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TL Natural Gas Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8536)

DISCLOSEABLE TRANSACTION IN RELATION TO THE ACQUISITION OF THE ENTIRE ISSUED SHARE CAPITAL OF SILVER MAX AP COMPANY LIMITED INVOLVING THE ISSUE OF NEW SHARES UNDER GENERAL MANDATE AND CONVERTIBLE BONDS

ACQUISITION

The Board is pleased to announce that on 3 April 2020 (after trading hours), the Purchaser and the Vendors entered into the Sale and Purchase Agreement, pursuant to which the Purchaser has conditionally agreed to purchase from the Vendors, and the Vendors have conditionally agreed to sell to the Purchaser, the Sale Shares (representing the entire issued share capital of the Target Company) at the Consideration of MYR9,800,000 (equivalent to approximately HK\$17,443,200), which shall be satisfied by the allotment and issue of the Consideration Shares and the issue of the Convertible Bonds upon the Completion.

Upon the Completion, the Target Company will become an indirect wholly-owned subsidiary of the Company and the financial results of the Target Group will be consolidated with those of the Group.

GEM LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios under Chapter 19 of the GEM Listing Rules in relation of the Acquisition are more than 5% but all applicable percentage ratios are less than 25%, the Acquisition constitutes a discloseable transaction of the Company under Chapter 19 of the GEM Listing Rules and is therefore subject to the reporting and announcement requirements under Chapter 19 of the GEM Listing Rules.

As Completion is subject to fulfilment or waiver (as the case may be) of the conditions precedent to the Sale and Purchase Agreement and may or may not proceed, Shareholders and potential investors should exercise caution when dealing in the securities of the Company.

INTRODUCTION

The Board is pleased to announce that on 3 April 2020 (after trading hours), the Purchaser and the Vendors entered into the Sale and Purchase Agreement, pursuant to which the Purchaser has conditionally agreed to purchase from the Vendors, and the Vendors have conditionally agreed to sell to the Purchaser, the Sale Shares (representing the entire issued share capital of the Target Company) at the Consideration of MYR9,800,000 (equivalent to approximately HK\$17,443,200), which shall be satisfied by the allotment and issue of the Consideration Shares and the issue of the Convertible Bonds upon the Completion.

THE SALE AND PURCHASE AGREEMENT

Date: 3 April 2020 (after trading hours)

Parties: (1) Vendor A;
(2) Vendor B; and
(3) the Purchaser.

As at the date of this announcement, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Vendors are Independent Third Parties.

Nature of the transaction and assets to be acquired

Pursuant to the Sale and Purchase Agreement, the Purchaser has conditionally agreed to purchase from the Vendors, and the Vendors have conditionally agreed to sell to the Purchaser, the Sale Shares, which are duly allotted and issued and free from all encumbrances, and together with all rights and entitlements attaching thereto as at Completion.

As at the date of this announcement, the Sale Shares represent the entire issued share capital of the Target Company.

Consideration

Pursuant to the Sale and Purchase Agreement, the consideration for each of the Vendor A Sale Shares (representing 50% of the issued share capital of the Target Company) and the Vendor B Sale Shares (representing 50% of the issued share capital of the Target Company) shall be MYR4,900,000 (equivalent to approximately HK\$8,721,600). The Consideration shall be MYR9,800,000 (equivalent to approximately HK\$17,443,200).

The Vendor A Consideration shall be satisfied by (i) the allotment and issue of 31,180,000 Consideration Shares at the Issue Price of HK\$0.160 per Consideration Share, and (ii) the issue of the Convertible Bonds in the principal amount of HK\$3,732,800 to Vendor A upon the Completion.

The Vendor B Consideration shall be satisfied by (i) the allotment and issue of 31,180,000 Consideration Shares at the Issue Price of HK\$0.160 per Consideration Share, and (ii) the issue of the Convertible Bonds in the principal amount of HK\$3,732,800 to Vendor B upon the Completion.

Basis of the Consideration

The Consideration was determined through arm's length negotiation between the Vendors and the Purchaser on a commercial basis with reference to (i) the valuation of the Properties, conducted by an independent valuer, of MYR10,950,000 (equivalent to approximately HK\$19,490,106) as at 23 March 2020, and (ii) the reasons for the Acquisition as discussed in the section headed "Reasons for and Benefits of the Acquisition" below.

