

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, a bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in TL Natural Gas Holdings Limited, you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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TL Natural Gas Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8536)

**PROPOSED RE-ELECTION OF RETIRING DIRECTORS AND
APPOINTMENT OF DIRECTOR
AND
PROPOSED GRANTING OF GENERAL MANDATES TO
REPURCHASE SHARES AND TO ISSUE SHARES
AND
PROPOSED REFRESHMENT OF SCHEME MANDATE LIMIT
UNDER THE SHARE OPTION SCHEME
AND
NOTICE OF ANNUAL GENERAL MEETING**

The notice convening the Annual General Meeting of TL Natural Gas Holdings Limited to be held at 4/F, Holiday Inn Guangzhou South Lake, No. 320 Tonghe Road, Baiyun District, Guangzhou, the PRC on Friday, 19 June 2020 at 3:00 p.m. is set out on pages 18 to 22 of this circular. A form of proxy for use at the Annual General Meeting is sent to you with this circular.

Whether or not you are able to attend the Annual General Meeting, please complete and sign the enclosed form of proxy for use at the Annual General Meeting in accordance with the instructions printed thereon and return it to the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the Annual General Meeting (i.e. not later than 3:00 p.m. on Wednesday, 17 June 2020) or the adjourned meeting (as the case may be). Completion and return of the form of proxy will not preclude shareholders from attending and voting in person at the Annual General Meeting if they so wish, and in such case, the form of proxy previously submitted shall be deemed to be revoked.

This circular together with the form of proxy will remain on the "Latest Company Announcements" page of the GEM website at www.hkgem.com for at least seven days from the date of its publication and on the Company's website at www.tl-cng.com.

Reference to the time and dates in this circular are to Hong Kong time and dates.

CHARACTERISTICS OF GEM

CHARACTERISTICS OF GEM

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

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DEFINITIONS

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

“Annual General Meeting”	the annual general meeting of the Company to be held at 4/F, Holiday Inn Guangzhou South Lake, No. 320 Tonghe Road, Baiyun District, Guangzhou, the PRC on Friday, 19 June 2020 at 3:00 p.m., to consider and, if appropriate, to approve the resolutions contained in the notice of the meeting which is set out on pages 18 to 22 of this circular, or any adjournment thereof
“Articles of Association”	the amended and restated articles of association of the Company currently in force
“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
“Director(s)”	the director(s) of the Company
“GEM”	GEM operated by the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM as amended from time to time
“Group”	the Company and its subsidiaries from time to time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Issuance Mandate”	a general mandate proposed to be granted to the Directors to allot, issue or deal with additional Shares of not exceeding 20% of the total number of issued Shares as at the date of passing of the proposed ordinary resolution contained in item 5 of the notice of the Annual General Meeting as set out on pages 18 to 22 of this circular
“Latest Practicable Date”	13 May 2020, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular

DEFINITIONS

“Listing Date”	18 May 2018, being the date of listing of Shares on GEM
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Scheme Mandate Limit”	the maximum number of options that may be granted by the Company pursuant to the Share Option Scheme which initially shall not in aggregate exceed 10% of the number of Shares in issue at the time of listing of the Shares on GEM on the Listing Date and thereafter, if refreshed, shall not exceed 10% of the Shares in issue as at the date of approval of the refreshment of the Scheme Mandate Limit by the Shareholders
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended from time to time
“Share Option Scheme”	the share option scheme of the Company adopted on 20 April 2018
“Share(s)”	ordinary share(s) of HK\$0.01 each in the issued capital of the Company or if there has been a subsequent sub-division, consolidation, reclassification or reconstruction of the share capital of the Company, shares forming part of the ordinary equity share capital of the Company
“Share Repurchase Mandate”	a general mandate proposed to be granted to the Directors to repurchase Shares on the Stock Exchange of not exceeding 10% of the total number of issued Shares as at the date of passing of the proposed ordinary resolution contained in item 4 of the notice of the Annual General Meeting as set out on pages 18 and 22 of this circular
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Code on Takeovers and Mergers approved by the Securities and Futures Commission as amended from time to time

* For identification purpose only

LETTER FROM THE BOARD

TL Natural Gas Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8536)

Executive Directors:

Mr. Liu Yong Cheng
(Chairman and Chief Executive Officer)
Mr. Liu Yong Qiang
Mr. Liu Chunde

Registered Office in the Cayman Islands:

Osiris International Cayman Limited
Suite #4-210, Governors Square
23 Lime Tree Bay Avenue, PO Box 32311
Grand Cayman KY1-1209, Cayman Islands

Independent Non-executive Directors:

Mr. Wong Chun Peng Stewart
Mr. Li Wai Kwan
Ms. Li Helen Hoi Lam

*Head Office and Principal Place of
Business in the PRC:*

Jingzhou Primary Station
Dong Fang Road
Economic Development Zone
Jingzhou City
Hubei Province
the PRC

Principal Place of Business in

Hong Kong:

13/F, Wah Yuen Building
149 Queen's Road Central
Hong Kong

19 May 2020

To the Shareholders

Dear Sir/Madam,

**PROPOSED RE-ELECTION OF RETIRING DIRECTORS AND
APPOINTMENT OF DIRECTOR
AND
PROPOSED GRANTING OF GENERAL MANDATES TO
REPURCHASE SHARES AND TO ISSUE SHARES
AND
REFRESHMENT OF SCHEME MANDATE LIMIT
UNDER THE SHARE OPTION SCHEME
AND
NOTICE OF ANNUAL GENERAL MEETING**

1. INTRODUCTION

The purpose of this circular is to provide the Shareholders with information in respect of certain resolutions to be proposed at the Annual General Meeting and to give you notice of the Annual General Meeting.

