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TL Natural Gas Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8536)

BUSINESS UPDATE UPDATE ON THE USE OF PROCEEDS FROM LISTING

Reference are made to the prospectus of TL Natural Gas Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 8 May 2018 (the “**Prospectus**”) in relation to the listing of the Company on GEM of The Stock Exchange of Hong Kong Limited (the “**Listing**”) and the interim report of the Company for the six months ended 30 June 2021 (the “**Interim Report**”). The board of directors of the Company (the “**Board**”) would like to provide shareholders with an update on the use of net proceeds from the Listing (the “**Net Proceeds**”). Unless otherwise defined, capitalised terms used in this announcement have the same meanings as those defined in the Prospectus.

As disclosed in the Prospectus, the Company intended to install new facilities at the Jingzhou Primary Station, a gas processing station which acts as a primary station bridging high-pressure pipelined gas that is being transmitted from PetroChina to the Group, to enlarge the Group’s wholesale customer base and enable the Group to capture both CNG and LNG market. The implementation plan for upgrading infrastructures and facilities of the Jingzhou Primary Station to equip it with LNG processing capacity has been completed recently, and the Jingzhou Primary Station is currently able to maintain the pressure and low temperature of LNG, pump and dispense LNG, thereby operating with selling both CNG and LNG.

The remaining Net Proceeds will be applied consistently with the manners as set out in the Prospectus including expanding gas station network by constructing one CNG refuelling station and constructing one combined CNG/LNG refuelling station (the “**Implementation Plans**”). However, the Implementation Plans have been postponed as the approval process from the relevant government authorities has been delayed as disclosed in the Interim Report and is expected to be further postponed to next year since the approval process has not been completed as at the date of the announcement. The Company will publish announcement(s) to update its shareholders of the use of the Net Proceeds as and when appropriate and in accordance with the requirements of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”).

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

Hong Kong, 12 October 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 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.