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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)

PLACING OF EXISTING SHARES AND SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE



as the Sole Placing Agent



Financial Advisor to the Company

On 4 May 2021 (after trading hours), the Company, the Seller, the Guarantor and the Sole Placing Agent entered into the Placing and Subscription Agreement, pursuant to which (i) the Seller has agreed to appoint HSBC as the sole placing agent, and HSBC has agreed to act as the agent for the Seller to procure purchasers to purchase on a best effort basis up to 200,000,000 Placing Shares at a Placing Price of HK\$4.22; (ii) the Seller has agreed to subscribe for the same number of new Shares as the Placing Shares that have been placed by the Sole Placing Agent at the Subscription Price, which is equivalent to the Placing Price; and (iii) the Guarantor has agreed to unconditionally and irrevocably guarantee to the Sole Placing Agent, on an indemnity basis the due and punctual performance and observation by Seller of all of its obligations, commitments, agreements, undertakings and covenants under the Placing and Subscription Agreement.

The maximum number of 200,000,000 Placing Shares represent (i) approximately 7.71% of the total number of Shares in issue as of the date of this announcement and (ii) approximately 7.16% of the total number of Shares in issue as enlarged by the issue of 200,000,000 Subscription Shares (assuming that there is no change in the issued share capital of the Company from the date of this announcement to the completion of the Subscription save for the issue of the Subscription Shares). The Subscription Shares will be issued pursuant to the General Mandate.

Completion of the Placing is conditional and is expected to be on 7 May 2021, being the third Business Day following the date of the Placing and Subscription Agreement or at such other time and/or date as the Seller and the Sole Placing Agent may agree in writing.

Completion of the Subscription is conditional upon (i) the Listing Committee of the Stock Exchange granting the listing of and permission to deal in the Subscription Shares and such listing and permission not subsequently revoked prior to the delivery of the definitive share certificate(s) representing the Subscription Shares; and (ii) the completion of the Placing having occurred pursuant to the terms of the Placing and Subscription Agreement. Subject to the fulfilment of the above conditions (which cannot be waived by any party to the Placing and Subscription Agreement), completion of the Subscription shall take place on the second Business Day after the date upon which the last of the conditions precedent of the Subscription as set out above is fulfilled, provided that it shall take place on a date no later than a date falling 14 days after the date of the Placing and Subscription Agreement, that is, on or before 18 May 2021, or at such other time and/or date as the Company and the Seller may agree in writing and in compliance with the Listing Rules, failing which, the obligations and liabilities of the Seller and the Company under the Subscription shall be null and void and neither of them shall have any claim against the other for costs, damages, compensation or otherwise.

The gross proceeds and estimated net proceeds from the Subscription are expected to be approximately HK\$844 million and approximately HK\$834 million, respectively. Approximately 7% and 43% of the net proceeds are intended to be used primarily for the expansion of the industrial park of the Group in Thailand and the development of the new precision tools products of the Group, respectively. The remaining balance of the net proceeds are intended to be used as general working capital of the Group.

Shareholders and prospective investors should note that each of the completion of the Placing and the Subscription is subject to the conditions under the Placing and Subscription Agreement to be fulfilled. As the Placing and the Subscription may or may not proceed, Shareholders and prospective investors are advised to exercise caution when deal in the Shares.

On 4 May 2021 (after trading hours), the Company, the Seller, the Guarantor and the Sole Placing Agent entered into the Placing and Subscription Agreement, pursuant to which (i) the Seller has agreed to appoint HSBC as the sole placing agent, and HSBC has agreed to act as the agent for the Seller to procure purchasers to purchase on a best effort basis up to 200,000,000 Placing Shares at a Placing Price of HK\$4.22; (ii) the Seller has agreed to subscribe for the same number of new Shares as the Placing Shares that have been placed by the Sole Placing Agent at the Subscription Price, which is equivalent to the Placing Price; and (iii) the Guarantor has agreed to unconditionally and irrevocably guarantee to the Sole Placing Agent, on an indemnity basis the due and punctual performance and observation by Seller of all of its obligations, commitments, agreements, undertakings and covenants under the Placing and Subscription Agreement.

