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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)

DISCLOSEABLE TRANSACTION SUBSCRIPTION OF INTEREST IN ASIA ENHANCED INCOME BOND FUND

THE SUBSCRIPTION

The Board is pleased to announce that on 4 July 2017 (after trading hours), Tianli Capital, an indirect wholly owned subsidiary of the Company, has executed the Subscription Document, pursuant to which Tianli Capital has applied to subscribe for 1,000 Participating Shares in Asia Enhanced Income Bond Fund (the “Fund”) at the total Subscription price of US\$10 million (equivalent to approximately HK\$77.6 million).

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios under Chapter 14 of the Listing Rules exceed 5% but are less than 25%, the Subscription constitutes a discloseable transaction of the Company and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

THE SUBSCRIPTION

The Board is pleased to announce that on 4 July 2017 (after trading hours), Tianli Capital, an indirect wholly owned subsidiary of the Company, has executed the Subscription Document, pursuant to which Tianli Capital has applied to subscribe for 1,000 Participating Shares in the Fund at the total Subscription price of US\$10 million (equivalent to approximately HK\$77.6 million).

The principal terms of the Subscription Document are as follows:

Date of Subscription Document	:	4 July 2017
Subscriber	:	Tianli Capital
Number of Participating Shares to be subscribed	:	1,000 Participating Shares
Total Subscription price	:	US\$10 million (equivalent to approximately HK\$77.6 million)
Subscription price per Participating Share	:	US\$10,000 per Participating Share in the Fund

Subscription price

The initial Subscription price of US\$10,000 per Participating Share is payable in cash.

The total Subscription price in the amount of US\$10 million (equivalent to approximately HK\$77.6 million) will be paid by Tianli Capital to the Fund at completion of the Subscription, which will be funded from the Company's internal resources.

The total Subscription price was determined after arm's length negotiation between the Fund and Tianli Capital after taking into account the benefits of the Subscription as set out in the section headed "Reasons for and benefits of the Subscription" below.

Completion

Completion of the Subscription is expected to take place within 10 Business Days after the date of the Subscription Document. Immediately upon completion of the Subscription, the issued share capital of the Fund will be US\$40 million (equivalent to approximately HK\$310.4 million), and Tianli Capital will be interested in approximately 25% of the issued share capital of the Fund (as enlarged by the 1,000 Participating Shares to be subscribed for under the Subscription).

INFORMATION ON THE FUND

The Fund is an exempted company incorporated with limited liability under the laws of the Cayman Islands. The Fund was incorporated on 24 February 2017.

Share capital

As at the date of this announcement, the Fund has an authorised share capital of US\$50,000, divided into 100 Management Shares of US\$0.01 par value each and 4,999,900 Participating Shares of US\$0.01 par value each.

The directors of the Fund have created and designated two classes of shares of the Fund, being (i) the Management Shares which are non-redeemable, non-participating, voting shares of the Fund, which have been issued to the Manager; and (ii) the Participating Shares which are non-voting, redeemable, participating shares of the Fund, which are being offered under the terms of the Memorandum.

As at the date of this announcement, the Manager is the holder of all the 100 Management Shares of the Fund, and the Fund has not issued any Participating Share.

Lock-up period

Participating Shares may be redeemed at the option of the holders of Participating Shares thereof after the expiry of the lock-up period of 3 years from the date of first subscription of the Participating Shares or, in each case, such other date as the directors of the Fund may determine.

Investment objective

The investment objective of the Fund is to seek to invest in a diversified portfolio of Asian fixed income securities which provide total returns comprised of interest income and modest capital appreciation over the medium to long term.

Investment strategy

The Fund will typically invest a minimum of 80% of its net asset value in a diversified portfolio of fixed income securities in the Asia Pacific region, comprising primarily of investment grade, non-investment grade and unrated fixed income securities. Up to 20% of the Fund's net asset value will be invested in global (ex-Asia Pacific) fixed income securities using the same investment process and philosophy.

Business and management of the Fund

As at the date of this announcement, the Fund has no business activity nor investment.

The business of the Fund is carried on and managed by the Manager with the assistance of the Advisor.

