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TL Natural Gas Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8536)

PLACING OF NEW SHARES UNDER GENERAL MANDATE

Placing Agent



PLACING OF NEW SHARES UNDER GENERAL MANDATE

On 12 June 2025 (after trading hours), the Company and the Placing Agent entered into the Placing Agreement, pursuant to which the Company has conditionally agreed to place, through the Placing Agent on a best effort basis, a maximum of 29,310,000 Placing Shares at the Placing Price of HK\$0.225 per Placing Share to not less than six Placees who and whose ultimate beneficial owner(s) are Independent Third Parties.

A maximum of 29,310,000 Placing Shares under the Placing represent (i) approximately 16.00% of the existing issued share capital of the Company of 183,195,000 Shares as at the date of this announcement; and (ii) approximately 13.79% of the issued share capital of the Company of 212,505,000 Shares as enlarged by the Placing, assuming no further change in the share capital structure of the Company prior to the Completion.

The Placing Price of HK\$0.225 represents (i) a discount of approximately 16.67% to the closing price of HK\$0.270 per Share as quoted on the Stock Exchange on the date of the Placing Agreement; and (ii) a discount of approximately 18.78% to the average closing price of approximately HK\$0.277 per Share as quoted on the Stock Exchange for the last five consecutive trading days prior to the date of the Placing Agreement.

The Placing is conditional upon, among other things, the GEM Listing Committee of the Stock Exchange granting or agreeing to grant the listing of, and permission to deal in, the Placing Shares.

The maximum gross proceeds from the Placing will be HK\$6,594,750. The maximum net proceeds from the Placing (after deducting the commission payable to the Placing Agent, professional fee and other related costs and expenses incurred in the Placing) will be approximately HK\$6 million.

Completion of the Placing is subject to the satisfaction of the conditions precedent in the Placing Agreement. As the Placing may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

THE PLACING AGREEMENT

Date: 12 June 2025 (after trading hours)

Parties:

- (a) the Company as the issuer; and
- (b) Eddid Securities and Futures Limited as the Placing Agent. To the best of the Company's knowledge, information and belief having made all reasonable enquiries, the Placing Agent and its ultimate beneficial owners are Independent Third Parties.

PRINCIPAL TERMS OF THE PLACING AGREEMENT

The principal terms of the Placing Agreement are summarised below:

Placing Shares

The Placing Agent has conditionally agreed to procure, on a best effort basis, a total of not less than six Placees to subscribe for a total of 29,310,000 new Shares at the Placing Price, upon the terms and subject to the conditions set out in the Placing Agreement.

The Placing Shares represent (i) approximately 16.00% of the existing issued share capital of the Company of 183,195,000 Shares as at the date of Placing Agreement; and (ii) approximately 13.79% of the issued share capital of the Company of 212,505,000 Shares as enlarged by the allotment and issue of the Placing Shares (assuming no further change in the share capital structure of the Company prior to the Completion). The maximum aggregate nominal value of the Placing Shares under the Placing will be HK\$1,172,400.

Placing Price

The price of HK\$0.225 per Placing Share was determined after arm's length negotiations between the Company and the Placing Agent with reference to the prevailing market price of the Shares on the Stock Exchange. The Placing Price represents:

- i. a discount of approximately 16.67% to the closing price of HK\$0.270 per Share as quoted on the Stock Exchange on the date of the Placing Agreement; and
- ii. a discount of approximately 18.78% to the average closing price of HK\$0.277 per Share as quoted on the Stock Exchange for the last five consecutive trading days prior to the date of the Placing Agreement.

Placing Commission

The Placing Agent will receive a placing commission of HK\$120,000. The placing commission was determined after arm's length negotiations between the Company and the Placing Agent.

Placees

The Placing Agent shall, on a best effort basis, place, or procure the placing of, the Placing Shares with not less than six independent individual, institutional or other professional investors who and whose ultimate beneficial owner(s) are Independent Third Parties. It is expected that immediately after the Placing, none of the Placees will become a substantial shareholder of the Company.

Ranking of Placing Shares

The Placing Shares, when issued and fully paid, will rank pari passu in all respects among themselves and with the Shares in issue on the date of allotment and issue of the Placing Shares.

General Mandate

The Placing Shares will be issued under the General Mandate to allot, issue and deal with new Shares granted to the Directors by a resolution of the Shareholders passed at the AGM subject to the limit of up to 20% of the issued share capital of the Company as at the date of the AGM. Under the General Mandate, the Company is authorised to issue up to 36,639,000 new Shares. As at the date of this announcement, no new Shares have been issued under the General Mandate. Accordingly, the Placing is not subject to the Shareholders' approval. Application will be made by the Company to the GEM Listing Committee of the Stock Exchange for the grant of the approval for the listing of, and permission to deal in, the Placing Shares.

