

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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 RELATING TO FORMATION OF JOINT VENTURE

FORMATION OF JOINT VENTURE

The Board announced that on 28 September 2016 (after trading hours of the Stock Exchange), Tianli Technology (an indirect wholly-owned subsidiary of the Company) executed the JV Articles with the JV Partner for the formation of the Joint Venture. The Joint Venture will be held as to 70% by Tianli Technology and 30% by the JV Partner. The principal business of the Joint Venture shall be development and provision of market leading products for the financial industry based on artificial intelligence and big data technology which mainly includes intelligent marketing solutions, online credit products and smart investment advisory services.

LISTING RULES IMPLICATIONS

As some of the applicable percentage ratios (as defined under the Listing Rules) in respect of the total capital commitment of Tianli Technology pursuant to the JV Articles are more than 5% but are less than 25%, the formation of the Joint Venture constitutes a discloseable transaction for the Company under the Listing Rules and is subject to the reporting and announcement requirements as set out in Chapter 14 of the Listing Rules.

INTRODUCTION

On 28 September 2016 (after trading hours of the Stock Exchange), Tianli Technology (an indirect wholly-owned subsidiary of the Company) executed the JV Articles with the JV Partner for the formation of the Joint Venture. Principal terms of the JV Articles are set forth below:

THE JV ARTICLES

Date of execution of the JV Articles: 28 September 2016

Parties:

The parties to the JV Articles are:

- (i) Tianli Technology Holdings Limited (天利科技控股有限公司), a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
- (ii) 深圳市農什投資合夥企業(有限合夥) (Shenzhen Nong Shi Investment Partnership (Limited Partnership)*), a limited partnership incorporated in the PRC with limited liability, the JV Partner, which principally engaged in investment holding

The general partner of the JV Partner is 深圳潤利投資管理有限公司(Shenzhen Run Li Investment Management Company Limited*), a company incorporated in the PRC with limited liability which is an indirect wholly-owned subsidiary of the Company with 1% interest in the JV Partner. One of the limited partners of the JV Partner is Mr. Xue Hongjian (薛鴻健), an executive Director of the Company with 29% interest in the JV Partner and the remaining limited partner of the JV Partner is an Independent Third Party with 70% interest in the JV Partner. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the JV Partner is an Independent Third Party.

Principal business of the Joint Venture:

Development and provision of market leading products for the financial industry based on artificial intelligence and big data technology which mainly includes intelligent marketing solutions, online credit products and smart investment advisory services.

Shareholding structure:

The Joint Venture will be held as to 70% by Tianli Technology and 30% by the JV Partner. The Joint Venture will become a subsidiary of the Company and its financial results, assets and liabilities will be consolidated with those of the Group.

Capital commitment:

Pursuant to the JV Articles, each of Tianli Technology and the JV Partner undertakes to provide registered capital of RMB70,000,000 and RMB30,000,000 to the Joint Venture as the Joint Venture's registered capital. The Joint Venture shall not reduce its registered capital within the operation period of the Joint Venture.

Tianli Technology and the JV Partner are required to pay up its respective committed registered capital within one month and five years after the date of issue of the business licence of the Joint Venture.

The said capital commitment was determined after arm's length negotiation between the parties and is to be contributed by Tianli Technology and the JV Partner in accordance with the respective shareholding in the Joint Venture.

Management of the Joint Venture:

The board of directors of the Joint Venture shall comprise three (3) members, Tianli Technology and the JV Partner shall have the right to nominate two (2) directors and one (1) director respectively.

The daily operation of the Joint Venture shall be managed by a management department, the composition of which shall be determined by the board of directors of the Joint Venture.

Matters requiring unanimous approval of all directors:

According to the JV Articles, the following matters shall not be approved without the consent of all directors of the Joint Venture attending the board meeting:

- (i) amendment of the articles of association of the Joint Venture;
- (ii) suspension and dissolution of the Joint Venture;
- (iii) increase, transfer or adjustment of the registered capital of the Joint Venture;
- (iv) creation of any asset pledge of the Joint Venture;
- (v) conducting any merger between the Joint Venture and other business entities, spinning off of the Joint Venture or changing of the organization form of the Joint Venture.

REASONS FOR, AND BENEFITS OF, FORMATION OF THE JOINT VENTURE

The Company is an investment holding company and its subsidiaries are principally engaged in the manufacturing and sales of electronic products with current focus on multi-layer ceramic chips (MLCC), conducting financial investment and provision of financial services.

The Directors considered that currently there is a strong demand for financial technology in the financial industry, and would like to expand the current financial services of the Group to include provision of sales services, loan products and investment products through an internet platform. The management of the Company considered the formation of the Joint Venture a great opportunity for the Group to further develop the financial technology business of the Group. As mentioned above, the principal business of the Joint Venture shall be development and provision of market leading products for the financial industry based on artificial intelligence and big data technology which mainly includes intelligent marketing solutions, online credit products and smart investment advisory services. With the combined resources, experience and expertise of the JV Partner, the Joint Venture would be in the interest of the Company and the Shareholders as a whole as it could enable the Group to enter into the financial technology industry.

LISTING RULES IMPLICATIONS

As some of the applicable percentage ratios (as defined under the Listing Rules) in respect of the total capital commitment of Tianli Technology pursuant to the JV Articles are more than 5% but are less than 25%, the formation of the Joint Venture constitutes a discloseable transaction for the Company under the Listing Rules and is subject to the reporting and announcement requirements as set out in Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meaning:

“Board”	the board of Directors
“Company”	Tianli Holdings Group Limited, 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)
“connected person(s)”	has the meaning ascribed thereto in the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Independent Third Party(ies)”	third party(ies) independent of the Company and its connected persons

“Joint Venture”	深圳市天農科技有限公司 (Shenzhen Tian Nong Technology Company Limited*), a sino-foreign equity joint venture to be incorporated in the PRC with limited liability and held as to 70% by Tianli Technology and 30% by the JV Partner
“JV Articles”	The memorandum and articles of association of the Joint Venture dated 28 September 2016 entered into between Tianli Technology and the JV Partner
“JV Partner”	深圳市農什投資合夥企業(有限合夥) (Shenzhen Nong Shi Investment Partnership (Limited Partnership)*), a limited partnership incorporated in the PRC with limited liability
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tianli Technology”	Tianli Technology Holdings Limited (天利科技控股有限公司), a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company

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

Hong Kong, 28 September 2016

* *for identification purposes only*

As at the date of this announcement, the Board comprises seven executive Directors, namely, Mr. Huang Mingxiang, Mr. Jing Wenping, Mr. Kwok Oi Lung Roy, Mr. Sue Ka Lok, Mr. Xue Hongjian, Mr. Zhou Chunhua and Mr. Zhu Xiaodong 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.