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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)

ENTERING INTO OF CONVERTIBLE DEBENTURE AGREEMENT

The Board announced that, on 19 March 2025 (after trading hours), the Company entered into the Convertible Debenture Agreement with the Lender, pursuant to which the Company has conditionally agreed to pay, on the Maturity Date (or at such earlier time as an Event of Default occurs), the Lender the principal amount (plus any accrued and unpaid interest thereon) of the Loan in (a) cash; (b) Capitalization Shares, denominated in HK$ at a deemed price of HK$0.20 per Capitalization Share; or (c) a combination of (a) and (b). The form of payment in (a), (b) or (c) shall be determined by mutual agreement between the Company and the Lender. As at the date of the Convertible Debenture Agreement, the outstanding principal amount of Loan from the Lender amounted to USD$1,515,144 (equivalent to approximately HK$11.79 million or approximately C$2.11 million).

In the event the Company and the Lender decide that the Loan shall be settled in full through the allotment and issuance of Capitalization Shares at the Benchmarked Price of HK$0.20 per Capitalization Share to the Lender, the aggregate principal amount of the Loan is convertible into approximately 58,932,088 Shares, which represent (i) approximately 11.27% of the issued share capital of the Company as at the date of this announcement and (ii) approximately 10.13% of the issued share capital of the Company as enlarged by the allotment and issue of the Capitalization Shares (assuming there is no change in the issued share capital of the Company between the date of this announcement and the Maturity Date save for the allotment and issue of the Capitalization).

The Board announced that, on 19 March 2025 (after trading hours), the Company entered into the Convertible Debenture Agreement with the Lender, pursuant to which the Company has agreed to pay, on the Maturity Date (or at such earlier time as an Event of Default occurs), the Lender the principal amount (plus any accrued and unpaid interest thereon) of the Loan in (a) cash; (b) Capitalization Shares, denominated in HK$ at a deemed price of HK$0.20 per Capitalization Share; or (c) a combination of (a) and (b). The form of payment in (a), (b) or (c) shall be determined by mutual agreement between the Company and the Lender. As at the date of the Convertible Debenture Agreement, the outstanding principal amount of Loan from the Lender amounted to USD$1,515,144 (equivalent to approximately HK$11.79 million or approximately C$2.11 million).

THE CONVERTIBLE DEBENTURE AGREEMENT

The principal terms of the Convertible Debenture Agreement are summarized as follows:

Date

19 March 2025 (after trading hours)

Parties

(1) the Company; and

(2) the Lender.

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

Principal of the Loan

As at the date of the Convertible Debenture Agreement, the outstanding principal amount of Loan from the Lender amounted to USD$1,515,144 (equivalent to approximately HK$11.79 million or approximately C$2.11 million).

Repayment of the Loan

The Company has agreed to pay, on the Maturity Date (or at such earlier time as an Event of Default occurs), the Lender the principal amount (plus any accrued and unpaid interest thereon) of the Loan in (a) cash; (b) Capitalization Shares, denominated in HK$ at a deemed price of HK$0.20 per Capitalization Share; or (c) a combination of (a) and (b).

The form of payment in (a), (b) or (c) shall be determined by mutual agreement between the Company and the Lender. As at the date of this announcement, the Company and the Lender have not yet agreed on the exact form of repayment of the Loan.

Interest rate

Interest on the principal amount of the Loan outstanding and remaining from time to time unpaid shall accrue commencing from 10 December 2024 and continuing until the earlier of the Maturity Date or payment in full of the Loan, at the rate of 9.0% per annum payable monthly.

Security

The Loan was unsecured.

Benchmarked Price

The Benchmarked Price of HK$0.20 per Capitalization Share represents:

(1) a premium of approximately 90.48% to the closing price of HK$0.105 per Share as quoted on the Stock Exchange on 19 March 2025; and

(2) a premium of approximately 66.67% to the average closing price of HK$0.120 per Share for the last five consecutive Trading Days up to and including the Last Trading Day.

The Benchmarked Price was determined after arm's length negotiations between the Company and the Lender 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.

