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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)**

**TERMINATION OF DISCLOSEABLE TRANSACTION  
IN RELATION TO  
JOINT VENTURE FOR ESTABLISHMENT OF  
LIMITED PARTNERSHIP**

Reference is made to the announcements of Tianli Holdings Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 15 January 2020 and 21 January 2020 (the “**Announcements**”) in relation to, among others, the formation of the JV Company for establishment of the Limited Partnership. Pursuant to the JV Agreement, Shenzhen Tiannong (an indirect wholly-owned subsidiary of the Company), Shandong Tongjia and Qingdao Qijia agreed to form the JV Company for establishment of the Limited Partnership to invest in the urban renewal, urban development and infrastructure etc. related areas.

Unless the context otherwise requires, capitalised terms used herein shall have the same meanings as defined in the Announcements. This announcement is made by the Company pursuant to Rule 14.36 of the Listing Rules.

**THE JV COMPANY**

Pursuant to the JV Agreement, Shenzhen Tiannong and Shandong Tongjia shall each subscribe RMB2 million for their respective 40% equity interest and Qingdao Qijia shall subscribe RMB1 million for the remaining 20% equity interest in the JV Company before 31 December 2029. The JV Company was established in the PRC on 10 February 2020 with a registered capital of RMB5 million which remains unpaid as at the date of this announcement.

## THE LIMITED PARTNERSHIP

On 27 February 2020, the JV Company entered into the Limited Partnership Agreement with Shandong Tongjia, Tianming Investment Consulting (an indirect wholly-owned subsidiary of the Company) and Ningxia Tiancheng Xinyuan, pursuant to which Shandong Tongjia shall commit to contribute RMB700 million as Limited Partner, Tianming Investment Consulting shall commit to contribute RMB60 million as Limited Partner, Ningxia Tiancheng Xinyuan shall commit to contribute RMB240 million as Limited Partner and the JV Company shall commit to contribute RMB1 million as General Partner to the Limited Partnership. The Limited Partnership was established on 10 March 2020 with total committed capital of RMB1.001 billion for investment in the urban renewal, urban development and infrastructure etc. related areas.

### Share Transfer in the JV Company

On 20 July 2022, the Company has been informed that Shenzhen Tiannong agreed to transfer its 40% equity interest in the JV Company (the “**Share Transfer**”) to Qingdao Donghong Asset Management Co., Ltd.\* (青島東弘資產管理有限公司) (“**Qingdao Donghong**”), an Independent Third Party, at a consideration of RMB1 (the “**Share Transfer Consideration**”), by entering into a share transfer agreement (the “**Share Transfer Agreement**”). The Share Transfer Consideration shall be paid by Qingdao Donghong to Shenzhen Tiannong and was arrived at after arm’s length negotiations between the parties to the Share Transfer Agreement taking into account that Shenzhen Tiannong did not make any capital contribution in respect of its 40% equity interest in the JV Company.

Shenzhen Tiannong and Qingdao Donghong also agreed under the Share Transfer Agreement that (i) all the rights and obligations of Shenzhen Tiannong in the JV Company shall be transferred to Qingdao Donghong pursuant to the articles of association of the JV Company; and (ii) Qingdao Donghong shall assume all the rights and obligations as shareholder in proportion to its interest in the JV Company upon completion of the Share Transfer, except that if after completion of the Share Transfer it is found that any claims and/or debts (including external guarantee) during the period in which Shenzhen Tiannong was responsible for the operation of the JV Company have been concealed or omitted and have caused financial losses to the JV Company or Qingdao Donghong, Shenzhen Tiannong shall bear all the liabilities arising therefrom.

Shenzhen Tiannong, Shandong Tongjia and Qingdao Qijia, being all the shareholders of the JV Company, unanimously resolved to approve the Share Transfer, and Shandong Tongjia and Qingdao Qijia agreed not to exercise their rights of first refusal in respect of the Share Transfer.

As at the date of this announcement, the Share Transfer has been completed. As such, Shenzhen Tiannong ceases to be a shareholder of the JV Company and the JV Company ceases to be recognised as a joint venture company of the Group.

