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## **TL Natural Gas Holdings Limited**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock code: 8536)**

### **HIGH CONCENTRATION OF SHAREHOLDING**

This announcement is made at the request of the Stock Exchange in respect of the high concentration of the shareholding of 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 could fluctuate substantially even with a small number of Shares traded, and should exercise extreme caution when dealing in the Shares.**

This announcement is made by TL Natural Gas Holdings Limited (the “**Company**”) at the request of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) in respect of the high concentration of the shareholding of the Company in the hands of a limited number of shareholders of the Company (the “**Shareholders**”) as at 18 August 2021.

### **HIGH CONCENTRATION OF SHAREHOLDING**

The Company noted that an announcement (the “**SFC Announcement**”) was published by the Securities and Futures Commission (the “**SFC**”) on 3 September 2021.

As disclosed in the SFC Announcement, the SFC has recently completed an enquiry into the shareholding of the Company. The SFC’s findings suggested that, as at 18 August 2021, a group of 18 shareholders held an aggregate of 71,007,500 shares of the Company (the “**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 two substantial shareholders of the Company, 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.

According to the SFC Announcement, as at 18 August 2021, the shareholding structure of the Company was as follows:

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

*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.

The SFC Announcement also states that the closing price of the Shares hovered between HK\$0.36 and HK\$0.536 during 1 April 2021 to 30 June 2021 (share prices adjusted for the 4-into-1 share consolidation effective on 20 July 2021) 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.

It was further stated in the SFC Announcement that during the period from 21 June 2021 to 2 September 2021, the Company made the following announcements (the “**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.

The information above is extracted from the SFC Announcement, and the board (the “**Board**”) of directors (the “**Directors**”) of the Company has not independently verified such information. Accordingly, the Board is not in a position to comment on the accuracy of the above information except for (i) the shareholdings held by Hongsheng Enterprise Limited and Yongsheng Enterprise Limited based on the latest available disclosure of interests notices filed pursuant to Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong); and (ii) facts relating to the Announcements. Please refer to the SFC Announcement for further details.

## **PUBLIC FLOAT**

Based on the information available and to the best knowledge of the Board after making all reasonable enquiries, the Company confirms that not less than 25% of the issued Shares were held in public hands as at 18 August 2021 and the date of this announcement, and the Company has maintained a sufficient public float as required under the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”).

**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 could fluctuate substantially even with a small number of Shares traded, and should exercise extreme caution when dealing in the Shares. Further, as a result of the high concentration of shareholding, the Company’s securities may not have a genuine market or its shareholding may have been concentrated in the hands of a few Shareholders.**

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

Hong Kong, 5 September 2021

*As at the date of this announcement, the Board comprises Mr. LIU Yong Cheng, Mr. LIU Yong Qiang and Mr. LIU Chunde as executive Directors; and Mr. LI Wai Kwan, Ms. LUO Hongru and Ms. ZENG Li as independent non-executive Directors.*

*This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.*

*This announcement will remain on the GEM website at [www.hkgem.com](http://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](http://www.tl-cng.com).*