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TL Natural Gas Holdings Limited

(incorporated in the Cayman Islands with limited liability)

(Stock code: 8536)

VOLUNTARY ANNOUNCEMENT IN RELATION TO POTENTIAL BUSINESS COOPERATION

This announcement is made by the Company on a voluntary basis. The purpose of this announcement is to keep the shareholders and potential investors of the Company informed of the latest business development of the Group.

MEMORANDUM OF UNDERSTANDING

The Board is pleased to announce that on 1 September 2021 (after trading hours), Tonglin Gas entered into the MOU with Ruichuang New Energy, pursuant to which the parties agreed to cooperate in the construction and operation of electric vehicle charging business in the commercial areas of Guangzhou, the PRC. According to the MOU, the terms and conditions of the potential business cooperation between Tonglin Gas and Ruichuang New Energy will be subject to the execution of the formal agreement(s) to be entered between the parties. Tonglin Gas and Ruichuang New Energy further agreed that it and its respective affiliates shall not directly or indirectly discuss, negotiate or enter into any form of agreement or arrangement with any third party relating to the potential business cooperation for an exclusive period of a month from the date of the MOU.

BACKGROUND OF RUICHUANG NEW ENERGY

Ruichuang New Energy is a company established in the PRC with limited liability and is principally engaged in the design, construction and operation of electric vehicle charging stations in the PRC. As at the date of this announcement, Ruichuang New Energy is owned as to 40%, 25%, 20%, 10% and 5% by Huang Ruicheng (黃銳城), Zhou Guangjian (周光健), Li Ping (黎萍), Qiu Yong (邱勇) and Cen Guoping (岑國平), respectively. To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, each of Ruichuang New Energy and its ultimate beneficial owner is an independent third party independent of and not connected with the Company and its connected persons (as defined in the GEM Listing Rules).

REASONS FOR AND BENEFITS OF ENTERING INTO THE MOU

The Group is principally engaged in the sales of compressed natural gas and provision of automated car wash services in the PRC. Whilst remaining focused on developing its existing principal businesses, the Group has been exploring electric power source as a cleaner alternative fuel, in addition to compressed natural gas and liquefied natural gas, which is in line with the government's initiatives for newer and cleaner energy sources as disclosed in the interim report of the Company for the six months ended 30 June 2020. The Directors are of the view that the potential business cooperation with Ruichuang New Energy will enable the Group to catch up with the development trend of new energy vehicles and seize the growth potential in the new energy vehicles sector resulting from the government's initiatives through leveraging on the experience of Ruichuang New Energy.

NATURE OF THE MOU

The MOU does not constitute any legally binding commitment, save and except that each party agrees to be legally bound by certain clauses (including confidentiality, exclusivity, applicable law and dispute resolution clauses) pursuant to the MOU. The potential business cooperation contemplated under the MOU is subject to the negotiation and execution of the formal agreement(s) between the relevant parties (if any).

GENERAL

The Board wishes to emphasis that the potential business cooperation contemplated under the MOU may or may not proceed and that the parties have not entered into a legally binding agreement in relation to the transaction(s) contemplated under the MOU as at the date of this announcement. If the transaction(s) contemplated under the MOU materialises, the Company will make further announcements as and when appropriate in accordance with the GEM Listing Rules. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

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);
“Director(s)”	the director(s) of the Company;
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM of the Stock Exchange;
“Group”	the Company and its subsidiaries;
“MOU”	the non-legally binding memorandum of understanding dated 1 September 2021 and entered into between Tonglin Gas and Ruichuang New Energy;
“PRC”	the People’s Republic of China which, for the purposes of this announcement, excludes Hong Kong Special Administrative Region of the PRC, Macau Special Administrative Region of the PRC and Taiwan;
“Ruichuang New Energy”	Guangzhou Ruichuang New Energy Technology Co., Ltd.* (廣州市銳創新能源科技有限公司), a company established in the PRC with limited liability;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited; and
“Tonglin Gas”	Hubei Tonglin Natural Gas Service Company Limited* (湖北桐林石油天然氣服務有限公司), a company established in the PRC with limited liability, which is an indirect wholly-owned subsidiary 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, 1 September 2021

* 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. LUO Hongru and Ms. ZENG Li 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.