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Unless otherwise defined herein, terms used in this announcement shall have the same meanings as those defined in the prospectus dated 13 July 2007 (the “Prospectus”) issued by the Company.



Tiangong International Company Limited

天工國際有限公司*

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 826)

EXERCISE OF OVER-ALLOTMENT OPTION ANNOUNCEMENT

The Company announces that the Over-allotment Option referred to in the Prospectus has been fully exercised by the Global Co-ordinator on 26 July 2007 in respect of an aggregate of 19,500,000 Shares, representing approximately 15% of the Shares initially offered under the Global Offering.

The 19,500,000 Shares will be issued and allotted by the Company at HK\$6.36 per Share (excluding brokerage fee of 1%, SFC transaction levy of 0.004% and the Stock Exchange trading fee of 0.005%), being the Offer Price per Share in connection with the Global Offering.

The Company announces that the Over-allotment Option referred to in the Prospectus has been fully exercised by the Global Co-ordinator on 26 July 2007 in respect of an aggregate of 19,500,000 Shares (the “Over-allotment Shares”), representing approximately 15% of the Shares initially offered under the Global Offering.

The 19,500,000 Shares will be issued and allotted by the Company at HK\$6.36 per Share (excluding brokerage fee of 1%, SFC transaction levy of 0.004% and the Stock Exchange trading fee of 0.005%), being the Offer Price per Share in connection with the Global Offering.

The Over-allotment Shares will be used solely to cover over-allocations in the International Placing. Immediately before the issue and allotment of the Over-allotment Shares by the Company, approximately 32.50% of the issued share capital of the Company will be held by the public, such shareholding percentage will be increased to 35.64% immediately upon the issue and allotment of the Over-allotment Shares by the Company.

Listing of and permission to deal in the Over-allotment Shares have already been granted by the Listing Committee of the Hong Kong Stock Exchange. Listing of and dealing in such Over-allotment Shares are expected to commence on the main board of the Stock Exchange at 9:30 a.m. on 30 July 2007.

The shareholding structure of the Company immediately before and immediately after the issue of the Over-allotment Shares by the Company are as follows:

Name	Immediately before the issue of the Over-allotment Shares		Immediately after the issue of the Over-allotment Shares	
	Number of shares	Approximate % of issued share capital	Number of shares	Approximate % of issued share capital
THCL	210,000,000 ⁽¹⁾	52.50%	210,000,000 ⁽²⁾	50.06%
AIG Parties	60,000,000	15.00%	60,000,000	14.30%
Public	130,000,000	32.50%	149,500,000	35.64%
	<u>400,000,000</u>	<u>100.00%</u>	<u>419,500,000</u>	<u>100.00%</u>

Notes:

- (1) Including the 19,500,000 Shares lent to the Global Coordinator pursuant to the Stock Borrowing Agreement.
- (2) Including the 19,500,000 Over-allotment Shares returned and redelivered to THCL pursuant to the Stock Borrowing Agreement.

The additional net proceeds to be received by the Company upon issue of the Over-allotment Shares are estimated to be approximately HK\$119.7 million. Please refer to the section “Future Plans and Use of Proceeds — Use of Proceeds” in the Prospectus for information on the intended use of proceeds.

By order of the Board
Tiangong International Company Limited
Zhu Xiaokun
Chairman

Hong Kong, 26 July 2007

As at the date of this announcement, the Directors are:

Executive Directors: ZHU Xiaokun, ZHU Zhihe, ZHU Mingyao and YAN Ronghua

Non-executive Directors: LIN John Sian-zu and THONG Kwee Chee

Independent non-executive Directors: LI Zhengbang, GAO Xiang and LAU Siu Fai

* *For identification purpose*

*Please also refer to the published version of this announcement in the **South China Morning Post**.*