
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional advisers.

If you have sold or transferred all your shares in Tiangong International Company Limited, you should at once hand this circular and the enclosed proxy form to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)

**PROPOSALS RELATING TO
RE-ELECTION OF RETIRING DIRECTORS,
GENERAL MANDATES TO ISSUE SHARES AND REPURCHASE SHARES,
PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION AND
ADOPTION OF THE NEW ARTICLES OF ASSOCIATION,
AND FINAL DIVIDEND,
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the annual general meeting of Tiangong International Company Limited to be held at Units 1203B, 1204–1205, 12/F, World-Wide House, 19 Des Voeux Road Central, Central, Hong Kong on Thursday, 2 June 2022 at 10:00 a.m. (the “**Annual General Meeting**”) is set out on pages 31 to 35 of this circular. Whether or not you are able to attend the meeting, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the meeting. Completion and return of the form of proxy will not preclude you from attending and voting at the meeting should you so wish.

PRECAUTIONARY MEASURES FOR THE ANNUAL GENERAL MEETING

Please see page 1 of this document for measures being taken to try to prevent and control the spread of the Novel Coronavirus (COVID-19) at the Annual General Meeting, including:

- compulsory temperature checks and health declarations
- recommended wearing of surgical face masks
- no distribution of corporate gifts and refreshments

Any person who does not comply with the precautionary measures may be denied entry into the Annual General Meeting venue. The Company encourages attendees to wear face masks and reminds Shareholders that they may appoint the Chairman of the meeting as their proxy to vote on the relevant resolutions at the Annual General Meeting as an alternative to attending the Annual General Meeting in person.

* for identification purposes only

PRECAUTIONARY MEASURES FOR THE ANNUAL GENERAL MEETING

In view of the ongoing Novel Coronavirus (COVID-19) epidemic and recent requirements for prevention and control of its spread, the Company will implement the following preventive measures at the Annual General Meeting to protect attending Shareholders, staff and other stakeholders from the risk of infection:

- (i) Compulsory body temperature checks will be conducted on every Shareholder, proxy and other attendee at the entrance of the Annual General Meeting venue. Any person with a body temperature of over 37.4 degrees Celsius may be denied entry into the Annual General Meeting venue or be required to leave the Annual General Meeting venue.
- (ii) All Shareholders, proxies and other attendees are required to complete and submit at the entrance of the Annual General Meeting venue a declaration form confirming their names and contact details, and confirming that they have not travelled to, or to their best of knowledge had physical contact with any person who has recently travelled to, any affected countries or areas outside of Hong Kong at any time in the preceding 14 days. Any person who does not comply with this requirement may be denied entry into the Annual General Meeting venue or be required to leave the Annual General Meeting venue.
- (iii) The Company encourages attendees to wear surgical face masks inside the Annual General Meeting venue at all times, and to maintain a safe distance between seats.
- (iv) No refreshments will be served, and there will be no corporate gifts.

To the extent permitted under law, the Company reserves the right to deny entry into the Annual General Meeting venue or require any person to leave the Annual General Meeting venue in order to ensure the safety of the attendees at the Annual General Meeting.

In the interest of all stakeholders' health and safety and consistent with recent COVID-19 guidelines for prevention and control, the Company reminds all Shareholders that physical attendance in person at the Annual General Meeting is not necessary for the purpose of exercising voting rights. Shareholders may appoint the Chairman of the Annual General

Meeting as their proxy to vote on the relevant resolutions at the Annual General Meeting instead of attending the Annual General Meeting in person.

The proxy form is attached to the Annual General Meeting Circular for Shareholders who opt to receive physical circulars. Alternatively, the proxy form can be downloaded from the Company's website at www.tggj.cn. If you are not a registered Shareholder (if your Shares are held via banks, brokers, custodians or the Hong Kong Securities Clearing Company Limited), you should consult directly with your banks or brokers or custodians (as the case may be) to assist you in the appointment of proxy.

PRECAUTIONARY MEASURES FOR THE ANNUAL GENERAL MEETING

If Shareholders choosing not to attend the Annual General Meeting in person have any questions about the relevant resolutions, or about the Company or any matters for communication with the Board, they are welcome to contact the Company via the Company's investor relations department as follows:

Public and Investor Relations
Email: tiangong@biznetvigator.com
Tel: 852 3102 2386
Fax: 852 3102 2331

If Shareholders have any questions relating to the Annual General Meeting, please contact Computershare Hong Kong Investor Services Limited, the Company's Share Registrar as follows:

Computershare Hong Kong Investor Services Limited
17M Floor, Hopewell Centre
183 Queen's Road East
Wanchai, Hong Kong
Website: www.computershare.com/hk/contact
Tel: 852 2862 8555
Fax: 852 2865 0990

We are closely monitoring the development and impact of COVID-19 in Hong Kong and may implement further changes and precautionary measures. Should any changes be made to the Annual General Meeting arrangements, we will notify Shareholders via an announcement posted on the website of the Stock Exchange at www.hkexnews.hk and on the website of the Company at www.tggj.cn.



Tiangong International Company Limited

天工國際有限公司*

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 826)

Executive Directors:

ZHU Xiaokun (*Chairman*)

WU Suojun

YAN Ronghua

JIANG Guangqing

Registered office in the Cayman Islands:

PO Box 309

Ugland House, Grand Cayman

KY1-1104, Cayman Islands

Registered office in Hong Kong:

20/F, Tien Chu Commercial Building

173-174 Gloucester Road, Wan Chai

Hong Kong

Independent non-executive Directors:

GAO Xiang

LEE Cheuk Yin, Dannis

WANG Xuesong

Principal place of business:

Zhenjiang City

Jiangsu Province, The PRC

29 April 2022

To the Shareholders

Dear Sir/Madam,

**PROPOSALS RELATING TO
RE-ELECTION OF RETIRING DIRECTORS,
GENERAL MANDATES TO ISSUE SHARES AND REPURCHASE SHARES,
PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION AND
ADOPTION OF THE NEW ARTICLES OF ASSOCIATION,
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NOTICE OF ANNUAL GENERAL MEETING**

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INTRODUCTION

The directors (the “**Directors**”) of Tiangong International Company Limited (the “**Company**”, together with its subsidiaries, collectively the “**Group**”) wish to seek the approval of shareholders (i) to re-elect the retiring Directors; (ii) to obtain general mandates to the Directors to issue and repurchase ordinary shares of US\$0.0025 each in the share capital of the Company (the “**Share(s)**”); and (iii) to approve the distribution of final dividend of RMB0.0594 per Share.

This circular is to provide the shareholders with (i) information of the proposed re-election of the retiring Directors; (ii) the explanatory statement as required under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”); and (iii) further information of the final dividend to be declared by the Company and all other information reasonably necessary to enable them to make an informed decision on whether to vote for or against the resolutions as mentioned herein and which, inter alia, will be dealt with at the annual general meeting of the Company to be held at Units 1203B, 1204–1205, 12/F, World-Wide House, 19 Des Voeux Road Central, Central, Hong Kong on Thursday, 2 June 2022 at 10:00 a.m. (the “**Annual General Meeting**”).

RE-ELECTION OF RETIRING DIRECTORS

In accordance with the articles of association of the Company (the “**Articles of Association**”), Mr. WU Suojun, Mr. JIANG Guangqing and Mr. LEE Cheuk Yin, Dannis, being one-third of the number of Directors who have been the longest in office since their last election, will retire by rotation at the Annual General Meeting and being eligible, offer themselves for re-election. Ordinary resolutions will therefore be proposed at the Annual General Meeting to re-elect Mr. WU Suojun and Mr. JIANG Guangqing as executive Directors, and Mr. LEE Cheuk Yin, Dannis as independent non-executive Director. Pursuant to Rule 13.74 of Listing Rules, the details of such Directors are set out below:

Mr. WU Suojun, aged 49, is an Executive Director of the Company and the General Manager of Jiangus Tiangong Tools New Materials Company Limited. Mr. Wu joined the Group in 1993 as a workshop officer. He is in charge of the purchase, sales, production and operation management of high speed steel and die steel. He is also responsible for the security and environmental works.

Mr. JIANG Guangqing, aged 57, is an Executive Director of the Company. He graduated from Aerospace Industry 061 Base Technical School (航天工業零六一基地技工學校), joined the Group in 1993 and currently is the special assistant of the general manager. He is in charge of the production, operation and management of cutting tools.