Capitalization Shares

In the event the Company and the Lender decide that the Loan shall be settled in full through the allotment and issuance of Capitalization Shares at the Benchmarked Price of HK$0.20 per Capitalization Share to the Lender, the aggregate principal amount of the Loan is convertible into approximately 58,932,088 Capitalization Shares, which represent (i) approximately 11.27% of the issued share capital of the Company as at the date of this announcement; and (ii) approximately 10.13% of the issued share capital of the Company as enlarged by the allotment and issue of the Capitalization Shares (assuming there is no change in the issued share capital of the Company between the date of this announcement and the Maturity Date save for the allotment and issue of the Capitalization Shares).

Assuming the Loan shall be settled in full through the allotment and issuance of the Capitalization Shares, the net price per Capitalization Share will be approximately HK$0.20.

Ranking

The Capitalization 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 Capitalization Shares.

GENERAL MANDATE

As at the date of this announcement, other than the entering into of the Convertible Debenture Agreement, the Company has entered into a convertible loan agreement with the Lender on 24 July 2024, pursuant to which the Lender had agreed to grant a loan in the amount of USD$1,600,000 (equivalent to HK$12.49 million or approximately C$2.18 million) to the Company. Pursuant to the aforesaid agreement, at the Company's discretion, the principal amount (plus any accrued and unpaid interest thereon) of the July 2024 Loan can be paid in: (a) cash; (b) Shares, denominated in HK$ at a deemed price of HK$0.20 per Share; or (c) a combination of (a) and (b). On the assumption that the July 2024 Loan would be converted into Shares in full at the deemed price of HK$0.20 per Share, the aggregate principal amount of the July 2024 Loan is convertible into approximately 62,548,866 Shares. These Shares will be allotted and issued under the General Mandate.

In the event the Company and the Lender decide that the Loan shall be settled in full or partially through the allotment and issuance of Capitalization Shares, the Capitalization Shares will also be allotted and issued under the General Mandate.

The 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 General Mandate and accordingly the issue of the Capitalisation Shares is not subject to any further approval by the Shareholders.

As the Company has the sole discretion to decide how the principal amount (plus any accrued and unpaid interest thereon) of the July 2024 Loan will be settled, the Company shall ensure that the allotment and issue of the Shares to settle the July 2024 Loan (if any) and the allotment and issue of the Capitalization Shares (if any) to the Lender shall not in aggregate exceed the General Mandate available to the Company.

APPLICATION FOR LISTING

In the event the Company and the Lender decide that the Loan shall be settled in full or partially through the allotment and issuance of Capitalization Shares, the Company will apply to the Listing Committee for the listing of, and permission to deal in, the Capitalization Shares.

INFORMATION ON THE PARTIES

Information on the Company

The Company is a company incorporated with limited liability under the laws of Alberta, Canada on 11 March 2005 and whose shares are listed on the Main Board of the Stock Exchange (Stock Code: 3395). The Company is principally engaged in natural gas and crude oil exploration and production, with a focus on natural gas.

Information on the Lender

To the best of the knowledge, information and belief of the Directors, and having made all reasonable enquiries, the Lender is an individual, domiciled in the PRC, and is an Independent Third Party of the Company.

REASONS FOR AND BENEFITS OF THE ENTERING INTO OF THE CONVERTIBLE DEBENTURE AGREEMENT

From August 2024 to December 2024, the Lender made a number of loans to the Company in the aggregate amount of USD$1,515,144 (equivalent to approximately HK$11.79 million or approximately C$2.11 million). No written agreement was signed until 19 March 2025 when the Convertible Debenture Agreement was signed by the Company and the Lender to formalize the loan arrangement.

Given the Company's recent financial position, at the time of entering into of the Convertible Debenture Agreement, the Company was of the view that it might not be in a position to fully repay the Lender without tightening its existing financial resources. In the event the Company could not fully repay the Loan at the Maturity Date in cash, the issue of the Capitalization Shares to settle the Loan will enable the Company to settle its existing liabilities without utilising the existing financial resources and can avoid cash outflows.

