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TIANLI HOLDINGS GROUP LIMITED

天利控股集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 117)

POSITIVE PROFIT ALERT

This announcement is made by Tianli Holdings Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) of Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on a preliminary review of the draft unaudited consolidated management accounts of the Group for the year ended 31 December 2021 and the information currently available to the Board, the Group is expected to record (i) an increment of 20% to 30% in the revenue for the year ended 31 December 2021 of as compared to the year ended 31 December 2020; and (ii) a profit of approximately RMB60.0 million to RMB75.0 million attributable to the Shareholders for the year ended 31 December 2021 as compared to a loss of RMB5.5 million attributable to the Shareholders for the year ended 31 December 2020.

The turnaround from net loss to net profit attributable to the Shareholders was primarily attributable to the expansion of the production capacity and increase in the sales volume of the multi-layer ceramic capacitors (“MLCC”) segment of the Group during 2021 with the increasing demand in the market and support of the management, and the increase in the sales revenue benefiting from the optimization of the product portfolio including increasing the proportion of high-end products which has driven up the overall average unit price of the MLCC. In addition, the MLCC segment of the Group has further enhanced the technical skills and management and adopted effective cost-saving measures, resulting in the increase in gross profit. Meanwhile, the income of the investment and financial services segment of the Group remains relatively stable and the Group recorded fair value gain on certain investments projects, one of the investments recorded a fair value gain of approximately RMB 31.5 million compared to a fair loss recorded last year.

The Company is still in the process of finalising the annual results of the Group for the year ended 31 December 2021. The financial information contained in this announcement is only based on the preliminary review made by the Board with reference to the draft unaudited consolidated management accounts of the Group for the year ended 31 December 2021 and the other information currently available, which have not been audited or reviewed by the Company’s auditor and is therefore subject to possible change and adjustment upon further review. Shareholders and potential investors are advised to read carefully the annual results announcement of the Company for the year ended 31 December 2021.

Shareholders and potential investors are advised to exercise caution when dealing in securities of the Company.

By Order of the Board
Tianli Holdings Group Limited
Zhou Chunhua
Chairman

Hong Kong, 25 March 2022

As at the date of this announcement, the Board comprises two executive Directors, namely Mr. Zhou Chunhua (Chairman), Mr. Pan Tong (Chief Executive Officer), and three independent non-executive Directors, namely Mr. Chu Kin Wang, Peleus, Mr. David Tsoi and Mr. Xu Xuechuan.