THE PLACING AND SUBSCRIPTION AGREEMENT

Summarised below are the principal terms of the Placing and Subscription Agreement:

Date

4 May 2021

Parties

- (i) the Company, as the issuer;
- (ii) the Seller, as the seller and the subscriber;
- (iii) HSBC, as the sole placing agent; and
- (iv) Mr. Zhu Zefeng, as the guarantor

To the best of the knowledge, information and belief of each of the Directors having made all reasonable enquiries, HSBC is a third party independent of the Company and its connected persons.

THE PLACING

The Sole Placing Agent

The Seller has appointed HSBC, to the exclusion of all others, to act as its agent for the purpose of effecting the Placing, and HSBC has accepted such appointment.

The Placing Shares

The maximum number of 200,000,000 Placing Shares represent (i) approximately 7.71% of the total number of Shares in issue as of the date of this announcement; and (ii) approximately 7.16% of the total number of Shares in issue as enlarged by the issue of 200,000,000 Subscription Shares (assuming that there is no change in the issued share capital of the Company from the date of this announcement to the completion of the Subscription save for the issue of the Subscription Shares).

The Placees

The Placing Shares will be placed to not less than six placees who will be selected professional, institutional and/or other investors, who and whose ultimate beneficial owners are expected to be third parties independent of and are not connected with the Company and its connected persons. It is expected that none of the placees will become a substantial shareholder of the Company immediately after completion of the Placing.

Placing Price

The Placing Price of HK\$4.22 represents:

- (i) a discount of approximately 13.52% to the closing price of HK\$4.88 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 12.63% to the average closing price of HK\$4.83 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Day; and
- (iii) a premium of approximately 0.48% to the average closing price of HK\$4.20 per Share as quoted on the Stock Exchange for the last thirty consecutive trading days up to and including the Last Trading Day.

The Placing Price of HK\$4.22 was determined on arm's length basis among the Company, the Seller and the Sole Placing Agent based on current market conditions and the prevailing market price of the Shares.

Rights of the Placing Shares

The Placing Shares are sold free and clear of all pledges, liens and encumbrances, equities, security interests or other claims (including any non-disposal undertakings or similar obligations) binding upon the Seller, and rank pari passu with all of the other Shares of the Company in issue.

Conditions precedents of the Placing

The obligations of HSBC under the Placing shall be subject to the following conditions:

- (i) before the Closing Date, there shall not have occurred:
 - (A) any material adverse change, or any development reasonably likely to involve a material adverse change, in the condition, financial or otherwise, or in the earnings, assets, business, operations or prospects of the Company, or the Company and its subsidiaries taken as a whole; or

- (B) any suspension or limitation of trading (a) in any of the Company's securities by the Stock Exchange, or (b) generally on the Stock Exchange, the Shanghai Stock Exchange, the Shenzhen Stock Exchange, the Tokyo Stock Exchange, the London Stock Exchange, the New York Stock Exchange or the Nasdaq National Market; or
- (C) any outbreak or escalation of hostilities, act of terrorism, the declaration by Hong Kong, the Cayman Islands, the PRC, Japan, Singapore, the United States, the United Kingdom or any other member of the EEA of a national emergency or war or other calamity or crisis; or
- (D) any material disruption in commercial banking or securities settlement or clearance services in Hong Kong, the Cayman Islands, the PRC, Japan, Singapore, the United States, the United Kingdom or any other member of the EEA and/or a general moratorium on commercial banking activities having been declared by the relevant authorities in Hong Kong, the Cayman Islands, the PRC, Japan, Singapore, the United States, the United Kingdom or any member of the EEA; or
- (E) any material adverse change or development involving a prospective material adverse change in or affecting the financial markets in Hong Kong, the Cayman Islands, the PRC, Japan, Singapore, the United States, the United Kingdom or any member of the EEA or in international financial, political or economic conditions, currency exchange rates, exchange controls or taxation,

that, in the sole judgment of the Sole Placing Agent, would make the placement of the Placing Shares or the enforcement of contracts to purchase the Placing Shares impracticable or inadvisable, or would materially prejudice trading of the Placing Shares in the secondary market;

