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TL Natural Gas Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8536)

PROFIT WARNING ANNOUNCEMENT

This announcement is made by TL Natural Gas Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 17.10 of The Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”) and the Inside Information Provisions (as defined under the GEM Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong).

The board (the “**Board**”) of the directors (the “**Directors**”) of the Company wishes to inform the shareholders and the potential investors of the Company that, based on a preliminary review of the unaudited consolidated management accounts of the Group, it is expected that the Group will record a net loss in the range of RMB20 million to RMB30 million for the year ended 31 December 2020, as compared with a net loss of approximately RMB2.7 million for the year ended 31 December 2019. The Board considers that the loss incurred for the year ended 31 December 2020 is mainly attributed to (i) the decrease in revenue primarily due to the temporary suspension of the Group’s business operation, including its gas refuelling stations in Jingzhou, Hubei Province, as a result of the outbreak of the novel coronavirus (“**COVID-19**”); (ii) the impairment of trade receivables due to the significant increase in the credit risk on financial assets (including trade receivables) caused by the outbreak of COVID-19; (iii) the increase in administrative expenses primarily due to the increase in professional fees incurred in relation to the acquisitions during the year and recognition of fair value of share options granted during the year; and (iv) expenses incurred for the development of automated car wash business.

As at the date of this announcement, the Company is still in the process of finalising the financial results of the Group for the year ended 31 December 2020. The information contained in this announcement is based on the preliminary review of the currently available information, which has not been reviewed by the Company’s auditors or its audit and risk management committee. The actual results of the Group for the year ended 31 December 2020 may be different from the disclosure in this announcement. Further information on the Group’s results and performance for the year ended 31 December 2020 is expected to be released on 31 March 2021 and the related annual report will be published and despatched to the shareholders of the Company in accordance with the requirements under the GEM Listing Rules.

Shareholders and potential investors of the Company are therefore advised to exercise caution when dealing in the shares of the Company.

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

Hong Kong, 18 March 2021

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.