Mr. Lee Cheuk Yin, Dannis, aged 51, joined the Company as an Independent Non-executive Director in 2010. He obtained the Bachelor of Business Administration from Texas A & M University, the USA. He is an associate member of the Hong Kong Institute of Certified Public Accountants and a member of the American Institute of Certified Public Accountants. He

possesses over 20 years of experience in accounting and auditing field. Mr. Lee is currently a managing director of DLK Advisory Limited, and is an independent non-executive director of Geely Automobile Holdings Limited (Stock Code of HKEx: 175), CMBC Capital Holdings Limited (formerly known as Skyway Securities Group Limited, Stock Code of HKEx: 1141), Cathay Media and Education Group Inc. (Stock Code of HKEx: 1981) and C&D Property Management Group Co., Ltd. (Stock Code of HKEx: 2156). He was an independent non-executive director of U-Home Group Holdings Limited (Stock Code of HKEx: 2327) (resigned in 2015) and Southern Energy Holdings Group Limited (formerly known as China Unienergy Group Limited, Stock Code of HKEx: 1573) (resigned in 2019), and an independent director of Gridsum Holding Inc. (GSUM.US) (resigned in 2021).

Save as disclosed above and as at 22 April 2022, being the latest practicable date for ascertaining information for inclusion in this circular (the “**Latest Practicable Date**”), each of Mr. WU Suojun, Mr. JIANG Guangqing and Mr. LEE Cheuk Yin, Dannis did not hold any directorship in any other listed public companies in the last three years and does not hold any position in any member of the Group, nor does any of them have any relationship with any other Directors, senior management, substantial shareholders or controlling shareholders of the Company or any interests in the Shares within the meaning of Part XV of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

Mr. WU Suojun and Mr. JIANG Guangqing (both being executive Director) will enter into a new service contract with the Company for a period of three years commencing from the date of the Annual General Meeting until the date of the annual general meeting of the Company to be held in 2024, subject to rotation of Directors requirements under the Listing Rules and the Articles of Association. Mr. WU Suojun and Mr. JIANG Guangqing received employee salaries of RMB563,000 and RMB387,000, for the year ended 31 December 2021. It is proposed that the annual basic salary of Mr. WU Suojun and Mr. JIANG Guangqing be fixed at RMB563,000 and RMB387,000 for 2022. In determining the remuneration, market rates and factors such as the Director’s workload and required commitment have been taken into account.

Mr. LEE Cheuk Yin, Dannis (being independent non-executive Director) will enter into a new appointment letter with the Company for a period of one year commencing from the date of the Annual General Meeting to the date of the annual general meeting of the Company to be held in 2023 unless terminated by not less than three months’ prior notice in writing served by either the relevant independent non-executive Director or the Company. In certain other circumstances, such appointment can also be terminated by the Company, including but not limited to serious breaches of the Director’s obligations under the appointment letter or serious misconduct. The Director’s annual emoluments of HKD96,000 was paid to Mr. LEE Cheuk Yin, Dannis during the year ended 31 December 2021 according to the terms of the appointment letter. It is proposed that the remuneration of Mr. LEE Cheuk Yin, Dannis be fixed at HKD96,000 for 2022. In determining the remuneration, market rates and factors such as the Director’s workload and required commitment have been taken into account.

In relation to the re-election of Mr. WU Suojun, Mr. JIANG Guangqing and Mr. LEE Cheuk Yin, Dannis as Directors, there is no information to be disclosed pursuant to any of the requirements of the provisions of Rules 13.51(2)(h) to 13.51(2)(w) of the Listing Rules, and there is no other matter which needs to be brought to the attention of the shareholders of the Company.

Mr. LEE Cheuk Yin, Dannis was appointed as an Independent Non-executive Director on 1 September 2010 and has served on the Board for more than 11 years. The Board considers Mr. Lee to be independent of management and free of any relationship which could materially affect the exercise of his independent judgment. The nomination committee of the Company has assessed and reviewed the annual confirmation of independence based on the criteria set out in Rule 3.13 of the Listing Rules, and affirmed that Mr. LEE Cheuk Yin, Dannis remains independent for the purpose of the Listing Rules despite the fact that he has served the Board for over 11 years. In accordance with Code Provision B2.3 of Part 2 of the Corporate Governance Code, the Company will include in the notice and the circular of the forthcoming annual general meeting of the Company the reasons why the Board still considers Mr. LEE Cheuk Yin, Dannis as independent and shall be re-elected.

The Board considers that in a complex and competitive business environment facing by the Group, it is essential that Independent Non-executive Directors have the opportunity to acquire, over a number of years, the experience and knowledge of the business and the sectors within which the Company operates. Mr. LEE Cheuk Yin, Dannis has a thorough understanding of the Company's operations and business. As an Independent Non-executive Director, Mr. LEE Cheuk Yin, Dannis has always contributed objectively in advising the Board and the senior management, expressing objective views, and giving valuable independent guidance to the Company in his capacity as an Independent Non-executive Director over the years. Mr. LEE Cheuk Yin, Dannis has been continuously demonstrating firm commitments to his role. Due to his experience in various listed company in Hong Kong, Mr. LEE Cheuk Yin, Dannis always places great importance on high standards of corporate governance and provide valuable and useful advices and guidance to the Company. Mr. LEE Cheuk Yin, Dannis has never been engaged in any executive management of the Group. Hence, the Board considers that the long service provided by Mr. LEE Cheuk Yin, Dannis would not affect his exercise of independent judgment when serving the Company, and recommends Mr. LEE Cheuk Yin, Dannis for re-election as an independent on executive Director at the AGM.

Mr. LEE Cheuk Yin, Dannis is a member of the Nomination Committee, and has abstained from voting on the resolution in relation to his nomination for re-election as an independent non-executive Director.

SHARE ISSUE MANDATE

Resolution 5 to be proposed at the Annual General Meeting ("**Resolution 5**") relates to the granting of a general mandate (the "**Share Issue Mandate**") which will empower the Directors to issue new Shares not exceeding 20 per cent of the aggregate nominal amount of the share capital of the Company in issue at the date of passing of the resolution (including making and

granting offers, agreements and options which would or might require Shares to be issued, allotted or disposed of) during the period up to the next annual general meeting of the Company, or at the expiration of the period within which the next annual general meeting of the Company is required by law to be held, or on revocation of Resolution 5 by an ordinary resolution of the shareholders at general meeting, whichever is the earliest.

As at the Latest Practicable Date, there were 2,795,000,000 Shares in issue. Therefore, subject to the passing of the proposed Resolution 5 at the Annual General Meeting and on the assumption that no additional Shares will be issued and that prior to the date of the proposed resolution, no Shares will be repurchased by the Company, the Company would be allowed under the Share Issue Mandate to issue a maximum of 559,000,000 Shares.

REPURCHASE OF SHARES

The Company is allowed by its memorandum and Articles of Association and the applicable laws and regulations of the Cayman Islands to repurchase its own Shares. The Listing Rules permit shareholders to grant a general mandate to the directors to repurchase shares of such company that are listed on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). Such mandate is required to be given by way of an ordinary resolution passed by shareholders in general meeting.

Set out below is the “Explanatory Statement” in respect of such mandate as required under Rule 10.06(1)(b) of the Listing Rules:

EXPLANATORY STATEMENT

(a) Shareholders’ approval

All proposed repurchases of Shares must be approved in advance by an ordinary resolution of the shareholders in general meeting, either by way of general mandate or by specific approval of a particular transaction.

Resolution 6 to be proposed at the Annual General Meeting (“**Resolution 6**”) relates to the granting of a general mandate to the Directors to repurchase, on the Stock Exchange, the Shares up to a maximum of 10 per cent of the issued share capital of the Company as at the date of the proposed resolution (the “**Repurchase Proposal**”) during the period up to the next annual general meeting of the Company, or at the expiration of the period within which the next annual general meeting of the Company is required by law to be held, or on revocation of Resolution 6 by an ordinary resolution of the shareholders at general meeting, whichever is the earliest.

(b) Number of Shares to be repurchased

The Shares to be repurchased by the Company must be fully paid-up.

As at the Latest Practicable Date, there were 2,795,000,000 Shares in issue. Therefore, subject to the passing of the proposed Resolution 6 at the Annual General Meeting and on the assumption that no additional Shares will be issued and that prior to the date of the proposed resolution, no Shares will be repurchased by the Company, the Company would be allowed under the mandate to repurchase a maximum of 279,500,000 Shares.