- (ii) the representations and warranties made by any of the Company, the Seller and the Guarantor pursuant to the Placing and Subscription Agreement being true and accurate and not misleading as of the date of the Placing and Subscription Agreement and the Closing Date;
- (iii) each of the Company, the Seller and the Guarantor having complied with all of the agreements and undertakings and satisfied all of the conditions on its/his part to be complied with or satisfied under the Placing and Subscription Agreement on or before the Closing Date;
- (iv) the Sole Placing Agent having received on the Closing Date an opinion of the counsel to the Company on Cayman Islands law to the satisfaction of the Sole Placing Agent on, among others, the Company's due incorporation and valid existence, corporate power and authority to enter into and perform the Placing and Subscription Agreement, the legal and binding effect and the enforceability of the Placing and Subscription Agreement against the Company; and

- (v) the Sole Placing Agent having received on the Closing Date an opinion of the U.S. counsel to the Sole Placing Agent to the effect that the offer and sale of the Placing Shares by the Sole Placing Agent as set forth in the Placing and Subscription Agreement are not required to be registered under the U.S. Securities Act.

The Sole Placing Agent in its sole discretion may waive any of the foregoing conditions, in whole or in part and with or without conditions, by notice to the Company and the Seller. In the event that (a) any of the events set out in condition (i) above occurs at any time between the date of the Placing and Subscription Agreement and the Closing Date, or (b) the Seller does not deliver the Placing Shares on the Closing Date, or (c) any of conditions (ii) to (v) has not been satisfied or waived in writing on the dates specified therein, the Sole Placing Agent may elect, in its sole discretion, to terminate the Placing and Subscription Agreement, provided that if the Seller shall have delivered some but not all of the Placing Shares on the Closing Date, the Sole Placing Agent shall have the option to effect the Placing with respect to such Placing Shares as have been delivered, but such partial Placing shall not relieve the Seller from liability for its default with respect to the Placing Shares not delivered.

The Directors are not aware of the occurrence of the above mentioned events which may trigger the termination of the Placing and the Subscription Agreement as of the date of this announcement.

Completion of the Placing

The Placing is expected to be completed on 7 May 2021, being the third Business Day following the date of the Placing and Subscription Agreement or at such other time and/or date as the Seller and the Sole Placing Agent may agree in writing.

THE SUBSCRIPTION

The Subscriber

As of the date of this announcement, the Seller owns 662,700,521 Shares (of which 618,768,521 Shares are owned by the Seller and 43,932,000 Shares are owned by Silver Power (HK) Limited, a wholly-owned subsidiary of the Seller), representing approximately 25.54% of the total number of Shares in issue.

The Subscription Price

The Subscription Price, being HK\$4.22 per Subscription Share, is equivalent to the Placing Price.

Number of Subscription Shares

The number of Subscription Shares to be subscribed by the Seller pursuant to the Placing and Subscription Agreement will be equal to the number of Placing Shares successfully placed under the Placing. The maximum number of 200,000,000 Subscription Shares represent (i) approximately 7.71% of the total number of Shares in issue as of the date of this announcement and (ii) approximately 7.16% of the total number of Shares in issue as enlarged by the issue of 200,000,000 Subscription Shares (assuming that there is no change in the issued share capital of the Company from the date of this announcement to the completion of the Subscription save for the issue of the Subscription Shares). The aggregate nominal value of the maximum number of Subscription Shares amounts to US\$500,000.

General Mandate to issue the Subscription Shares

The Subscription Shares will be issued pursuant to the General Mandate, subject to the limit of up to 513,810,000 Shares (representing 20% of the number of Shares in issue on the date when the General Mandate was granted). As at the date of this announcement, the General Mandate has not been utilised. The issue of the Subscription Shares is therefore not subject to any further Shareholders' approval.

Application for listing

The Company will submit an application to Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares in due course.

Ranking of Subscription Shares

The Subscription Shares shall, when fully paid, rank pari passu in all respects with the other Shares in issue or to be issued by the Company on or prior to the date of completion of the Subscription including the rights to all dividends and other distributions declared, made or paid on or after the date of allotment of the Subscription Shares.

Conditions precedent of the Subscription

Completion of the Subscription is conditional upon the fulfilment of the following conditions which cannot be waived by any party to the Placing and Subscription Agreement:

- (i) the Listing Committee of the Stock Exchange granting the listing of and permission to deal in the Subscription Shares and such listing and permission not subsequently revoked prior to the delivery of the definitive share certificate(s) representing the Subscription Shares; and
- (ii) the completion of the Placing having occurred pursuant to the terms of the Placing and Subscription Agreement.