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

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
24 July 2024 and 26 July 2024 (Hong Kong time).	Grant of convertible loan.	The Lender granted a loan of HK$12.49 million to the Company. In return, the Company agreed that, at its discretion, this loan can be paid in: (a) cash; (b) Shares, denominated in HK$ 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 July 2024 Loan for working capital.	All of the principal of the July 2024 Loan was applied towards the Company's general working capital.
15 March 2024 and 29 May 2024 (Hong Kong time).	Issue of new Shares under general mandate.	The gross proceeds and net proceeds from the issuance of the new Shares amounted to approximately HK$7.23 million and HK$7.13 million, respectively.	The net proceeds from the issue of the new Shares was intended to be applied towards the Company's general working capital.	All of the net proceeds were applied towards the Company's general working capital.

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 the Announcement, the Company has 522,886,520 Shares in issue. The shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately upon completion of the issuance of 58,932,088 Shares (assuming the Loan would be converted into Shares in full at the deemed price of HK$0.20 per Share and that there will be no changes in the issued share capital of the Company between the date of this announcement and the date of issue of the aforementioned Shares):

	As at the date of this announcement		**Immediately upon completion of the issuance of 58,932,088 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	34.65	181,194,306	31.14
Dalian Yongli *(Note 2)*	132,000,000	25.24	132,000,000	22.69
Jixing *(Note 3)*	23,600,000	4.51	23,600,000	4.06
Mr. Binyou Dai *(Note 4)*	440,000	0.08	440,000	0.08
Subtotal	**337,234,306**	**64.49**	**337,234,306**	**57.96**
Other Shareholders				
Lender	–	–	58,932,088	10.13
Other public Shareholders (excluding the Lender)	185,652,214	35.51	185,652,214	31.91
Total	**522,886,520**	**100.00**	**581,818,608**	**100.00**

Notes:

1. Aspen Investment Holdings Ltd. holds 181,194,306 Common 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, an executive Director, chairman of the Board and the interim chief executive officer of the Company, 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%.

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 28 June 2024 (Calgary time)
"Benchmarked Price"	HK$0.20 per Capitalization Share
"Board"	the board of the Directors
"C$"	Canadian dollars, the lawful currency of Canada
"Canada"	Canada, its territories, its possessions and all areas subject to its jurisdiction
"Capitalization Share(s)"	approximately 58,932,088 Shares to be allotted and issued to the Lender by the Company at the Benchmarked Price of HK$0.20 per Capitalization Share pursuant to the Convertible Debenture Agreement, each a Capitalization Share
"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
"connected person(s)"	has the meaning ascribed to it under the Listing Rules
"Convertible Debenture Agreement"	the convertible debenture agreement dated 19 March 2025 entered into between the Company and the Lender
"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
"Event of Default"	the events of default as set out in the Convertible Debenture Agreement
"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
"July 2024 Loan"	the convertible loan agreement dated 24 July 2024 entered into between the Company and the Lender in respect of a provision of USD$1,600,000 (equivalent to approximately HK$12.49 million or approximately C$2.18 million) to the Company
"Last Trading Day"	18 March 2025, being the last Trading Day immediately prior to the entering into of the Convertible Debenture Agreement
"Lender"	Mr. Liu Zhixue
"Loan"	the loan in the aggregate principal amount of USD$1,515,144 (equivalent to approximately HK$11.79 million or approximately C$2.11 million) provided by the Lender to the Company
"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
"Maturity Date"	10 December 2025, being the maturity date of the Loan

"Mr. Liu"	Mr. Yongtan Liu, an executive Director, chairman of the Board and interim chief executive officer
"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
"Share(s)"	the common share(s) of no par value in the capital of the Company
"Shareholder(s)"	the holder(s) of the Shares of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Trading Day(s)"	the day(s) on which the Stock Exchange is open for business
"USD$"	United States dollars, the lawful currency of the United States of America
"%"	per cent.

Unless the context requires otherwise, in this announcement USD$ is converted into HK$ at the rate of USD$1.00 = HK$7.779 and USD$ is converted into C$ at the rate of USD$1.00 = C$1.3958 for illustrative purpose only.

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

Calgary, 10 April 2025
Hong Kong, 11 April 2025

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

** For identification purpose only*