The listing of all Shares which are repurchased by the Company will be automatically cancelled upon repurchase. The documents of title of repurchased Shares will be cancelled and destroyed as soon as reasonably practicable following settlement of any such repurchase.

(c) Reason for the repurchase

The existing mandate to repurchase Shares will expire on the date of the next annual general meeting. Given trading conditions on the Stock Exchange have sometimes been volatile in recent months and there have been occasions when Shares were trading at a substantial discount to their underlying net asset value, repurchases of the Shares may enhance the Company's net asset value per Share and earnings per Share. In these circumstances, the ability of the Company to repurchase the Shares can be beneficial to those shareholders who retain their investment in the Company since their percentage interest in the assets of the Company would increase in proportion to the number of Shares repurchased by the Company. Furthermore, exercise of the mandate granted under the Repurchase Proposal by the Directors would increase the trading volume of the Shares on the Stock Exchange. As such, the Directors believe that the Repurchase Proposal is in the interests of the Company and its shareholders.

(d) Source of funds

Repurchases by the Company must be funded out of funds legally available for the purpose in accordance with the Articles of Association and the applicable laws and regulations of the Cayman Islands. A listed company may not repurchase its own securities on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange.

Any repurchase of Shares will be made out of the profits of the Company or out of a fresh issue of Shares made for the purpose of the repurchase or, if authorised by the Articles of Association and subject to the Companies Act of the Cayman Islands (the "**Companies Act**"), out of capital and, in the case of any premium payable on the repurchase, out of the profits of the Company or from sums standing to the credit of the share premium account of the Company, or if authorised by the Articles of Association and subject to the Companies Act of the Cayman Islands, out of capital.

The Directors do not expect there to be any material adverse impact on the working capital or gearing position of the Company, as compared with the position disclosed in the latest audited financial statements of the Company for the year ended 31 December 2021, as a result of repurchases made under the Repurchase Proposal even if the mandate is exercised in full. However, no repurchase would be made in circumstances that would have a material adverse

impact on the working capital or gearing position of the Company (as compared with the position disclosed in the latest published audited financial statements) unless the Directors consider that such repurchases would be in the best interests of the Company notwithstanding such material adverse impact.

(e) Trading restrictions

The total number of Shares which the Company may repurchase is up to 10% of the total number of the Shares in issue as at the date of passing Resolution 6.

The Company shall not repurchase its Shares on the Stock Exchange:

- a. if the repurchase price is higher by 5% or more than the average closing market price for the 5 preceding trading days on which its Shares were traded on the Stock Exchange; or
- b. for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time.

The Company shall not knowingly repurchase its Shares from a core connected person and a core connected person shall not knowingly sell Shares to the Company, on the Stock Exchange.

The Company shall procure that any broker appointed by the Company to effect the repurchase of its Shares shall disclose to the Stock Exchange such information with respect to repurchases made on behalf of the Company as the Stock Exchange may request.

The Company shall not repurchase its Shares on the Stock Exchange at any time after inside information has come to its knowledge until the information is made publicly available. In particular, during the period of one month immediately preceding the earlier of:

- a. the date of the board meeting (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of the Company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and
- b. the deadline for the Company to publish an announcement of its results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules),

and ending on the date of the results announcement, the Company may not repurchase its Shares on the Stock Exchange, unless the circumstances are exceptional.

The Company shall not repurchase its Shares on the Stock Exchange if that repurchase would result in the number of listed securities which are in the hands of the public falling below the relevant prescribed minimum percentage as required by the Stock Exchange, currently, 25% of the total issued share capital of the Company.

The Company may not make a new issue of shares or announce a proposed new issue of shares for a period of 30 days, after any repurchase of its Shares, whether on the Stock Exchange or otherwise (other than an issue of securities pursuant to the exercise of warrants, share options or similar instruments requiring the Company to issue securities, which were outstanding prior to that repurchase of its own securities), without the prior approval of the Stock Exchange.

(f) Procedure and reporting

The Company will submit for publication to the Stock Exchange through HKEx-EPS not later than 30 minutes before the earlier of the commencement of the morning trading session or any pre-opening session on the business day following any day on which the Company makes a repurchase of Shares (whether on the Stock Exchange or otherwise), the total number of Shares repurchased by the Company the previous day, the purchase price per Share or the highest and lowest prices paid for such repurchases, where relevant, and shall confirm that those repurchases which were made on the Stock Exchange were made in accordance with the Listing Rules and that there have been no material changes to the particulars contained in this circular. The Company should make arrangements with its brokers to ensure that they provide to the Company in a timely fashion the necessary information to enable the Company to make the report to the Stock Exchange.

In addition, the Company's annual report is required to disclose details regarding repurchases of Shares made during the financial year, including a monthly analysis of the number of Shares repurchased, the purchase price per Share or the highest and lowest price paid for all such repurchases, where relevant, and the aggregate prices paid.

(g) Undertaking

The Directors have undertaken to the Stock Exchange to exercise the power of the Company to make repurchases pursuant to the proposed Resolution 6 in accordance with the Listing Rules and all applicable laws.

(h) Disclosure of interests

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their close associates have a present intention to sell the Shares to the Company under the Repurchase Proposal in the event that the Repurchase Proposal is approved by shareholders of the Company at the Annual General Meeting.

Meanwhile, the Company has not been notified by any core connected persons of the Company that they have a present intention to sell any Shares, or that they have undertaken not to sell any Shares held by them to the Company, in the event that the Repurchase Proposal is approved by shareholders of the Company at the Annual General Meeting.

(i) Takeovers code implication and public float

If, on the exercise of the powers granted under the Repurchase Proposal, a shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition of voting rights for the purpose of rule 32 of the Code on Takeovers and Mergers (the "**Takeovers Code**"). As a result, a shareholder or a group of shareholders acting in concert (within the meaning under the Takeovers Code), depending on the level of such increase, may obtain or consolidate control of the Company and is thereby obliged to make a mandatory general offer in accordance with rule 26 of the Takeovers Code.

As at the Latest Practicable Date, and insofar the Directors are aware of, persons having interest in 10% or more of the issued share capital of the Company are as follows:

Name of shareholders	Capacity	No. of Shares held	% of shareholding	
			Current	Assuming the Repurchase Proposal is exercised in full
Yu Yumei (<i>Note 1</i>)	Spouse interest	781,558,000	27.96%	31.07%
Zhu Xiaokun (<i>Note 1</i>)	Interest in controlled corporations	774,758,000	27.72%	30.80%
	Beneficial owner	<u>6,800,000</u>	<u>0.24%</u>	<u>0.27%</u>
		781,558,000	27.96%	31.07%
Tiangong Holdings Company Limited (<i>Note 1</i>)	Beneficial owner	774,758,000	27.72%	30.80%
Zhu Zefeng (<i>Note 2 and 3</i>)	Interest in controlled corporation	675,700,521	24.18%	26.86%
	Beneficial owner	<u>1,500,000</u>	<u>0.05%</u>	<u>0.06%</u>
		677,200,521	24.23%	26.92%
Niu Qiu Ping (<i>Note 4</i>)	Spouse interest	677,200,521	24.23%	26.92%
Sky Greenfield Investment Limited (<i>Note 2 and 3</i>)	Interest in controlled corporation	43,932,000	1.57%	1.75%
	Beneficial owner	<u>631,768,521</u>	<u>22.60%</u>	<u>25.11%</u>
		<u>675,700,521</u>	<u>24.18%</u>	<u>26.86%</u>

Notes:

1. Tiangong Holdings Company Limited (“**THCL**”) was owned as to approximately 89.02% and 10.98% by Mr. Zhu Xiaokun (“**Mr. Zhu**”) and Madam Yu Yumei (“**Madam Yu**”), respectively. Mr. Zhu was deemed to be interested in Shares held by THCL and other companies held as to not less than one-third interests by him. Madam Yu is the spouse of Mr. Zhu.
2. Silver Power (HK) Ltd., which was wholly-owned by Sky Greenfield Investment Limited, held 43,932,000 Shares.
3. Mr. Zhu Zefeng controlled 100% of Sky Greenfield Investment Limited.

4. Ms. Niu Qiu Ping is the spouse of Mr. Zhu Zefeng and is deemed to be interested in the shares of the Company held by Mr. Zhu Zefeng.