### **Interest Transfer in the Limited Partnership**

On 20 July 2022, the Company has been informed that Tianming Investment Consulting, Ningxia Tiancheng Xinyuan, Shandong Tongjia, Qingdao Donghong and the JV Company entered into a limited partnership interest transfer agreement (the “**Limited Partnership Interest Transfer Agreement**”), pursuant to which (i) Tianming Investment Consulting and Ningxia Tiancheng Xinyuan shall transfer all their interests, together with all related rights and obligations, in the Limited Partnership to Qingdao Donghong (the “**Interest Transfer A**”) at a consideration of RMB1 and RMB1 (the “**Interest Transfer Consideration A**”) respectively, which shall be paid by Qingdao Donghong to Tianming Investment Consulting and Ningxia Tiancheng Xinyuan; and (ii) Shandong Tongjia shall transfer its 3.37% interests (equivalent to the committed capital of RMB33.7337 million, which remains unpaid as at the date of this announcement), together with all related rights and obligations, in the Limited Partnership to Qingdao Donghong (the “**Interest Transfer B**”, together with the Interest Transfer A, the “**Interest Transfer**”) at a consideration of RMB1 (the “**Interest Transfer Consideration B**”, together with the Interest Transfer Consideration A, the “**Interest Transfer Consideration**”) which shall be paid by Qingdao Donghong to Shandong Tongjia. The Interest Transfer Consideration was arrived at after arm’s length negotiations between the parties to the Limited Partnership Interest Transfer Agreement taking into account that Tianming Investment Consulting, Ningxia Tiancheng Xinyuan and Shandong Tongjia did not make any paid-in capital contribution in the Limited Partnership.

Tianming Investment Consulting, Ningxia Tiancheng Xinyuan, Shandong Tongjia and the JV Company, being all Partners, unanimously agreed not to exercise their rights of first refusal in respect of the Interest Transfer. Pursuant to the Limited Partnership Interest Transfer Agreement, (i) Qingdao Donghong shall, upon completion of the Interest Transfer, assume all the rights and obligations as Tianming Investment Consulting, Ningxia Tiancheng Xinyuan and Shandong Tongjia would have been as Limited Partners in the Limited Partnership; and (ii) Tianming Investment Consulting and Ningxia Tiancheng Xinyuan shall be discharged from any responsibilities and obligations under the Limited Partnership Agreement, save for any debts of the Limited Partnership incurred prior to Interest Transfer A which shall be borne by Tianming Investment Consulting and Ningxia Tiancheng Xinyuan in proportion to their respective interests in the Limited Partnership before Interest Transfer A and deducted from the assets to be withdrawn by them from the Limited Partnership.

As at the date of this announcement, the Interest Transfer A has been completed. As such, Tianming Investment Consulting ceases to be a Limited Partner of the Limited Partnership.

## **INFORMATION OF QINGDAO DONGHONG**

Qingdao Donghong, a company established in the PRC with limited liability, is principally engaged in asset management, investment advisory and corporate management services. As at the date of this announcement, the ultimate beneficial owner of Qingdao Donghong was Mr. Wu Guoxin. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Qingdao Donghong and its ultimate beneficial owner are Independent Third Parties.

## **REASONS FOR THE TERMINATION**

In view of the current market conditions, to further consolidating resources to strengthen the MLCC segment of the Group, the Directors consider that it would not be in the interest of the Company to proceed with the investment in the urban renewal, urban development and infrastructure etc. related areas through the JV Company and the Limited Partnership. The Board believes that termination of the Group's involvement in the JV Company and the Limited Partnership would not have any material adverse impact on the financial position and business operation of the Group.

The terms of the Share Transfer Agreement and the Limited Partnership Interest Transfer Agreement were arrived at after arm's length negotiations between the parties. The Directors (including the independent non-executive Directors) have confirmed that the terms of the Share Transfer Agreement and the Limited Partnership Interest Transfer Agreement are fair and reasonable, on normal commercial terms or better and in the interests of the Company and its Shareholders as a whole.

\* *Unofficial English translation denotes for identification purpose only*

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

Hong Kong, 20 July 2022

*As at the date of this announcement, the Board comprises two executive Directors, namely Mr. Zhou Chunhua (Chairman) and 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.*