Completion of Subscription

Subject to the fulfilment of the above conditions, completion of the Subscription shall take place on the second Business Day after the date upon which the last of the conditions precedent of the Subscription as set out above is fulfilled, provided that it shall take place on a date no later than a date falling 14 days after the date of the Placing and Subscription Agreement, that is, on or before 18 May 2021, or at such other time and/or date as the Company and the Seller may agree in writing and in compliance with the Listing Rules, failing which, the obligations and liabilities of the Seller and the Company under the Subscription shall be null and void and neither of them shall have any claim against the other for costs, damages, compensation or otherwise.

To comply with Rule 14A.92(4) of the Listing Rules, the Subscription shall be completed on a date no later than a date falling 14 days after the date of the Placing and Subscription Agreement. If the Subscription is to be completed thereafter, it will constitute a connected transaction under the Listing Rules and require compliance with all the relevant requirements under Chapter 14A of the Listing Rules, including but not limited to the issue of a separate announcement and approval by the independent Shareholders (being Shareholders other than the Seller, its ultimate beneficial owners and their respective associates).

LOCK UP UNDERTAKINGS

Pursuant to the terms of the Placing and Subscription Agreement,

- (i) the Seller shall not, the Guarantor shall procure that the Seller shall not, and the Seller and the Guarantor shall procure that none of the Seller's nominees, any person controlled by the Seller, any trust associated with the Seller or any person acting on the Seller or their behalf shall, without the prior written consent of the Sole Placing Agent,
 - (a) offer, sell, lend, contract to sell, pledge, grant any option over, make any short sale or otherwise dispose of (or enter into any transaction which is designed to, or might reasonably be expected to, result in the disposition (whether by actual disposition or effective economic disposition due to cash settlement or otherwise) by the Seller or any affiliate of the Seller or any person in privity with the Seller or any affiliate of the Seller), directly or indirectly, any equity securities of the Company or any securities convertible into, or exercisable, or exchangeable for, equity securities of the Company,
 - (b) enter into any swap or similar agreement that transfers, in whole or in part, the economic risk of ownership of such Shares, whether any such transaction described in (a) or (b) above is to be settled by delivery of Shares or such other securities, in cash or otherwise, or (c) publicly announce an intention to effect any such transaction, for a period beginning on the date of the Placing and Subscription Agreement and ending on the date which is 90 days after the Closing Date. The foregoing shall not apply to the sale of the Shares under the Placing and Subscription Agreement; and

- (ii) the Company shall not, and the Seller shall procure that the Company will not, without the prior written consent of the Sole Placing Agent, (a) effect or arrange or procure placement of, allot or issue or offer to allot or issue or grant any option, right or warrant to subscribe for, or enter into any transaction which is designed to, or might reasonably be expected to, result in any of the aforesaid (whether by actual disposition or effective economic disposition due to cash settlement or otherwise), directly or indirectly, any equity securities of the Company or any securities convertible into, or exercisable, or exchangeable for, equity securities of the Company, or (b) enter into any swap or similar agreement that transfers, in whole or in part, the economic risk of ownership of such Shares, whether any such transaction described in (a) or (b) above is to be settled by delivery of Shares or such other securities, in cash or otherwise, or (c) publicly announce an intention to effect any such transaction, for a period beginning on the date of the Placing and Subscription Agreement and ending on the date which is 90 days after the Closing Date. The foregoing shall not apply to the issue of the Subscription Shares under the Placing and Subscription Agreement or the issuance of Shares pursuant to the exercise of share options granted or to be granted and the grant of share options under the Share Option Scheme.

The Directors (including the independent non-executive Directors) are further of the view that the lock up period for the Company as set out above is fair and reasonable on the grounds that: (i) the lock up period of 90 days is in line with the market practice and as a result of the arm's length commercial negotiation between the Company, the Seller and the Sole Placing Agent; and (ii) it can ensure an orderly market of the Shares.