In the event that the Directors shall exercise in full such powers under the Repurchase Proposal and on the basis that there is no other change in the then issued share capital of the Company, the interest of the above substantial shareholders would be increased to approximately the percentage shown in the last column above. The Directors in exercising the powers under the mandate to be granted pursuant to Resolution 6 will take into consideration of such increase so as not to give rise to an obligation to make a mandatory offer under rule 26 of the Takeovers Code. The number of Shares held by the public would not fall below 25% of the issued share capital of the Company.

(j) Repurchase in the previous six months

During the year ended 31 December 2021, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of its listed securities.

(k) Trading prices of the Shares

The highest and lowest prices at which the Shares have been traded on the Stock Exchange during each month from April 2021 and up to the Latest Practicable Date were as follows:

	Highest Price (HK\$)	Lowest Price (HK\$)
April 2021	4.96	3.83
May 2021	5.05	3.28
June 2021	3.74	3.16
July 2021	4.11	3.05
August 2021	5.25	3.78
September 2021	5.66	4.50
October 2021	5.11	4.46
November 2021	4.90	4.15
December 2021	4.98	4.33
January 2022	4.90	3.88
February 2022	4.35	3.51
March 2022	3.78	2.36
1 April 2022 to 22 April 2022	3.48	2.58

EXTENSION OF SHARE ISSUE MANDATE

Resolution 7 to be proposed at the Annual General Meeting (“**Resolution 7**”) relates to the extension of the 20 per cent general mandate to be granted pursuant to Resolution 5. Subject to the passing at the Annual General Meeting of Resolution 5, Resolution 6 and Resolution 7, the Directors will be given a general mandate to add all those number of Shares which may from time to time be repurchased under the Repurchase Proposal to the 20 per cent general mandate,

thus, the limit of the Share Issue Mandate would include, in addition to the 20 per cent limit as aforesaid, the number of Shares repurchased under the Repurchase Proposal.

PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

General amendments

A special resolution will be proposed at the Annual General Meeting to adopt second amended and restated memorandum and articles of association of the Company (the “**Amended Articles**”) in substitution for, and to the exclusion of, the existing memorandum and articles of association of the Company. The main reasons for the adoption of the Amended Articles are to (i) reflect changes to the requirements of the applicable laws of the Cayman Islands and the Listing Rules; and (ii) make other consequential and housekeeping changes.

Details of the proposed changes to the existing memorandum and articles of association of the Company brought about by the adoption of the Amended Articles are set out below on pages 14 to 28 of this circular.

The legal advisers to the Company as to Hong Kong laws have confirmed that the Amended Articles comply with the requirements of the Listing Rules and the legal advisers to the Company as to the Cayman Islands laws have confirmed that the Amended Articles are not inconsistent with the laws of the Cayman Islands.

The Company confirms that there is nothing unusual about the Amended Articles. The Shareholders are advised that the Amended Articles are available only in English and the Chinese translation of the Amended Articles is for reference only. In case of any inconsistency, the English version shall prevail.

Replacing all references to the word “Law” with “Act” wherever they respectively appear in the memorandum.

* *In addition to the specific amendments as shown below, this general amendment is proposed to be applied to the following Articles: 1, 4, 6, 10, 14, 15, 17, 20, 25, 68.2, 68.3, 69, 74, 115, 117, 141, 159, 160, 168, 171, 182, 189, 199–202, 205, 226 and 228.*

Specific amendments

Memorandum No.	Existing Memorandum of Association	Proposed amendments to the Memorandum of Association (deletion shown by way of strikethrough and new additions by way of underline)
2	The Registered Office of the Company shall be at the offices of M&C Corporate Services Limited, PO Box 309GT, Ugland House, South Church Street, George Town, Grand Cayman, Cayman Islands or at such other place in the Cayman Islands as the Board may from time to time decide.	The Registered Office of the Company shall be at the offices of <u>Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands</u> M&C Corporate Services Limited, PO Box 309GT, Ugland House, South Church Street, George Town, Grand Cayman, Cayman Islands or at such other place in the Cayman Islands as the Board may from time to time decide.

Article No.	Existing Articles of Association	Proposed amendments to the Articles of Association (deletion shown by way of strikethrough and new additions by way of underline)
2	<p>“the Companies Law” or “the Law” shall mean the Companies Law (2004 Revision), Cap. 22 of the Cayman Islands and any amendments thereto or re-enactments thereof for the time being in force and includes every other law incorporated therewith or substituted therefor;</p> <p>...</p> <p>“dividend” shall include bonus dividends and distributions permitted by the Law to be categorised as dividends;</p> <p>...</p>	<p>“the CompaniesLaw <u>Act</u>” or “theLaw <u>Act</u>” shall mean the CompaniesLaw <u>Act</u> (2004 Revision<u>As Revised</u>), Cap. 22 (<u>Law 3 of 1961, as consolidated and revised</u>) of the Cayman Islands and any amendments thereto or re-enactments thereof for the time being in force and includes every other law incorporated therewith or substituted therefor;</p> <p>...</p> <p>“dividend” shall include bonus dividends and distributions permitted by theLaw <u>Act</u> to be categorised as dividends;</p> <p>...</p>
	<p>“electronic” shall have the meaning given to it in the Electronic Transactions Law 2000 of the Cayman Islands and any amendment thereto or re-enactments thereof for the time being in force and includes every other law incorporated therewith or substituted therefor;</p> <p>...</p> <p>“special resolution” shall have the same meaning as ascribed thereto in the Law and shall include a unanimous written resolution of all members: for this purpose, the requisite majority shall be not less than three-fourths of the votes of such members of the Company as, being entitled to do so, vote in person or, where proxies are allowed, by proxy or, in the case of corporations, by their duly authorised representatives, at a general meeting of which notice specifying the intention to propose the resolution as a special resolution has been duly given and includes a special resolution passed pursuant to Article 96;</p> <p>...</p> <p>subject as aforesaid, any words defined in the Law shall, if not inconsistent with the subject and/or context, bear the same meanings in these Articles;</p>	<p>“electronic” shall have the meaning given to it in the Electronic TransactionsLaw 2000 <u>Act (As Revised)</u> of the Cayman Islands and any amendment thereto or re-enactments thereof for the time being in force and includes every other law incorporated therewith or substituted therefor;</p> <p>...</p> <p>“special resolution” shall have the same meaning as ascribed thereto in theLaw <u>Act</u> and shall include a unanimous written resolution of all members: for this purpose, the requisite majority shall be not less than three-fourths of the votes of such members of the Company as, being entitled to do so, vote in person or, where proxies are allowed, by proxy or, in the case of corporations, by their duly authorised representatives, at a general meeting of which notice specifying the intention to propose the resolution as a special resolution has been duly given and includes a special resolution passed pursuant to Article 96;</p> <p>...</p> <p>subject as aforesaid, any words defined in theLaw <u>Act</u> shall, if not inconsistent with the subject and/or context, bear the same meanings in these Articles;</p>

Article No.	Existing Articles of Association	Proposed amendments to the Articles of Association (deletion shown by way of strikethrough and new additions by way of underline)
3	<p>The capital of the Company at the date of the adoption of these Articles is US\$10,000,000 divided into 1,000,000,000 shares of a nominal or par value of US\$0.01 each.</p> <p><i>Note: Pursuant to a resolution on share subdivision passed on 23 May 2011, with effect from 24 May 2011, the share capital of the Company is US\$10,000,000 divided into 4,000,000,000 shares of a nominal or par value of US\$0.0025 each.</i></p>	<p>The capital of the Company at the date of the adoption of these Articles is US\$10,000,000 divided into 1,000,000,000 shares of a nominal or par value of US\$0.01 each.</p> <p><i>Note: Pursuant to a resolution on share subdivision passed on 23 May 2011, with effect from 24 May 2011, the share capital of the Company is US\$10,000,000 divided into 4,000,000,000 shares of a nominal or par value of US\$0.0025 each.</i></p>
5	<p>Subject to the Listing Rules, the Board may issue warrants to subscribe for any class of shares or other securities of the Company on such terms as it may from time to time determine. No warrants shall be issued to bearer for so long as a recognised clearing house (in its capacity as such) is a member of the Company. Where warrants are issued to bearer, no new warrant shall be issued to replace one that has been lost unless the Board is satisfied beyond reasonable doubt that the original has been destroyed and the Company has received an indemnity in such form as the Board shall think fit with regard to the issue of any such new warrant.</p>	<p>This article is deleted and left as blank intentionally.</p>

