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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)

PROGRESS ON PROPOSED LISTING OF TG TECH ON BEIJING STOCK EXCHANGE AND DISCLOSEABLE TRANSACTIONS

THE PUBLIC OFFERING (AND THE OVER-PLACING OPTION)

The Board hereby announces that the Sponsor cum Underwriter submitted on behalf of TG Tech a public offering plan to the Beijing Stock Exchange. The Beijing Stock Exchange approved the plan on 24 April 2025.

Pursuant to the Public Offering plan, up to 69,000,000 new TG Tech Shares (including up to 9,000,000 new TG Tech Shares to be issued under the Over-placing Option) (representing approximately 11.76% of the issued share capital and 10.52% of the enlarged share capital) will be offered by way of placing and issue through the Sponsor cum Underwriter at an issue price of RMB3.94 per share. The prospectus has been uploaded on Beijing Stock Exchange. It is expected that the result of the Public Offering will be announced on or about 6 May 2025.

PLACING TO DIRECTORS OF TG TECH

Mr. Jiang Rongjun, a director and the general manager of TG Tech and Ms. Zhu Jingjing (a director and the financial person in charge of TG Tech) will subscribe for 1.5 million and 1 million of new TG Tech Shares, respectively through the Sponsor cum Underwriter at the Placing Price.

PROFIT GUARANTEE

The TG Tech Beneficial Owners have provided profit guarantee to TG Tech that they will guarantee the net profits of TG Tech for each of the three years ending 31 December 2026 to be not less than RMB137,916,200 and will compensate TG Tech for any shortfall on a dollar-to-dollar basis.

POTENTIAL REPURCHASE OF TG TECH SHARES

It is a requirement for listing that TG Tech, the TG Tech Controlling Shareholders and the TG Tech Beneficial Owners, the TG Tech Directors and the TG Tech Senior Management shall undertake to Beijing Stock Exchange to implement stock price stabilization measures during various time period after the listing of TG Tech Shares on the Beijing Stock Exchange if the closing prices of TG Tech shares fall below the issue price for 5 consecutive trading days during the first six months period or the latest audited net asset value per share for 20 consecutive trading days during the rest of the first three years period. In particular, during the period commencing from the seventh month and ending on the third anniversary date of listing, TG Tech shall repurchase shares with each repurchase exercise not more than 10% of the audited net profit attributable to shareholders of the prior financial year and the aggregate repurchase no more than 30% of the audited net profit attributable to shareholders of the prior financial year in a financial year.

LISTING RULES IMPLICATIONS

The issue of new TG Tech Shares under the Public Offering and the Over-placing Option will constitute a deemed disposal of a maximum of 7.95% interest in TG Tech. As all applicable percentage ratios are less than 25% and the consideration percentage ratio is more than 5%, the Public Offering and the Over-placing Option constitutes a discloseable transaction of the Company and shall be subject to announcement.

The placing of new TG Tech Shares to Mr. Jiang Rongjun and Ms. Zhu Jingjing constitute connected transactions. As the aggregate consideration of such placing is up to RMB9,850,000 and the relevant new shares represents less than 0.39% of the enlarged share capital of TG Tech, all applicable percentage ratios are less than 1%, and such placings are fully exempted under Rule 14A.76(1)(b).

Given the repurchases under the stock price stabilization measure to be undertaken by TG would only amount up to RMB51,725,953, on the basis of the audited net profits of TG Tech for the year ended 31 December 2024, all percentage ratios shall fall below 5%. Further announcement will be made in accordance with the requirements of the Listing Rules.

CAUTION: The Public Offering may or may not be completed. Shareholders and investors are reminded to exercise caution when dealing in the securities of the Company.

Reference is made to the announcements of the Company dated 31 October 2022 and 21 December 2023 in relation to the proposed listing of TG Tech on the Beijing Stock Exchange. Unless otherwise defined, the terms used herein shall have the same meaning as those defined in the Prior Announcements.

