

3 September 2021

**High Concentration of Shareholding
in
TL Natural Gas Holdings Limited (Stock Code: 08536)**

This announcement is made by the Securities and Futures Commission (“SFC”) in respect of the concentration of the shareholding of TL Natural Gas Holdings Limited (“the Company”) in the hands of a limited number of shareholders as at 18 August 2021.

In view of the high concentration of shareholding in a small number of shareholders, shareholders and prospective investors should be aware that the price of the shares of the Company (“Shares”) could fluctuate substantially even with a small number of Shares traded, and should exercise extreme caution when dealing in the Shares.

The SFC has recently completed an enquiry into the shareholding of the Company. Our findings suggested that, as at 18 August 2021, 18 shareholders held an aggregate of 71,007,500 Shares, representing 40.06% of the issued Shares. Such shareholding, together with 93,750,000 Shares (representing 52.89% of the issued Shares) held by 2 substantial shareholders, represented 92.95% of the issued Shares as at 18 August 2021. Therefore, only 12,497,500 Shares (representing 7.05% of the issued Shares) were held by other shareholders.

As at 18 August 2021, the shareholding structure of the Company was as follows:-

	Number of Shares held (Shares)	% of total number of issued Shares (%)
Hongsheng Enterprise Limited (Note 1)	66,562,500	37.55
Yongsheng Enterprise Limited (Note 2)	27,187,500	15.34
A group of 18 shareholders	71,007,500	40.06
Other shareholders	12,497,500	7.05
Total	177,255,000	100.00

Note 1: Hongsheng Enterprise Limited is wholly owned by Mr. Liu Yong Qiang, an Executive Director of the Company. Mr. Liu Yong Qiang was also deemed to be interested in 27,187,500 Shares owned by Yongsheng Enterprise Limited as a result of being a party acting in concert with Mr. Liu Yong Cheng.

Note 2: Yongsheng Enterprise Limited is wholly owned by Mr. Liu Yong Cheng, Chairman, an Executive Director and Chief Executive Officer of the Company. Mr. Liu Yong Cheng was also deemed to be interested in 66,562,500 Shares owned by Hongsheng Enterprise Limited as a result of being a party acting in concert with Mr. Liu Yong Qiang.

From 1 April 2021 to 30 June 2021, the closing price of the Shares hovered between HK\$0.36 and HK\$0.536 (*Note 3*) with an average daily turnover of HK\$193,256. Since 1 July 2021, the closing price of the Shares increased by around 12 times from HK\$0.536 to HK\$7.04 on 18 August 2021 with significant increase in average daily turnover to HK\$4,634,875.

During the period from 21 June 2021 to 2 September 2021, the Company made the following announcements, amongst others:-

- On 21 June 2021, the Company announced a proposed share consolidation on the basis that every four issued and unissued Shares of HK\$0.01 each will be consolidated into one consolidated Share of HK\$0.04 each and a proposed change in board lot size from 10,000 existing Shares to 5,000 consolidated Shares. The share consolidation and change in board lot size have become effective on 20 July 2021.
- On 13 August 2021, the Company announced the interim results for the six months ended 30 June 2021, which recorded a loss for the period of RMB5,351,000 as compared to a loss of RMB5,278,000 for the last corresponding period.
- On 1 September 2021, the Company announced that its indirect wholly-owned subsidiary, Hubei Tonglin Natural Gas Service Company Limited, entered into non-legally binding memorandum of understanding with Guangzhou Ruichuang New Energy Technology Co., Ltd. to which the parties agreed to cooperate in the construction and operation of electric vehicle charging business in the commercial areas of Guangzhou, the PRC.

As of 2 September 2021, the closing price of the Shares was HK\$9.01, representing an increase of 1,581% from the closing price of HK\$0.536 on 30 June 2021.

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Note 3: Share prices adjusted for the 4-into-1 share consolidation effective on 20 July 2021.

End