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Tiangong International Company Limited

天工國際有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 826)

COMPLETION OF PLACING OF NEW SHARES UNDER GENERAL MANDATE

PLACING AGENT



COMPLETION OF PLACING OF NEW SHARES UNDER GENERAL MANDATE

The Board is pleased to announce that as all the conditions of the Placing have been fulfilled, Completion took place on 11 May 2018, and an aggregate of 300,000,000 Placing Shares were allotted and issued at the Placing Price of HK\$1.60 per Placing Share pursuant to the terms and conditions of the relevant Placing Agreement.

Reference is made to the announcement dated 29 April 2018 (the “**Announcement**”) of Tiangong International Company Limited (the “**Company**”) in relation to the placing of an aggregate of 300,000,000 new Shares of the Company under the general mandate at the Placing Price of HK\$1.60 per Placing Share with ABCI Securities Company Limited as the Placing Agent. Unless otherwise specified, terms used herein shall have the same meanings as defined in the Announcement.

COMPLETION OF PLACING OF NEW SHARES UNDER GENERAL MANDATE

Pursuant to the Placing Agreements, all conditions of the Placing have to be fulfilled or otherwise waived on or before 31 May 2018 (the long stop date). The Board is pleased to announce that all conditions have been fulfilled and completion of the Placing Agreements took place on 11 May 2018 (the “**Closing Date**”). 150,000,000 Placing Shares were allotted and issued to each of Lion Rainbow No. 15 Fund and Shagang HK at the Placing Price of HK\$1.60 per Placing Share pursuant to the terms and conditions of the relevant Placing Agreement.

As at the Closing Date, the authorised share capital of the Company is US\$10,000,000 divided into 4,000,000,000 Shares of which 2,539,050,000 Shares are in issue (as enlarged by the 300,000,000 Placing Shares). There are Share Options carrying subscription rights to subscribe for 82,147,000 Shares outstanding pursuant to Share Option Scheme of the Company.

The 300,000,000 Placing Shares represent (i) approximately 13.40% of the issued share capital of the Company immediately prior to the Closing Date and (ii) approximately 11.82% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares on the Closing Date.

The gross proceeds of the Placing are HK\$480.0 million. The net proceeds (after deducting all applicable costs and expenses of the Placing to be borne by the Company) from the Placing are estimated to be approximately HK\$477.7 million and are intended to be applied towards the powder metallurgy production facilities of the Group and as general working capital purposes of the Group.

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, the Placees and their respective ultimate owner(s) or beneficiaries are third part(ies) independent of the Company and are not connected persons (as defined in the Listing Rules) of the Company.

CHANGES IN SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below is the shareholding structure of the Company (i) immediately prior to the Placing and (ii) immediately after the Placing on the Closing Date.

Substantial Shareholders	Immediately before the Placing		Immediately after the Placing but before any exercise of Share Options	
	Shares	%	Shares	%
Zhu Xiaokun and his associates ⁽¹⁾	791,190,000	35.34	791,190,000	31.16
Zhu Zefeng and his associate ⁽²⁾	578,852,521	25.85	578,852,521	22.80
Sub-total	1,370,042,521	61.19	1,370,042,521	53.96
Other Directors				
Wu Suojun	800,000	0.04	800,000	0.03
Yan Ronghua	500,000	0.02	500,000	0.02
Jiang Guangqing	300,000	0.01	300,000	0.01
Sub-total	1,600,000	0.07	1,600,000	0.06
Public Shareholders				
Other shareholders	867,407,479	38.74	867,407,479	34.16
Lion Rainbow No. 15 Fund	-	-	150,000,000	5.91
Shagang HK	-	-	150,000,000	5.91
Sub-total	867,407,479	38.74	1,167,407,479	45.98
Total issued Shares ⁽³⁾	2,239,050,000	100.00	2,539,050,000	100.00

Notes:

1. Mr. Zhu Xiaokun's associates include:
 - (i) Tiangong Holdings Company Limited, which holds 743,458,000 Shares and is owned as to approximately 89.02% and 10.98% by Mr. Zhu Xiaokun and Madam Yu Yumei, respectively. Madam Yu Yumei is the spouse of Mr. Zhu Xiaokun.
 - (ii) Silver Power (HK) Ltd., which holds 43,932,000 Shares and is owned as to 100% by Mr. Zhu Xiaokun.
2. Mr. Zhu Zefeng's associate is Sky Greenfield Investment Limited, which holds 578,352,521 Shares and is owned as to 100% by Mr. Zhu Zefeng.
3. The aggregate of the percentage figures in the above table may not add up to 100% due to rounding of the percentage figures to two decimal places.

* *Chinese name for identification purpose only*

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

Hong Kong, 11 May 2018

As at the date of this announcement, the directors of the Company are:

Executive Directors: ZHU Xiaokun, WU Suojun, YAN Ronghua and JIANG Guangqing

Independent non-executive Directors: GAO Xiang, LEE Cheuk Yin, Dannis and WANG Xuesong