TIANLI
HOLDINGS GROUP LIMITED

**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)**

# UNAUDITED INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2026

## FINANCIAL HIGHLIGHTS

- The overall revenue for the six months ended 30 June 2026 was approximately RMB364.8 million, representing an increase of approximately RMB61.7 million, or approximately 20.4%, as compared to the corresponding period in 2025;

- Gross profit margin was approximately 25.4% for the six months ended 30 June 2026, representing an increase by approximately 3.6 percentage points as compared to the corresponding period in 2025; the gross profit margin of the MLCC segment was approximately 20.3% for the six months ended 30 June 2026, representing an increase by approximately 3.8 percentage points as compared to the corresponding period in 2025;

- Loss attributable to owners of the Company for the six months ended 30 June 2026 was approximately RMB5.7 million as compared to a loss of approximately RMB33.8 million for the same period in 2025;

- Basic loss per share for the six months ended 30 June 2026 was approximately RMB0.77 cents, whereas basic loss per share for the corresponding period in 2025 was approximately RMB4.54 cents; and

- The Board resolved not to declare the payment of interim dividend for the six months ended 30 June 2026.

The following tables are summaries of the Group's financial performance for six months ended 30 June 2026 and 30 June 2025:

| Results | **Six months ended 30 June 2026** *RMB'000* | Six months ended 30 June 2025 *RMB'000* | **Period to Period Change In** % |
|---|---|---|---|
| Revenue comprising: | **364,828** | 303,099 | +20.4% |
| MLCC business | **341,683** | 283,729 | +20.4% |
| Investment and financial services | **23,145** | 19,370 | +19.5% |
| Cost of sales | **(272,235)** | (237,003) | +14.9% |
| Gross profit | **92,593** | 66,096 | +40.1% |
| Profit from operations | **30,292** | 1,630 | +1,758.4% |
| Loss for the period attributable to owners of the Company | **(5,744)** | (33,800) | -83.0% |
| Basic loss per share | **(0.77) cents** | (4.54) cents | -83.0% |
| **Non-IFRS measures** | | | |
| Earnings before interest and taxes (EBIT) | **29,718** | 1,630 | +1,723.2% |
| Earnings before interest, taxes, depreciation, and amortization (EBITDA) | **75,624** | 44,108 | +71.5% |

The board (the "**Board**") of directors (the "**Directors**") of Tianli Holdings Group Limited (the "**Company**") is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (collectively referred to as the "**Group**") for the six months ended 30 June 2026, together with the comparative figures for the corresponding period ended 30 June 2025.

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

*For the six months ended 30 June 2026*

| | | **Six months ended 30 June** | |
|---|---|---|---|
| | | **2026** | 2025 |
| | | **(Unaudited)** | (Unaudited) |
| | *Notes* | ***RMB'000*** | *RMB'000* |
| **Revenue** | *3 & 4* | **364,828** | 303,099 |
| Cost of sales | | **(272,235)** | (237,003) |
| **Gross profit** | | **92,593** | 66,096 |
| Other income | *4* | **13,167** | 8,825 |
| Other gain/(losses) – net | | **227** | (688) |
| Selling and distribution costs | | **(11,116)** | (7,655) |
| Administrative expenses | | **(31,049)** | (35,852) |
| Research and development costs | | **(33,530)** | (29,096) |
| **Profit from operations** | | **30,292** | 1,630 |
| Finance costs | *5* | **(34,174)** | (33,874) |
| Share of loss of an associate | | **(574)** | – |
| **Loss before taxation** | | **(4,456)** | (32,244) |
| Income tax expenses | *6* | **(1,288)** | (1,556) |
| **Loss for the period** | | **(5,744)** | (33,800) |

