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TL Natural Gas Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8536)

DISCLOSEABLE TRANSACTION FORMATION OF JOINT VENTURE AND CHANGE IN USE OF PROCEEDS

FORMATION OF JOINT VENTURE

The Board is pleased to announce that on 16 December 2025 (after trading hours), the Company entered into the JV Agreement with WCP and China Investment Holdings in relation to the formation of the Joint Venture, which shall be held as to 51% by the Group, 24.5% by WCP, and 24.5% by China Investment Holdings upon the Capital Increase Completion. The Joint Venture Group will be principally engaged in the business of management and operation of methanol-hydrogen fuel cell off-grid power supply systems and liquid-cooled supercharging stations (including but not limited to those already in operation and under construction) developed and deployed in the PRC by Shenzhen SCPT.

Upon the Capital Increase Completion, the Joint Venture will be an indirect non-wholly owned subsidiary of the Company, and its accounts will be consolidated with those of the Company.

GEM LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined under Rule 19.04(9) of the GEM Listing Rules) in respect of the total capital commitment of the Company pursuant to the JV Agreement is more than 5% but is less than 25%, the formation of the Joint Venture constitutes a discloseable transaction of the Company under the GEM Listing Rules and is subject to the reporting and announcement requirements but exempt from shareholders' approval requirement under Chapter 19 of the GEM Listing Rules.

CHANGE IN USE OF PROCEEDS

On 16 December 2025, the Board has resolved to reallocate approximately HK\$3 million, representing approximately 50% of the Unutilised Net Proceeds, to the formation of the Joint Venture. The Board is of the view that the reallocation is in line with the business strategy of the Group and will not adversely affect the operation and business of the Group and is in the best interests of the Company and the Shareholders as a whole.

INTRODUCTION

On 16 December 2025 (after trading hours), the Company entered into the JV Agreement with WCP and China Investment Holdings in relation to the formation of the Joint Venture, which shall be held as to 51% by the Group, 24.5% by WCP, and 24.5% by China Investment Holdings upon the Capital Increase Completion. The Joint Venture Group will be principally engaged in the business of management and operation of methanol-hydrogen fuel cell off-grid power supply systems and liquid-cooled supercharging stations (including but not limited to those already in operation and under construction) developed and deployed in the PRC by Shenzhen SCPT.

The principal terms of the JV Agreement are summarised below.

THE JV AGREEMENT

Date

16 December 2025 (after trading hours)

Parties

- (i) The Company;
- (ii) WCP; and
- (iii) China Investment Holdings.

To the best of the Directors' knowledge, information and belief having made all reasonable inquiries, as at the date of this announcement, WCP and China Investment Holdings and their respective ultimate beneficial owners are Independent Third Parties.

Formation of the Joint Venture

As at the date of this announcement, the Joint Venture has been incorporated pursuant to the JV Agreement and has been indirectly wholly-owned by the Company. The Company shall procure the Joint Venture to establish the WFOE in Shenzhen, the PRC with registered capital of RMB5 million. The Group intends to finance its investment in the Joint Venture with part of the Unutilised Net Proceeds (as defined in the section headed "Change in Use of Proceeds" in this announcement).

The Capital Increase

Subject to the terms and conditions of the JV Agreement, at the time of Capital Increase Completion, the Joint Venture shall issue, and WCP and China Investment Holdings shall subscribe for a total of 2,940,000 shares of the Joint Venture in the following manner:

- (1) WCP shall make capital contribution of HK\$1,470,000 to subscribe for 1,470,000 newly issued shares of the Joint Venture, representing 24.5% of the total issued shares of the Joint Venture upon the Capital Increase Completion; and
- (2) China Investment Holdings shall make capital contribution of HK\$1,470,000 to subscribe for 1,470,000 newly issued shares of the Joint Venture, representing 24.5% of the total issued shares of the Joint Venture upon the Capital Increase Completion.

Upon the Capital Increase Completion, the Joint Venture will have a share capital of HK\$6,000,000 comprising 6,000,000 shares and will be held as to 51% by the Group, 24.5% by WCP, and 24.5% by China Investment Holdings. The amount of capital commitment was determined after arm's length negotiation between the parties, with reference to, among others, the development plans, the business needs and the expected capital requirements of the Joint Venture. Each of WCP and China Investment Holdings shall pay their respective contribution based on the actual needs of the Joint Venture, with the specific payment arrangement to be agreed among the parties.

Upon the Capital Increase Completion, the Joint Venture will be an indirect non-wholly owned subsidiary of the Company, and its accounts will be consolidated with those of the Company.