Article No.	Existing Articles of Association	Proposed amendments to the Articles of Association (deletion shown by way of strikethrough and new additions by way of underline)
8	<p>Subject to the Law, or any other law or so far as not prohibited by any law and subject to any rights conferred on the holders of any class of shares, the Company shall have the power to purchase or otherwise acquire all or any of its own shares (which expression as used in this Article includes redeemable shares) provided that the manner of purchase has first been authorised by a resolution of the shareholders, and to purchase or otherwise acquire warrants for the subscription or purchase of its own shares, and shares and warrants for the subscription or purchase of any shares in any company which is its holding company and may make payment therefor in any manner authorised or not prohibited by law, including out of capital, or to give, directly or indirectly, by means of a loan, a guarantee, a gift, an indemnity, the provision of security or otherwise howsoever, financial assistance for the purpose of or in connection with a purchase or other acquisition made or to be made by any person of any shares or warrants in the Company or any company which is a holding company of the Company and should the Company purchase or otherwise acquire its own shares or warrants neither the Company nor the Board shall be required to select the shares or warrants to be purchased or otherwise acquired rateably or in any other manner as between the holders of shares or warrants of the same class or as between them and the holders of shares or warrants of any other class or in accordance with the rights as to dividends or capital conferred by any class of shares provided always that any such purchase or other acquisition or financial assistance shall only be made in accordance with any relevant code, rules or regulations issued by the Exchange or the Securities and Futures Commission of Hong Kong from time to time in force.</p>	<p>Subject to the Law <u>Act</u>, or any other law or so far as not prohibited by any law and subject to any rights conferred on the holders of any class of shares, the Company shall have the power to purchase or otherwise acquire all or any of its own shares (which expression as used in this Article includes redeemable shares) provided that the manner of purchase has first been authorised by a resolution of the shareholders, and to purchase or otherwise acquire warrants for the subscription or purchase of its own shares, and shares and warrants for the subscription or purchase of any shares in any company which is its holding company and may make payment therefor in any manner authorised or not prohibited by law, including out of capital, or to give, directly or indirectly, by means of a loan, a guarantee, a gift, an indemnity, the provision of security or otherwise howsoever, financial assistance for the purpose of or in connection with a purchase or other acquisition made or to be made by any person of any shares or warrants in <u>or of</u> the Company or and any shares or warrants any company which is a holding company of the Company and should the Company purchase or otherwise acquire its own shares or warrants neither the Company nor the Board shall be required to select the shares or warrants to be purchased or otherwise acquired rateably or in any other manner as between the holders of shares or warrants of the same class or as between them and the holders of shares or warrants of any other class or in accordance with the rights as to dividends or capital conferred by any class of shares provided always that any such purchase or other acquisition or financial assistance shall only be made in accordance with any relevant code, rules or regulations issued by the Exchange or the Securities and Futures Commission of Hong Kong from time to time in force.</p>

Article No.	Existing Articles of Association	Proposed amendments to the Articles of Association (deletion shown by way of strikethrough and new additions by way of underline)
11	Where the Company purchases for redemption a redeemable share, purchases not made through the market or by tender shall be limited to a maximum price, and if purchases are by tender, tenders shall be available to all shareholders alike.	Where <u>Subject to the provisions of the Act, the Company purchases for redemption a redeemable share, purchases not made through the market or by tender shall be limited to a maximum price, and if purchases are by tender, tenders shall be available to all shareholders alike.</u> <u>may purchase its own shares (including any redeemable shares) provided that (a) the manner of purchase has first been authorised by an ordinary resolution, and (b) any such purchase shall only be made in accordance with any relevant code, rules or regulations issued by the Exchange or the Securities and Futures Commission of Hong Kong from time to time in force.</u>
77	The Company shall in each year hold a general meeting as its annual general meeting in addition to any other meeting in that year and shall specify the meeting as such in the notices calling it; and not more than 15 months shall elapse (or such longer period as the Exchange may authorise) between the date of one annual general meeting of the Company and that of the next. So long as the first annual general meeting of the Company is held within 18 months of its incorporation, it need not be held in the year of its incorporation or in the following years. The annual general meeting shall be held at such time and place as the Board shall appoint.	The Company shall in each <u>financial</u> year hold a general meeting as its annual general meeting in addition to any other. <u>The annual general meeting in that year and shall specify the meeting be specified as such in the notices calling it; and not more than 15 months shall elapse (or such longer period as the Exchange may authorise) between the date of one annual general meeting of the Company and that of the next. So long as the first annual general meeting of the Company is held within 18 months of its incorporation, it need not be held in the year of its incorporation or in the following years. The annual general meeting, and</u> shall be held at such time and place as the Board shall appoint.

Article No.	Existing Articles of Association	Proposed amendments to the Articles of Association (deletion shown by way of strikethrough and new additions by way of underline)
79	<p>The Board may, whenever it thinks fit, convene an extraordinary general meeting. General meetings shall also be convened on the written requisition of any two or more members of the Company deposited at the principal office of the Company in Hong Kong or, in the event the Company ceases to have such a principal office, the registered office specifying the objects of the meeting and signed by the requisitionists, provided that such requisitionists held as at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company which carries the right of voting at general meetings of the Company. General meetings may also be convened on the written requisition of any one member of the Company which is a recognised clearing house (or its nominee(s)) deposited at the principal office of the Company in Hong Kong or, in the event the Company ceases to have such a principal office, the registered office specifying the objects of the meeting and signed by the requisitionist, provided that such requisitionist held as at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company which carries the right of voting at general meetings of the Company. If the Board does not within 21 days from the date of deposit of the requisition proceed duly to convene the meeting to be held within a further 21 days, the requisitionist(s) themselves or any of them representing more than one-half of the total voting rights of all of them, may convene the general meeting in the same manner, as nearly as possible, as that in which meetings may be convened by the Board provided that any meeting so convened shall not be held after the expiration of three months from the date of deposit of the requisition, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to them by the Company.</p>	<p>The Board may, whenever it thinks fit, convene an extraordinary general meeting. General meetings shall also be convened on the written requisition of any two or more members of the Company deposited at the principal office of the Company in Hong Kong or, in the event the Company ceases to have such a principal office, the registered office specifying the objects of the meeting and <u>the resolutions to be added to the agenda of the meeting and</u> signed by the requisitionists, provided that such requisitionists held as at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company which carries the right of voting at general meetings of the Company <u>paid up capital of the Company which carries the right of voting at general meetings of the Company</u>. General meetings may also be convened on the written requisition of any one member voting rights, on a one vote per share basis, of the Company issued shares <u>meetings may also be convened on the written requisition of any one member voting rights, on a one vote per share basis, of the Company issued shares</u> which is a recognised clearing house (or its nominee(s)) deposited at the principal office of the Company in Hong Kong or, in the event the Company ceases to have such a principal office, the registered office specifying the objects of the meeting and signed by the requisitionist, provided that such requisitionist held as at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company which carries as at the date carry the right of voting to vote <u>which is a recognised clearing house (or its nominee(s)) deposited at the principal office of the Company in Hong Kong or, in the event the Company ceases to have such a principal office, the registered office specifying the objects of the meeting and signed by the requisitionist, provided that such requisitionist held as at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company which carries as at the date carry the right of voting to vote</u> at general meetings of the Company If the Board does not within 21 days from the date of deposit of the requisition proceed duly to convene the meeting to be held within a further 21 days, the requisitionist(s) themselves or any of them representing more than one-half of the total voting rights of all of them, may convene the general meeting in the same manner, as nearly as possible, as that in which meetings may be convened by the Board provided that any meeting so convened shall not be held after the expiration of three months from the date of deposit of the requisition, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to them by the Company.</p>

