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TL Natural Gas Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8536)

VOLUNTARY ANNOUNCEMENT

MEMORANDUM OF UNDERSTANDING IN RELATION TO THE PROPOSED CAPITAL INJECTION

This announcement is made by the Company on a voluntary basis.

The Board is pleased to announce that on 31 August 2020 (after trading hours), Lvze Jieneng Technology, an indirect wholly-owned subsidiary of the Company, and the Target Company entered into the Memorandum of Understanding, pursuant to which Lvze Jieneng Technology intends to inject capital into the Target Company, which is principally engaged in the provision of internet intelligent health care information services in the PRC, with big data and blockchain interconnection, and the huge information flow provides strong support for the development and construction of related industries.

THE MEMORANDUM OF UNDERSTANDING

Date: 31 August 2020 (after trading hours)

Parties: (1) Lvze Jieneng Technology; and
(2) the Target Company.

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

Principal terms

Lvze Jieneng Technology intends to inject capital into the Target Company to subscribe for certain percentage (subject to further negotiation) of the registered capital of the Target Company.

Lvze Jieneng Technology shall perform due diligence investigation on the Target Company after signing the Memorandum of Understanding. Upon completion of the due diligence investigation, the parties shall further negotiate on the terms and conditions of the Proposed Capital Injection with an aim to enter into the Formal Agreement(s).

Non-legally binding effect

The Memorandum of Understanding is a non-legally binding agreement (other than clauses relating to confidentiality, governing law and dispute resolutions, which are legally binding) setting out the general principles of the Proposed Capital Injection. The Proposed Capital Injection will be subject to the execution and completion of the Formal Agreement(s).

GENERAL

As the Memorandum of Understanding may or may not lead to the entering into any formal agreement(s), the Proposed Capital Injection may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

In the event that the Proposed Capital Injection materialises, it may constitute a notifiable transaction for the Company under the GEM Listing Rules. Further announcement(s) will be made by the Company in accordance with all applicable requirements of the GEM Listing Rules as and when appropriate.

DEFINITIONS

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

“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 GEM (Stock Code: 8536);
“connected person(s)”	has the meaning as ascribed thereto under the GEM Listing Rules;

“Director(s)”	the director(s) of the Company;
“Formal Agreement(s)”	formal legally binding agreement(s) to be entered into between Lvze Jieneng Technology and the Target Company in the event that the parties proceed with the Proposed Capital Injection;
“GEM”	GEM of the Stock Exchange;
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Independent Third Party(ies)”	independent third party(ies) who is/are not connected person(s) of the Company and is/are independent of and not connected with the Company and Directors, chief executives, controlling shareholders and substantial shareholders of the Company or any of its subsidiaries or their respective associates;
“Lvze Jieneng Technology”	Dongguan Lvze Jieneng Technology Co., Ltd.* (東莞市綠澤節能科技有限公司), a company established in the PRC with limited liability, which is an indirect wholly-owned subsidiary of the Company;
“Memorandum of Understanding”	the memorandum of understanding dated 31 August 2020 and entered into between Lvze Jieneng Technology and the Target Company in relation to the Proposed Capital Injection;
“PRC”	the People’s Republic of China which, for the purposes of this announcement, excludes Hong Kong, Macau and Taiwan;
“Proposed Capital Injection”	the proposed capital injection to the registered capital of the Target Company;
“Share(s)”	the ordinary share(s) of par value of HK\$0.01 each in the issued share capital of the Company;
“Shareholder(s)”	holder(s) of the Shares;

“Stock Exchange”	The Stock Exchange of Hong Kong Limited; and
“Target Company”	Sichuan Yi Tong Tian Xia Technology Limited* (四川易通天下科技有限公司), a company established in the PRC with limited liability, which is owned by Sichuan Yi Tong Hai Pu Technology Limited* (四川易通海普科技有限公司) as to 75% and Beijing Tianxi Star Culture Investment Management Center (Limited Partnership)* (北京天喜星空文化投資管理中心(有限合伙)) as to 25%, being Independent Third Parties.

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

Hong Kong, 31 August 2020

* *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 Chunde as executive Directors; and Mr. LI Wai Kwan, Ms. LI Helen Hoi Lam and Ms. LUO Hongru 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 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.