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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)

DISCLOSEABLE TRANSACTION BUY-BACK OF EQUITY INTERESTS IN TG TOOLS

BUY-BACK AGREEMENTS

Reference is made to the Company's discloseable transaction and connected transaction announcement dated 28 December 2020. On 28 December 2020, TG Tools, TG New Materials, TG Hong Kong, Other TG Parties and the Investors (including Hangtou Yuhua, Rongtong, Qichen, Qilu and Sinopec Capital) entered into the Investment Agreement, pursuant to which, the Investors subscribed for an aggregate registered capital of RMB434,228,731, representing approximately 16.65% of the equity interest in TG Tools at the material time, at the consideration of RMB1,415,000,000. On the same date, TG Tools, TG New Materials, TG Hong Kong, TG Precision Tools, Danyang Tianyi, the Company and the Investors entered into the Shareholders' Agreement to govern their rights and obligations as shareholders of TG Tools (including the buyback arrangement of the equity interests in TG Tools) upon the completion of the Subscriptions.

As TG Tools was unable to complete its Qualified Listing before 31 December 2023, Hangtong Yuhua, Rongtong, Qichen, Qilu and Sinopec Capital as Investors, have requested TG New Materials to buy-back the equity interests in TG Tools held by them at a price based on an annual interest rate of 4%, according to the Shareholders' Agreement. Furthermore, TG Hong Kong, the Company, and TG Precision Tools shall assume joint guarantee liability for the buy-back obligations.

THE CURRENT BUY-BACK

Upon parties' negotiation, on 11 December 2024,

- (1) Qichen, TG New Materials, TG Hong Kong, the Company, TG Precision Tools and TG Tools entered into the Qichen Buyback Agreement, pursuant to which Qichen (as the vendor) shall transfer its holding of 1.1765% of equity interests in TG Tools to TG New Materials (as the purchaser) at the consideration of RMB115,040,000;

- (2) Qilu, TG New Materials, TG Hong Kong, the Company, TG Precision Tools and TG Tools entered into the Qilu Buyback Agreement, pursuant to which Qilu (as the vendor) shall transfer its holding of 1.9412% of equity interests in TG Tools to TG New Materials (as the purchaser) at the consideration of RMB189,816,000; and
- (3) Sinopec Capital, TG New Materials, TG Hong Kong, the Company, TG Precision Tools and TG Tools entered into the Sinopec Buyback Agreement, pursuant to which upon TG New Materials participation in the public bidding of the target shares on China Beijing Equity Exchange Co. Ltd. and being confirmed as the final transferee, Sinopec Capital (as the vendor) shall transfer its holding of 2.3529% of equity interests in TG Tools to TG New Materials (as the purchaser) at the consideration of RMB228,424,657.

THE PREVIOUS BUY-BACK

On 21 October 2024,

- (1) Hangtou Yuhua, TG New Materials, TG Hong Kong, the Company, TG Precision Tools and TG Tools entered into the Hangtou Yuhua Buyback Agreement, pursuant to which Hangtou Yuhua (as the vendor) shall transfer its holding of 0.5882% of equity interests in TG Tools to TG New Materials (as the purchaser) at the consideration of RMB57,690,000;
- (2) Rongtong, TG New Materials, TG Hong Kong, the Company, TG Precision Tools and TG Tools entered into the Rongtong Buyback Agreement, pursuant to which Rongtong (as the vendor) shall transfer its holding of 0.5882% of equity interests in TG Tools to TG New Materials (as the purchaser) at the consideration of RMB57,720,000;

LISTING RULES IMPLICATIONS

As the Current Buy-Back was carried out within 12 months of the Previous Buy-Back, the Current Buy-Back and the Previous Buy-Back shall be aggregated in accordance with Rule 14.22 of the Listing Rules. As the highest applicable percentage ratio calculated under Rule 14.07 of the Listing Rules in respect of such Buy-Backs is more than 5% but less than 25%, the Buy-Backs constitutes a discloseable transaction of the Company and are therefore subject to the announcement requirement under Chapter 14 of the Listing Rules. The applicable percentage ratio for the Previous Buy-Back does not exceed 5%.

BUY-BACK AGREEMENTS

Reference is made to the Company's discloseable transaction and connected transaction announcement dated 28 December 2020. On 28 December 2020, TG Tools, TG New Materials, TG Hong Kong, Other TG Parties and the Investors (including Hangtong Yuhua, Rongtong, Qichen, Qilu and Sinopec Capital) entered into the Investment Agreement, pursuant to which, the Investors subscribed for an aggregate registered capital of RMB434,228,731, representing approximately 16.65% of the equity interest in TG Tools at the material time, at the consideration of RMB1,415,000,000. On the same date, TG Tools, TG New Materials, TG Hong Kong, TG Precision Tools, Danyang Tianyi, the Company and

the Investors entered into the Shareholders' Agreement to govern their rights and obligations as shareholders of TG Tools (including the buyback arrangement of the equity interests in TG Tools) upon the completion of the Subscriptions.

