Offeror's intention in relation to the Group and is willing to render co-operation with the Offeror and will continue to act in the best interests of the Group and the Shareholders as a whole. 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.

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

## **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.

## RECOMMENDATION

Your attention is drawn to the "Letter from the Independent Board Committee" set out on pages 26–28 of this Composite Document and the "Letter from the Independent Financial Adviser" set out on pages 29–49 of this Composite Document, which contain, among other things, their advices in relation to the Offers and the principal factors considered by them in arriving at their recommendations.

Independent Shareholders and Convertible Bondholders are urged to read those letters carefully before taking any action in respect of the Offers.

## ADDITIONAL INFORMATION

Your attention is drawn to the additional information contained in the appendices to this Composite Document. You are also recommended to read carefully Appendix I to this Composite Document and the accompanying Forms of Acceptance for further details in respect of the procedures for the acceptance of the Offers.

Liu Wenxuan 劉文選  
Chairman and Executive Director  
主席兼執行董事



By Order of the Board  
**China Energy Development Holdings Limited**

**Liu Wenxuan**  
*Chairman and Executive Director*