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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(1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

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 assessment by the management of the Group on the unaudited consolidated management accounts of the Group for the five months ended 31 May 2020 (“Management Accounts”) and the projected revenue to be recognised for the month of June 2020, the Group is expected to have a significant increase of over 30% in its unaudited consolidated net profit for the six months ending 30 June 2020 (the “Period”) as compared to the same period of 2019.

The significant increase in the forecasted Group's unaudited consolidated net profit for the Period was attributable to:

- (i) the domestic demand for imported die steel was substituted by local products during the Period, resulting in a significant increase in domestic sales volume. Although the export sales volume of die steel decreased due to the impact of Novel Coronavirus (COVID-19), the overall sales volume of die steel still recorded an increase; and

- (ii) the absorption of certain OEM orders from one of its major competitors since fall last year. An increase in market share of cutting tools segment resulted in a significant increase in sales volume during the Period compared to the same period last year.

The information contained in this announcement is only based on a preliminary assessment by management of the Group on the Management Accounts, which accounted for the first five months of the Period, are yet to be finalised and have not yet been reviewed by the Company's auditors or the audit committee of the Company and the projected revenue to be recognised for the month of June 2020. Further details of the Group's performance will be disclosed when the interim results of the Company for the Period are announced.

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, 16 June 2020

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*