LETTER FROM THE BOARD

2. PROPOSED RE-ELECTION OF RETIRING DIRECTORS AND APPOINTMENT OF DIRECTOR

As at the Latest Practicable Date, the executive Directors are Mr. Liu Yong Cheng, Mr. Liu Yong Qiang and Mr. Liu Chunde; and the independent non-executive Directors are Mr. Wong Chun Peng Stewart, Mr. Li Wai Kwan and Ms. Li Helen Hoi Lam.

Pursuant to Article 108 of the Articles of Association, at every annual general meeting of the Company, one-third of the Directors for the time being (or, if their number is not three or a multiple of three, then the number nearest to but not less than one-third) shall retire from office by rotation provided that every director shall be subject to retirement by rotation at an annual general meeting at least once every three years. A retiring Director shall be eligible for re-election. Mr. Liu Chunde and Mr. Li Wai Kwan shall retire from office by rotation at the Annual General Meeting, and being eligible, will offer themselves for re-election. In addition, Mr. Wong Chun Peng Stewart will retire and has decided not seek for re-election at the forthcoming annual general meeting as he would like to devote more time to his other work commitments. Mr. Wong confirms that he does not have any disagreement with the Board and there is nothing to be brought to the attention of the Shareholders in relation to his proposed retirement. The Board would like to express its sincere gratitude to Mr. Wong for his valuable contribution to the Company during his tenure of service.

The Nomination Committee held a meeting on 8 May 2020 to review the structure and composition of the Board, assess the independence of all independent non-executive Directors and consider the re-election of the retiring Directors, taking into account the qualifications, skills and experience, time commitment and contribution of the retiring Directors and with reference to the nomination principles and criteria set out in the Company's Board Diversity Policy and Director Nomination Policy and the Company's corporate strategy. Having considered the recommendation of the Nomination Committee, the Board recommends the re-election of the two retiring Directors, namely Mr. Liu Chunde and Mr. Li Wai Kwan and the appointment of Ms. Luo Hongru as an independent non-executive Director. In addition, the Nomination Committee considers that Mr. Li Wai Kwan and Ms. Luo Hongru, are independent in accordance with the independence guidelines set out in Rule 5.09 of the GEM Listing Rules and will bring independent judgment and valuable advice, in particular from the financial and legal perspective, to the Board for its efficient and effective functioning and diversity.

Pursuant to Rule 17.46A of the GEM Listing Rules, the biographical details of the Directors proposed for re-election and new appointment at the Annual General Meeting are set out in Appendix I to this circular.

LETTER FROM THE BOARD

3. PROPOSED GRANTING OF GENERAL MANDATE TO REPURCHASE SHARES

At the annual general meeting of the Company held on 3 May 2019, ordinary resolutions were passed by the Shareholders to grant to the Directors to repurchase Shares. Such mandate will, if granted, expire at the earliest of (i) the conclusion of the next annual general meeting of the Company, (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws and regulations of the Cayman Islands to be held, or (iii) the date on which the authority set out in the resolution is revoked or varied by the passing of an ordinary resolution of the Shareholders in a general meeting prior to the next annual general meeting of the Company. In order to give the Company the flexibility to repurchase Shares if and when appropriate, an ordinary resolution will be proposed at the Annual General Meeting to approve the granting of the Share Repurchase Mandate to the Directors to repurchase Shares on GEM of the Stock Exchange of not exceeding 10% of the total number of issued Shares as at the date of passing of the proposed ordinary resolution contained in item 4 of the notice of the Annual General Meeting as set out on pages 18 to 22 of this circular (i.e. a total of 66,236,000 Shares on the basis that the issued share capital of the Company remains 662,360,000 Shares from the Latest Practicable Date to the date of the Annual General Meeting). The Directors wish to state that they have no immediate plan to repurchase any Shares pursuant to the Share Repurchase Mandate.

An explanatory statement required by the GEM Listing Rules to provide the Shareholders with requisite information reasonably necessary for them to make an informed decision on whether to vote for or against the granting of the Share Repurchase Mandate is set out in Appendix II to this circular.

4. PROPOSED GRANTING OF GENERAL MANDATE TO ISSUE SHARES

At the extraordinary general meeting of the Company held on 20 March 2020, ordinary resolutions were passed by the Shareholders to grant a general mandate to the Directors to issue Shares. Such mandate will lapse at the conclusion of the Annual General Meeting. In order to give the Company the flexibility to issue Shares if and when appropriate, an ordinary resolution will be proposed at the Annual General Meeting to approve the granting of the Issuance Mandate to the Directors to allot, issue or deal with additional Shares of not exceeding 20% of the total number of issued Shares as at the date of passing of the proposed ordinary resolution contained in item 5 of the notice of the Annual General Meeting as set out on pages 18 to 22 of this circular (i.e. a total of 132,472,000 Shares on the basis that the issued share capital of the Company remains 662,360,000 from the Latest Practicable Date to the date of the Annual General Meeting). An ordinary resolution to extend the Issuance Mandate by adding the number of Shares repurchased by the Company pursuant to the Share Repurchase Mandate will also be proposed at the Annual General Meeting.

