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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)

ANNOUNCEMENT PURSUANT TO RULE 14.36 OF THE LISTING RULES

Reference is made to the discloseable transaction and connected transaction announcement (the "**Announcement**") published by the Company on 28 December 2020. Unless otherwise defined in this announcement, the terms used in this announcement shall have the same meanings as those defined in the Announcement.

Shareholders' Agreement

On 28 December 2020, 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 upon completion of the relevant Subscription (the "**Shareholders' Agreement**"). Pursuant to the Shareholders' Agreement, each of the parties has entered into, among other things, the Buy-Back Arrangement. Under this arrangement, in the event of any Buy-Back Event, any Investor shall have the right to require TG Hong Kong to buy back part or all of the registered capital of TG Tools subscribed by the Investor. TG parties, other than TG Tools and TG Hong Kong, shall assume joint and several guarantee liability for the buyback obligation. The relevant consideration will be calculated based on the investment period and an annual interest rate of 4%.

On 12 December 2024, TG Tools, TG New Materials, TG Hong Kong, the Company, TG Precision Tools, Danyang Tianyi, and the following investors: Jiatai, Jinshi New Materials Fund, Zhenjiang Qianyuan, Danyang Tianxin, Huazi Shengtong, Huazi Huizhi, Letong Huazi, Yuanhe Zhengxin (collectively referred to as the "**Existing Investors**") ^(Note) entered into a supplemental agreement regarding, among other things, the adjustment of the Buy-Back Arrangement under the Shareholders' Agreement, the exercise of the buy-back and the adjustment of the definition of Qualified Listing ("**Supplemental Agreement**").

Note: 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 a buy back of the equity interests in TG Tools held by them pursuant to the Shareholders' Agreement, for which TG Hong Kong, the Company and TG Precision Tools shall assume joint guarantee liability for the buy-back obligations. Upon the completion of the buy-back, such Investors

shall no longer be Investors. For details, please refer to the announcement “Buy-Back of Equity Interests in TG Tool” published by the Company on 11 December 2024.

The material terms of the Supplemental Agreement are as follow:

	Original Shareholders’ Agreement	Supplemental Agreement
The adjustment of Buy-Back Arrangement	<p>Upon occurrence of any of the following events, each Investor is entitled to serve a written notice to request the TG Hong Kong to purchase or buy-back part or all equity interest in TG Tools’ held by the Investor. TG Parties (other than TG Tools and TG Hong Kong) assumed joint guarantee liability for the buy-back obligations:</p> <ul style="list-style-type: none"> a) TG Tools fails to obtain the confirmation letter (which fulfills the requirements of CSRC and the relevant stock exchange) to be issued by People’s Government of Jiangsu Province confirming there were no loss of collective asset in the historical restructuring of Jiangsu Tiangong Group Company Limited before 31 December 2021; b) TG Tools fails to complete its Qualified Listing before 31 December 2023; c) the representations or warranties contained in any of the Transaction Documents signed by any of the TG Parties are untrue, inaccurate or there exists any deceptive acts or dishonesty in material respect; d) any material breach of the Transaction Documents by any entities of the TG Tools Group, Existing Shareholders and other TG 	<p>Upon occurrence of any of the following events, the Investor is entitled to serve a written notice to request the TG Hong Kong to purchase or buy-back part or all equity interest in TG Tools’ held by the Investor. TG Parties (other than TG Tools and TG Hong Kong) assumed joint guarantee liability for the buy-back obligations:</p> <ul style="list-style-type: none"> a) TG Tools fails to obtain the confirmation letter (which fulfills the requirements of CSRC and the relevant stock exchange) to be issued by People’s Government of Jiangsu Province confirming there were no loss of collective asset in regarding the historical restructuring of Jiangsu Tiangong Group Company Limited before 31 December 2021; b) TG Tools fails to complete its <u>submit</u> Qualified Listing <u>application documents to the stock exchange by 31 December 2025</u> before 31 December 2023; ... h) failure to obtain an unqualified audit report <u>issued by the accounting firm engaged by TG Tools on TG Tools’ financial information</u> for any financial year after the Completion; or i) any other Investors or

	<p>Parties and such breach was unable to be rectified to the Investors' satisfaction within 30 days upon the issuance the written notice by the Investors;</p> <p>e) occurrence of any transaction or event that causes a change in the actual controller or a change in control of TG Tools;</p> <p>f) occurrence of any material adverse change to the directors or senior management of TG Tools or the Core Employees;</p> <p>g) a breach of the non-compete obligations by TG Tools De facto Controllers and such breach was unable to be rectified to the Investors' satisfaction within 120 days upon the issuance the written notice by the Investors; or a breach of the non-compete obligations by Core Employees under the terms of the Shareholders' Agreement and such breach was unable to be rectified to the Investors' satisfaction within 120 days upon the issuance the written notice by the Investors and may cause adverse effect on the Qualified Listing of TG Tools;</p> <p>h) failure to obtain an unqualified audit report on TG Tools for any financial year after the Completion; or</p> <p>i) any other Investors or shareholders of TG Tools initiate a buy-back request in respect of their equity</p>	<p>shareholders of TG Tools initiate a buy-back request to <u>the obligor</u> in respect of <u>the buy-back of</u> their equity interest</p>
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	interest	
Definition of 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, or Listing on other Stock Exchanges approved by the investors)	The initial public offering of <u>TG Tools</u> and its listing on 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 <u>or the Beijing Stock Exchange</u> , or Listing on other Stock Exchanges approved by the investors)
	Additional clause:	
Exercise of the Buy-Back	The Existing Investors acknowledge and confirm that their entering into the Supplemental Agreement shall constitute an irrevocable waiver of their right to require the obligor to perform the buy-back obligation and the guarantors to assume joint liability under the original Shareholders' Agreement regarding the occurrence of the Buy-Back Event "TG Tools fails to complete its Qualified Listing before 31 December 2023". There are no existing or potential disputes among the parties regarding the waiver of such rights. TG Group or its related parties shall not be responsible for any liability regarding the breach of the original agreement, nor any compensation or damages to the Investors.	

Reasons for and benefits of entering into the Supplemental Agreement

The terms of the Supplemental Agreement are determined by the contracting parties through arm's length negotiations based on the actual situation of TG Tools (i.e. TG Tools fails to complete its Qualified Listing by 31 December 2023). All directors (including independent non-executive directors) are of the view that the terms under the Supplemental Agreement are on normal commercial terms, fair and reasonable, and are in the best interests of the Company and its shareholders as a whole.

Implication of the Listing Rules

As the entering into of the Supplemental Agreement constitutes a material change to the Buy-Back Arrangement previously announced on 28 December 2020, the Company is required to publish this announcement pursuant to Rule 14.36 of the Listing Rules.

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

Hong Kong, 12 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*