As TG Tools was unable to complete its Qualified Listing before 31 December 2023, Hangtuo Yuhua, Rongtuo, Qichen, Qilu and Sinopec Capital as Investors, have requested TG New Materials to buy-back the equity interests in TG Tools held by them at a price based on an annual interest rate of 4%, according to the Shareholders' Agreement. Furthermore, TG Hong Kong, the Company, and TG Precision Tools shall assume joint guarantee liability for the buy-back obligations.

THE CURRENT BUY-BACK

Upon parties' negotiation, on 11 December 2024,

- (1) Qichen, TG New Materials, TG Hong Kong, the Company, TG Precision Tools and TG Tools entered into the Qichen Buyback Agreement, pursuant to which Qichen (as the vendor) shall transfer its holding of 1.1765% of equity interests in TG Tools to TG New Materials (as the purchaser) at the consideration of RMB115,040,000;
- (2) Qilu, TG New Materials, TG Hong Kong, the Company, TG Precision Tools and TG Tools entered into the Qilu Buyback Agreement, pursuant to which Qilu (as the vendor) shall transfer its holding of 1.9412% of equity interests in TG Tools to TG New Materials (as the purchaser) at the consideration of RMB189,816,000; and
- (3) Sinopec Capital, TG New Materials, TG Hong Kong, the Company, TG Precision Tools and TG Tools entered into the Sinopec Buyback Agreement ^(Note), pursuant to which upon TG New Materials participation in the public bidding of the target shares on China Beijing Equity Exchange Co. Ltd. and being confirmed as the final transferee, Sinopec Capital (as the vendor) shall transfer its holding of 2.3529% of equity interests in TG Tools to TG New Materials (as the purchaser) at the consideration of RMB228,424,657.

Note: According to the relevant provisions of 《中華人民共和國企業國有資產法》(the Law of the People's Republic of China on State-owned Assets of Enterprises) and 《企業國有資產交易監督管理辦法》(the Regulations on the Supervision and Administration of State-owned Assets Transactions of Enterprises), Sinopec Capital and TG New Materials entered into the non-binding Sinopec Agreement on 24 October 2024, pursuant to which, Sinopec Capital has published an equity transfer disclosure announcement on the China Beijing Equity Exchange Co. Ltd. concerning the transfer of its 2.3529% equity interests in TG Tools. The listed price, is RMB228,424,657 which is the price determined through negotiations between Sinopec Capital and TG New Materials. TG New Materials has participated in the public bidding of the relevant target shares on the China Beijing Equity Exchange Co. Ltd. to repurchase the shares held by Sinopec Capital. Upon TG New Materials being confirmed as the transferee, Sinopec Capital and TG New Materials shall enter into a Sinopec Equity Transfer Agreement which is based on an equity transfer agreement template provided by China Beijing Equity Exchange Co. Ltd. (北京產權交易所有限公司) for the filing with China Beijing Equity Exchange Co. Ltd..

The material terms of the Qichen Buyback Agreement, Qilu Buyback Agreement and Sinopec Buyback Agreement are set out as follows:

	Qichen Buyback Agreement	Qilu Buyback Agreement	Sinopec Buyback Agreement
Date	11 December 2024		
Parties ⁽¹⁾⁽²⁾	(1) Qichen (as the vendor); (2) TG New Materials (as the purchaser); (3) TG Hong Kong; (4) the Company; (5) TG Precision Tools; and (6) TG Tools	(1) Qilu (as the vendor); (2) TG New Materials (as the purchaser); (3) TG Hong Kong; (4) the Company; (5) TG Precision Tools; and (6) TG Tools	(1) Sinopec Capital (as the vendor); (2) TG New Materials (as the purchaser); (3) TG Hong Kong; (4) the Company; (5) TG Precision Tools; and (6) TG Tools
Buy-Back	Qichen shall transfer its holding of 1.1765% of equity interests in TG Tools (equivalent to registered capital of RMB30,687,543) to TG New Materials pursuant to the terms and conditions of Qichen Buyback Agreement.	Qilu shall transfer its holding of 1.9412% of equity interests in TG Tools (equivalent to registered capital of RMB50,634,446) to TG New Materials pursuant to the terms and conditions of Qilu Buyback Agreement.	Sinopec Capital shall transfer its holding of 2.3529% of equity interests in TG Tools (equivalent to registered capital of RMB61,375,086) to TG New Materials pursuant to the terms and conditions of Sinopec Buyback Agreement.
Consideration	The consideration is RMB115,040,000.	The consideration is RMB189,816,000.	The consideration is RMB228,424,657.