| | Notes | Six months ended 30 June<br>**2026**<br>**(Unaudited)**<br>***RMB'000*** | <br>2025<br>(Unaudited)<br>*RMB'000* |
|---|---|---|---|
| **Other comprehensive loss for the period, net of income tax** | | | |
| Item that may be reclassified subsequently to profit or loss: | | | |
| Exchange differences arising on translation of foreign operations | | **(12,323)** | (2,611) |
| **Other comprehensive loss for the period, net of income tax** | | **(12,323)** | (2,611) |
| **Total comprehensive loss for the period, net of income tax** | | **(18,067)** | (36,411) |
| **Loss for the period attributable to:** | | | |
| Owners of the Company | | **(5,744)** | (33,800) |
| | | **(5,744)** | (33,800) |
| **Total comprehensive loss for the period attributable to:** | | | |
| Owners of the Company | | **(18,067)** | (36,411) |
| | | **(18,067)** | (36,411) |
| | | ***RMB cents*** | *RMB cents* |
| **Loss per share attributable to owners of the Company during the period (basic)** | *8* | **(0.77)** | (4.54) |

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

*As at 30 June 2026*

| | Notes | **30 June 2026 (Unaudited)** *RMB'000* | 31 December 2025 (Audited) *RMB'000* |
|---|---|---|---|
| **Non-current assets** | | | |
| Property, plant and equipment ("**PPE**") | | **1,040,538** | 1,049,177 |
| Investment properties | | **49,941** | 50,782 |
| Deposits paid for acquisition of PPE and other non-current refundable rental deposits | | **2,862** | 12,591 |
| Interest in an associate | | **4,844** | 5,418 |
| Financial assets at fair value through profit or loss ("**FVPL**") | | **96,483** | 237,853 |
| Other intangible assets | | **1,060** | 1,198 |
| Restricted bank deposits | | **11,145** | 11,145 |
| Deferred tax assets | | **10** | 11 |
| **Total non-current assets** | | **1,206,883** | 1,368,175 |
| **Current assets** | | | |
| Inventories | | **287,312** | 250,382 |
| Financial assets at FVPL | | **347,451** | 217,274 |
| Accounts and bills receivables | *9* | **463,974** | 462,773 |
| Prepayments, deposits and other receivables | | **56,548** | 50,673 |
| Tax recoverable | | **2,319** | 3,728 |
| Restricted bank deposits | | **18,629** | 18,629 |
| Cash and bank balances | | **48,409** | 41,824 |
| **Total current assets** | | **1,224,642** | 1,045,283 |

| | Notes | **30 June 2026 (Unaudited)** ***RMB'000*** | 31 December 2025 (Audited) *RMB'000* |
|---|---|---|---|
| **Current liabilities** | | | |
| Trade payables | *10* | **153,512** | 196,052 |
| Deferred income, accruals and other payables | | **232,730** | 205,147 |
| Lease liabilities | | **1,132** | 1,825 |
| Tax payable | | **3,094** | 3,214 |
| Bank and other loans | | **553,684** | 586,783 |
| **Total current liabilities** | | **944,152** | 993,021 |
| **Net current assets** | | **280,490** | 52,262 |
| **Total assets less current liabilities** | | **1,487,373** | 1,420,437 |
| **Non-current liabilities** | | | |
| Lease liabilities | | **2,606** | 2,921 |
| Deferred income | | **17,912** | 16,118 |
| Bank and other loans | | **832,166** | 748,642 |
| Deferred tax liabilities | | **8,267** | 8,267 |
| **Total non-current liabilities** | | **860,951** | 775,948 |
| **Net assets** | | **626,422** | 644,489 |
| **Capital and reserves** | | | |
| Share capital | | **6,637** | 6,637 |
| Reserves | | **619,785** | 637,852 |
| **Total equity** | | **626,422** | 644,489 |

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

*For the six months ended 30 June 2026*

## 1. GENERAL INFORMATION

Tianli Holdings Group Limited (the "**Company**") was incorporated in the Cayman Islands on 6 March 2007 as an exempted company with limited liability under the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised). The Company's registered office address is the office of Conyers Trust Company (Cayman) Limited, Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands, and the head office and the principal place of business of the Company in Hong Kong is located at 26th Floor, ONE CONTINENTAL 232 Wan Chai Road, Wan Chai, Hong Kong.