Taking into account the above, the Directors (including the independent non-executive Directors) consider that the Consideration is fair and reasonable and on normal commercial terms or better, and the entering into of the Sale and Purchase Agreement is in the interests of the Company and the Shareholders as a whole.

Conditions precedent

Completion shall be subject to the following conditions precedent being fulfilled and satisfied on or before the Long Stop Date or such other day as the parties to the Sale and Purchase Agreement may mutually agree in writing:

- (a) the Purchaser being satisfied with the content and conclusion of the Malaysian legal opinions in respect of the Sale and Purchase Agreement and the transactions contemplated thereunder, including but not limited to the due incorporation and subsistence of TPB Property, the beneficial ownership of TPB Property and the legality and validity of the Properties;
- (b) the Purchaser being satisfied with the results of the due diligence review;
- (c) the Purchaser being satisfied that the Sale Shares and the Properties are free from all Encumbrances;
- (d) all necessary consents required to be obtained on the part of the Purchaser and the Target Group in respect of the Sale and Purchase Agreement and the transactions contemplated thereunder having been obtained and remaining in full force and effect;
- (e) the Stock Exchange granting or agreeing to grant the approval for the listing of and permission to deal in the Consideration Shares and the Conversion Shares and such approval not having been revoked;
- (f) the obtaining of a valuation report (in form and substance satisfactory to the Purchaser) from a firm of independent professional valuer appointed by the Purchaser showing the valuation of the Properties to be not less than MYR10,950,000 (equivalent to approximately HK\$19,490,106);
- (g) the warranties remaining true, accurate and complete in all respects; and
- (h) the Purchaser being satisfied that there has not been any material adverse change or effect in respect of the Target Group since the date of the Sale and Purchase Agreement.

None of the Vendors and the Purchaser shall have the right to waive the conditions precedent (a), (e) and (f) as set out above. In the event that any of the conditions precedent are not fulfilled (or waived as the case may be), in each case, on or before the Long Stop Date, the Sale and Purchase Agreement and everything contained in it shall terminate, be null and void, of no further effect and no party to the Sale and Purchase Agreement shall have any liability to any other party, save for any antecedent breaches.

The Purchaser and the Vendors shall use their reasonable endeavours to ensure that the conditions precedent shall be fulfilled by the Long Stop Date.

Completion

The Completion shall take place no later than the Long Stop Date after the conditions precedent to the Sale and Purchase Agreement having been fulfilled (or waived), or such other day as the parties to the Sale and Purchase Agreement may mutually agree in writing.

Upon the Completion, the Target Company will become an indirect wholly-owned subsidiary of the Company and the financial results of the Target Group will be consolidated with those of the Group.

ISSUE OF CONSIDERATION SHARES

All the Consideration Shares will be allotted and issued under the General Mandate, which was granted to the Directors pursuant to the EGM to issue and allot up to 112,406,000 new Shares, representing 20% of the total number of issued Shares as at the date of passing such resolution. Up to the date of this announcement, (i) no Shares have been allotted or issued pursuant to the General Mandate, and (ii) the General Mandate is sufficient for the allotment and issue of the Consideration Shares. As the Consideration Shares will be allotted and issued pursuant to the General Mandate, the allotment and issue of the Consideration Shares is not subject to any further approval of the Shareholders. The Consideration Shares, when allotted and issued, shall rank *pari passu* in all respects among themselves and with the Shares in issue.

The Consideration Shares of 62,360,000 Shares represent:

- (i) approximately 11.10% of the total number of issued Shares as at the date of this announcement; and
- (ii) approximately 9.99% of the total number of issued Shares as enlarged by the allotment and issue of the Consideration Shares.

The Consideration Shares will be issued at the Issue Price of HK\$0.160 per Consideration Share, which represents:

- (i) a premium of approximately 6.667% to the closing price of HK\$0.150 per Share as quoted on the Stock Exchange on the date of the Sale and Purchase Agreement; and
- (ii) a premium of approximately 3.226% to the average closing price of approximately HK\$0.155 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of signing of the Sale and Purchase Agreement.