Capital Increase Completion

The Capital Increase Completion shall take place within 10 days after fulfilment of the following conditions precedent (or on such other date as may be separately agreed in writing among the parties):

- (1) all representations and warranties made by each party under the JV Agreement shall be true, accurate, and complete during the period from the date of the JV Agreement up to and including the date of the Capital Increase Completion, and there shall be no false statements or material misrepresentations;
- (2) all covenants and obligations that each party is required to observe and perform prior to the date of the Capital Increase Completion pursuant to the JV Agreement shall have been duly observed and performed, and there shall be no breach of any provision of the JV Agreement;
- (3) no event or circumstance shall have occurred during the period from the date of the JV Agreement up to the date of the Capital Increase Completion that has had or may have a material adverse effect on the Capital Increase;
- (4) the internal decision-making body(ies) of the Joint Venture shall have approved the Capital Increase;

- (5) the WFOE shall have entered into the Operation Management Service Agreement with Shenzhen SCPT, which shall contain commercial substance to the satisfaction of the Company; and
- (6) any PRC nationals who directly and/or indirectly hold interests in WCP and/or China Investment Holdings (if any) shall have completed foreign exchange registration procedures in accordance with PRC laws and regulations.

If the Capital Increase Completion does not take place on or before 31 March 2026, any party may terminate the JV Agreement by written notice, except where the delay is caused by that party's own failure to perform its obligations under the JV Agreement.

Corporate governance of the Joint Venture

The members' meeting is the authority of the Joint Venture. The members shall exercise their voting rights at the members' meeting of the Joint Venture in proportion to their respective shareholding in the Joint Venture.

The board of directors of the Joint Venture shall comprise five directors, with three directors nominated by the Group, one director nominated by WCP, and one director nominated by China Investment Holdings. The chairman of the board shall be nominated by the Group. A board resolution shall be passed only with the approval of more than half of the directors, which shall include the approval of the directors nominated by WCP and China Investment Holdings.

The Joint Venture shall have one general manager, nominated by WCP. The general manager shall be responsible for, among others, the daily operation and management of the Joint Venture Group.

The Joint Venture shall have one chief financial officer, nominated by the Group. Each of WCP and China Investment Holdings shall ensure that the director nominated by it approves the appointment of the chief financial officer nominated by the Group. The chief financial officer shall be responsible for managing the financial and tax-related matters of the Joint Venture Group.

INFORMATION OF THE PARTIES

The Company is an investment holding company. The Group is principally engaged in the sales of compressed natural gas and liquefied natural gas and provision of transmission service in the PRC.

WCP is a company incorporated in Hong Kong with limited liability. It is principally engaged in the business of management and operation of methanol-hydrogen fuel cell off-grid power supply systems and liquid-cooled supercharging stations (including but not limited to those already in operation and under construction) developed and deployed in the PRC by Shenzhen SCPT. WCP is owned as to 40% by Whitecell Power AG, 30% by Westland Investment GmbH, and 30% by Shui Yang (稅陽), all of whom are Independent Third Parties.

China Investment Holdings is a company incorporated in Hong Kong with limited liability. It is principally engaged in financial investment. China Investment Holdings is wholly owned by Fung Kwan Wa (馮坤華), an Independent Third Party. To the best knowledge of the Directors, Mr. Fung has held positions in sizeable investment institutions since 2012, and his current business covers supply chain finance, non-performing asset disposal, equity investment, and debt investment.

REASONS FOR AND BENEFITS OF THE FORMATION OF THE JOINT VENTURE

The Group is principally engaged in the sales of compressed natural gas and liquefied natural gas and provision of transmission service in the PRC. As disclosed in the interim report of the Company for the six months ended 30 June 2025, while the Group remains optimistic about the growth of consumption of natural gas along with China improving its energy consumption structure by shifting from coal to cleaner energy such as natural gas and other renewable energy, the global economic landscape is expected to remain challenging and the overall investment and economic environment is likely to remain highly uncertain.

In view of these challenges, the Directors consider that it is timely and prudent for the Group to pursue selective investment opportunities to broaden the Group's revenue source and enhance resilience through diversification. The Board believes that the electricity charging market has favourable development prospects. The formation of the Joint Venture will allow the Group to enter the electricity charging market by leveraging the resources of WCP and China Investment Holdings. In particular, WCP is a well-established player in the electricity charging market with solid experience and expertise and proven performance in the management and operation of methanol-hydrogen fuel cell off-grid power supply systems and liquid-cooled supercharging stations the PRC.

In light of the above, the Directors (including the independent non-executive Directors) are of the view that the formation of the Joint Venture and the terms of the JV Agreement are on normal commercial terms, fair and reasonable and in the interests of the Company and its shareholders as a whole.