	Qichen Buyback Agreement	Qilu Buyback Agreement	Sinopec Buyback Agreement
Payment terms	<p>The purchaser shall pay to the vendor the full consideration within 10 business days after the payment reference date but no later than 31 December 2024 (the “Payment Date”), and the vendor shall provide written confirmation to the purchaser upon receipt of the consideration. The guarantors shall assume joint liability for the purchaser’s obligation to pay the aforementioned consideration.</p> <p>The payment reference date shall be determined by the purchaser at its sole discretion, provided that such date shall not be later than 31 December 2024. The purchaser shall provide a written notice to the vendor upon determination of such date.</p>		<p>The purchaser shall pay the consideration to the designated settlement account of the China Beijing Equity Exchange Co. Ltd. according to the following schedule:</p> <ol style="list-style-type: none"> 1. the purchaser shall pay a transaction deposit of RMB68,520,000 to the designated account of the China Beijing Equity Exchange Co. Ltd. as a guarantee of the purchaser’s intention to purchase and/or participate in the bidding, as required by the vendor and the equity transfer information disclosure announcement. This deposit, will be credited as part of the consideration upon the Sinopec Equity Transfer Agreement becomes effective; 2. The remaining consideration shall be paid within five (5) business days after the Sinopec Equity Transfer Agreement takes effect
Condition Precedent		/	<p>The Sinopec Buyback Agreement shall take effect upon the TG New Materials participates in the public bidding of the target shares on China Beijing Equity Exchange Co. Ltd. and being confirmed as the final transferee, and the signing of the Sinopec Equity Transfer Agreement is completed.</p>
Completion	<p>From the date of full payment of the consideration (the “Completion Date”), the purchaser shall enjoy full, legal, and effective ownership of the target equity interests.</p>		<p>From the date the Sinopec Equity Transfer Agreement takes effect and the remaining consideration and the service fees of China Beijing Equity Exchange Co. Ltd. to be borne by the purchaser are paid to the designated account of China Beijing Equity Exchange Co. Ltd. (the “Completion Date”), the purchaser shall enjoy full, legal, and effective ownership of the target equity interests.</p>

	Qichen Buyback Agreement	Qilu Buyback Agreement	Sinopec Buyback Agreement
Liability of breach	If the purchaser delays the payment of the consideration for more than three business days, the purchaser shall pay the unpaid portion of the consideration and default interest at the rate of 4% per annum accrued thereon to the vendor (interest period shall be calculated by the days from the Payment Date up to the date when the vendor receives the full payment of the consideration / 365, rounded down to 2 decimal place). /		
Tax and fees	Each party shall bear its own corresponding taxes and fees arising from the execution and performance of the respective Buy-Back Agreement in accordance with the provisions of the PRC laws and regulations currently in force. After the respective Buy-Back Agreement takes effect, the vendor shall fulfill, if necessary, its obligation towards declaration and payment of income tax in respect of the relevant equity transfer with the relevant competent tax authorities in accordance with the applicable PRC laws and regulations.	The service fee charged to the purchaser by the Beijing Equity Exchange shall be borne by the vendor, such fee shall be deducted from the listed price. The service fee of RMB200,000 charged to the purchaser by the Beijing Equity Exchange has already been deducted from the consideration of Sinopec Buyback Agreement. If the final service fee charged to the purchaser by the Beijing Equity Exchange exceeds RMB200,000, the excess amount shall be borne by the vendor and paid directly to the Beijing Equity Exchange by the vendor.	
<i>Note 1:</i> TG New Materials, TG Hong Kong and TG Precision are indirect wholly-owned subsidiaries of the Company as of the date of this announcement.			
<i>Note 2:</i> To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Qichen, Qilu, Sinopec Capital and their respective ultimate beneficial owner(s) are third parties independent of the Company and the connected persons of the Company.			

THE PREVIOUS BUY-BACK

On 21 October 2024,

- (1) Hangtou Yuhua, TG New Materials, TG Hong Kong, the Company, TG Precision Tools and TG Tools entered into the Hangtou Yuhua Buyback Agreement, pursuant to which Hangtou Yuhua (as the vendor) shall transfer its holding of 0.5882% of equity interests in TG Tools to TG New Materials (as the purchaser) at the consideration of RMB57,690,000;
- (2) Rongtong, TG New Materials, TG Hong Kong, the Company, TG Precision Tools and TG Tools entered into the Rongtong Buyback Agreement, pursuant to which Rongtong (as the vendor) shall transfer its holding of 0.5882% of equity interests in TG Tools to TG New Materials (as the purchaser) at the consideration of RMB57,720,000.

Note: To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Hangtou Yuhua, Rongtong and their respective ultimate beneficial owner(s) are third parties independent of the Company and the connected persons of the Company.

INFORMATION ON TG TOOLS

TG Tools is principally engaged in manufacture and sale of die steel and high-speed steel.