Article No.	Existing Articles of Association	Proposed amendments to the Articles of Association (deletion shown by way of strikethrough and new additions by way of underline)
96A	Nil	<u>Subject to the Articles and to any rights or restrictions attached to any shares, at any general meeting (a) every member present in person (or, in the case of a member being a corporation, by its duly authorised representative) or by proxy shall have the right to speak; (b) on a show of hands every member present in any such manner shall have one vote; and (c) on a poll every member present in any such manner shall have one vote for every share of which they are the holder.</u>
104	Any member of the Company entitled to attend and vote at a meeting of the Company shall be entitled to appoint another person (who must be an individual) as his proxy to attend and vote instead of him and a proxy so appointed shall have the same right as the member to speak at the meeting. On a poll votes may be given either personally or by proxy. A proxy need not be a member of the Company. A member may appoint any number of proxies to attend in his stead at any one general meeting (or at any one class meeting).	Any member of the Company <u>(whether an individual, a corporation or a recognized clearing house (or its nominee(s))</u> entitled to attend and vote at a meeting of the Company shall be entitled to appoint another person (who must be an individual) as his proxy to attend and vote instead of him and a proxy so appointed shall have the same right as the member to speak at the meeting. On a poll votes may be given either personally or by proxy. A proxy need not be a member of the Company. A member may appoint any number of proxies to attend in his stead at any one general meeting (or at any one class meeting).
110	Any corporation which is a member of the Company may, by resolution of its directors or other governing body or by power of attorney, authorise such person as it thinks fit to act as its representative at any meeting of the Company or of members of any class of shares of the Company and the person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual member of the Company and where a corporation is so represented, it shall be treated as being present at any meeting in person.	Any corporation which is a member of the Company may, by resolution of its directors or other governing body or by power of attorney, authorise such person as it thinks fit to act as its representative at any meeting of the Company or of members of any class of shares of the Company and the person so authorised shall be entitled to exercise the same powers <u>(including the right to attend, speak and vote at any general meeting of the Company)</u> on behalf of the corporation which he represents as that corporation could exercise if it were an individual member of the Company and where a corporation is so represented, it shall be treated as being present at any meeting in person.

Article No.	Existing Articles of Association	Proposed amendments to the Articles of Association (deletion shown by way of strikethrough and new additions by way of underline)
111	<p>If a recognised clearing house (or its nominee(s)) is a member of the Company it may authorise such person or persons as it thinks fit to act as its representative(s) at any general meeting of the Company or at any general meeting of any class of members of the Company provided that, if more than one person is so authorised, the authorisation shall specify the number and class of shares in respect of which each such person is so authorised. A person so authorised pursuant to this provision shall be entitled to exercise the same rights and powers on behalf of the recognised clearing house (or its nominee(s)) which he represents as that recognised clearing house (or its nominee(s)) could exercise as if such person were an individual member of the Company holding the number and class of shares specified in such authorisation, including the right to vote individually on a show of hands, notwithstanding any contrary provision contained in these Articles.</p>	<p>If a recognised clearing house (or its nominee(s)) is a member of the Company it may authorise such person or persons as it thinks fit to act as its representative(s) at any general meeting of the Company or at any general meeting of any class of members of the Company provided that, if more than one person is so authorised, the authorisation shall specify the number and class of shares in respect of which each such person is so authorised. A person so authorised pursuant to this provision shall be entitled to exercise the same rights and powers on behalf of the recognised clearing house (or its nominee(s)) which he represents as that recognised clearing house (or its nominee(s)) could exercise as if such person were an individual member of the Company holding the number and class of shares specified in such authorisation, including the right to vote individually on a show of hands, <u>attend and speak at general meetings</u>, notwithstanding any contrary provision contained in these Articles.</p>
114	<p>The Board shall have power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy or as an addition to the Board. Any Director so appointed shall hold office only until the next following general meeting of the Company and shall then be eligible for re-election at that meeting.</p>	<p>The Board shall have power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy or as an addition to the Board. Any Director so appointed shall hold office only until the next following <u>first annual</u> general meeting of the Company <u>after his/her appointment</u> and shall then be eligible for re-election at that meeting.</p>

Article No.	Existing Articles of Association	Proposed amendments to the Articles of Association (deletion shown by way of strikethrough and new additions by way of underline)
118	The Company may by ordinary resolution at any time remove any Director (including a Managing Director or other executive Director) before the expiration of his period of office notwithstanding anything in these Articles or in any agreement between the Company and such Director and may by ordinary resolution elect another person in his stead. Any person so elected shall hold office during such time only as the Director in whose place he is elected would have held the same if he had not been removed. Nothing in this Article should be taken as depriving a Director removed under any provisions of this Article of compensation or damages payable to him in respect of the termination of his appointment as Director or of any other appointment or office as a result of the termination of his appointment as Director or as derogatory from any power to remove a Director which may exist apart from the provision of this Article.	The Company may by ordinary resolution at any time remove any Director (including a Managing Director or other executive Director) before the expiration of his period <u>term</u> of office notwithstanding anything in these Articles or in any agreement between the Company and such Director and may by ordinary resolution elect another person in his stead. Any person so elected shall hold office during such time only as the Director in whose place he is elected would have held the same if he had not been removed. Nothing in this Article should be taken as depriving a Director removed under any provisions of this Article of compensation or damages payable to him in respect of the termination of his appointment as Director or of any other appointment or office as a result of the termination of his appointment as Director or as derogatory from any power to remove a Director which may exist apart from the provision of this Article.
126	Payment to any Director or past Director of any sum by way of compensation for loss of office or as consideration for or in connection with his retirement from office (not being a payment to which the Director is contractually entitled) must first be approved by the Company in general meeting.	Payment to any Director or past Director of any sum by way of compensation for loss of office or as consideration for or in connection with his retirement from office (not being a payment to which the Director is contractually entitled) must first be approved by the Company in general meeting <u>and comply with the relevant requirements of the Listing Rules.</u>
134.3	any proposal concerning any other company in which the Director or any of his Associates is/are interested only, whether directly or indirectly, as an officer or executive or shareholder or in which the Director or any of his Associates is/are beneficially interested in the shares of that company, provided that, the Director and any of his Associates is/are not, in aggregate, beneficially interested in 5 per cent. or more of the issued shares of any class of such company (or of any third company through which his interest or that of any of his Associates is derived) or of the voting rights;	deleted
134.4	134.4 any proposal or arrangement concerning the benefit of employees of the Company or any of its subsidiaries including:	134.4 <u>134.3</u> any proposal or arrangement concerning the benefit of employees of the Company or any of its subsidiaries including:

Article No.	Existing Articles of Association	Proposed amendments to the Articles of Association (deletion shown by way of strikethrough and new additions by way of underline)
134.4.1	134.4.1 the adoption, modification or operation of any employees' share scheme or any share incentive scheme or share option scheme under which the Director or any of his Associates may benefit; or	134.4.1 <u>134.3.1</u> the adoption, modification or operation of any employees' share scheme or any share incentive scheme or share option scheme under which the Director or any of his Associates may benefit; or
134.4.2	134.4.2 the adoption, modification or operation of a pension or provident fund or retirement, death or disability benefits scheme which relates both to Directors, their Associates and employees of the Company or any of its subsidiaries and does not provide in respect of any Director or any of his Associates as such any privilege or advantage not generally accorded to the class of persons to which such scheme or fund relates; and	134.4.2 <u>134.3.2</u> the adoption, modification or operation of a pension or provident fund or retirement, death or disability benefits scheme which relates both to Directors, their Associates and employees of the Company or any of its subsidiaries and does not provide in respect of any Director or any of his Associates as such any privilege or advantage not generally accorded to the class of persons to which such scheme or fund relates; and
134.5	134.5 any contract or arrangement in which the Director or any of his Associates is/are interested in the same manner as other holders of shares or debentures or other securities of the Company by virtue only of his/their interest in shares or debentures or other securities of the Company.	134.5 <u>134.4</u> any contract or arrangement in which the Director or any of his Associates is/are interested in the same manner as other holders of shares or debentures or other securities of the Company by virtue only of his/their interest in shares or debentures or other securities of the Company.