Conditions of the Placing Agreement

Completion of the Placing by the Placing Agent of the Placing Shares under the Placing Agreement is conditional upon:

1. the GEM Listing Committee of the Stock Exchange granting or agreeing to grant the listing of, and permission to deal in, the Placing Shares (either unconditionally or subject to conditions which are acceptable to the Company and the Placing Agent);
2. all necessary written consents and approvals (if any) from the relevant authorities in respect of the Placing having been obtained by the Company, if applicable; and
3. no representation, warranty or undertaking under the Placing Agreement having been breached in any material respect by the Company or is otherwise rendered inaccurate, untrue or misleading in any material respect, in each case on or prior to the Completion Date.

In the event of the foregoing conditions not having been fulfilled by the Long Stop Date, all rights, obligations and liabilities of the parties thereunder in relation to the Placing shall cease and determine and none of the parties shall have any claim against the other in respect of the Placing, save for any antecedent breaches of the Placing Agreement.

Termination

At any time prior to 12:00 noon on the date of Completion, if:

- (i) there shall have been, since the date of the Placing Agreement, such a change in national or international financial, political or economic conditions or taxation or exchange controls as would, in the reasonable opinion of the Placing Agent, be likely to prejudice materially the consummation of the Placing; or
- (ii) any material breach of any of the representations, warranties, undertakings, or obligations set out in the Placing Agreement by the Company comes to the knowledge of the Placing Agent, or any event occurs or any matter arises on or after the date of the Placing Agreement and prior to the Completion Date which, if it had occurred or arisen before the date of the Placing Agreement, would have rendered any of such representations, warranties, undertakings, or obligations untrue, incorrect or misleading in any material respect; or
- (iii) any moratorium, suspension or material restriction on trading in shares or securities generally on the Stock Exchange due to exceptional financial circumstances or otherwise;

then and in any such case, the Placing Agent may after consultation with the Company terminate the Placing Agreement without liability to the Company by giving notice in writing to the Company, provided that such notice is received by the Company prior to 12:00 noon on the date of Completion. All obligations of each of the parties under the Placing Agreement shall cease and determine and no party shall have any claim against the other party in respect of any matter arising out of or in connection with the Placing Agreement except for any antecedent breach of any obligation under the Placing Agreement and the payment of all reasonable costs and expenses in connection with the Placing as set out in the Placing Agreement.

Completion of the Placing

Completion of the Placing shall take place not later than the fourth business days after the Placing Agreement has become unconditional (or such later date as may be agreed between the Company and the Placing Agent).

REASONS FOR THE PLACING AND USE OF PROCEEDS

The Group is principally engaged in the sales of CNG and LNG and provision of transmission service in the PRC. The Group is also engaged in the provision of digital marketing service.

The Directors are of the view that the Placing will enlarge the shareholder base and the capital base of the Company and to raise capital for the Group. The Directors consider that the terms of the Placing Agreement are fair and reasonable and the Placing is in the interests of the Company and the Shareholders as a whole.

The maximum gross proceeds from the Placing will be HK\$6,594,750. The maximum net proceeds from the Placing (after deducting the commission payable to the Placing Agent, professional fee and other related costs and expenses incurred in the Placing) will be approximately HK\$6 million, and the net price per Placing Share is approximately HK\$0.205. The net proceeds from the Placing will be used for investment in renewable energy related businesses including the relevant facilities and equipment, and general working capital of the Group.

FUND RAISING ACTIVITIES DURING THE PAST 12 MONTHS

The Company has not conducted any other fund raising activities in the past twelve months immediately before the date of this announcement.

EFFECT ON SHAREHOLDING STRUCTURE OF THE COMPANY

Assuming the maximum number of the Placing Shares, being 29,310,000 Shares, are placed under the Placing Agreement and that there will be no change to the total number of Shares in issue from the date of this announcement to the date of Completion other than the issue of the Placing Shares, the existing shareholding structure of the Company and the effect on the shareholding structure of the Company immediately upon the Completion is and will be as follows:

	As at the date of this announcement		Immediately after the Completion	
	Number of Shares	Approximate %	Number of Shares	Approximate %
Shareholders				
Hongsheng Enterprise Limited ("Hongsheng") ^(Note 1)	56,732,500	30.97	56,732,500	26.70
Yongsheng Enterprise Limited ("Yongsheng") ^(Note 2)	19,392,500	10.59	19,392,500	9.13
Places	–	–	29,310,000	13.79
Other public Shareholders	107,070,000	58.44	107,070,000	50.38
Total	183,195,000	100.00	212,505,000	100.00