The key financial information of TG Tools based on TG Tools consolidated financial statements prepared according to Accounting Regulations for Business Enterprises issued by the Ministry of Finance of the People's Republic of China is as follows (in RMB):

	For the year ended 31 December 2022	For the year ended 31 December 2023
Turnover	3,868,833,284.61	3,409,400,718.78
Profits before taxation	297,904,060.83	226,151,569.77
Profits after taxation	312,924,631.37	224,084,613.45
	As at 31 December 2022	As at 31 December 2023
Total Assets	10,031,853,808.30	9,983,896,619.70
Net Assets	6,351,361,533.53	6,568,117,077.36

REASONS FOR AND BENEFIT OF THE BUYBACKS

Due to changes in macro capital market environment, the timetable for the proposed listing of TG Tools has changed. Therefore, as stated above, the Investors shall have the right to request for a buy-back of equity interests concerned. The Company agreed to the relevant share buy-back requests in order to simplify the shareholding structure and retain the long-term Investors. Given the payment terms differs from that of the Shareholders' Agreement (*Note 1*), the consideration has to be moderately adjusted. The Group is required to enter into the Buy-Back Agreements with the Investors intending to sell their equity interests in TG Tools (namely Hangtong Yuhua, Rongtong, Qichen, Qilu and Sinopec Capital) according to the Shareholders' Agreement previously entered into with the Investors, in order to fulfill its obligation to buy-back the equity interests in TG Tools held by the relevant Investors.

The Directors (including independent non-executive Directors) are of the view that the transactions contemplated under Buy-Back Agreements are on normal commercial terms, and the terms contained therein are fair and reasonable and in the best interests of the Company and its shareholders as a whole.

Note 1: Under the original Shareholders' Agreement, the buy-back price is calculated using the formula below:

$$P \times (1 + 4\% \times T) \times N$$

where

P = the sum of the consideration paid by such Investor under the Investment Agreement

T = the days from the completion date of the Investment Agreement up to the date of the settlement of such buy back/365, rounded down to 2 decimal place

$N = E/F$

E = the amount of registered capital to TG Tools under such buy-back

F = the amount of registered capital of TG Tools held by such Investor

FINANCIAL EFFECT OF THE BUY-BACK

Upon the completion of the Buy-Back, the equity interests held by the Company via TG New Materials and TG Hong Kong will increase from 82.35% to approximately 89.00% and TG Tools will continue to be an indirect non-wholly-owned subsidiary of the Company and its results will remain consolidated into the results of the Group.

The shareholdings structure of TG Tools after the completion of the Buy-Back is expected to be as follows:

Shareholder	Registered Capital Subscribed (RMB)	Shareholding percentage (%)
1. TG New Materials	1,891,887,017	72.53
2. TG Hong Kong	429,625,600	16.47
3. Danyang Tianyi	26,084,411	1.00
4. Other Investors (i.e. Jiatai, Goldstone Advanced Material Fund, Zhenjiang Qianyuan, Danyang Tianxin, Huazi Shengtong, Huazi Huizhi, Letong Huazi and Yuanhe Zhengxin)	<u>260,844,114</u>	<u>10.00</u>
Total:	<u><u>2,608,441,142</u></u>	<u><u>100.00</u></u>

LISTING RULES IMPLICATIONS

As the Current Buy-Back was carried out within 12 months of the Previous Buy-Back, the Current Buy-Back and the Previous Buy-Back shall be aggregated in accordance with Rule 14.22 of the Listing Rules. As the highest applicable percentage ratio calculated under Rule 14.07 of the Listing Rules in respect of such Buy-Backs is more than 5% but less than 25%, the Buy-Backs constitutes a discloseable transaction of the Company and are therefore subject to the announcement requirement under Chapter 14 of the Listing Rules. The applicable percentage ratio for the Previous Buy-Back does not exceed 5%.

INFORMATION ON THE COMPANY AND THE PARTIES TO THE BUY-BACK AGREEMENTS

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.

TG Hong Kong is an investment holding company which is indirectly wholly-owned by the Company.

TG New Materials is an indirect wholly-owned subsidiary the Company and is principally engaged in the promotion service, research and development, standardisation service, consultation, exchange, transfer and intermediary service of new material technology.

TG Precision Tools is an indirect wholly-owned subsidiary of the Company and is principally engaged in research and development, manufacture and sale of cutting tools related products.

Sinopec Capital is a company established in the PRC with limited liability and is owned as to 51.00% and 49.00% by State-Owned Assets Supervision and Administration Commission of the State Council and China Petroleum & Chemical Corporation (600028.SH, 386.HK). The principal business activities of which include project investment, equity investment, entrusted management, investment management of equity investment fund and consulting services (excluding consulting services on securities and futures), management and financial advisory on self-owned equity. Sinopec Capital strategically focuses on emerging industries including new energy, new materials, energy conservation and environmental protection, advanced intelligent manufacturing, and strategic emerging industries such as big data and artificial intelligence.