The Directors wish to state that they have no immediate plan to issue any new Shares pursuant to the Issuance Mandate.

LETTER FROM THE BOARD

5. PROPOSED REFRESHMENT OF SCHEME MANDATE LIMIT UNDER THE SHARE OPTION SCHEME

The Share Option Scheme was adopted by the Company on 20 April 2018 by a resolution in writing passed by the Shareholders prior to the listing of the Shares on GEM on the Listing Date. The purpose of the Share Option Scheme is to provide eligible participants with the opportunity to acquire proprietary interests in the Company and to encourage eligible participants to work towards enhancing the value of the Company and its Shares for the benefit of our Company and its Shareholders as a whole. Apart from the Share Option Scheme, the Company has no other share option scheme currently in force.

Pursuant to Chapter 23 of the GEM Listing Rules, the total number of securities which may be issued upon exercise of all options to be granted under a share option scheme and any other schemes of a listed issuer must not in aggregate exceed 10% of the relevant class of securities of the listed issuer in issue as at the date of approval of the scheme (the "10% Limit"). The listed issuer may seek approval by its shareholders in general meeting for "refreshing" the 10% Limit. However, the total number of securities which may be issued upon exercise of all options to be granted under all of the schemes of the listed issuer under the limit as "refreshed" must not exceed 10% of the relevant class of securities in issue as at the date of approval of the refreshed limit. Options previously granted under the schemes (including those outstanding, cancelled or lapsed in accordance with the scheme or exercised options) will not be counted for the purpose of calculating the limit as "refreshed". The GEM Listing Rules also provide that the limit on the number of securities which may be issued upon exercise of all outstanding options granted and yet to be exercised under the scheme and any other schemes must not exceed 30% of the relevant class of securities of the listed issuer in issue from time to time. The total number of Shares which may fall to be issued upon exercise of all share options to be granted under the Share Option Scheme was 50,000,000 (the "Existing Scheme Mandate Limit"), representing 10% of the total of 500,000,000 Shares in issue at the time of the Shares commenced dealing on the GEM on the Listing Date. As at the Latest Practicable Date, the Company granted 16,500,000 share options to the three executive Directors, 27,500,000 share options to five employees and 5,500,000 share options to a shareholder and supervisor of Guangzhou Guanghong Energy Technology Limited* (廣州廣宏能源科技有限公司), which the Group has a 40% interest in it, under the Share Option Scheme, of which no share options were exercised, cancelled or lapsed, and 49,500,000 share options were outstanding (entitling holders thereof to subscribe for up to a total of 49,500,000 Shares, representing approximately 7.47% of the total number of issued Shares as at the Latest Practicable Date). Accordingly, the Company is permitted to grant further options to subscribe 500,000 Shares under the Existing Scheme Mandate Limit, being approximately 0.08% of the issued Shares as at the Latest Practicable Date.

In view of the limited number of Shares available under the Existing Scheme Mandate Limit, the Board proposes to refresh the Scheme Mandate Limit. The Board considers that it is in the interests of the Company and the Shareholders as a whole to refresh the Scheme Mandate Limit as it provides more flexibility for the Company to provide incentive to encourage eligible participants to perform their best in achieving the goals of the Group and allow eligible participants to enjoy the results of the Company attained through their efforts and contributions.

LETTER FROM THE BOARD

As at the Latest Practicable Date, there were 662,360,000 Shares in issue. If the Scheme Mandate Limit is refreshed and assuming that there is no change in the issued share capital of the Company between the period from the Latest Practicable Date and the date of the Annual General Meeting, the Company will be allowed under the refreshed limit, to grant up to 66,236,000 share options pursuant to the Share Option Scheme, entitling the grantees to subscribe for a total of 66,236,000 Shares, representing 10% of the issued Shares as at the date of the Annual General Meeting. The Company currently has no plan to grant options under the refreshed Scheme Mandate Limit.

The refreshment of the Scheme Mandate Limit is conditional upon:

- (i) the passing of an ordinary resolution by the Shareholders to approve the said refreshment at the Annual General Meeting; and
- (ii) the Stock Exchange granting the approval of the listing of, and permission to deal in, such number of Shares, representing 10% of the issued Shares as at the date of the Annual General Meeting, which may fall to be allotted and issued pursuant to the exercise of the options that may be granted under the Scheme Mandate Limit so refreshed.

Application will be made to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Shares that may be issued pursuant to the exercise of the options that may be granted under the refreshed Scheme Mandate Limit.

6. ANNUAL GENERAL MEETING, PROXY AND CORPORATE REPRESENTATIVE ARRANGEMENT AND CLOSURE OF REGISTER OF MEMBERS

The notice of the Annual General Meeting is set out on pages 18 to 22 of this circular.

Pursuant to the GEM Listing Rules and the Articles of Association, any vote of Shareholders at a general meeting must be taken by poll except where the chairman decides to allow a resolution relating to a procedural or administrative matter to be voted on by a show of hands. An announcement on the poll results will be published by the Company after the Annual General Meeting in the manner prescribed under the GEM Listing Rules.

