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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)

PROFIT WARNING

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 six months ended 30 June 2022 and the information currently available to the Board, the Group is expected to record (i) a decrease of not less than 35% in revenue for the six months ended 30 June 2022 as compared to the six months ended 30 June 2021; and (ii) a loss of approximately RMB40.0 million to approximately RMB50.0 million attributable to the Shareholders for the six months ended 30 June 2022 as compared to a profit of RMB28.5 million attributable to the Shareholders for the six months ended 30 June 2021.

Such change from profit to loss was primarily attributable to the resurgence of the pandemic and the disrupted logistics, demand from the downstream manufacturers was restrained, especially in the consumer electronics sector where end-users' demand saw a sharp decline. In the Group's multi-layer ceramic capacitors ("MLCC") segment, although there was an increase in the proportion and gross profit of industrial and automotive-grade MLCC products, both the sales price and volume of the consumer-grade MLCC products are negatively affected by end-users' demand, resulting in a decrease in total revenue. In the meantime, reduced production resulted in higher unit costs and lower gross profit margin led to a decline in gross profit. Meanwhile, for the Group's investment and financial services segment, the fair value of certain fund investments decreased due to the fluctuation of exchange rate.

The Company is still in the process of finalising the interim results of the Group for the six months ended 30 June 2022. 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 six months ended 30 June 2022 and the other information currently available, which have not been 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 interim results announcement of the Company for the six months ended 30 June 2022.

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, 19 August 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.