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TIANLI HOLDINGS GROUP LIMITED

天利控股集團有限公司

(Incorporated in Cayman Islands with limited liability)

(Stock code: 117)

UPDATE ON PROGRESS OF MAJOR TRANSACTION REGARDING INTENDED TERMINATION OF SALE AND PURCHASE AGREEMENT

This announcement is made by Tianli Holdings Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) and Rule 13.09 of the Listing Rules.

Reference is made to the announcement of the Company dated 22 September 2017 in relation to the Sale and Purchase Agreement in respect of the Disposal Transaction (the “**Announcement**”) and the announcements of the Company dated 17 October 2017 and 22 November 2017 in relation to the delay in despatch of circular and the entering into by the Company and the Purchaser of a supplemental agreement to the Sale and Purchase Agreement to extend the Long Stop Date. Capitalised terms used herein shall have the same meanings as those defined in the Announcement unless otherwise defined herein. Reference is also made to the positive profit alert announcement of the Company dated 22 December 2017 (the “**Positive Profit Alert Announcement**”).

The Board wishes to update the Shareholders and potential investors on the progress of the Disposal Transaction. As set out in the Positive Profit Alert Announcement, it is expected that the Group would record a turnaround in profit for the year ending 31 December 2017, as compared to the loss recorded for the year ended 31 December 2016, and the Board believes that this was primarily attributable to, among others, the better than expected improvement of the MLCC segment of the Group over the period from October to November 2017. In light of the significant uncertainty ahead in the MLCC market, the Board is of the view that it is necessary to reassess, and where necessary, adjust the interim strategic business development initiatives of the Group. Accordingly, the Board has been carefully reconsidering the potential impact of the Disposal Transaction on the Group from different perspectives, financially and strategically, and in liaison with the Purchaser of, among other possibilities, the possible termination of the proposed Disposal Transaction. On 27 December 2017, the Company and the Purchaser reached a preliminary consensus to terminate the Sale and Purchase Agreement and thus the Disposal Transaction subject to the

entry into of a definitive agreement of termination by the Company and the Purchaser. As at the date of this announcement, the Company and the Purchaser are in the process of negotiating the principal terms for the termination of the Sale and Purchase Agreement.

The Company will make further announcement(s) to provide further updates on the progress of the intended termination of the Sale and Purchase Agreement and thus the Disposal Transaction as and when appropriate in accordance with the relevant requirements of the Listing Rules.

By order of the Board
Tianli Holdings Group Limited
Jin Zhifeng
Executive Director and Chief Executive Officer

Hong Kong, 27 December 2017

As at the date of this announcement, the Board comprises nine executive Directors, namely, Mr. Huang Mingxiang (Chairman), Mr. Jin Zhifeng (Chief Executive Officer), Mr. Jing Wenping, Mr. Kwok Oi Lung Roy, Mr. Pan Tong, Mr. Xue Hongjian, Mr. Yu Zhenyu, Mr. Zhou Chunhua and Mr. Zhu Xiaodong; one non-executive Director, namely, Mr. Sue Ka Lok and five independent non-executive Directors, namely Mr. Chan Chi On, Derek, Mr. Chu Kin Wang, Peleus, Mr. To Yan Ming, Edmond, Mr. David Tsoi and Mr. Xu Xuechuan.