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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)

SUPPLEMENTAL ANNOUNCEMENT DISCLOSEABLE TRANSACTION IN RELATION TO FORMATION OF JOINT VENTURE FOR ESTABLISHMENT OF LIMITED PARTNERSHIP

Reference is made to the announcement of Tianli Holdings Group Limited (the “**Company**”) dated 15 January 2020 (the “**Announcement**”) in relation to the formation of the JV Company for establishment of the Limited Partnership. Unless otherwise defined, capitalised terms used herein shall have the same meanings as defined in the Announcement.

The Company would like to provide the Shareholders and potential investors of the Company with further information as follows:

FURTHER INFORMATION OF THE PARTIES TO THE JV AGREEMENT AND THE LIMITED PARTNERSHIP AGREEMENT

To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, as at the date of this announcement,

- a) Shandong Tongjia is owned as to 99.967% directly by Shandong Qijiao Development Investment Fund Partnership (Limited Partnership)* (山東齊交發展投資基金合夥企業(有限合夥)) (“**Shandong Qijiao**”), the ultimate beneficial owners of which are the beneficiaries of Zhonghai-Qilu Transportation Equity Investment Collective Fund Trust* (中海－齊魯交通股權投資集合資金信託計劃) who are Independent Third Parties, and as to 0.033% indirectly by Qilu Transportation Development Group Co., Ltd.* (齊魯交通發展集團有限公司) (“**Qilu Transportation**”), a state-owned capital operation company of Shandong Province, the PRC, which is an Independent Third Party;

- b) the ultimate beneficial owners of Qingdao Qijia are Mr. Lu Feng (“**Mr. Lu**”) and Mr. Wang Jun (“**Mr. Wang**”), who are Independent Third Parties; and
- c) the ultimate beneficial owner of Ningxia Tiancheng Xinyuan is Mr. Jia Tianjiang, who is an Independent Third Party.

INFORMATION OF THE LIMITED PARTNERSHIP

Investment mandate and strategies of the Limited Partnership

As disclosed in the Announcement, the JV Company will establish the Limited Partnership for investment in the urban renewal, urban development and infrastructure etc. related areas. The Limited Partnership aims at generating income and interest returns through identifying and investing in projects with high returns and good standing relating to urban renewal, urban development and infrastructure in the PRC. While appropriate investment projects are yet to be identified, the total project size will be no more than RMB1.001 billion (i.e. the total committed capital of the Limited Partnership) and the term of each investment will be less than four (4) years (i.e. the term of the Limited Partnership). The internal rate of return of the potential projects is expected to be higher than 13%.

Background and relevant experience of the parties to the Limited Partnership

Shandong Tongjia

Shandong Tongjia is an investment entity engaged in asset management, investment management and investment advisory services, which is owned as to 99.967% directly by Shandong Qijiao. Shandong Qijiao’s general partner and executive partner, Beijing Tonghui Taihe Investment Management Co., Ltd.* (北京通滙泰和投資管理有限公司) is a wholly-owned subsidiary of Shandong Tonghui Capital Management Co., Ltd.* (山東通滙資本管理有限公司) (“**Shandong Tonghui**”). Shandong Tonghui was founded in Shandong Province on 30 September 2016 and serves as a capital operation and investment platform for Qilu Transportation. It is engaged in the business of equity investment and management and has obtained private fund manager license, commercial factoring license, securities license and finance lease license with over RMB17.9 billion in assets under management. Qilu Transportation was founded as a state-owned capital operation company of Shandong Province on 1 July 2015 with a registered capital of RMB22.6 billion. It is mainly responsible for highway operation management and undertakes construction tasks in major transportation projects for the government of Shandong Province.

Qingdao Qijia

Qingdao Qijia is a limited liability partnership controlled by the management of the JV Company, Mr. Lu and Mr. Wang. Mr. Lu obtained a master's degree in engineering from Beihang University and has more than ten years of experience in costs management and private equity investment and financing. Mr. Wang obtained a master's degree in accounting from Renmin University of China and has more than twelve years of experience in mergers and acquisitions as well as investment and financing management. Both of them have extensive investment experience in listed companies and the real estate industry in the PRC as well as proven track records in cooperating with large state-owned enterprise groups and real estate investment groups.

Ningxia Tiancheng Xinyuan

Ningxia Tiancheng Xinyuan, which was established in 2017 with a registered capital of RMB100 million, previously focused on private fund management and now mainly engages in the investment advisory industry.

** Unofficial English translation denotes for identification purpose only*

By Order of the Board
Tianli Holdings Group Limited
Zhou Chunhua
Chairman

Hong Kong, 21 January 2020

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.