The Manager, an indirect non-wholly owned subsidiary of the Company, is principally engaged in fund management and advisory investment services for corporations, institutions and individual investors. The Advisor, an indirect wholly owned subsidiary of the Company, holds Type 4 (advising on securities) and Type 9 (asset management) licenses granted by the SFC.

REASONS FOR AND BENEFITS OF THE SUBSCRIPTION

One of the business segments of the Group is financial investment and provision of financial services. Within the financial investment and financial services segment, it is the plan of the Company to focus on asset management and the Company has been strategically and progressively expanding its exposure in such segment by establishing and taking part in different funds with distinct investment objectives.

As at the date of this announcement, the Group has established and/or sponsored a number of funds across a broad spectrum of investment strategies including real estate, private debt, and acquisition financing. The Company believes that the investment into the Fund will allow the Company to further enhance its investment mandates and product offerings for secondary market, starting with an Asian fixed income product. This will enable the Group to broaden its income sources as it continues to build, expand and strengthen its investment and financial services business. Further, as an Advisor to the Fund, advisory fees will be payable to the Advisor, providing the Group with a steady income stream.

On the above grounds, the Directors consider that the terms of the Subscription and the Subscription Document are fair and reasonable and on normal commercial terms, and the Subscription is in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios under Chapter 14 of the Listing Rules exceed 5% but are less than 25%, the Subscription constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

“Advisor”	Tianli Financial Limited 天利金融有限公司, a company incorporated in Hong Kong with limited liability which is indirectly wholly owned by the Company and holds Type 4 (advising on securities) and Type 9 (asset management) licenses granted by the SFC
“Board”	board of Directors
“Business Day(s)”	any day on which banks in Hong Kong are open for general business, excluding Saturdays and Sundays or a gazette public holiday, and days on which banks in Hong Kong are open for a shorter time as a result of a typhoon signal no. 8 or above or a black rainstorm signal or similar event
“Company”	Tianli Holdings Group Limited 天利控股集團有限公司, a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 117)
“Director(s)”	director(s) of the Company
“Fund”	Asia Enhanced Income Bond Fund, an exempted company incorporated with limited liability in the Cayman Islands
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Management Share(s)”	a non-redeemable, non-participating, voting share of par value US\$0.01 in the capital of the Fund, which are held by the Manager as at the date of this announcement
“Manager”	Asia Enhanced Income Investment Limited, a company incorporated in the Cayman Islands
“Memorandum”	the private placement memorandum in respect of the Fund issued by the Fund
“Participating Share(s)”	a non-voting, redeemable, participating, share of par value US\$0.01 in the capital of the Fund and being offered for subscription under the terms of the Memorandum
“SFC”	the Securities and Futures Commission
“Share(s)”	ordinary share(s) of HK\$0.01 each in the capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Subscription”	the subscription by Tianli Capital for 1,000 Participating Shares in the Fund pursuant to the Subscription Document
“Subscription Document”	the subscription document of the Fund dated 4 July 2017 executed by Tianli Capital for the subscription of Participating Shares in the Fund pursuant to the terms and conditions of the Memorandum
“Tianli Capital”	Tianli Capital Limited, a company incorporated in the Cayman Islands with limited liability which is indirectly wholly owned by the Company
“US\$”	United States dollars, the lawful currency of the United States of America
“%”	per cent.

For the purposes of illustration only, any amount denominated in US\$ in this announcement is translated into HK\$ at the rate of US\$1 = HK\$7.76. Such translation should not be construed as a representation that the amounts in question have been, could have been or could be, converted at any particular rate at all.

By order of the Board
Tianli Holdings Group Limited
Huang Mingxiang
Executive Director, Chairman and CEO

Hong Kong, 4 July 2017

As at the date of this announcement, the Board comprises six Executive Directors, namely, Mr. Huang Mingxiang, Mr. Jing Wenping, Mr. Kwok Oi Lung Roy, Mr. Xue Hongjian, Mr. Zhou Chunhua and Mr. Zhu Xiaodong; one Non-executive Director, namely, Mr. Sue Ka Lok and four Independent Non-executive Directors, namely Mr. Chan Chi On, Derek, Mr. Chu Kin Wang, Peleus, Mr. To Yan Ming, Edmond and Mr. Xu Xuechuan.