Rongtong was established in the PRC as a limited partnership, the principal business activities of which include equity investment in non-publicly traded companies and related consulting service. Details of its partners are as follows:

General Partner(s)	Respective shareholdings in Rongtong (%)	The general partner(s) of such general partner (if applicable)	The ultimate beneficial owner of such general partner (%)
北京譽華基金管理有限公司 (Beijing Yuhua Fund Management Co., Ltd.*)	0.0033%	N/A	中航工業產融控股股份有限公司 (AVIC Industry-Finance Holdings Co., Ltd.*) (600705.SH)(100.00%)
Limited Partner(s)	Respective shareholdings in Rongtong (%)	The general partner(s) of such limited partner (if applicable)	The ultimate beneficial owner of such limited partner (%)
中航產業投資有限公司 (AVIC Industry Investment Co., Ltd.*)	49.9983%	N/A	中航工業產融控股股份有限公司 (AVIC Industry-Finance Holdings Co., Ltd.*) (600705.SH) (100.00%)
中航國際融資租賃有限公司 (Avic International Leasing Co., Ltd.*)	49.9983%	N/A	<ul style="list-style-type: none"> ● 中航工業產融控股股份有限公司 (AVIC Industry-Finance Holdings Co., Ltd.*) (600705.SH) (49.32%) ● 中航投資控股有限公司 (AVIC Investment Holdings Co., Ltd.*) (49.31%) <i>(Note 1)</i>

Note 1: The ultimate beneficial owner of 中航投資控股有限公司 (AVIC Investment Holdings Co., Ltd.*) is 中航工業產融控股股份有限公司 (AVIC Industry-Finance Holdings Co., Ltd.*) (600705.SH) (73.56%) and China Life Insurance Company Limited (601628.SH, 2628.HK) (16.70%).

Save for the above, based on public information available as of the date of this announcement, there is no other limited partner of Rongtou owns 10% or more partnership interest.

Hangtou Yuhua was established in the PRC as a limited partnership, the principal business activities of which include equity investment, investment management and investment consulting. Details of its partners are as follows:

General Partner(s)	Respective shareholdings in Hangtou Yuhua (%)	The general partner(s) of such general partner (if applicable)	The ultimate beneficial owner of such general partner (%)
北京譽華基金管理有限公司 (Beijing Yuhua Fund Management Co., Ltd.*)	0.10%	N/A	Please refer to information set out in the paragraph on Rongtou above for the relevant disclosure on 北京譽華基金管理有限公司 (Beijing Yuhua Fund Management Co., Ltd.*)
Limited Partner(s)	Respective shareholdings in Hangtou Yuhua (%)	The general partner(s) of such limited partner (if applicable)	The ultimate beneficial owner of such limited partner (%)
南昌市紅谷灘城市投資集團有限公司 (Nanchang Honggutan City Investment Group Co., Ltd.*)	30.00%	N/A	南昌市紅谷灘區人民政府 (the People's Government of Honggutan District, Nanchang*) (91.41%)
中航產業投資有限公司 (AVIC Industry Investment Co., Ltd.*)	28.90%	N/A	Please refer to information set out in the paragraph on Rongtou above for the relevant disclosure on 中航產業投資有限公司 (AVIC Industry Investment Co., Ltd.*)
江西紅谷灘金融控股有限公司 (Jiangxi Honggutan Financial Holdings Co., Ltd.*)	25.00%	N/A	<ul style="list-style-type: none"> ● 南昌市紅谷灘城市投資集團有限公司 (Nanchang Honggutan City Investment Group Co., Ltd.*) (35.00%) ● 中航信託股份有限公司 (AVIC Trust Co., Ltd.*) (33.00%) <i>(Note 1)</i> ● 博能控股股份有限公司 (Benergy Holdings Co., Ltd.*) (32.00%) <i>(Note 2)</i>

Limited Partner(s)	Respective shareholdings in Hangtou Yuhua (%)	The general partner(s) of such limited partner (if applicable)	The ultimate beneficial owner of such limited partner (%)
南昌大道投資有限責任公司 (Nanchang Avenue Investment Co., Ltd.*)	15.00%	N/A	南昌市政投資集團有限公司 (Nanchang Municipal Investment Group Co., Ltd.*) (100.00%) ^(Note 4)

Note 1: 中航信托股份有限公司 (AVIC Trust Co., Ltd.*) is owned as to 84.42% and 15.58% by 中航投資控股有限公司 (AVIC Investment Holdings Co., Ltd.*) (Note 3) and OCBC Bank Limited (O39.SI), respectively.

