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JX Energy Ltd.

(吉星新能源有限責任公司)*

(incorporated under the laws of Alberta with limited liability)

(Stock Code: 3395)

PROPOSED ISSUE OF NEW SHARES UNDER GENERAL MANDATE

The Board is pleased to announce that, on 14 August 2025 (after trading hours), the Company entered into the Subscription Agreement with the Subscriber, pursuant to which the Company has conditionally agreed to allot and issue, and the Subscriber has conditionally agreed to subscribe for, 7,775,884 Subscription Shares at the Subscription Price of HK$0.436 per Subscription Share.

The Subscription Shares represent (i) approximately 1.33% of the issued share capital of the Company as at the date of this announcement; and (ii) approximately 1.31% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares (assuming there is no change in the issued share capital of the Company between the date of this announcement and the Closing Date save for the allotment and issue of the Subscription Shares).

The Subscription Price of HK$0.436 per Subscription Share (i) represents a premium of approximately 3.81% to the closing price of HK$0.42 per Share as quoted on the Stock Exchange on 14 August 2025, being the date of the Subscription Agreement; and (ii) is equivalent to the average closing price of HK$0.436 per Share as quoted on the Stock Exchange for the last five consecutive Trading Days up to and including the Last Trading Day.

The Subscription Shares will be allotted and issued under the General Mandate. The gross proceeds of the Subscription are expected to be approximately C$594,139.00 (equivalent to approximately HK$3,390,285.42). After deducting the related expenses, the net proceeds of the Subscription will amount to approximately C$576,160.50 (equivalent to HK$3,287,785.42 approximately). The net Subscription Price, after deduction of all related expenses, is estimated to be approximately HK$0.423 per Subscription Share. The Company intends to apply the net proceeds from the Subscription in the manner set out in the paragraph headed "REASONS FOR AND BENEFITS OF THE ISSUE OF THE SUBSCRIPTION SHARES" in this announcement.

An application will be made to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares on the Stock Exchange.

Shareholders and potential investors should note that Closing of the Subscription is subject to fulfilment of the conditions under the Subscription Agreement. As the Subscription may or may not proceed, Shareholders and potential investors are reminded to exercise caution when dealing in the securities of the Company.

SUBSCRIPTION AGREEMENT

The Board is pleased to announce that on 14 August 2025 (after trading hours), the Company entered into the Subscription Agreement with the Subscriber.

The principal terms of the Subscription Agreement are summarized as follows:

Date

14 August 2025 (after trading hours)

Parties

(1) the Company; and

(2) the Subscriber.

Subscription

Pursuant to the Subscription Agreement, the Company has conditionally agreed to allot and issue, and the Subscriber has conditionally agreed to subscribe for, 7,775,884 Subscription Shares at the Subscription Price of HK$0.436 per Subscription Share to be paid by cash on the Closing Date, the breakdown of which is as follows:

The number of 7,775,884 Subscription Shares represents (i) approximately 1.33% of the issued share capital of the Company as at the date of this announcement; and (ii) approximately 1.31% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares (assuming there is no change in the issued share capital of the Company between the date of this announcement and the Closing Date save for the allotment and issue of the Subscription Shares).

Subscription Price

The Subscription Price of HK$0.436 per Subscription Share:

(1) represents a premium of approximately 3.81% to the closing price of HK$0.42 per Share as quoted on the Stock Exchange on 14 August 2025, being the date of the Subscription Agreement; and

(2) is equivalent to the average closing price of HK$0.436 per Share for the last five consecutive trading days up to and including the Last Trading Day.

The Subscription Price was determined after arm's length negotiations between the Company and the Subscriber after considering, among other things, the Company's past performance, the then prevailing market price of the Shares and the future prospects of the Company.

Within five days after satisfaction or waiver of the Conditions Precedent, or such date as the Company and the Subscriber may agree in writing, the Subscriber shall make full payment of the Subscription Price by way of wire transfer of immediately available funds to the Company.

The Company and the Subscriber have agreed that the Subscriber will pay for the Subscription Shares in C$ using the exchange rate of the higher of (i) HK$1 to C$0.1752, and (ii) the HK$ to C$ exchange rate as quoted by the Bank of Canada for the five days preceding the payment for the new Shares. Given that the Company is a Canadian company and incurs costs in C$, this arrangement helps to eliminate foreign exchange risk which the Company and the Shareholders otherwise would be exposed to if the HK$ to C$ exchange rate was not fixed.