The Issue Price was determined after arm's length negotiations between the Purchaser and the Vendors, with reference to, among others (i) the prevailing market price of the Shares, (ii) the liquidity of the Shares, and (iii) the financial performance of the Group. The Directors (including the independent non-executive Directors) consider that the Issue Price is fair and reasonable and the issue of the Consideration Shares at the Issue Price is in the interests of the Company and the Shareholders as a whole.

Application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Consideration Shares.

ISSUE OF THE CONVERTIBLE BONDS

On 3 April 2020, the Company entered into the Subscription Agreements with the Vendors, pursuant to which the Company has agreed to issue, and the Vendors have agreed to subscribe, the Convertible Bonds, the details of which are as follows:

Issuer	:	The Company
Subscribers	:	Vendor A and Vendor B
Principal Amount	:	HK\$3,732,800 (to be issued to and subscribed by Vendor A); and HK\$3,732,800 (to be issued to and subscribed by Vendor B).
Interest rate	:	The Convertible Bonds do not carry any interest.
Maturity Date	:	Three years from the date of the issue of the Convertible Bonds, and the principal amount (to the extent that it is not converted into Conversion Shares or redeemed by the Company) shall be repayable upon maturity.
Redemption by the Company	:	The Convertible Bonds may be redeemed by the Company at any time prior to the maturity date in whole or in part of the outstanding principal amount of the Convertible Bonds.
Conversion Price	:	The Conversion Price is HK\$0.160 per Conversion Share, subject to adjustments on the occurrence of any Adjustment Event (as defined below), which represents:

- (a) a premium of approximately 6.667% to the closing price of HK\$0.150 per Share as quoted on the Stock Exchange on the date of the Subscription Agreements; and
- (b) a premium of approximately 3.226% to the closing price of HK\$0.155 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of the Subscription Agreements.

The Conversion Price was arrived at after arm's length negotiations between the Purchaser and the Vendors, taking into account the average closing prices of the Shares prior to signing of the Subscription Agreements. The Conversion Price is the same as the Issue Price.

Conversion Shares : Based on the Conversion Price of HK\$0.160 per Conversion Share, the maximum number of Conversion Shares that may be allotted and issued upon exercise in full of the conversion rights under the Convertible Bonds is 46,660,000 Conversion Shares.

If fully converted, the Conversion Shares represent approximately 8.30% and 6.95% of the total number of issued Shares as at the date of this announcement and as enlarged by the allotment and issue of the Consideration Shares and the Conversion Shares, respectively.

Conditions precedent for the issue of the Convertible Bonds :

- (a) the Listing Division of the Stock Exchange having granted the approval for the listing of, and the permission to deal in, the Consideration Shares and the Conversion Shares;
- (b) the completion of the Subscription Agreements having occurred or will occur concurrently in accordance with the Sale and Purchase Agreement;
- (c) all necessary relevant approvals and consents having been obtained by the Company, such approvals remaining valid and subsisting, and there are no other rules and regulations that are implemented which would have the effect of prohibiting or materially delaying the issue of the Convertible Bonds; and

- (d) if required under the GEM Listing Rules or other applicable laws and regulations, the Shareholders' approval having been obtained for the issue of the Convertible Bonds and the allotment and issue of the Conversion Shares.

Adjustment events : Provided that the adjustment will not result in the conversion price falling below the nominal value of the Shares, the conversion price shall from time to time be adjusted upon the occurrence of the following events (the “**Adjustment Events**”):

- (a) an alternation of the nominal amount of the Shares by reason of any consolidation or sub-division; or
- (b) an issue of Shares credited as fully-paid to Shareholders by way of capitalisation of profits or reserves, other than in lieu of a cash dividend; or
- (c) a capital distribution.

Conversion period and restrictions : The conversion rights shall be exercisable up to the maturity date, but provided that the conversion rights under the Convertible Bonds can only be exercised if:

- (a) a general offer obligation under the Hong Kong Code on Takeovers and Mergers in respect of the Shares would not arise; and
- (b) the Company will continue to meet the public float requirements under the GEM Listing Rules after the conversion.