Note 2: The ultimate beneficial owner of 博能控股股份有限公司 (Benergy Holdings Co., Ltd.*) is Wen Xianlai.

Note 3: Please refer to information of Rongtou above for the relevant disclosure on 中航投資控股有限公司 (AVIC Investment Holdings Co., Ltd.*).

Note 4: The ultimate beneficial owners of 南昌市政投資集團有限公司 (Nanchang Municipal Investment Group Co., Ltd.*) are Nanchang State-owned Assets Management Committee (90.00%) and 江西省財政廳 (Jiangxi Provincial Department of Finance*) (10.00%).

Save as disclosed, based on public information available as of the date of this announcement, there are no other limited partners holding more than 10% equity interest of Hangtou Yuhua.

Qichen was established in the PRC as a limited partnership, the principal business activities of which include engaging in pre-IPO investment, investment in non-public shares issued by listed companies and related consulting services. Details of its partners are as follows:

General Partner(s)	Respective shareholdings in Qichen (%)	The general partner(s) of such general partner (if applicable)	The ultimate beneficial owner of such general partner (%)
CICC Capital Management Co., Ltd.	0.04%	N/A	China International Capital Corporation Limited (601995.SH, 3908.HK) (100%)

Limited Partner(s)	Respective shareholdings in Qichen (%)	The general partner(s) of such limited partner (if applicable)	The ultimate beneficial owner of such limited partner (%)
中國國有企業結構調整基金股份有限公司 (China Structural Fund Corporation Limited*) (Note 1)	29.43%	N/A	<ul style="list-style-type: none"> ● China Construction Bank Corporation (601939.SH, 939.HK) (16.95%) ● State Council of the PRC (30.36%) ● Hefei State-owned Assets Supervision and Administration Commission (8.35%)
中金啟融(廈門)股權投資基金合夥企業(有限合夥) (CICC Qirong (Xiamen) Equity Investment Fund Partnership (Limited Partnership*))	15.96%	CICC Capital Management Co., Ltd.	<ul style="list-style-type: none"> ● 仲貞 (Zhong Zhen*)(50.00%) ● 黃江圳 (Huang Jiangzhen*) (50.00%)
蘇州市創新產業發展引導基金(有限合夥) (Suzhou Innovation Industry Development Guide Fund (Limited Partnership*)) (Note 5)	13.12%	蘇州股權投資基金管理有限公司 (Suzhou Equity Investment Fund Management Co., Ltd.)* (Note 2)	<ul style="list-style-type: none"> ● 蘇州國際發展集團有限公司 (Suzhou International Development Group Co., Ltd.)* (25.00%) (Note 3) ● 蘇州市產業投資集團有限公司 (Suzhou Industrial Investment Group Co., Ltd.)* (24.50%) (Note 3) ● 寧波梅山保稅港區培元投資管理有限公司 (Ningbo Meishan Free Trade Port Zone Peiyuan Investment Management Co., Ltd.)* (21.00%) (Note 4)
深圳市招商招銀股權投資基金合夥企業 (Shenzhen China Merchants Banking Equity Investment Fund Partnership (Limited Partnership*)) (Note 5)	10.64%	深圳市招商盈葵股權投資基金管理有限公司(Shenzhen China Merchants Yingkui Equity Investment Fund Management Co., Ltd.)* (Note 6)	寧波梅山保稅港區培元投資管理有限公司(Ningbo Meishan Free Trade Port Zone Peiyuan Investment Management Co., Ltd.)* (79.78%) (Note 4)

Note 1: Save as disclosed, based on public information available as of the date of this announcement, no other individuals or entities holding 10% or more effective equity interest in 中國國有企業結構調整基金股份有限公司 (China Structural Fund Corporation Limited*).

Note 2: The ultimate beneficial owner of 蘇州股權投資基金管理有限公司(Suzhou Equity Investment Fund Management Co., Ltd.*) is Xu Ting.

Note 3: Suzhou Municipal Finance Bureau is ultimate beneficial owner of both 蘇州國際發展集團有限公司 (Suzhou International Development Group Co., Ltd.*) and 蘇州市產業投資集團有限公司 (Suzhou Industrial Investment Group Co., Ltd.*).

Note 4: The ultimate beneficial owners of 寧波梅山保稅港區培元投資管理有限公司 (Ningbo Meishan Free Trade Port Zone Peiyuan Investment Management Co., Ltd.*) are China Merchants Bank Co., Ltd. (600036.SH, 3968.HK) (55.00%) and China Merchants Securities Co., Ltd. (600999.SH) (45.00%).

Note 5: Save for the above, based on public information available as of the date of this announcement, no other limited partners of such limited partnerships own 10% or more partnership interest.

Note 6: 深圳市招商盈葵股權投資基金管理有限公司 (Shenzhen China Merchants Yingkui Equity Investment Fund Management Co., Ltd.*) is 100% wholly-owned by 招商局資本管理有限責任公司 (China Merchants Capital Management Co., Ltd.*).