Article No.	Existing Articles of Association	Proposed amendments to the Articles of Association (deletion shown by way of strikethrough and new additions by way of underline)
143	<p>Except as would, if the Company were a company incorporated in Hong Kong, be permitted by Section 157H of the Companies Ordinance as in force at the date of adoption of these Articles, and except as permitted under the Companies Law, the Company shall not directly or indirectly:</p> <p>143.1 make a loan to a Director or his Associates or a director of any holding company of the Company;</p> <p>143.2 enter into any guarantee or provide any security in connection with a loan made by any person to a Director or such a director; or</p> <p>143.3 if any one or more of the Directors hold (jointly or severally or directly or indirectly) a controlling interest in another company, make a loan to that other company or enter into any guarantee or provide any security in connection with a loan made by any person to that other company.</p>	<p>Except as would, if the Company were a company incorporated in Hong Kong, be permitted by Section 157H of the Companies Ordinance as in force at the date of adoption of these Articles, <u>the applicable requirements under the Listing Rules (including but not limited to Chapter 14A of the Listing Rules) are complied with</u> and except as permitted under the Companies Law <u>Act</u>, the Company shall not directly or indirectly:</p> <p>143.1 make a loan to a Director or his Associates or a director of any holding company of the Company;</p> <p>143.2 enter into any guarantee or provide any security in connection with a loan made by any person to a Director or such a director; or</p> <p>143.3 if any one or more of the Directors hold (jointly or severally or directly or indirectly) a controlling interest in another company, make a loan to that other company or enter into any guarantee or provide any security in connection with a loan made by any person to that other company.</p>

Article No.	Existing Articles of Association	Proposed amendments to the Articles of Association (deletion shown by way of strikethrough and new additions by way of underline)
161	<p>The Board shall provide for the safe custody of the seal which shall only be used by the authority of the Board or of a committee of the Board authorised by the Board in that behalf, and every instrument to which such seal shall be affixed shall be signed by a Director and shall be countersigned by the Secretary or by a second Director or by some other person appointed by the Board for the purpose. The securities seal which shall be a facsimile of the common seal with the word “Securities” engraved thereon shall be used exclusively for sealing securities issued by the Company and for sealing documents creating or evidencing securities so issued. The Board may either generally or in any particular case resolve that the securities seal or any signatures or any of them may be affixed to certificates for shares, warrants, debentures or any other form of security by facsimile or other mechanical means specified in such authority or that any such certificates sealed with the securities seal need not be signed by any person. Every instrument to which the seal is affixed as aforesaid shall, as regards all persons dealing in good faith with the Company, be deemed to have been affixed to that instrument with the authority of the Directors previously given.</p>	<p>The Board shall provide for the safe custody of the seal which shall only be used by the authority of the Board or of a committee of the Board authorised by the Board in that behalf, and every instrument to which such seal shall be affixed shall be signed by a Director and shall be countersigned by the Secretary or by a second Director or by some other person appointed by the Board for the purpose. The securities seal which shall be a facsimile of the common seal with the word “Securities” engraved thereon shall be used exclusively for sealing securities issued by the Company and for sealing documents creating or evidencing securities so issued. The Board may either generally or in any particular case resolve that the securities seal or any signatures or any of them may be affixed to certificates for shares, warrants, debentures or any other form of security by facsimile or other mechanical means specified in such authority or that any such certificates sealed with the securities seal need not be signed by any person. Every instrument to which the seal is affixed as aforesaid shall, as regards all persons dealing in good faith with the Company, be deemed to have been affixed to that instrument with the authority of the Directors previously given.</p>

Article No.	Existing Articles of Association	Proposed amendments to the Articles of Association (deletion shown by way of strikethrough and new additions by way of underline)
183	<p>The Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for meeting claims on or liabilities of the Company or contingencies or for paying off any loan capital or for equalising dividends or for any other purpose to which the profits of the Company may be properly applied, and pending such application may, at the like discretion, either be employed in the business of the Company or be invested in such investments (including shares, warrants and other securities of the Company) as the Board may from time to time think fit, and so that it shall not be necessary to keep any reserves separate or distinct from any other investments of the Company. The Board may also without placing the same to reserve carry forward any profits which it may think prudent not to distribute by way of dividend.</p>	<p>The Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for meeting claims on or liabilities of the Company or contingencies or for paying off any loan capital or for equalising dividends or for any other purpose to which the profits of the Company may be properly applied, and pending such application may, at the like discretion, either be employed in the business of the Company or be invested in such investments (including shares, warrants and other securities of the Company) as the Board may from time to time think fit, and so that it shall not be necessary to keep any reserves separate or distinct from any other investments of the Company. The Board may also without placing the same to reserve carry forward any profits which it may think prudent not to distribute by way of dividend.</p>
196.4	<p>upon expiry of the 12-year period, the Company has caused an advertisement to be published in the newspapers, or, subject to the Listing Rules, by electronic communication in the manner in which notices may be served by the Company by electronic means as herein provided, giving notice of its intention to sell such shares, and a period of three months has elapsed since such advertisement and the Exchange has been notified of such intention.</p>	<p>upon expiry of the 12-year period, the Company has caused an advertisement to be published in the newspapers, or, subject to the Listing Rules, by electronic communication in the manner in which notices may be served by the Company by electronic means as herein provided, giving notice of its intention to sell such shares, and a period of three months has elapsed since such advertisement and the Exchange has been notified of such intention.</p>

Article No.	Existing Articles of Association	Proposed amendments to the Articles of Association (deletion shown by way of strikethrough and new additions by way of underline)
207	<p>The Company shall at any annual general meeting appoint an auditor or auditors of the Company who shall hold office until the next annual general meeting. The remuneration of the Auditors shall be fixed by the Company at the annual general meeting at which they are appointed provided that in respect of any particular year the Company in general meeting may delegate the fixing of such remuneration to the Board. No person may be appointed as the, or an, Auditor, unless he is independent of the Company. The Board may before the first annual general meeting appoint an auditor or auditors of the Company who shall hold office until the first annual general meeting unless previously removed by an ordinary resolution of the members in general meeting in which case the members at that meeting may appoint Auditors. The Board may fill any casual vacancy in the office of Auditor but while any such vacancy continues the surviving or continuing Auditor or Auditors, if any, may act. The remuneration of any Auditor appointed by the Board under this Article may be fixed by the Board.</p>	<p>The Company shall at any annual general meeting by <u>ordinary resolution</u> appoint an auditor or auditors of the Company who shall hold office until the next annual general meeting. The <u>Company may by Ordinary Resolution remove an Auditor before the expiration of such Auditor's term of office.</u> The remuneration of the Auditors shall be fixed by the Company at the annual general meeting at which they are appointed <u>by ordinary resolution</u> provided that in respect of any particular year the Company in general meeting may delegate the fixing of such remuneration to the Board. No person may be appointed as the, or an, Auditor, unless he is independent of the Company. The Board may before the first annual general meeting appoint an auditor or auditors of the Company who shall hold office until the first annual general meeting unless previously removed by an ordinary resolution of the members in general meeting in which case the members at that meeting may appoint Auditors. The Board may fill any casual vacancy in the office of Auditor but while any such vacancy continues the surviving or continuing Auditor or Auditors, if any, may act. The remuneration of any Auditor appointed by the Board under this Article may be fixed by the Board.</p>

Article No.	Existing Articles of Association	Proposed amendments to the Articles of Association (deletion shown by way of strikethrough and new additions by way of underline)
222	If the Company shall be wound up (whether the liquidation is voluntary, under supervision or by the court) the liquidator may, with the authority of a special resolution of the Company and any other sanction required by the Law divide among the members <i>in specie</i> or kind the whole or any part of the assets of the Company (whether the assets shall consist of property of one kind or shall consist of properties of different kinds) and may for such purpose set such value as he deems fair upon any property to be divided and may determine how such division shall be carried out as between the members or different classes of members. The liquidator may, with the like authority or sanction vest the whole or any part of such assets in trustees upon such trusts for the benefit of the members as the liquidator, with the like authority or sanction and subject to the Law, shall think fit, and the liquidation of the Company may be closed and the Company dissolved, but so that no member shall be compelled to accept any assets, shares or other securities in respect of which there is a liability.	<u>Subject to the Act, the Company may by special resolution approve the voluntary winding-up of the Company.</u> If the Company shall be wound up (whether the liquidation is voluntary, under supervision or by the court) the liquidator may, with the authority of a special resolution of the Company and any other sanction required by the Law <u>Act</u> divide among the members <i>in specie</i> or kind the whole or any part of the assets of the Company (whether the assets shall consist of property of one kind or shall consist of properties of different kinds) and may for such purpose set such value as he deems fair upon any property to be divided and may determine how such division shall be carried out as between the members or different classes of members. The liquidator may, with the like authority or sanction vest the whole or any part of such assets in trustees upon such trusts for the benefit of the members as the liquidator, with the like authority or sanction and subject to the Law <u>Act</u> , shall think fit, and the liquidation of the Company may be closed and the Company dissolved, but so that no member shall be compelled to accept any assets, shares or other securities in respect of which there is a liability.