The total number of Conversion Shares that may be issued by the Company shall not exceed the maximum number of Shares that the Company may issue pursuant to the General Mandate (after taking into account the issue of the Consideration Shares). Where such restriction applies, the remaining principal amount of the Convertible Bonds that remains unconverted (whether pursuant to an Adjustment Event or otherwise) shall be repaid by the Company in cash upon maturity of the Convertible Bonds.

Transferability : The Convertible Bonds are freely transferable subject to the terms and conditions of the Convertible Bonds (including compliance with the GEM Listing Rules and all other applicable laws and regulations), provided that no transfer or assignment of the Convertible Bonds shall be made to any connected person of the Company and its associates without the prior written consent of the Company and the Stock Exchange.

Listing : No application will be made by the Company for the listing of the Convertible Bonds on the Stock Exchange or any other stock exchange.

Application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Conversion Shares. The Conversion Shares will be allotted and issued under the General Mandate.

EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

As at the date of this announcement, the Company has 562,030,000 Shares in issue. Set out below is the shareholding structure of the Company (i) as at the date of this announcement, (ii) immediately upon the allotment and issuance of the Consideration Shares (assuming that there are no other changes in the share capital of the Company from the date of this announcement to the date of allotment and issue of the Consideration Shares), and (iii) upon the allotment and issue of the Consideration Shares and full conversion of the Convertible Bonds into the Conversion Shares (assuming that there are no other changes in the share capital of the Company from the Completion up to the relevant allotment and issue):

Shareholders	(i) As at the date of this announcement		(ii) Immediately upon the allotment and issuance of the Consideration Shares		(iii) Upon the allotment and issue of the Consideration Shares and full conversion of the Convertible Bonds into the Conversion Shares (for illustration purposes only) ^(Note 3)	
	Shares	Approximately %	Shares	Approximately %	Shares	Approximately %
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, Mr. Liu Yong Qiang directly owns 100% of Hongsheng, which in turn holds 266,250,000 Shares or approximately 47.37% 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 19.35% 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, Mr. Liu Yong Cheng directly owns 100% of Yongsheng, which in turn holds 108,750,000 Shares or approximately 19.35% of the issued Shares; 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 47.37% 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 but not limited to the public float requirement under the GEM Listing Rules.

INFORMATION ON THE TARGET GROUP AND THE PROPERTIES

The Target Company is a company incorporated in Hong Kong with limited liability on 6 March 2020 and is principally engaged in investment holding. As at the date of this announcement, the Target Company holds the entire issued share capital of TPB Property.

TPB Property is a company incorporated in Malaysia with limited liability on 13 March 2020 and is principally engaged in property investment. The principal assets of TPB Property are the Properties, which comprise four service apartment units at the housing development known as “MM Residency (金富苑)” (“**MM Residency**”) situated at the north-eastern side of Jalan Melawati 1 near its junction with Jalan G1 located in Kuala Lumpur, Malaysia, with an aggregate gross floor area of approximately 8,000 square feet. MM Residency is currently under construction and will be a multi-storey service apartment consisting of 420 units in total. MM Residency is located in Kuala Lumpur, which is a prime commercial area and tourist attraction. As advised by the Vendors, the construction of MM Residency is expected to be completed by the third quarter of 2021. Upon completion of the construction, the Properties will be rented to residents in Malaysia, which will generate rental income for TPB Property.

As advised by the Vendors, the consolidated unaudited net loss (both before and after taxation and extraordinary items) of the Target Group from 6 March 2020 (being the date of incorporation of Target Company) to 3 April 2020 was HK\$7,925 and the consolidated unaudited net asset value of the Target Group as at 3 April 2020 was approximately HK\$16.7 million.

INFORMATION ON THE PURCHASER AND THE GROUP

The Purchaser is a wholly-owned subsidiary of the Company incorporated in the British Virgin Islands with limited liability on 22 November 2019 and is principally engaged in investment holding.

The Group mainly supplies compressed natural gas (“**CNG**”) and derives revenue mainly from the distribution of CNG to both retail customers which are mostly vehicular end-users, and wholesale customers which are urban gas companies, gas refuelling station operators and industrial users.