Conditions Precedent

The obligations of the Subscriber to subscribe and pay for, and the obligations of the Company to issue, the Subscription Shares are subject to the fulfilment of the following Conditions Precedent:

(1) the passing of the resolutions of the Board approving (i) the Subscription Agreement and the transactions contemplated thereunder, and (ii) the allotment and issue of the Subscription Shares under the Subscription Agreement;

(2) the Stock Exchange approving the listing of, and permission to deal in, the Subscription Shares to be issued to the Subscriber;

(3) the purchase of the Subscription Shares contemplated hereunder being in compliance with the requirements of the Listing Rules and the Takeovers Code, as applicable;

(4) all necessary consents and approvals required to be obtained by the Company in respect of the Subscription having been obtained;

(5) all necessary consents, filings, approvals and registrations from or with any relevant governmental or regulatory authorities required to be obtained or completed by the Subscriber, including, but not limited to, the Ministry of Commerce of the PRC and the State Administration of Foreign Exchange of the PRC (or their respective local branch or the designated local banks) that are necessary for the Subscriber to consummate the Subscription having been obtained or completed, including compliance with the "Circular on Relevant Issues Concerning Foreign Exchange Administration of Overseas Investment and Financing and Return Investments Conducted by Domestic Residents Through Overseas Special Purpose Vehicles"; and

(6) delivery by the Subscriber to the Company of evidence satisfactory to the Company, in its sole discretion, that the Subscriber has sufficient funds available to purchase the Subscription Shares.

As at the date of this announcement, aside from the first and sixth conditions, none of the other conditions set forth above has been fulfilled.

Closing

Closing is subject to the satisfaction of the Conditions Precedent on or before 30 September 2025, or such other date as may be determined by the Company in its sole discretion.

Ranking

The Subscription Shares, when issued and fully paid, will rank pari passu in all respects among themselves and with all other Shares in issue at the time of allotment and issue of the Subscription Shares.

GENERAL MANDATE

The Subscription Shares will be allotted and issued under the 2025 General Mandate. The 2025 General Mandate entitles the Directors to issue, allot and deal with up to 104,577,304 Shares, representing 20% of the issued share capital of the Company as at the date of the AGM, which was 522,886,520 Shares.

Since the date of the AGM and up to and including the date of this announcement no Shares have been allotted and issued pursuant to the 2025 General Mandate. Accordingly, the 2025 General Mandate is sufficient for the allotment and issue of the Subscription Shares and the allotment and issue of the Subscription Shares will not be subject to the Shareholders' approval.

APPLICATION FOR LISTING

The Company will apply to the Listing Committee for the listing of, and permission to deal in, the Subscription Shares.

INFORMATION ON THE SUBSCRIBER

The Subscriber is a citizen of the PRC.

To the best knowledge, information and belief of the Directors, and having made all reasonable enquiries, the Subscriber is an Independent Third Party.

REASONS FOR AND BENEFITS OF THE ISSUE OF THE SUBSCRIPTION SHARES

The Company is principally engaged in natural gas and crude oil exploration and production, with a focus on natural gas resources. The Company focuses on long-term growth through acquisition, exploration, development and production in the Western Canadian Sedimentary Basin.

The gross proceeds of the Subscription are expected to be approximately C$594,139.00 (equivalent to HK$3,390,285.42). The Company estimates it will incur total costs of approximately C$17,978.50 (equivalent to approximately HK$102,500.00) in respect of the Subscription. After deducting the related expenses, the net proceeds of the Subscription will amount to approximately C$576,160.50 (equivalent to approximately HK$3,287,785.42). The net Subscription Price, after deducting the related expenses, is estimated to be approximately HK$0.423 per Subscription Share. The Company intends to apply the net proceeds of the Subscription as its general working capital.

The Directors believe that the completion of the Subscription will provide a good opportunity to raise surplus capital for the Company while strengthening the financial position of the Company. Further, the Directors believe that the Subscription will allow the Company to receive additional funds at a reasonable cost to support the Company's existing operations and further development of its existing and potential business and investment opportunities.

Having considered the above, the Board is of the view that (i) the Subscription Agreement is entered into upon normal commercial terms following arm's length negotiations between the Company and the Subscriber; (ii) the terms of the Subscription Agreement is on normal commercial terms and are fair and reasonable; and (iii) the Subscription is in the interests of the Company and the Shareholders as a whole.