Save for the above, based on public information available as of the date of this announcement, the Company understands that no other limited partners of Qichen owns 10% or more partnership interest.

Qilu was established in the PRC as a limited partnership, the principal business activities of which include pre-IPO investment; investment in non-public shares issued by listed companies and related consulting services. Details of its partners are as follows:

General Partner(s)	Respective shareholdings in Qilu (%)	The general partner(s) of such general partner (if applicable)	The ultimate beneficial owner of such general partner (%)
CICC Capital Management Co., Ltd.	0.11%	N/A	Please refer to information set out in the paragraph on Qichen above for the relevant disclosure on CICC Capital Management Co., Ltd.
Limited Partner(s)	Respective shareholdings in Qilu (%)	The general partner(s) of such limited partner (if applicable)	The ultimate beneficial owner of such limited partner (%)
中金啟融(廈門)股權投資基金合夥企業(有限合夥) (CICC Qirong (Xiamen) Equity Investment Fund Partnership (Limited Partnership)*)	99.89%	CICC Capital Management Co., Ltd.	Please refer to information set out in the paragraph on Qichen above for the relevant disclosure on 中金啟融(廈門)股權投資基金合夥企業(有限合夥) (CICC Qirong (Xiamen) Equity Investment Fund Partnership (Limited Partnership)*)

Save for the above, based on public information available as of the date of this announcement, no other limited partners of Qilu owns 10% or more partnership interest.

DEFINITIONS

Terms used in the announcement shall have the following meanings:

“Buy-Backs”	the Current Buy-Back and the Previous Buy-Back
“Buy-Back Agreements”	Hangtou Yuhua Buyback Agreement, Rongtong Buyback Agreement, Qichen Buyback Agreement, Qilu Buyback Agreement and Sinopec Buyback Agreement
“Buyback by Hangtong Yuhua”	Buyback of the equity interests in TG Tools held by Hangtong Yuhua by TG New Materials pursuant to the Hangtong Yuhua Buyback Agreement
“Buyback by Qichen”	Buyback of the equity interests in TG Tools held by Qichen by TG New Materials pursuant to the Qichen Buyback Agreement
“Buyback by Qilu”	Buyback of the equity interests in TG Tools held by Qilu by TG New Materials pursuant to the Qilu Buyback Agreement
“Buyback by Rongtong”	Buyback of the equity interests in TG Tools held by Rongtong by TG New Materials pursuant to the Rongtong Buyback Agreement
“Buyback by Sinopec Capital”	Buyback of the equity interests in TG Tools held by Sinopec Capital by TG New Materials pursuant to the Sinopec Buyback Agreement and Sinopec Agreement
“Company”	Tiangong International Company Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the main board of the Stock Exchange
“Completion Date”	the date of the completion under Sinopec Buyback Agreement, Qichen Buyback Agreement and Qilu Buyback Agreement (as applicable). For details, please refer to the section headed “Buy-Back Agreements” above
“Current Buy-Back”	Buyback by Qichen, Buyback by Qilu and Buyback by Sinopec Capital
“Danyang Tianyi”	丹陽天一企業管理合夥企業(有限合夥) (Danyang Tianyi Corporate Management Partnership (Limited Partnership)*), a limited partnership established in the PRC
“Director(s)”	the director(s) of the Company
“Group”	the Company together with its subsidiaries

“Hangtou Yuhua”	南昌市紅谷灘新區航投譽華股權投資中心(有限合夥) (Nanchang Honggutan New Area Aviation Investment Yuhua Equity Investment Center (Limited Partnership)*), a limited partnership established in the PRC
“Hangtou Yuhua Buyback Agreement”	the buyback agreement dated 21 October 2024 entered into between Hangtou Yuhua, TG New Materials, TG Hong Kong, the Company, TG Precision Tools and TG Tools, pursuant to which, among others, Hangtou Yuhua shall transfer its holdings of the equity interests in TG Tools to TG New Materials
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Investors”	Jiatai, Qilu, Qichen, Goldstone Advanced Materials Fund, Sinopec Capital, Zhenjiang Qian yuan, Danyang Tianxin, Yuhua Rongtou, Hangtou Yuhua, Huazi Shengtong, Huazi Huizhi, Letong Huazi and Yuanhe Zhengxin Please refer to the Company’s announcement dated 28 December 2020, for the definitions of the aforementioned Investors
“Investment Agreement”	the investment agreement dated 28 December 2020, entered into between TG Tools, TG New Materials, TG Hong Kong, Other TG Parties and the Investors, pursuant to which, among others, the Investors agreed to subscribe for certain equity interest in TG Tools
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Other TG Parties”	the Company, TG Precision Tools, TG Aihe, Weijian Tools, Jurong New Materials and TG Development Please refer to the Company’s announcement dated 28 December 2020, for the definitions of the aforementioned parties
“PRC”	the People’s Republic of China, for the purpose of this announcement, excluding Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan
“Previous Buy-Back”	Buyback by Hangtou Yuhua and Buyback by Rongtou
“Qichen”	中金啟辰(蘇州)新興產業股權投資基金合夥企業(有限合夥) (CICC Qichen (Suzhou) Emerging Industry Equity Investment Fund Partnership (Limited Partnership)*), a limited partnership established in the PRC