FINAL DIVIDEND

The Board of Directors has recommended a final dividend of RMB0.0594 per Share subject to shareholders' approval at the Annual General Meeting.

The Hong Kong dollar: Renminbi exchange rate to be adopted to determine the Hong Kong dollars equivalent of the final dividend and the payment date (which will be a day when licensed banks of Hong Kong will be generally open for business) will be announced after the shareholders' approval.

The Register of Members of the Company will be closed from 28 June 2022 to 30 June 2022 (both days inclusive) during which period no transfer of Shares will be registered. In order to qualify for the proposed final dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration by not later than 4:30 p.m. on 27 June 2022.

ANNUAL GENERAL MEETING

The notice convening the Annual General Meeting is set out on pages 31 to 35 of this circular. A form of proxy for use at the Annual General Meeting is being sent to the shareholders together with this circular. Whether or not you are able to attend the meeting, please complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for holding the meeting or any adjourned meeting (being no later than 10:00 a.m. on 1 June 2022). Completion and delivery of the form of proxy will not preclude you from attending and voting at the Annual General Meeting if you so wish.

The Register of Members of the Company will be closed from 30 May 2022 to 2 June 2022 (both days inclusive), for the purpose of determining shareholders' entitlement to attend and vote at the Annual General Meeting, during which period no transfer of Shares will be registered. In order to qualify for attending and voting at the Annual General Meeting, shareholders should ensure that all transfer documents, accompanied by the relevant share certificates, are lodged with the Company's branch share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration by no later than 4:30 p.m. on 27 May 2022.

VOTING PROCEDURES

Pursuant to Rule 13.39(4) of the Listing Rules, at the Annual General Meeting, all resolutions put to the vote of the meeting shall be decided by poll. The Company will then announce the results of the poll in the manner prescribed under Rule 13.39(5) of the Listing Rules.

On a poll, votes may be given either personally or by proxy.

A corporation being a member of the Company shall be deemed for the purpose of the Articles of Association to be present in person if represented by its duly authorised representative being the person appointed by resolution of the directors or other governing body of such corporation or by power of attorney to act as its representative at the relevant general meeting of the Company or at any relevant general meeting of any class of members of the Company.

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

RECOMMENDATION

The Directors consider that the re-election of the retiring Directors, the Share Issue Mandate, the Repurchase Proposal, the extension of Share Issue Mandate, the proposed amendments to the articles of association of the Company and the adoption of the Amended Articles and the final dividend are in the best interests of the Company and its shareholders and accordingly recommend all the shareholders to vote in favour of the relevant resolutions to be proposed at the Annual General Meeting.

Yours faithfully
For and on behalf of the Board
Tiangong International Company Limited
ZHU Xiaokun
Chairman

NOTICE OF ANNUAL GENERAL MEETING



Tiangong International Company Limited

天工國際有限公司*

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 826)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Shareholders of the Company will be held at Units 1203B, 1204–1205, 12/F, World-Wide House, 19 Des Voeux Road Central, Central, Hong Kong, Hong Kong on Tuesday, 2 June 2022 at 10:00 a.m. for the following purposes:

ORDINARY RESOLUTIONS

As Ordinary Business to consider and if thought fit, pass with or without modification the following resolutions as ordinary resolutions:

1. The audited financial statements and the Reports of the Directors and Auditors for the year ended 31 December 2021 be and are hereby approved.
2. The proposed final dividend of RMB0.0594 per Share with par value of US\$0.0025 be and is hereby approved.
3. (a) (i) The re-election of Mr. WU Suojun as an executive director of the Company be and is hereby approved.

(ii) The re-election of Mr. JIANG Quangqing as an executive director of the Company be and is hereby approved.

(iii) The re-election of Mr. LEE Cheuk Yin, Dannis as an independent non-executive director of the Company be and is hereby approved.
- (b) The Board of Directors be and is hereby authorised to fix the remuneration of the Directors.
4. The re-appointment of KPMG as auditors of the Company be and is hereby approved and that the Board of Directors be authorised to fix their remuneration.

* for identification purpose only

NOTICE OF ANNUAL GENERAL MEETING

And as Special Business to consider and if thought fit, pass with or without modification the following resolutions as ordinary resolutions:

5. **“THAT:**

- (a) subject to paragraph (c) below, the exercise by the Directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options which might require the exercise of such powers be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) shall authorise the Directors of the Company during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors of the Company pursuant to the approval in paragraph (a), otherwise than pursuant to (i) a Rights Issue (as hereinafter defined) or (ii) the exercise of subscription rights under any share option scheme of the Company or (iii) an issue of shares as scrip dividends pursuant to the Articles of Association of the Company from time to time, shall not exceed 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of this Resolution and the said approval shall be limited accordingly; and
- (d) for the purposes of this Resolution:

“Relevant Period” means the period from the passing of this Resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next Annual General Meeting of the Company is required by the Articles of Association of the Company or any applicable law of the Cayman Islands to be held; and
- (iii) the revocation or variation of this Resolution by an ordinary resolution of the shareholders of the Company in general meeting.

NOTICE OF ANNUAL GENERAL MEETING

“Rights Issue” means the allotment, issue or grant of shares pursuant to an offer (open for a period fixed by the Directors of the Company) made to shareholders or any class thereof whose names appeared on the register of members of the Company on a fixed record date pro rata to their then holdings of such shares or class thereof (subject to such exclusion or other arrangements as the Directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory outside Hong Kong).”

6. **“THAT:**

- (a) subject to paragraph (b) below, the exercise by the Directors of the Company during the Relevant Period (as defined in Resolution 5(d) above) all powers of the Company to repurchase its shares in the capital of the Company, subject to and in accordance with all applicable laws and requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited as amended from time to time, be and is hereby generally and unconditionally approved; and
- (b) the aggregate nominal amount of shares to be repurchased by the Company pursuant to the approval in paragraph (a) above during the Relevant Period shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company on the date of this Resolution and the authority pursuant to paragraph (a) above shall be limited accordingly.”

7. **“THAT** the general mandate granted to the Directors of the Company to allot, issue and deal with additional shares pursuant to Ordinary Resolution set out in Resolution 5 be and is hereby extended by the addition thereto of an amount representing the aggregate nominal amount of the share capital of the Company which may be allotted or agreed conditionally or unconditionally to be allotted pursuant to such general mandate the aggregate nominal amount of share in the capital of the Company, repurchased by the Company under the authority granted pursuant to Ordinary Resolution set out in Resolution 6, provided that such amount shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company at the date of this Resolution.”

NOTICE OF ANNUAL GENERAL MEETING

SPECIAL RESOLUTION

As Special Business to consider and if thought fit, pass with or without modification the following resolutions as special resolution:

8. “**THAT** the adoption of the second amended and restated memorandum and articles of association of the Company in substitution for, and to the exclusion of, the existing memorandum and articles of association of the Company as set out in pages 14 to 28 of the circular of the Company dated 29 April 2022 be and is hereby approved.”

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

Hong Kong, 29 April 2022

NOTICE OF ANNUAL GENERAL MEETING

Registered office in the Cayman Islands:

PO Box 309

Ugland House, Grand Cayman

KY1-1104, Cayman Islands

Registered office in Hong Kong:

20/F, Tien Chu Commercial Building

173–174 Gloucester Road, Wan Chai

Hong Kong

Principal place of business:

Zhenjiang City

Jiangsu Province, The PRC

Notes:

- (a) A member entitled to attend and vote at the meeting convened by this notice is entitled to appoint one or more proxies to attend and to vote in his stead. A proxy need not be a member of the Company.
- (b) In order to be valid, a form of proxy, together with the power of attorney or other authority (if any), must be deposited at the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the meeting or any adjourned meeting (being no later than 10:00 a.m. on 1 June 2022).
- (c) An explanatory statement regarding the proposals of re-electing the retiring Directors of the Company, granting general mandates to issue new Shares and to repurchase own Shares of the Company will be despatched to the members of the Company together with this notice.
- (d) Information on the retiring Directors is set out on pages 4 to 6 to the circular of the Company to which this notice forms part.
- (e) In order to facilitate the prevention and control of the epidemic and to safeguard the health and safety of the Shareholders, the Company encourages that the Shareholders to consider appointing the Chairman of the Meeting as his/her proxy to vote on the relevant resolution at the Meeting, instead of attending the Meeting in person.