A form of proxy for use at the Annual General Meeting is enclosed with this circular and such form of proxy is also published on the websites of GEM (www.hkgem.com) and the Company (www.tl-cng.com). To be valid, the form of proxy must be completed and signed in accordance with the instructions printed thereon and deposited, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power of attorney or authority at the Company's branch share registrar, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the Annual General Meeting (i.e. not later than 3:00 p.m. on Wednesday, 17 June 2020) or the adjourned meeting (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting at the Annual General Meeting if you so wish, and in such case, the form of proxy previously submitted shall be deemed to be revoked.

LETTER FROM THE BOARD

In the case of an appointment of corporate representative by a corporate shareholder (other than a Shareholder which is a Clearing House (as defined in the Articles of Association) (or its nominee)), a copy of the resolution of its directors or other governing body of the Shareholder authorising the appointment of the corporate representative or a form of notice of appointment of corporate representative issued by the Company for such purpose or a copy of the relevant power of attorney, together with an up-to-date copy of the Shareholder's constitutive documents and a list of directors or members of the governing body of the Shareholder as at the date of such resolution, or, as the case may be, power of attorney, certified by a director, secretary or a member of the governing body of that Shareholder and notarised, must be deposited at the Company's branch share registrar, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time appointed for the meeting (i.e. not later than 3:00 p.m. on Wednesday, 17 June 2020) or the adjourned meeting (as the case may be).

For determining the entitlement to attend and vote at the meeting, the register of members of the Company will be closed from Tuesday, 16 June 2020 to Friday, 19 June 2020, both dates inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the Annual General Meeting, unregistered holders of shares of the Company shall ensure that all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Monday, 15 June 2020.

7. RECOMMENDATION

The Directors consider that the proposed re-election of retiring Directors, the proposed appointment of Director, the granting of the Share Repurchase Mandate and the Issuance Mandate and the refreshment of the Scheme Mandate Limit are in the best interests of the Company and the Shareholders. Accordingly, the Directors recommend the Shareholders to vote in favour of the relevant resolutions to be proposed at the Annual General Meeting.

8. RESPONSIBILITY STATEMENT

This circular, 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 relating to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular 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 circular misleading.

Yours faithfully,
For and on behalf of the Board
TL Natural Gas Holdings Limited
Liu Yong Cheng
Chairman, Chief Executive Officer and Executive Director

APPENDIX I DETAILS OF THE DIRECTORS PROPOSED TO BE RE-ELECTED AND APPOINTED AT THE ANNUAL GENERAL MEETING

The following are details of the Directors who will retire and being eligible, offer themselves for re-election and the Director proposed to be appointed at the Annual General Meeting.

(1) **Liu Chunde, Executive Director**

Mr. Liu Chunde (劉春德), aged 67, is our executive Director and general manager. He was appointed as our Director and redesignated as an executive Director on 24 March 2017 and 28 June 2017, respectively. He is primarily responsible for formulating corporate strategy, planning, business development and supervising the overall operations of our Group. Mr. Liu joined our Group on 1 January 2009 as a general manager and was responsible for the overall management of the company's strategic development. Mr. Liu served as a director of Tonglin Gas since November 2010.

Mr. Liu has about 10 years of experience in the natural gas industry and extensive experience in management. Mr. Liu was a PRC military officer in Jilin and Guangzhou from April 1974 to March 1987 and April 1987 to August 1992, respectively. He served as a general manager at Guangdong Jinshi Property Development Limited* (廣東金石物業發展總公司) from September 1992 to August 1996.

Mr. Liu served as the executive director and legal representative of Guangzhou Haoke Night Club Co., Ltd.* (廣州市豪客夜總會有限公司) from August 1997 to December 2015, which was deregistered on 24 December 2015 due to cessation of business. Mr. Liu completed a programme in party and government cadres theory from Jilin University (吉林大學) in the PRC in July 1985.

Mr. Liu entered into a service agreement with the Company for a term of three years commencing from the Listing Date which may be terminated by either party giving not less than three months' written notice. Mr. Liu is subject to retirement by rotation and re-election at the annual general meeting at least once every three years pursuant to the Articles of Association.

Pursuant to the service agreement, Mr. Liu receives no fee for his acting as an executive Director. He is entitled to a remuneration package of RMB138,000 per annum under his employment contract with the Company.

As at the Latest Practicable Date, Mr. Liu held the share options granted by the Company to subscribe for 5,500,000 Shares within the meaning of Part XV of the SFO. Save as disclosed above, as at the Latest Practicable Date, Mr. Liu was not interested or deemed to be interested in any Shares or underlying Shares pursuant to Part XV of the SFO.

Save as disclosed above, Mr. Liu (i) does not hold other positions in the Group, (ii) does not have any relationship with any other Directors, senior management, substantial shareholders or controlling shareholders (as defined in the GEM Listing Rules) of the Company, and (iii) has not held any directorship in any public companies the securities of which are or have been listed on any securities market in Hong Kong or overseas in the past three years.

APPENDIX I DETAILS OF THE DIRECTORS PROPOSED TO BE RE-ELECTED AND APPOINTED AT THE ANNUAL GENERAL MEETING

Save for the information disclosed above, there is no information which is discloseable nor is Mr. Liu involved in any of the matters required to be disclosed pursuant to any of the requirements under Rule 17.50(2)(h) to (v) of the GEM Listing Rules and there are no other matters concerning Mr. Liu that need to be brought to the attention of the Shareholders.