REASONS FOR THE PLACING AND SUBSCRIPTION FOR THE COMPANY AND USE OF PROCEEDS FROM THE SUBSCRIPTION FOR THE COMPANY

Upon the full subscription of the 200,000,000 Subscription Shares, the gross proceeds for the issue of the Subscription Shares are expected to be approximately HK\$844 million and the net proceeds to be received by the Company from the Subscription, after deducting related fees and expenses, are estimated to be approximately HK\$834 million. The net subscription price, after deducting related fees and expenses, is approximately HK\$4.17 per Subscription Share. Approximately 7% and 43% of the net proceeds from the Subscription are intended to be used primarily for the expansion of the industrial park of the Group in Thailand and the development of the new precision tools products of the Group, respectively. The remaining balance of the net proceeds are intended to be used as general working capital of the Group.

The Directors consider that the Placing and the Subscription represent an opportunity to raise capital for the Company, broaden its shareholder base, increase the liquidity of the Shares, strengthen the capital base and to enhance the financial position and net assets base for the long-term development and growth of the Group.

The Directors believe that with the accelerated pace of transformation and upgrading of the PRC's manufacturing industry, as well as the rising standard of intelligent manufacturing and digital control equipment, high-end precision cutting tools has a promising prospect with

a strong demand from the manufacturing industry. With the technological breakthroughs in cutting tools materials and the advantages of local technical guidance and after-sales service, the substitution of imported high-end precision cutting tools by the domestic ones has been gradually taking place. The Directors hope to use the opportunity of the Placing and Subscription to advance the deployment of the Group's new products and production capabilities in the high-end precision cutting tools industry, so as to meet the growing demand in the future.

The Directors (including the independent non-executive Directors) consider that the terms of the Placing and Subscription Agreement are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

FUND RAISING ACTIVITIES BY THE COMPANY IN THE PAST TWELVE MONTHS

The Company had not carried out any equity fund raising exercise in the twelve months period immediately preceding the date of this announcement.

EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

The following table illustrates the shareholding structure of the Company (i) as of the date of this announcement; (ii) immediately after completion of the Placing but before the Subscription; and (iii) immediately after completion of the Placing and the Subscription, on the assumptions that (1) 200,000,000 Shares have been placed by the Sole Placing Agent under the Placing and the Seller shall subscribe for 200,000,000 Shares upon completion of the Subscription; and (2) there will be no other change to the share capital of the Company from the date of this announcement until the completion of the Subscription save for the issue of the new Shares as a result of the Subscription:

	Approximate shareholding as of the date of this announcement		Approximate shareholding immediately after completion of the Placing but before the Subscription		Approximate shareholding immediately after completion of the Placing and the Subscription	
	Shares	%	Shares	%	Shares	%
Substantial shareholders						
Zhu Xiaokun⁽¹⁾	781,558,000	30.12	781,558,000	30.12	781,558,000	27.96
including THCL ⁽²⁾	774,758,000	29.86	774,758,000	29.86	774,758,000	27.72
Zhu Zefeng⁽³⁾	664,200,521	25.60	464,200,521	17.89	664,200,521	23.76
including the Seller ⁽⁴⁾	618,768,521	23.84	418,768,521	16.14	618,768,521	22.14
Other Directors						
Wu Suojun	2,400,000	0.09	2,400,000	0.09	2,400,000	0.09
Yan Ronghua	1,500,000	0.06	1,500,000	0.06	1,500,000	0.05
Jiang Guangqing	900,000	0.03	900,000	0.03	900,000	0.03
Others						
The Placees	–	–	200,000,000	7.71	200,000,000	7.16
Other public Shareholders	1,144,441,479	44.10	1,144,441,479	44.10	1,144,441,479	40.95
Total	2,595,000,000	100	2,595,000,000	100	2,795,000,000	100

Notes:

1. Mr. Zhu Xiaokun (being the father of Mr. Zhu Zefeng) directly owns 6,800,000 Shares.
2. THCL is owned as to 89.02% and 10.98% by Mr. Zhu Xiaokun and his spouse Ms. Yu Yumei, respectively.
3. Mr. Zhu Zefeng directly owns 1,500,000 Shares and is indirectly interested in 43,932,000 Shares (via his indirect 100% shareholding in Silver Power (HK) Limited).
4. The Seller is 100% owned by Mr. Zhu Zefeng.

DISPENSATION FROM RULE 26 OF THE TAKEOVERS CODE

Pursuant to Note 6 on dispensations from Rule 26 of the Takeovers Code, a waiver under Rule 26 of the Takeovers Code is not required where a shareholder, together with persons acting in concert with it, has continuously held more than 50% of the voting rights of a company for at least twelve months immediately preceding the relevant placing and top-up transaction.

