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TL Natural Gas Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8536)

INSIDE INFORMATION FORMATION OF THE JOINT VENTURE

This announcement is made by the Company pursuant to Rule 17.10 (2)(a) of the GEM Listing Rules and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The Board is pleased to announce that on 28 April 2019, Hengsheng, an indirect wholly-owned subsidiary of the Company, entered into the Memorandum of Understanding with Hubei Hongye in relation to the parties' intention to establish the Joint Venture to set up a manufacturing base in Hubei Province, China, for the processing, production and sale of cellulose fibreboard (特克松纖維板).

Shareholders and potential investors of the Company should exercise caution when dealing in the securities of the Company. As at the date of this announcement, no formal agreement has been entered into. Further announcement(s) will be made in accordance with the GEM Listing Rules to provide updates on the transactions contemplated under the Memorandum of Understanding as and when appropriate.

MEMORANDUM OF UNDERSTANDING

The principal terms of the Memorandum of Understanding are set out below:

Date:	28 April 2019
Parties:	(1) Hengsheng; and (2) Hubei Hongye.
Purpose:	Establish the Joint Venture to set up a manufacturing base in Hubei Province, China, for the processing, production and sale of cellulose fibreboard (特克松纖維板).
Proposed equity interests in the Joint Venture:	The Joint Venture will be owned as to 55% by the Hengsheng and 45% by Hubei Hongye.

Signing of formal agreement: The parties to the Memorandum of Understanding agree to enter into a formal agreement at the time to be agreed between the parties.

Total capital commitment: The total capital commitment of the Joint Venture is to be agreed between parties.

INFORMATION ON THE COMPANY

The Company is an investment holding company. The principal subsidiaries of the Company are engaged in the supply of compressed natural gas, which has been compressed to a high density through high pressure and is used as a clean alternative fuel for vehicles in Jingzhou, Hubei Province.

INFORMATION ON HUBEI HONGYE NEW MATERIAL TECHNOLOGY CO., LTD.

Hubei Hongye is a company registered in China which is engaging in the processing, production and sale of cellulose fibreboard (特克松纖維板), an environment-friendly material, and the production and sale of the midsole cardboard and fibreboard, automotive interior paperboard and cardboard boxes.

As at the date of this announcement, to the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, saved as disclosed, Hubei Hongye and its ultimate beneficial owner(s) are Independent Third Parties.

REASONS FOR AND BENEFITS OF THE FORMATION OF THE JOINT VENTURE

It is part of the Group's strategy to explore new business segments in order to diversify its business as well as to broaden the income source of the Group and eventually to maximise the return to the Shareholders. The Board sees an increasing demand and business opportunities for cellulose fibreboard (特克松纖維板), an environment-friendly material, in light of an increasing number of environmentally conscious consumers in China. The Board considers that the new business segment is in line with the Group's value of combining economic success with environmental protection. The Directors are of the view that it is a good opportunity for the Group to invest in a developing industry with potential and the Joint Venture will bring about opportunities for business cooperation with Hubei Hongye, which may provide synergies and optimise productivity.

The Board is of the view that the terms of Memorandum of Understanding are fair and reasonable and the formation of the Joint Venture is in the interests of the Company and the Shareholders as a whole.

The source of funding for the Group's capital commitment of the Joint Venture will be funded by internal resources and/or bank borrowing.

General

The parties may enter into a formal agreement for those matters not covered in the Memorandum of Understanding. Should the entering into any of such further agreement constitutes a notifiable transaction on the part of the Company pursuant to the GEM Listing

Rules and is subject to approval requirements under the GEM Listing Rules, the Company will comply with the reporting, disclosure and/or Shareholder's approval requirements under the GEM Listing Rules accordingly.

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DEFINITIONS

In this announcement, the following expressions have their respective meanings set out below unless the context requires otherwise:

“Board”	the board of Directors
“China”	The People's Republic of China, but for the purposes of this announcement and for geographical reference only (unless otherwise indicated), excluding Hong Kong, the Macau Special Administrative Region of the People's Republic of China and Taiwan
“Company”	TL Natural Gas Holdings Limited (formerly known as Huazhong Natural Gas Group Holdings Limited (華中天然氣集團控股有限公司)), an exempted company incorporated in the Cayman Islands on 24 March 2017 with limited liability, the issued Shares of which are listed and traded on GEM (stock code: 8536)
“connected person(s)”	has the meaning ascribed thereto under the GEM Listing Rules
“Director(s)”	directors of the Company
“GEM”	GEM of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“Hengsheng”	香港恒盛實業控股有限公司 (Hong Kong Hengsheng Industrial Holdings Limited), a limited liability company incorporated in Hong Kong on 4 January 2019 and is an indirect wholly-owned subsidiary of the Company
“Hong Kong”	the Hong Kong Special Administrative Region of the People's Republic of China

“Hubei Hongye”	湖北宏葉新材料科技股份有限公司 (Hubei Hongye New Material Technology Co., Ltd.), a company registered in China on 13 May 2010
“Independent Third Party”	any person or company and their respective ultimate beneficial owner(s), to the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, are not connected persons of the Company and are third parties independent of the Company and its connected persons in accordance with the GEM Listing Rules
“Joint Venture”	荊州宏葉新材料科技有限公司 (Jingzhou Hongye New Material Technology Co., Ltd.), a limited liability company established under the laws of the PRC on 31 January 2019 and is an indirect wholly-owned subsidiary of the Company
“Memorandum of Understanding”	The memorandum of understanding dated 28 April 2019 and entered into between Jingzhou Hongye and Hubei Hongye in relation to the parties’ intention to establish the Joint Venture to set up a manufacturing base in Hubei Province, China for the processing, production and sale of cellulose fibreboard (特克松纖維板)
“Shareholder(s)”	holder(s) of the issued Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

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

Hong Kong, 28 April 2019

As at the date of this announcement, the Board comprises Mr. LIU Yong Cheng, Mr. LIU Yong Qiang and Mr. LIU Chunde as executive Directors; and Mr. WONG Chun Peng Stewart, Mr. LI Wai Kwan and Ms. LI Helen Hoi Lam as independent non-executive Directors.

*This announcement, for which the directors (the “**Directors**”) of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Group. 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 GEM website at www.hkgem.com on the “Latest Company Announcements” page for at least seven days from the date of its posting. This announcement will also be published on the Company’s website at www.tl-cng.com.*