(2) **Li Wai Kwan, Independent Non-executive Director**

Mr. Li Wai Kwan (李偉君), aged 48, was appointed as an independent non-executive Director on 28 June 2017, and is the chairman of our Audit and Risk Management Committee and a member of our Nomination Committee and Remuneration Committee.

Mr. Li has many years of experience in accounting, finance and investment management. Mr. Li is the chief financial officer of Crystal International Group Limited (stock code: 2232), which is principally engaged in manufacturing of fashion products since November 2018, while he is responsible for finance matters for the Group. From March 2005 to September 2006, he worked for Esprit Holdings Limited, which is listed on the Main Board (stock code: 330) and principally engaged in manufacturing, retail and wholesale distribution of fashion products, and he served as a vice president of operational finance and a vice president of finance in Asia Pacific region from March 2005 to September 2006, while he was responsible for finance and operational matters. From October 2006 to September 2010, he was a vice president of China Agri-Industries Holdings Limited, which is listed on the Main Board (stock code: 606) and principally engaged in trading on agricultural raw materials, manufacturing and distributing food products, while he was responsible for finance, investment and company secretarial matters. Mr. Li was a managing director and director of the board of COFCO Agricultural Investment Fund Management Company Limited, which is principally engaged in asset management, from September 2010 to October 2011, and he was responsible for managing overall business and investment matters. Mr. Li was a managing director of Origo Partners PLC, whose shares are listed on the London Stock Exchange and principal business is private equity investment, from November 2011 to January 2013, and he was responsible for investment matters. Mr. Li was the chief financial officer of Zhuhai Dahengqin Holding Limited, which is principally engaged in primary land development, real estate development, theme park construction and operation, city operational management, and asset management in Hengqin Free Trade Zone, from November 2013 to October 2018, while he was responsible for finance, investment and fund management matters.

Mr. Li is an executive committee member and honorary treasurer of the Hong Kong ASEAN Economics Cooperation Foundation since 2015, a director of the board of Chartered Professional Accountants of Canada Hong Kong & Macau Chapter since 2017 and a Honorary President of the Institute of Certified Management Accountants Hong Kong & Macau Branch since 2018.

APPENDIX I DETAILS OF THE DIRECTORS PROPOSED TO BE RE-ELECTED AND APPOINTED AT THE ANNUAL GENERAL MEETING

Mr. Li was the chairman of Investor Relations Committee of the Chamber of Hong Kong Listed Companies from 2008 to 2010, the honorary vice chairman of China Enterprise Reputation and Credibility Association (Overseas) in 2009, the chairman of Partnership and Promotion Committee of the Hong Kong Investor Relations Association from 2009 to 2010, a member of the Organizing Committee of Directors of the Year Awards 2010 organized by the Hong Kong Institute of Directors, a committee member of the PRC committee of the Hong Kong Venture Capital and Private Equity Association in 2011, and a committee member of Public Awareness Committee of Hong Kong Society of Financial Analysts in 2016. Mr. Li was a member of Finance Committee of the Hong Kong Housing Authority from 2010 to 2012. Mr. Li was the guest lecturer of the Macau University of Science and Technology in 2016.

Mr. Li graduated from University of Toronto in Canada with a bachelor of commerce degree with distinction in November 1995. He further obtained a master of business administration degree from Schulich School of Business, York University in Canada in November 1996.

Mr. Li was admitted as a chartered financial analyst of the Chartered Financial Analysts Institute in September 2001, a certified general accountant of the Certified General Accountants of Canada in October 2002, a certified public accountant of the Hong Kong Institute of Certified Public Accountants in October 2004, a fellow chartered certified accountant of the Association of Chartered Certified Accountants in June 2010, a chartered professional accountant of the Chartered Professional Accountants of British Columbia, Canada in June 2015, a member of Hong Kong Business Accountants Association in December 2015, a fellow certified management accountant of the Institute of Certified Management Accountants in April 2016, and a fellow chartered accountant of the Institute of Chartered Accountant in England & Wales in June 2018.

Mr. Li is the independent non-executive director of KW Nelson Interior Design and Contracting Group Limited (stock code: 8411) since 18 November 2016, the independent non-executive director of Miricor Enterprises Holdings Limited (stock code: 1827) since 19 December 2016, the independent non-executive director of Enterprise Development Holdings Limited (stock code: 1808) since 27 April 2017, and the independent non-executive director of China Greenfresh Group Company Limited (stock code: 6183) since 20 July 2018. Mr. Li was the independent non-executive director of China Graphene Group Limited (stock code: 63) from 1 February 2018 to 30 November 2018.

Mr. Li entered into a letter of appointment with the Company for a fixed term of three years commencing from the Listing Date which may be terminated by either party giving not less than three months' written notice. Mr. Li is subject to retirement by rotation and re-election at the annual general meeting at least once every three years pursuant to the Articles of Association.

Pursuant to the letter of appointment, Mr. Li is entitled to a director's fee of HK\$120,000 per annum (inclusive of the role as the chairman of the Audit and Risk Management Committee and a member of the Remuneration Committee and the Nomination Committee of the Company).