As the Seller, together with parties acting in concert with it, has continuously held more than 50% of the voting rights of the Company for more than twelve months immediately preceding the date of the Placing and Subscription Agreement, a waiver under Rule 26 of the Takeovers Code is not required for the subscription of the Subscription Shares by the Seller.

GENERAL INFORMATION

The Company is an investment holding company and its subsidiaries are engaged in the manufacturing and sales of die steel, high speed steel, cutting tools, titanium alloy and powder metallurgy products and the trading of general carbon steel products which were not within the Group's production scope.

Shareholders and prospective investors should note that each of the completion of the Placing and the Subscription is subject to the conditions under the Placing and Subscription Agreement to be fulfilled. As the Placing and the Subscription may or may not proceed, Shareholders and prospective investors are advised to exercise caution when deal in the Shares.

DEFINITION

Terms used in the announcement shall have the following meanings:

“acting in concert”	has the meaning ascribed thereto under the Takeovers Code
“Business Day”	being a day on which trading on the Stock Exchange takes place
“Closing Date”	being the third Business Day following the date of the Placing and Subscription Agreement or at such other time and/or date as the Seller and the Sole Placing Agent may agree in writing
“Company”	Tiangong International Company Limited, a company incorporated in the Cayman Islands with limited liability, the ordinary shares of which are listed on the Main Board of the Stock Exchange
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company
“EEA”	the European Economic Area
“General Mandate”	the general mandate granted to the Directors by the Shareholders pursuant to an ordinary resolution passed at the annual general meeting of the Company held on 28 May 2020
“Group”	the Company together with its subsidiaries
“Guarantor”	Mr. Zhu Zefeng, being the son of Mr. Zhu Xiaokun, an executive Director
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“HSBC” or the “Sole Placing Agent”	The Hongkong and Shanghai Banking Corporation Limited, a company registered in Hong Kong having its registered office at 1 Queen’s Road Central, Hong Kong, and a registered institution under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), registered with the Securities and Futures Commission of Hong under Central Entity number AAA523 and registered to conduct Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), Type 5 (advising on futures contracts), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities, and a licensed bank under the Banking Ordinance (Chapter 155 of the Laws of Hong Kong), being the sole placing agent under the Placing
“Last Trading Day”	4 May 2021, being the last full trading day immediately before the time at which the Placing and Subscription Agreement was signed
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Placing”	the placing of 200,000,000 existing Shares beneficially owned by the Seller pursuant to the terms and conditions of the Placing and Subscription Agreement
“Placing and Subscription Agreement”	the agreement dated 4 May 2021 entered into among the Company, the Seller, the Guarantor and the Sole Placing Agent in relation to the Placing and Subscription
“Placing Price”	HK\$4.22 per Placing Share
“Placing Share(s)”	up to 200,000,000 existing Shares beneficially owned by the Seller to be placed pursuant to the terms and conditions of the Placing and Subscription Agreement
“PRC”	the People’s Republic of China, for the purpose of this announcement, excluding Hong Kong, the Macao Special Administrative Region and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC

“Seller”	Sky Greenfield Investment Limited, a company incorporated in the Cayman Islands with limited liability and wholly controlled by the Guarantor
“Share(s)”	ordinary share(s) of par value US\$0.0025 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Share Option Scheme”	the share option scheme adopted by the Company on 26 May 2017
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	the subscription by the Seller for the Subscription Shares pursuant to the terms of the Placing and Subscription Agreement
“Subscription Price”	HK\$4.22 per Subscription Share
“Subscription Share(s)”	up to 200,000,000 new Shares to be issued to the Seller pursuant to the Placing and Subscription Agreement, which is equivalent to the number of Placing Shares successfully placed under the Placing
“substantial shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“THCL”	Tiangong Holdings Company Limited, a company incorporated in the British Virgin Islands with limited liability, which is held as to approximately 89.02% and 10.98% by Mr. Zhu Xiaokun and Ms. Yu Yumei
“U.S. Securities Act”	the United States Securities Act of 1933, as amended
“%”	per cent.

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

Hong Kong, 4 May 2021

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 purposes*