REASONS FOR AND BENEFITS OF THE ACQUISITION

As disclosed in the third quarterly report of the Company dated 7 November 2019 and the unaudited annual results announcement of the Company dated 26 March 2020, in order to diversify the income source of the Group, the Group has been actively considering exploring opportunities in new businesses in the PRC and/or other locations. In particular, in 2013, the PRC government launched the Belt and Road Initiative, referring to the Silk Road Economic Belt (the “**Belt**”) and the 21st Century Maritime Silk Road (the “**Road**”), which is a significant development strategy with the intention of promoting economic cooperation among countries along the proposed routes of the Belt and the Road. The countries along the Belt and the Road, such as Indonesia, Malaysia and Thailand, will benefit from their strategic locations. The Directors consider that the Acquisition (i) represents an investment opportunity for the Group to participate in the property market in Malaysia, which is a country along the Belt and the Road, (ii) allows the Group to capitalise on such national policies of the PRC government, and (iii) enhances the Shareholders’ value in the Group.

It is intended that the Properties would be used for investment purposes by renting out to the residents in Malaysia. Taking into account the prime location of the Properties located in Kuala Lumpur, the Company believes that the Properties will generate stable cashflow and income for the Group. The Directors also consider that the Acquisition is commercially favourable for the Group as the Consideration of MYR9,800,000 (equivalent to approximately HK\$17,443,200) is lower than the valuation of the Properties, conducted by an independent valuer, of MYR10,950,000 (equivalent to approximately HK\$19,490,106) as at 23 March 2020. In addition, the Directors are optimistic about the property market in Malaysia and believe that it may provide the Group with benefits from the long term appreciation in the value of the Properties.

Moreover, as the Consideration shall be settled by way of the allotment and issue of the Consideration Shares and the issue of the Convertible Bonds, cash flow of the Group would be reduced whilst the capital base of the Company would be enlarged; therefore, the current and future liquidity position and the asset base of the Group can be enhanced.

In light of the benefits above, the terms of the Sale and Purchase Agreement were determined after arm’s length negotiations between the parties thereto and the Directors (including the independent non-executive Directors) are of the view that the terms of the Sale and Purchase Agreement are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

GEM LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios under Chapter 19 of the GEM Listing Rules in relation of the Acquisition are more than 5% but all applicable percentage ratios are less than 25%, the Acquisition constitutes a discloseable transaction of the Company under Chapter 19 of the GEM Listing Rules and is therefore subject to the reporting and announcement requirements under Chapter 19 of the GEM Listing Rules.

GENERAL

As Completion is subject to fulfilment or waiver (as the case may be) of the conditions precedent to the Sale and Purchase Agreement and may or may not proceed, Shareholders and potential investors should exercise caution when dealing in the securities of the Company.

DEFINITIONS

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

“Acquisition”	the acquisition of the Sale Shares by the Purchaser from the Vendors subject to the terms and conditions of the Sale and Purchase Agreement;
“associates”	has the meaning ascribed to it in the GEM Listing Rules;
“Board”	the board of Directors;
“Company”	TL Natural Gas Holdings Limited, a company incorporated in the Cayman Islands with limited liability on 24 March 2017, the Shares of which are listed on GEM (Stock Code: 8536);
“Completion”	completion of the Acquisition in accordance with the terms and conditions of the Sale and Purchase Agreement;
“connected person(s)”	has the meaning as ascribed thereto under the GEM Listing Rules;
“Consideration”	the Vendor A Consideration and the Vendor B Consideration;
“Consideration Share(s)”	the new Shares to be allotted and issued at the Issue Price, credited as fully paid, pursuant to the Sale and Purchase Agreement;
“controlling shareholder(s)”	has the same meaning ascribed to it under the GEM Listing Rules;
“Conversion Price”	HK\$0.160 per Conversion Share, being the initial conversion price of the Convertible Bonds;
“Conversion Shares”	the new Shares which may fall to be allotted and issued upon exercise of the conversion rights attaching to the Convertible Bonds;
“Convertible Bonds”	the convertible bonds to be issued by the Company pursuant to the Subscription Agreements;