APPENDIX I DETAILS OF THE DIRECTORS PROPOSED TO BE RE-ELECTED AND APPOINTED AT THE ANNUAL GENERAL MEETING

As at the Latest Practicable Date, Mr. Li did not have any interests or short positions in the shares, underlying shares and debentures (as defined under Part XV of the SFO) of the Company or any of its associated corporations pursuant to Part XV of the SFO. Mr. Li meets the independence guidelines as set out in Rule 5.09 of the GEM Listing Rules.

Save as disclosed above, Mr. Li (i) does not hold other positions in the Group, (ii) does not have any relationship with any other Directors, senior management, substantial shareholders or controlling shareholders (as defined in the GEM Listing Rules) of the Company, and (iii) has not held any directorship in any public companies the securities of which are or have been listed on any securities market in Hong Kong or overseas in the past three years.

Save for the information disclosed above, there is no information which is discloseable nor is Mr. Li involved in any of the matters required to be disclosed pursuant to any of the requirements under Rule 17.50(2)(h) to (v) of the GEM Listing Rules and there are no other matters concerning Mr. Li that need to be brought to the attention of the Shareholders.

(3) Luo Hongru, Proposed Independent Non-executive Director

Ms. Luo Hongru (羅紅茹) (“Ms. Luo”), aged 54, has over 25 years of experience in legal industry.

Ms. Luo graduated from The China Central Radio and TV Virtual University (now known as The Open University of China) after completing the two-year undergraduate programme with majoring in laws in April 2006. From October 1985 to December 1993 she worked at Dabu County Bureau of Justice in Guangdong province during which she was responsible for handling legal affairs. From December 1993 to July 2002, she worked at The Agriculture and Rural Affairs Committee of Guangdong Province (now known as Agricultural and Rural Department of Guangdong Province) in which she was responsible for personnel and payroll matters. From July 2002 to December 2005, she worked at Guangdong Chengzhan Law Firm as a lawyer. Since December 2005, she has been a partner of Guangdong Zhengda United Law Firm.

Ms. Luo obtained the lawyer’s certificate of the People’s Republic of China in October 1993.

As at the Latest Practicable Date, Ms. Luo did not have any interests or short positions in the shares, underlying shares and debentures (as defined under Part XV of the SFO) of the Company or any of its associated corporations pursuant to Part XV of the SFO. Ms. Luo meets the independence guidelines as set out in Rule 5.09 of the GEM Listing Rules.

Save as disclosed above, Ms. Luo (i) does not hold other positions in the Group, (ii) does not have any relationship with any other Directors, senior management, substantial shareholders or controlling shareholders (as defined in the GEM Listing Rules) of the Company, and (iii) has not held any directorship in any public companies the securities of which are or have been listed on any securities market in Hong Kong or overseas in the past three years.

**APPENDIX I DETAILS OF THE DIRECTORS PROPOSED TO BE RE-ELECTED
AND APPOINTED AT THE ANNUAL GENERAL MEETING**

Save for the information disclosed above, there is no information which is discloseable nor is Ms. Luo involved in any of the matters required to be disclosed pursuant to any of the requirements under Rule 17.50(2)(h) to (v) of the GEM Listing Rules and there are no other matters concerning Ms. Luo that need to be brought to the attention of the Shareholders.

The following is an explanatory statement required by the GEM Listing Rules to provide the Shareholders with requisite information reasonably necessary for them to make an informed decision on whether to vote for or against the ordinary resolution to be proposed at the Annual General Meeting in relation to the granting of the Share Repurchase Mandate.

1. SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 662,360,000 Shares.

Subject to the passing of the ordinary resolution set out in item 4 of the notice of the Annual General Meeting in respect of the granting of the Share Repurchase Mandate and on the basis that the issued share capital of the Company remains unchanged on the date of the Annual General Meeting, i.e. being 662,360,000 Shares, the Directors would be authorised under the Share Repurchase Mandate to repurchase, during the period in which the Share Repurchase Mandate remains in force, a total of 66,236,000 Shares, representing 10% of the total number of Shares in issue as at the date of the Annual General Meeting.

2. REASONS FOR SHARE REPURCHASE

The Directors believe that the granting of the Share Repurchase Mandate is in the best interests of the Company and the Shareholders.

Repurchase of Shares may, depending on the market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share and will only be made when the Directors believe that such a repurchase will benefit the Company and the Shareholders.

3. FUNDING OF SHARE REPURCHASE

The Company may only apply funds legally available for share repurchase in accordance with its Articles of Association, the laws of the Cayman Islands and/or any other applicable laws, as the case may be.

4. IMPACT OF SHARE REPURCHASE

There might be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited accounts contained in the annual report of the Company for the year ended 31 December 2019) in the event that the Share Repurchase Mandate was to be carried out in full at any time during the proposed repurchase period. However, the Directors do not intend to exercise the Share Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

5. MARKET PRICES OF SHARES

The highest and lowest prices per Share at which Shares have traded on GEM during each of the previous 12 months prior to the Latest Practicable Date were as follows:

Month	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
May 2019	0.620	0.365
June 2019	0.490	0.265
July 2019	0.345	0.211
August 2019	0.255	0.188
September 2019	0.205	0.181
October 2019	0.201	0.177
November 2019	0.190	0.164
December 2019	0.208	0.156
January 2020	0.206	0.140
February 2020	0.176	0.145
March 2020	0.187	0.085
April 2020	0.172	0.123
May 2020 (<i>up to the Latest Practicable Date</i>)	0.151	0.132

6. GENERAL

To the best of their knowledge and having made all reasonable enquiries, none of the Directors nor any of their respective close associates (as defined in the GEM Listing Rules) have any present intention to sell any Shares to the Company in the event that the granting of the Share Repurchase Mandate is approved by the Shareholders.

