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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)

POSITIVE PROFIT ALERT

This announcement is made by Tiangong International Company Limited (the “Company”, together with its subsidiaries, the “Group”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571, the Laws of Hong Kong).

The board of directors of the Company (the “Board”) wishes to inform the shareholders of the Company and potential investors that, based on the preliminary review of the management accounts of the Group, the Group is expected to record a significant increase of around 50% in its unaudited consolidated net profit for the year ending 31 December 2019 as compared to the audited consolidated net profit for the corresponding period in 2018.

The forecasted unaudited consolidated net profit of the Group for the year ending 31 December 2019 has recorded a significant increase as the average gross profit margin of our four major segments has improved due to the following reasons:-

- (i) the production costs of our four major segments were reduced through the Group’s innovative research and development effort, thereby increased the proportion of higher-end products with higher gross margin; and

- (ii) the Group has been actively developing various sales channels to increase the proportion of direct sales, where the improvement in profitability was shown.

The information contained in this announcement is based on the management accounts of the individual companies comprising the Group and the information currently available to the Board. As at the date of this announcement, the Group's consolidated results for the year ending 31 December 2019 have not been finalised, and are to be audited by the Group's independent external auditors and therefore may be subject to further adjustments. Investors are advised to read carefully the annual results announcement of the Group for the year ending 31 December 2019, which is expected to be published by the end of March 2020.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

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

Hong Kong, 20 December 2019

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

** For identification purpose*