As at the date of this announcement, other than the entering into of the Subscription Agreement, the Company has not entered into, or contemplated entering into, any other arrangements, agreements or understandings (whether formal or informal and whether express or implied) with the Subscriber. However, the proceeds from the Subscription may not satisfy the upcoming financial needs of the Company in full if there is any change of the Company's current circumstances or business plan of if there shall arise any potential business opportunities. Therefore, the Board does not rule out the possibility that the Company will conduct further debt or equity fund-raising exercises when suitable fund-raising opportunities, including but not limited to financing from the then Shareholders or other third-party sources arise in order to support future developments of the Company. The Company will make further announcements in this regard in accordance with the Listing Rules as and when appropriate.

FUND-RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The Company has conducted the following equity fund-raising activities in the past twelve months before the date of this announcement:

Date of announcement	Event	Net proceeds	Intended use of proceeds	Actual use of proceeds as at the date of this announcement
11 April 2025 and 14 May 2025 (Hong Kong time).	Grant of convertible loan.	The Lender granted a loan of USD1,515,144 to the Company. In return, the Company agreed that, at its discretion, this loan can be paid in: (a) cash; (b) Shares, denominated in HK$ at a deemed price of HK$0.20 per Share; or (c) a combination of (a) and (b).	The Company shall use the principal of the loan for working capital.	All of the principal of the loan was applied towards the Company's general working capital.

Date of announcement	Event	Net proceeds	Intended use of proceeds	Actual use of proceeds as at the date of this announcement
24 July 2024 and 26 July 2024 (Hong Kong time).	Grant of convertible loan.	A lender granted a loan of USD1.6 million to the Company. In return, the Company agreed that, at its discretion, this loan can be paid in: (a) cash; (b) Shares, denominated in HK$ at a deemed price of HK$0.20 per Share; or (c) a combination of (a) and (b).	The Company shall use the principal of the loan for working capital.	All of the principal of the loan was applied towards the Company's general working capital. As disclosed in the next day disclosure return published on 4 August 2025, the Company issued 62,548,866 new Shares to the lender to repay the outstanding principal of the loan.

Save for the aforesaid, the Company did not raise funds on any issue of equity securities raising activities during the past twelve months immediately preceding the date of this announcement.

EFFECT ON SHAREHOLDING STRUCTURE

As at the date of this announcement, the Company has 585,435,386 Shares in issue. The shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately after the Closing (assuming that there will be no further changes in the issued share capital of the Company from the date of this announcement and up to the Closing Date save for the allotment and issue of the Subscription Shares):

	Immediately before issuance of the Subscription Shares		Immediately after issuance of the Subscription Shares	
	No. of Shares	*Approximate percentage (%) (Note 5)*	*No. of Shares*	*Approximate percentage (%) (Note 5)*
Non-public Shareholders				
Aspen Investment Holdings Ltd. *(Note 1)*	181,194,306	30.95	181,194,306	30.54
Dalian Yongli *(Note 2)*	132,000,000	22.55	132,000,000	22.25
Mr. Liu Zhixue	62,548,866	10.68	62,548,866	10.54
Jixing *(Note 3)*	23,600,000	4.03	23,600,000	3.98
Mr. Binyou Dai *(Note 4)*	440,000	0.08	440,000	0.07
Subtotal	**399,783,172**	**68.29**	**399,783,172**	**67.39**
Other Shareholders				
Subscriber	995,000	0.17	8,770,884	1.48
Public Shareholders (other than the Subscriber)	184,657,214	31.54	184,657,214	31.13
Total	**585,435,386**	**100.00**	**593,211,270**	**100.00**

Notes:

1. Aspen Investment Holdings Ltd. holds 181,194,306 Shares and is owned as to approximately 80.78% by 吉林省弘原經貿集團有限公司 (Ji Lin Hong Yuan Trade Group Limited*) ("**JLHY**") and 19.22% by 長春市麗源投資有限公司 (Changchun Liyuan Investment Co., Ltd.*) ("**Liyuan**"). JLHY is held as to 60% and 40% by Mr. Yuan Jing ("**Mr. Jing**") and Mr. Guang Jing (being Mr. Jing's brother), respectively. Liyuan is held as to approximately 98%, 1% and 1% by JLHY, Zhou Li Mei and Jing Yue Li, respectively.

2. Dalian Yongli is directly wholly-owned by Mr. Zhang Zhong (張鐘).

3. Jixing is directly wholly-owned by 長春市吉星車用氣有限公司 (Changchun City Jixing Gas Service for Auto Co. Ltd.*), a company incorporated under the laws of PRC with limited liability, which is directly owned as to 66.70% and 33.30% by Mr. Liu and Ms. Zhang Lijun (Mr. Liu's spouse), respectively.