Notes:

- (1) As at the date of this announcement, Mr. Liu Yong Qiang directly owns 100% interest of Hongsheng, which in turn holds 56,732,500 shares or approximately 30.97% of the issued Shares; therefore he is deemed, or taken to be interested in, all the shares held by Hongsheng for the purpose of the SFO; pursuant to the acting in concert confirmation dated 14 June 2017, in which Mr. Liu Yong Qiang is also deemed to be interested in 19,392,500 Shares or approximately 10.59% of the issued Shares owned by Yongsheng as a result of being a party acting in concert with Mr. Liu Yong Cheng.
- (2) As at the date of this announcement, Mr. Liu Yong Cheng directly owns 100% interest of Yongsheng, which in turn holds 19,392,500 shares or approximately 10.59% of the issued Shares; therefore he is deemed, or taken to be interested in, all the shares held by Yongsheng for the purpose of the SFO; pursuant to the acting in concert confirmation dated 14 June 2017, in which Mr. Liu Yong Cheng is also deemed to be interested in 56,732,500 Shares or approximately 30.97% of the issued Shares owned by Hongsheng as a result of being a party acting in concert with Mr. Liu Yong Qiang.

GENERAL

The Placing is not subject to Shareholders' approval as the Placing Shares will be issued under the existing General Mandate.

Pursuant to the termination provision in the Placing Agreement, the Placing Agent has the right in certain circumstances, in the discretion of the Placing Agent, to terminate the Placing Agreement prior to the conditions precedent in the Placing Agreement being fulfilled. Shareholders and potential investors should note that the Placing is also subject to the satisfaction of the conditions precedent in the Placing Agreement. As the Placing may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

DEFINITIONS

The following terms have the following meanings in this announcement unless the context otherwise requires:

“AGM”	the annual general meeting of the Company held on 20 June 2024 at which (among others) a resolution for the grant of the General Mandate to the Directors was duly passed by the Shareholders
“Board”	the board of Directors
“Company”	TL Natural Gas Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Stock Exchange
“Completion”	completion of the Placing in accordance with the terms and condition as set out in the Placing Agreement
“connected person(s)”	has the meaning ascribed thereto in the GEM Listing Rules
“Director(s)”	the director(s) of the Company
“GEM”	GEM operated by the Stock Exchange
“GEM Listing Committee”	has the meaning ascribed to it under the GEM Listing Rules
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited as amended from time to time

“General Mandate”	the general mandate granted to the Directors by the Shareholders at the AGM to allot, issue and deal with new Shares up to 20% of the issued share capital of the Company as at the date of the AGM
“Group”	the Company and its subsidiaries from time to time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	third party(ies) who is/are independent of and not connected with, and not acting in concert (as defined under the Takeovers Code) with the Company and its connected persons
“Long Stop Date”	24 June 2025 (or such later date as may be agreed between the Placing Agent and the Company)
“Placee(s)”	any individual(s), corporations(s) and/or institutional or other professional investor(s) procured by the Placing Agent to subscribe for any of the Placing Shares pursuant to the Placing Agreement
“Placing”	placing of a maximum of 29,310,000 Placing Shares by the Placing Agent on a best effort basis pursuant to the terms of the Placing Agreement
“Placing Agent”	Eddid Securities And Futures Limited, a corporation licensed to carry out Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 3 (leveraged foreign exchange trading), Type 4 (advising on securities), Type 5 (advising on futures contracts) and Type 9 (asset management) regulated activities under the SFO
“Placing Agreement”	a conditional placing agreement dated 12 June 2025 entered into between the Company and the Placing Agent in relation to the Placing
“Placing Price”	HK\$0.225 per Placing Share
“Placing Shares”	a maximum of 29,310,000 new Shares to be placed under the Placing
“PRC”	the People’s Republic of China, which for the purpose of this announcement, shall exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan

“Share(s)”	ordinary share(s) of HK\$0.04 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Code on Takeovers and Mergers and Share Buy-backs of Hong Kong
“%”	per cent

By Order of the Board
TL Natural Gas Holdings Limited
LIU Yong Cheng
Executive Director, Chairman and Chief Executive Officer

Hong Kong, 12 June 2025

As at the date of this announcement, the Board comprises Mr. LIU Yong Cheng, Mr. LIU Yong Qiang and Mr. LIU Yong Sheng as executive Directors; and Ms. LUO Hongru, Ms. ZENG Li and Mr. YEUNG Chun Yue David as independent non-executive Directors.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the “Latest Listed Company Information” page on the website of the Stock Exchange of Hong Kong Limited at www.hkexnews.hk for a minimum period of seven days from the date of its publication and on the Company’s website at www.tl-cng.com.