“Qichen Buyback Agreement”	the buyback agreement dated 11 December 2024 entered into between Qichen, TG New Materials, TG Hong Kong, the Company, TG Precision Tools and TG Tools, pursuant to which, among others, Qichen shall transfer its holdings of the equity interests in TG Tools to TG New Materials
“Qilu”	啟鷺(廈門)股權投資合夥企業(有限合夥) (Qilu (Xiamen) Equity Investment Partnership (Limited Partnership)*), a limited partnership established in the PRC
“Qilu Buyback Agreement”	the buyback agreement dated 11 December 2024 entered into between Qilu, TG New Materials, TG Hong Kong, the Company, TG Precision Tools and TG Tools, pursuant to which, among others, Qilu shall transfer its holdings of the equity interests in TG Tools to TG New Materials
“Qualified Listing”	the initial public offering and listing on a PRC stock exchange (including but not limited to the main board, small and medium enterprise board, growth enterprise market or Sci-Tech innovation board of the Shanghai Stock Exchange or the Shenzhen Stock Exchange)
“Rongtou”	譽華融投聯動(廈門)股權投資基金合夥企業(有限合夥) (Yuhua Rongtou Linkage (Xiamen) Equity Investment Fund Partnership (Limited Partnership*)) (formerly known as 譽華融投聯動(廈門)投資合夥企業(有限合夥) (Yuhua Rongtou Linkage (Xiamen) Investment Partnership (Limited Partnership*))), a limited partnership established in the PRC
“Rongtou Buyback Agreement”	the buyback agreement dated 21 October 2024 entered into between Rongtou, TG New Materials, TG Hong Kong, the Company, TG Precision Tools and TG Tools, pursuant to which, among others, Rongtou shall transfer its holdings of the equity interests in TG Tools to TG New Materials
“RMB”	Renminbi, the lawful currency of the PRC
“Sinopec Agreement”	the non-binding agreement entered into between Sinopec Capital and TG New Materials, pursuant to which, among others, Sinopec Capital shall transfer its holdings of the equity interests in TG Tools to TG New Materials
“Sinopec Buyback Agreement”	the buyback agreement dated 11 December 2024 entered into between Sinopec Capital, TG New Materials, TG Hong Kong, the Company, TG Precision Tools and TG Tools, pursuant to which, among others, Sinopec Capital shall transfer its holdings of the equity interests in TG Tools to TG New Materials

“Sinopec Equity Transfer Agreement”	the transfer agreement which will be used for filing with China Beijing Equity Exchange Co. Ltd. and based on an equity transfer agreement template provided by China Beijing Equity Exchange Co. Ltd., to be entered into by Sinopec Capital (as vendor) and TG New Materials (as purchaser), upon TG New Materials’ participation in the public bidding of the target shares on China Beijing Equity Exchange Co. Ltd. and being confirmed as the final transferee
“Sinopec Capital”	中國石化集團資本有限公司 (Sinopec Group Capital Co., Ltd), a company established in the PRC with limited liability
“Shareholders’ Agreement”	the shareholders’ agreement entered into between TG Tools, TG New Materials, TG Hong Kong, TG Precision Tools, Danyang Tianyi, the Company and the Investors on 28 December 2020
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“TG Hong Kong”	China Tiangong (Hong Kong) Company Limited, a company incorporated in Hong Kong with limited liability
“TG New Materials”	江蘇天工新材有限公司 (Jiangsu Tiangong New Materials Co. Ltd*), a company established in the PRC with limited liability
“TG Precision Tools”	江蘇天工精密工具有限公司 (Jiangsu Tiangong Precision Tools Company Limited*), a company established in the PRC with limited liability
“TG Tools”	江蘇天工工具新材料股份有限公司 (Jiangsu Tiangong Tools New Materials Company Limited*), formerly known as “江蘇天工工具有限公司 (Jiangsu Tiangong Tools Co. Ltd*)”, a company established in the PRC with limited liability

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

Hong Kong, 11 December 2024

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

Executive Directors: ZHU Xiaokun, ZHU Zefeng, WU Suojun and JIANG Guangqing

Independent non-executive Directors: LEE Cheuk Yin, Dannis, WANG Xuesong and Qin Ke

* For identification purpose only