4. Mr. Binyou Dai is an executive Director.

5. Certain percentage figures in this table have been subject to rounding adjustments to the nearest 2 decimal places. Accordingly, the aggregate of the percentage figures in the above table may not add up to 100%.

Shareholders and potential investors should note that Closing of the Subscription is subject to fulfillment of the conditions under the Subscription Agreement. As the Subscription may or may not proceed, Shareholders and potential investors are reminded to exercise caution when dealing in the securities of the Company.

DEFINITIONS

In this announcement, the following expressions shall have the following meanings, unless the context requires otherwise:

"AGM"	the annual general meeting of the Company held on 30 June 2025 (Calgary time)
"Board"	the board of the Directors
"C$"	Canadian dollars, the lawful currency of Canada
"Canada"	Canada, its territories, its possessions and all areas subject to its jurisdiction
"CCJGSA"	長春市吉星車用氣有限公司 (Changchun City Jixing Gas Service for Auto Co. Ltd.*), a company incorporated under the laws of PRC with limited liability
"Company"	JX Energy Ltd., a company incorporated with limited liability under the laws of Alberta on 11 March 2005 and whose shares are listed on the Main Board of The Stock Exchange
"Closing"	completion of the Subscription pursuant to the terms and conditions of the Subscription Agreement
"Closing Date"	the date on which Closing takes place
"Conditions Precedent"	the conditions precedent to the Completion, as more particularly set out under the paragraph headed "THE SUBSCRIPTION AGREEMENT – Conditions precedent"
"connected person(s)"	has the meaning ascribed to it under the Listing Rules
"Dalian Yongli"	大連永力石油化工有限公司 (Dalian Yongli Petrochemical Ltd.*), a company incorporated under the laws of PRC with limited liability
"Director(s)"	the director(s) of the Company

"General Mandate"	the mandate granted to the Directors by the Shareholders at the AGM to issue, allot and deal with up to 20% of the then issued share capital of the Company as at the date of the AGM
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	The Hong Kong Special Administrative Region of the PRC
"Independent Third Party(ies)"	person(s) who or company(ies) together with its/their ultimate beneficial owner(s) which, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, is/are third party(ies) independent of the Company and its connected person(s) in accordance with the Listing Rules
"Jixing"	Jixing Gas Holdings Limited, a company incorporated under the laws of the British Virgin Islands
"Last Trading Day"	13 August 2025, being the last Trading Day immediately prior to the entering into of the Subscription Agreement
"Listing Committee"	has the meaning ascribed to it under the Listing Rules
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited, as amended, supplemented or as otherwise modified from time to time
"Mr. Liu"	Mr. Yongtan Liu, an executive Director, the interim chief executive officer and chairman of the Board
"PRC"	the People's Republic of China, for the purpose of this announcement, not including Hong Kong, the Macau Special Administrative Region of the PRC, and Taiwan
"SFC"	the Securities and Futures Commission of Hong Kong
"Share(s)"	the common share(s) of no par value in the capital of the Company
"Shareholder(s)"	the holder(s) of the Shares
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Subscriber"	Lin, Hao Yue (林浩月)

"Subscription"	the subscription of the Subscription Shares by the Subscriber at the Subscription Price pursuant to the Subscription Agreement
"Subscription Agreement"	the Subscription Agreement dated 14 August 2025 entered into between the Company and the Subscriber in relation to the Subscription
"Subscription Price"	the subscription price of HK$0.436 per Subscription Share
"Subscription Shares"	7,775,884 new Shares to be allotted and issued by the Company to the Subscriber pursuant to the terms and conditions of the Subscription Agreement
"Takeovers Code"	the Code on Takeovers and Mergers and Share Buy-backs issued by the SFC, as amended, supplemented or otherwise modified from time to time
"Trading Day(s)"	the day(s) on which the Stock Exchange is open for business
"USD"	United States dollar(s), the lawful currency of the United States of America
"%"	per cent.

Unless the context requires otherwise, in this announcement HK$ is converted into C$ at the rate of HK$1 = C$0.1752 for illustrative purpose only.

By Order of the Board
JX Energy Ltd.
Yongtan Liu
Chairman and Interim Chief Executive Officer

Calgary, 14 August 2025
Hong Kong, 14 August 2025

As at the date of this announcement, the Board comprises of two executive Directors, namely Mr. Yongtan Liu and Mr. Binyou Dai; and three independent non-executive Directors, namely Ms. Kit Man To, Mr. Zhanpeng Kong and Ms. Jia Wei.

** For identification purpose only*