“Director(s)”	the director(s) of the Company;
“EGM”	the extraordinary general meeting of the Company held on 20 March 2020;
“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;
“General Mandate”	the mandate granted to the Directors by the Shareholders at the EGM to allot, issue and otherwise deal with up to 20% of the issued share capital of the Company as at the date of the EGM;
“Group”	the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Hongsheng”	Hongsheng Enterprise Limited (鴻盛實業有限公司), a company incorporated in the British Virgin Islands with limited liability on 4 October 2016 and a controlling shareholder of the Company, which is wholly owned by Mr. Liu Yong Qiang as at the date of this announcement;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“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;
“Issue Price”	HK\$0.160, being the initial issue price per Consideration Share pursuant to the terms and conditions of the Sale and Purchase Agreement;
“Listing Division”	the listing division of the Stock Exchange for consideration applications for and granting of listing;
“Long Stop Date”	31 December 2020 or such later date as the Purchaser and the Vendors may agree in writing;
“MYR”	Malaysian Ringgit, the lawful currency of the Malaysia;
“PRC”	the People’s Republic of China which, for the purposes of this announcement, excludes Hong Kong, Macau and Taiwan;

“Properties”	a total of four service apartment units at the housing development known as “MM Residency (金富苑)” situated at the north-eastern side of Jalan Melawati 1 near its junction with Jalan G1 located in Kuala Lumpur, Malaysia;
“Purchaser”	Excellence Enterprise Holdings Limited (卓越實業控股有限公司), a company incorporated in the British Virgin Islands with limited liability on 22 November 2019 and a direct wholly-owned subsidiary of the Company;
“Sale and Purchase Agreement”	the conditional sale and purchase agreement dated 3 April 2020 entered into by the Purchaser and the Vendors in respect of the Acquisition;
“Sale Share(s)”	the Vendor A Sale Shares and the Vendor B Sale Shares, representing the entire issued share capital of Target Company;
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Share(s)”	the ordinary share(s) of par value of HK\$0.01 each in the issued share capital of the Company;
“Shareholder(s)”	the holder(s) of the Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subscription Agreements”	the two subscription agreements both dated 3 April 2020 entered into by the Company and each of the Vendors in relation to the issue and the subscription of the Convertible Bonds;
“Target Company”	Silver Max AP Company Limited, a company incorporated in Hong Kong with limited liability on 6 March 2020, which is wholly-owned by the Vendors as at the date of this announcement and an Independent Third Party;
“Target Group”	the Target Company and TPB Property;
“TPB Property”	TPB Property Sdn. Bhd., a company incorporated in Malaysia with limited liability on 13 March 2020, which is owned by the Target Company as at the date of this announcement and an Independent Third Party;
“Vendor A”	Mr. Yu Ting Hin (余庭軒), an Independent Third Party;
“Vendor A Consideration”	MYR4,900,000 (equivalent to approximately HK\$8,721,600) for the sale and purchase of the Vendor A Sale Shares;

“Vendor A Sale Shares”	50% of the issued share capital of the Target Company;
“Vendor B”	Mr. Fai Wai Lap Felip (費尉立), an Independent Third Party;
“Vendor B Consideration”	MYR4,900,000 (equivalent to approximately HK\$8,721,600) for the sale and purchase of the Vendor B Sale Shares;
“Vendor B Sale Shares”	50% of the issued share capital of the Target Company;
“Vendors”	Vendor A and Vendor B;
“Yongsheng”	Yongsheng Enterprise Limited (永盛實業有限公司), a company incorporated in the British Virgin Islands with limited liability on 4 October 2016 and a controlling shareholder of the Company, which is wholly owned by Mr. Liu Yong Cheng as at the date of this announcement; and
“%”	per cent.

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

Hong Kong, 3 April 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.*

For the purpose of this announcement, the translation of MYR into HK\$ is based on the approximate rate of HK\$1.00 = MYR0.5618. The above conversion rates are for illustrative purpose only and do not constitute a representation that any amounts have been, could have been, or may be exchanged at the aforesaid or any other rates or at all.

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.