THE PUBLIC OFFERING AND THE OVER-PLACING OPTION

The Board hereby announces that Shenwan Hongyuan Financing Services Co. Ltd., as the sponsor cum underwriter, submitted on behalf of TG Tech a public offering plan to the Beijing Stock Exchange for approval. The plan was approved by the Beijing Stock Exchange on 24 April 2025 and notified TG Tech of a change of stock code from (NEEQ: 834549) to (BSE: 920068).

The public offering will comprise of:

- (1) the issue of 60,000,000 new TG Tech Shares (representing approximately 10.23% of the existing issued share capital of 586,600,015 TG Tech Shares and 9.28% of the enlarged share capital of TG Tech upon completion of the Public Offering) by way of placing and issue to the non-specified qualified public investors through the Sponsor cum Underwriter at an issue price of RMB3.94 per share; and
- (2) the issue of up to 9,000,000 new TG Tech Shares (representing approximately 1.53% of the existing issued share capital of 586,600,015 shares and 1.37% of the issue share capital as enlarged by the Public Offering and upon full exercise of an over-placing option granted by TG Tech to the Sponsor cum Underwriter) at the issue price of RMB3.94 per share.

Except Mr. Jiang Rongjun, a director and the general manager of TG Tech and Ms. Zhu Jingjing, a director and the financial person in charge of TG Tech) who will subscribe for 1.5 million and 1 million new TG Tech Shares, respectively at the issue price, no other connected persons of the Company will subscribe for the new TG Tech Shares under the public offering. The aggregate consideration of such placings is up to RMB9,850,000.

The Sponsor cum Underwriter has agreed to act as the underwriter to the Public Offering in respect of all the 60,000,000 new TG Tech Shares at an underwriting fee of 8.268% of the underwriting amount (net of sponsorship fee and supervision fee). To the best knowledge of the directors, after due enquiry, the Sponsor cum Underwriter and its ultimate beneficial owner are not connected persons of the Company or their respective associates and are independent third parties. The Sponsor cum Underwriter's obligation to underwrite is subject to the fulfilment of the following condition:

TG Tech obtaining all necessary approval, completing all necessary procedures and having complied with all applicable laws and regulations on the offering and listing.

The Sponsor cum Underwriter may terminate the underwriting arrangement if the outstanding condition has not been fulfilled, waived or amended or if there occur any force majeure event or if there is any misrepresentation or misleading information or omission in the information provided by TG Tech in the prospectus or otherwise provided which may have a material effect on the public offering.

It is expected that the result of the Public Offering will be announced on or about 6 May 2025.

Information on TG Tech

TG Tech is principally engaged in research and development, production and sales of titanium and titanium alloy materials. Raw material sponge titanium (or adding other metal elements) is made into products that can maximize the micro-structural properties of titanium and titanium alloy materials through proportioning, smelting, forging and various finishing methods. The resulting products in the form of plates, pipes, wires are widely used in chemical industry and consumer electronics applications.

An extract of the audited consolidated financial information of TG Tech (prepared according to PRC GAAP) is as follows (denominated in RMB):

	For the year ended	
	31 December	
	2023	2024
Net Profit Before Tax	201,430,935	200,615,939
Net Profit After Tax	175,113,016	174,487,453
	As at 31 December	
	2023	2024
Net Assets	869,301,135	1,047,310,581
Total Assets	1,144,934,850	1,216,913,906

Shareholding of TG Tech

It is expected that upon completion of the Public Offering, TG Tech will remain as a owned subsidiary of the Company. The shareholdings of TG Tech before and immediately after the Public Offering and the full exercise of the Over-placing Option is expected to be as follows:

Shareholders	Current shareholding		Immediately upon completion of the Public Offering		Immediately upon completion of the Over-placing Option	
	<i>No. of shares</i>	<i>%</i>	<i>No. of shares</i>	<i>%</i>	<i>No. of shares</i>	<i>%</i>
TG Investment	443,380,623	75.58	443,380,623	68.57	443,380,623	67.63
Nanjing Iron & Steel Co., Ltd.	105,293,979	17.95	105,293,979	16.28	105,293,979	16.06
Zhu Xiaokun	14,483,951	2.47	14,483,951	2.24	14,483,951	2.21
Jiang Rongjun	6,807,657	1.16	8,307,657	1.29	8,307,657	1.27
Wang Gang	4,345,185	0.74	4,345,185	0.67	4,345,185	0.66
Lu Rongnian	439,519	0.08	439,519	0.07	439,519	0.07
Zhu Jingjing	144,840	0.03	1,144,840	0.18	1,144,840	0.17
Wu Suojun	1,419,195	0.24	1,419,195	0.22	1,419,195	0.22
Other existing shareholders	10,285,066	1.75	10,285,066	1.59	10,285,066	1.57
Places and subscribers under the Public Offering	—	—	57,500,000	8.91	57,500,000	8.77
Places under the Over-placing Option	—	—	—	—	9,000,000	1.37
Total	<u>586,600,015</u>	<u>100.00</u>	<u>646,600,015</u>	<u>100.00</u>	<u>655,600,015</u>	<u>100.00</u>

USE OF PROCEEDS

TG Tech intends that the net proceeds, after deducting issuance expenses, of RMB239,009,920 shall be fully dedicated to establishing an annual 3,000-ton production line for high-end titanium and titanium alloy bars and wires, a strategically vital project that reinforces core business competencies through (i) enhancing production capacity for premium-grade products, (ii) implementing technical upgrades to optimize material performance and quality standards, (iii) reducing reliance on related-party transactions, and (iv) strategically expanding into high-margin application sectors within the titanium industry to capture greater value-chain integration.

PROFIT GUARANTEE

The TG Tech Beneficial Owners have provided profit guarantee to TG Tech that they will guarantee the net profits of TG Tech for each of the three years ending 31 December 2026 to be not less than RMB137,916,200 and will compensate TG Tech for any shortfall on a dollar-to-dollar basis.

PRICE STABILIZATION UNDERTAKINGS

For the purpose of maintaining the stability of the share price of TG Tech, TG Tech, its controlling shareholders, ultimate beneficial owners, directors (other than independent directors) and senior management have undertaken to Beijing Stock Exchange to initiate within the six months period immediately after listing on Beijing Stock Exchange and implement stock price stabilization measures during the three years period immediately after listing on Beijing Stock Exchange if there occurs any occasion when the closing prices of TG Tech shares (1) for 5 consecutive trading days are lower than the issue price during the first six months period after listing or (2) for 20 consecutive trading days are lower than the latest audited net asset value per share for the rest of the three years period.

Subject to the prevailing law, rules and regulations of the relevant PRC regulatory authorities and the articles of association,

- (i) TG Tech shall undertake stabilization actions, amongst others, withhold dividend distribution to the controlling shareholder, repurchase TG Tech shares from the public during the period commencing from the seventh month after the listing on Beijing Stock Exchange, with each repurchase exercise not more than 10% of the audited net profit attributable to shareholders of the prior financial year and the aggregate repurchase no more than 30% of the audited net profit attributable to shareholders of the prior financial year in a financial year; and procuring new directors (except independent directors) to provide undertakings similar to the terms as set out in paragraph (iii) below;
- (ii) TG Investment, being the TG Tech Controlling Shareholders and Mr. Zhu Xiaokun, Ms. Yu Yumei and Mr. Zhu Zefeng, being the TG Tech Beneficial Owners shall undertake stabilization actions, amongst others, not transfer or otherwise dispose of their interest in the Company and increase their respective shareholding in TG Tech, if the completion of the repurchase completed by TG Tech fails to maintain the stability of share price of TG Tech, with acquisition price not more than the last audited net asset per share (as may be adjusted) and the aggregate investment not less than cash dividend received for the prior financial year and not less than RMB10 million and such acquisition shall not be otherwise disposed of within the 6 months period after completion of the increase in shareholding;
- (iii) Mr. Zhu Zefeng, Mr. Zhu Xiaokun, Mr. Jiang Rongjun, Mr. Wang Gang, Mr. Lu Rongnian and Ms. Zhu Jingjing, being TG Tech Directors (except independent directors) and Mr. Jiang Rongjun, Ms. Zhu Jingjing and Mr. Liang Weihao, being TG Tech Senior Management shall undertake stabilization actions, amongst other, increase shareholding in TG Tech, if the completion of the increase in shareholding by the TG Tech Controlling Shareholders and TG Tech Beneficial Owners fail to maintain the stability of share price of TG Tech, with acquisition price not more than the last audited net asset per share (as may be adjusted) and the aggregate investment not less than 30% of his/her cash salary received for the prior financial year for each increase and aggregate annual increase not more than his/her cash salary received for the prior financial year, and such acquisition shall not be otherwise disposed of within the 6 months period after completion of the increase in shareholding.