GEM LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined under Rule 19.04(9) of the GEM Listing Rules) in respect of the total capital commitment of the Company pursuant to the JV Agreement is more than 5% but is less than 25%, the formation of the Joint Venture constitutes a discloseable transaction of the Company under the GEM Listing Rules and is subject to the reporting and announcement requirements but exempt from shareholders' approval requirement under Chapter 19 of the GEM Listing Rules.

CHANGE IN USE OF PROCEEDS

References are made to the announcements of the Company dated 12, 19 and 27 June 2025 (the “**Placing Announcements**”) in relation to, among other things, the placing of new shares under general mandate (the “**Placing**”). The net proceeds from the Placing amounted to approximately HK\$6 million, for the purposes set out as follows:

Description	Planned use of proceeds as disclosed in the Placing Announcements (approximate amount adjusted after deduction of the placing commission and other related expenses) (HK\$ million)	Percentage of net proceeds	Approximate amount of proceeds utilised up to the date of this announcement (HK\$ million)	Approximate amount of unutilised proceeds as at the date of this announcement (the “Unutilised Net Proceeds”) (HK\$ million)
Potential formation of a joint venture company engaging in the trading of black pellets	3.0	50%	–	3.0
General working capital	3.0	50%	–	3.0
Total	6.0	100%	–	6.0

As at the date of this announcement, the Unutilised Net Proceeds amounted to approximately HK\$6 million.

Change in use of proceeds

On 16 December 2025, for the reasons as set out in the paragraph headed “Reasons for and Benefits of the Change in Use of Proceeds” below in this announcement, the Board has resolved to reallocate the Unutilised Net Proceeds as follows:

Description	Allocation of net proceeds (HK\$ million)	Percentage of revised net proceeds	Expected timeline of utilisation
Formation of the Joint Venture	3.0	50%	By the end of 2026
General working capital	3.0	50%	By the end of 2026
	<u>6.0</u>	<u>100%</u>	

Reasons for and benefits of change in use of proceeds

As disclosed above, the Board believes that the electricity charging market has favourable development prospects and the formation of the Joint Venture will allow the Group to enter the electricity charging market by leveraging the resources of WCP and China Investment Holdings. The Board is of the view that the reallocation is in line with the business strategy of the Group and will not adversely affect the operation and business of the Group and is in the best interests of the Company and the Shareholders as a whole.

DEFINITION

Unless otherwise specified, capitalised terms not previously defined in this announcement shall have the following meanings:

“Board”	the board of Directors
“Capital Increase”	the proposed capital increase of the Joint Venture to be contributed by WCP and China Investment Holdings pursuant to the JV Agreement
“Capital Increase Completion”	completion of the Capital Increase under the JV Agreement
“China Investment Holdings”	China Investment Holdings Limited, a company incorporated in Hong Kong with limited liability on 7 August 2023
“Company”	TL Natural Gas Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on GEM

“connected person(s)”	has the same meaning ascribed to it under the GEM Listing Rules
“Director(s)”	the director(s) of the Company
“GEM”	the GEM operated by the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited
“Group”	the Company and its subsidiaries from time to time
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Independent Third Party(ies)”	any person or company independent of and not connected with the Company and its connected persons
“Joint Venture”	Supercomputing Whitecell New Energy Digital Technology Co. Limited, a company incorporated in Hong Kong with limited liability on 10 December 2025 and an indirect wholly-owned subsidiary of the Company as at the date of this announcement
“Joint Venture Group”	the Joint Venture and its subsidiary(ies) from time to time
“JV Agreement”	the joint venture agreement dated 16 December 2025 entered into between the Company, WCP and China Investment Holdings
“Operation Management Service Agreement”	the service agreement to be entered into between the WFOE and Shenzhen SCPT, pursuant to which the WFOE shall provide comprehensive operation, management and maintenance services to the methanol-hydrogen fuel cell off-grid power supply systems and liquid-cooled supercharging stations (including but not limited to those already in operation and under construction) developed and deployed in the PRC by Shenzhen SCPT
“PRC”	the People’s Republic of China, and for the purpose of this announcement only, excluding Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC

“Shenzhen SCPT”	Shenzhen Super Computing Power Technology Co., Ltd.* (深圳市超算力量科技有限公司), a company established in the PRC with limited liability on 28 October 2020
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“WCP”	Whitecell Power (China) Limited, a company incorporated in Hong Kong with limited liability on 9 March 2023
“WFOE”	the wholly foreign owned enterprise to be established in Shenzhen, the PRC by the Joint Venture pursuant to the JV Agreement
“%”	per cent

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

Hong Kong, 16 December 2025

* *For identification purpose only and should not be regarded as the official English translation of the Chinese names. In the event of any inconsistency, the Chinese name prevails.*

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.