The Company has not been notified by any core connected persons (as defined in the Listing Rules) of the Company that they have a present intention to sell any Shares to the Company, or that they have undertaken not to sell any Shares held by them to the Company in the event that the granting of the Share Repurchase Mandate is approved by the Shareholders.

The Directors have undertaken to the Stock Exchange to exercise the power of the Company to repurchase Shares pursuant to the Share Repurchase Mandate in accordance with the GEM Listing Rules and the applicable laws of the Cayman Islands.

7. TAKEOVERS CODE

If as a result of a repurchase of Shares pursuant to the Share Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition of voting rights for the purposes of the Takeovers Code. Accordingly, a Shareholder or a group of Shareholders acting in concert (within the meaning under the Takeovers Code), depending on the level of increase in the Shareholder's interest, could obtain or consolidate control of the Company and thereby become obliged to make a mandatory offer in accordance with Rule 26 and Rule 32 of the Takeovers Code.

To the best knowledge of the Company, as at the Latest Practicable Date, Mr. Liu Yong Cheng and Mr. Liu Yong Qiang, being the controlling shareholders of the Company (as defined in the GEM Listing Rules), were interested in a total of 375,000,000 Shares held by their respective controlled corporations, representing 56.62% of the total issued share capital of the Company. In the event that the Directors exercise in full to repurchase Shares under the Share Repurchase Mandate, the aggregate shareholding of Mr. Liu Yong Cheng and Mr. Liu Yong Qiang would be increased to approximately 62.91% of the issued share capital of the Company. The Directors are not aware of any consequences which may give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code.

The GEM Listing Rules prohibit a company from making repurchase on the Stock Exchange if the result of the repurchase would be that less than 25 per cent (or such minimum percentage as approved by the Stock Exchange) of the issued Shares would be in public hands. The Directors do not propose to exercise Share Repurchase Mandate which would result in less than prescribed minimum percentage of Shares in public hands. The Directors will use their best endeavours to ensure that the Share Repurchase Mandate will not be exercised to such extent that the number of Shares held by the public will fall below the relevant minimum percentage as determined by the Stock Exchange.

8. SHARE REPURCHASE MADE BY THE COMPANY

During the six months prior to the Latest Practicable Date, the Company has not repurchased any of the Shares (whether on the GEM or otherwise).

NOTICE OF ANNUAL GENERAL MEETING

TL Natural Gas Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8536)

Notice is hereby given that the annual general meeting of TL Natural Gas Holdings Limited (the “Company”) will be held at 4/F, Holiday Inn Guangzhou South Lake, No. 320 Tonghe Road, Baiyun District, Guangzhou, the PRC on Friday, 19 June 2020 at 3:00 p.m. for the following purposes:

1. To receive the audited consolidated financial statements of the Company and the reports of the directors and auditors for the year ended 31 December 2019.
2.
 - (a) To re-elect Mr. Liu Chunde as an executive director of the Company;
 - (b) To re-elect Mr. Li Wai Kwan as an independent non-executive director of the Company;
 - (c) To appoint Ms. Luo Hongru as an independent non-executive director of the Company; and
 - (d) To authorise the board of directors of the Company to fix the respective directors’ remuneration.
3. To re-appoint Ernst and Young as the auditors of the Company and to authorise the board of directors of the Company to fix their remuneration.
4. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“THAT:

- (a) subject to paragraph (b) below, a general mandate be and is hereby generally and unconditionally given to the directors of the Company to exercise during the Relevant Period (as defined below) all the powers of the Company to repurchase its shares in accordance with all applicable laws, rules and regulations;
- (b) the total number of shares of the Company to be repurchased pursuant to the mandate in paragraph (a) above shall not exceed 10% of the total number of issued shares of the Company as at the date of passing of this resolution, and if any subsequent consolidation or subdivision of shares is conducted, the maximum number of shares that may be repurchased under the mandate in paragraph (a) above as a percentage of the total number of issued shares at the date immediately before and after such consolidation or subdivision shall be the same; and

NOTICE OF ANNUAL GENERAL MEETING

(c) for the purposes of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws to be held; and
- (iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders in general meeting.”

5. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“**THAT:**

- (a) subject to paragraph (b) below, a general mandate be and is hereby generally and unconditionally given to the directors of the Company to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options which might require the exercise of such powers during or after the end of the Relevant Period (as defined below) in accordance with all applicable laws, rules and regulations;
- (b) the aggregate number of shares allotted or agreed conditionally or unconditionally to be allotted by the directors pursuant to the mandate in paragraph (a) above, otherwise than pursuant to:
 - (i) a Rights Issue (as defined below);
 - (ii) the exercise of options under a share option scheme of the Company; and
 - (iii) any scrip dividend scheme or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the articles of association of the Company,

shall not exceed 20% of the total number of issued shares of the Company as at the date of passing of this resolution, and if any subsequent consolidation or subdivision of shares is conducted, the maximum number of shares that may be issued under the mandate in paragraph (a) above as a percentage of the total number of issued shares at the date immediately before and after such consolidation or subdivision shall be the same; and

NOTICE OF ANNUAL GENERAL MEETING

(c) for the purposes of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws to be held; and
- (iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders in general meeting.