Such measures may be halted if the closing prices of TG Tech shares for five consecutive trading days are higher than the issue price or the latest audited net asset value per share (whichever applicable) but shall be re-implemented upon occurrence of the triggering condition again.

LISTING RULES IMPLICATIONS

The issue of new TG Tech Shares under the Public Offering and the Over-placing Option constitute a deemed disposal of 7.95% interest in TG Tech. As all applicable percentage ratios are less than 25% and the consideration percentage ratio is more than 5%, the Public Offering and the Over-placing Option constitutes a discloseable transaction of the Company and as such shall only subject to announcement requirement.

The placing of new TG Tech shares to Mr. Jiang Rongjun and Ms. Zhu Jingjing, both being directors of TG Tech, constitute connected transactions. As the aggregate consideration of such placing is RMB9,850,000 and the relevant new shares represents approximately 0.38% of the share capital of TG Tech as enlarged by the Public Offering and the Over-placing Option, all applicable percentage ratios are less than 1%, such placings are fully exempted under Rule 14A.76(1)(b) of the Listing Rules.

Subject to the repurchase price, the repurchases by TG Tech of its own issued shares with an aggregate consideration of up to 30% of TG Tech's audited net profit attributable to shareholders for 2024 would only amount up to RMB51,725,953, on the basis of the audited net profits of TG Tech for the year ended 31 December 2024, and is not subject to any disclosure requirement.

CAUTION: The Public Offering may or may not be completed. Shareholders and investors are reminded to exercise caution when dealing in the securities of the Company.

DEFINITIONS

Capitalised terms in this announcement shall have the following meanings:

“Company”	Tiangong International Company Limited
“connected person”	has the meaning ascribed to it under the Listing Rules
“Independent Third Parties”	party(ies) whose ultimate beneficial owner(s) is/are independent of the Company and connected persons of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“NEEQ”	National Equities Exchange and Quotations
“Over-placing Option”	the over-placing option granted by TG Tech to the Sponsor cum Underwriter for the issue of an additional of 9,000,000 TG Tech Shares at the issue price

“Public Offering”	the placing and issue of 60,000,000 new TG Tech Shares to non-specified qualified public investors via the Sponsor cum Underwriter
“Prior Announcements”	the announcements of the Company dated 31 October 2022 and 21 December 2023
“RMB”	Renminbi, the lawful currency of the PRC
“Sponsor cum Underwriter”	申萬宏源証券承銷保薦有限責任公司 (Shenwan Hongyuan Financing Services Co. Ltd.*), a securities company approved by the China Securities Regulatory Commission with sponsor and underwriting qualifications
“TG Tech”	江蘇天工科技股份有限公司 (Jiangsu Tiangong Technology Company Limited*), an indirect subsidiary of the Company
“TG Tech Beneficial Owner(s)”	natural persons who beneficially control TG Tech, refer to Mr. Zhu Xiaokun, Ms. Yu Yumei and Mr. Zhu Zefeng
“TG Tech Controlling Shareholder”	Jiangsu Tiangong Investment Management Company Limited, an indirect wholly-owned subsidiary of the Company, and a direct shareholder of TG Tech
“TG Tech Directors”	directors of TG Tech (other than independent directors) refer to Mr. Zhu Zefeng, Mr. Zhu Xiaokun, Mr. Jiang Rongjun, Mr. Wang Gang, Mr. Lu Rongnian and Ms. Zhu Jingjing
“TG Tech Senior Management”	senior management of TG Tech, being Mr. Jiang Rongjun, Ms. Zhu Jingjing and Mr. Liang Weihao
“TG Tech Share(s)”	ordinary share(s) of TG Tech with nominal value of RMB1 each

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

Hong Kong, 24 April 2025

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*