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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)

INSIDE INFORMATION EXPECTED SUBSTANTIAL DECREASE IN LOSS

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 2020 and the information currently available to the Board, the Group is expected to record a loss of approximately RMB5 million to RMB15 million attributable to the Shareholders for the year ended 31 December 2020 as compared to a loss of approximately RMB126.0 million attributable to the Shareholders for the year ended 31 December 2019.

The decrease in net loss attributable to the Shareholders was primarily attributable to the improvement in the market in the second half of 2020 despite the adverse impact of the COVID-19 pandemic outbreak which resulted in decreased demand from some customers of the multi-layer ceramic chips (“**MLCC**”) segment in the first half of 2020. Moreover, due to the reduction in unit cost led by the expanded production and the effective implementation of cost control measures by the management for MLCC segment, the gross margin increased and resulted in higher gross profit and consequently a decrease in net loss attributable to the Shareholders.

The Company is still in the process of finalising the annual results of the Group for the year ended 31 December 2020. 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 2020 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 2020.

Shareholders and potential investors of the Company 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, 23 March 2021

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