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TL Natural Gas Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8536)

COMPLETION OF ACQUISITION OF THE ENTIRE ISSUED SHARE CAPITAL OF SILVER MAX AP COMPANY LIMITED

Reference is made to the announcement of TL Natural Gas Holdings Limited (the “**Company**”) dated 3 April 2020 (the “**Announcement**”) in relation to, among other things, the proposed acquisition of the entire issued share capital of Silver Max AP Company Limited (the “**Target Company**”). Capitalised terms used herein shall have the same meanings as those defined in the Announcement unless otherwise specified.

COMPLETION OF THE ACQUISITION

The Board is pleased to announce that all the conditions precedent to the Sale and Purchase Agreement and the Subscription Agreements have been fulfilled, respectively. Completion took place on 21 April 2020. The Target Company has become an indirectly wholly-owned subsidiary of the Company, and the consolidated financial results of the Target Group will be consolidated into the financial statements of the Company.

A total of 62,360,000 Consideration Shares under the General Mandate were allotted and issued to the Vendors at a price of HK\$0.160 per Consideration Share in accordance with the Sale and Purchase Agreement, and the Convertible Bonds in the principal amount of HK\$3,732,800 was issued to each of the Vendors in accordance with the Subscription Agreements.

The approval for the listing of, and the permission to deal in the Consideration Shares and the Conversion Shares upon conversion of the Convertible Bonds have been granted by the Listing Division of the Stock Exchange.

EFFECT OF SHAREHOLDING STRUCTURE OF THE COMPANY

The shareholding structure of the Company (a) immediately before the Completion, (b) as at the date of this announcement following the Completion, and (c) upon full conversion of the Conversion Shares (assuming that there are no other changes in the share capital of the Company from the date of this announcement up to the relevant allotment and issue) are set out below:

Shareholders	(a) Immediately before the Completion		(b) As at the date of this announcement following the Completion		(c) Upon full conversion of the Conversion Shares (for illustration purposes only) (Note 3)	
	Approximately		Approximately		Approximately	
	Shares	%	Shares	%	Shares	%
Hongsheng (Note 1)	266,250,000	47.37	266,250,000	42.64	266,250,000	39.68
Yongsheng (Note 2)	108,750,000	19.35	108,750,000	17.42	108,750,000	16.21
Vendor A	–	–	31,180,000	4.99	54,510,000	8.12
Vendor B	–	–	31,180,000	4.99	54,510,000	8.12
Other public Shareholders	187,030,000	33.28	187,030,000	29.96	187,030,000	27.87
Total	562,030,000	100.00	624,390,000	100.00	671,050,000	100.00

Notes:

- (1) As at the date of this announcement following the Completion, Mr. Liu Yong Qiang directly owns 100% interest of Hongsheng, which in turn holds 266,250,000 shares or approximately 42.64% of the issued Shares; therefore he is deemed, or taken to be interested in, all the shares held by Hongsheng for the purpose of the SFO; pursuant to the acting in concert confirmation dated 14 June 2017, in which Mr. Liu Yong Qiang is also deemed to be interested in 108,750,000 Shares or approximately 17.42% of the issued Shares owned by Yongsheng as a result of being a party acting in concert with Mr. Liu Yong Cheng.
- (2) As at the date of this announcement following the Completion, Mr. Liu Yong Cheng directly owns 100% interest of Yongsheng, which in turn holds 108,750,000 shares or approximately 17.42% of the issued Shares of the Company; therefore he is deemed, or taken to be interested in, all the shares held by Yongsheng for the purpose of the SFO; pursuant to the acting in concert confirmation dated 14 June 2017, in which Mr. Liu Yong Cheng is also deemed to be interested in 266,250,000 Shares or approximately 42.64% of the issued Shares owned by Hongsheng as a result of being a party acting in concert with Mr. Liu Yong Qiang.
- (3) The exercise of the conversion right to convert the Convertible Bonds into the Conversion Shares are subject to the restrictions in the Convertible Bonds including the public float requirement under 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, 21 April 2020

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 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.