“Rights Issue” means an offer of shares open for a period fixed by the directors to holders of shares of the Company or any class thereof on the register on a fixed record date in proportion to their then holdings of such shares or class thereof (subject to such exclusions or other arrangements as the directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of any relevant jurisdiction or the requirements of any recognised regulatory body or any stock exchange).”

6. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“**THAT** conditional upon the passing of the resolutions set out in items 4 and 5 of the notice convening this meeting (the “Notice”), the general mandate referred to in the resolution set out in item 5 of the Notice be and is hereby extended by the addition to the aggregate number of shares which may be allotted and issued or agreed conditionally or unconditionally to be allotted and issued by the directors pursuant to such general mandate of the number of shares repurchased by the Company pursuant to the mandate referred to in resolution set out in item 4 of the Notice, provided that such number of shares shall not exceed 10% of the total number of issued shares of the Company as at the date of passing of this resolution.”

NOTICE OF ANNUAL GENERAL MEETING

7. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“**THAT** subject to and conditional upon the Listing Committee of the Stock Exchange granting the listing of and permission to deal in the shares to be issued upon exercise of any options to be granted under the Refreshed Limit (as defined below) pursuant to the share option scheme (the “Share Option Scheme”) adopted by the Company on 20 April 2018, the scheme mandate limit under the Share Option Scheme be refreshed so that the total number of shares of the Company to be allotted and issued upon exercise of any options to be granted under the Share Option Scheme (excluding options previously granted, outstanding, cancelled, lapsed or exercised under the Share Option Scheme) shall not exceed 10% of the total number of issued shares of the Company as at the date of the passing of this resolution (the “Refreshed Limit”) and that the directors of the Company be and are hereby authorised to grant options up to the Refreshed Limit and to exercise all the powers of the Company to allot, issue and deal with shares of the Company pursuant to the exercise of such options.”.

By Order of the Board

Liu Yong Cheng

Chairman, Chief Executive Officer and Executive Director

Hong Kong, 19 May 2020

Notes:

1. All resolutions at the meeting will be taken by poll (except where the Chairman decides to allow a resolution relating to a procedural or administrative matter to be voted on by a show of hands) pursuant to the Rules Governing the Listing of Securities on GEM (the “GEM Listing Rules”). The results of the poll will be published on the websites of GEM and the Company in accordance with the GEM Listing Rules.
2. Any shareholder of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy, or if he is the holder of two or more shares, more than one proxy to attend and vote instead of him. A proxy need not be a shareholder of the Company. If more than one proxy is appointed, the number of shares in respect of which each such proxy so appointed must be specified in the relevant form of proxy. Every shareholder present in person or by proxy shall be entitled to one vote for each share held by him.
3. In order to be valid, the form of proxy together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power of attorney or authority, must be deposited at the Company’s branch share registrar, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong not less than 48 hours before the time appointed for the meeting (i.e. not later than 3:00 p.m. on Wednesday, 17 June 2020) or the adjourned meeting (as the case may be). Completion and return of the form of proxy shall not preclude a shareholder of the Company from attending and voting in person at the meeting and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
4. In the case of an appointment of corporate representative by a corporate shareholder (other than a shareholder which is a Clearing House (as defined in the Company’s articles of association) (or its nominee)), a copy of the resolution of its directors or other governing body of the shareholder authorising the appointment of the corporate representative or a form of notice of appointment of corporate representative issued by the Company for such purpose or a copy of the relevant power of attorney, together with an up-to-date copy of the shareholder’s constitutive documents and a list of

NOTICE OF ANNUAL GENERAL MEETING

directors or members of the governing body of the shareholder as at the date of such resolution, or, as the case may be, power of attorney, certified by a director, secretary or a member of the governing body of that shareholder and notarised, must be deposited at the Company's branch share registrar, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time appointed for the meeting (i.e. not later than 3:00 p.m. on Wednesday, 17 June 2020) or the adjourned meeting (as the case may be).

5. For determining the entitlement to attend and vote at the meeting, the register of members of the Company will be closed from Tuesday, 16 June 2020 to Friday, 19 June 2020, both dates inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the annual general meeting, unregistered holders of shares of the Company shall ensure that all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Monday, 15 June 2020.
6. If a black rainstorm warning or a tropical cyclone warning signal number 8 or above is hoisted at 10:00 a.m. on Friday, 19 June 2020, the above meeting will not be held on Friday, 19 June 2020 but will be held on the second Business Day immediately after that date at the same time and place or as otherwise determined by the board of directors of the Company. "Business Day", in this context, shall mean a day (excluding Saturday) on which banks are open for general banking business in Hong Kong. Shareholders may contact Customer Service Hotline of Tricor Investor Services Limited at (852) 29801333 from 9:00 a.m. to 5:00 p.m., Monday to Friday (excluding public holidays) for any enquiry regarding the aforesaid arrangement.
7. References to time and dates in this notice are to Hong Kong time and dates.