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are (i) manufacturing and sale of multi-layer ceramic capacitors ("**MLCC**") and (ii) investment and financial services. The Company and its subsidiaries are collectively referred as the "Group".

## 2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES INFORMATION

The interim condensed consolidated financial statements for the six months ended 30 June 2026 have been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and in compliance with International Accounting Standard ("**IAS**") 34 "Interim Financial Reporting".

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2025.

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2025, except for the adoption of the new and revised standards and amendments that are effective for the Group's current accounting period noted below.

**Going concern basis**

During the period ended 30 June 2026, the Group incurred a net loss of RMB5,744,000. As at 30 June 2026, the Group's current liabilities included bank and other loans of RMB553,684,000, of which (i) bank and other loans of RMB264,661,000 are repayable within 12 months from the end of the reporting period; and (ii) long term bank loans of RMB289,023,000 that are expected to be repayable after 12 months from the end of the reporting period but containing a repayable on demand clause. Of the bank loans under current liabilities, bank loans of a subsidiary of the Company of RMB401,517,000 did not meet certain financial covenants of the relevant bank loans as at 30 June 2026 and 31 December 2025. The Group's cash and cash equivalents amounted to RMB48,409,000 as at 30 June 2026.

On discovery of the non-fulfilment of financial covenants by the subsidiary of the Group during the year ended 31 December 2024, the directors of the Company informed the lenders and commenced a renegotiation of the terms of the loans with the relevant bankers. In September 2024, the Group entered into a supplementary loan agreement with the relevant bankers for revision of the loan repayment schedules to relieve the Group from the immediate repayment of the loans. However, there is still repayable on demand clause in such loans and the subsidiary is still required to meet the standard financial covenants thereafter, accordingly the loans are classified as current liabilities as at 30 June 2026. The Group will actively seek the waiver of compliance from the relevant banks in every succeeding year.

In addition, the directors of the Company are undertaking a number of plans and measures to improve the Group's liquidity and financial position, including, inter alia:

(i) actively negotiating with the banks on the terms and financial covenants of loan agreements and communicating with the banks on the renewal of existing bank loans and refinancing arrangements;

(ii) undertaking certain corporate restructuring within the Group including but not limited to further capital injection by way of cash to improve the financial ratio;

(iii) implementing measures to speed up the collection of accounts and bills receivables and other receivables and effectively control cost and expenses;

(iv) exploring other debt or equity financing arrangements; and

(v) deferral of capital injection to certain fund investments.

The directors of the Company have reviewed the Group's cash flow projections prepared by management, which cover a period of not less than 12 months from 30 June 2026. The directors of the Company are confident that, taking into account of the above-mentioned plans and measures, particularly with the proven good track records on repayment of bank loans and good relationship with the banks, the Group is able to restructure its existing borrowing facilities and the Group will have sufficient working capital to finance its operations and meet its financial obligations as and when they fall due within the next 12 months from 30 June 2026. Accordingly, the directors of the Company are satisfied that it is appropriate to prepare these interim condensed consolidated financial statements on a going concern basis. Up to the date of approval of the interim condensed consolidated financial statements, the banks have not demanded for any accelerated repayment of the outstanding loan balances.

Notwithstanding the above, material uncertainty exist as to whether the Group is able to achieve its plans and measures as described above which may cast significant doubt on the Group's ability to continue as a going concern. Should the Group be unable to achieve the above-mentioned plans and measures and operate as a going concern, adjustments would have to be made to write down the carrying values of the Group's assets to their immediate recoverable amounts, to provide for any further liabilities which might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effects of these adjustments have not been reflected in the interim condensed consolidated financial statements.

**Application of new and revised standards**

In the current period, the Group has applied, for the first time, the following new amendments to IFRS Accounting Standards as issued by the International Accounting Standards Board which are mandatorily effective for the annual period beginning on or after 1 January 2026 for the preparation of the Group's interim condensed consolidated financial statements:

| | |
|---|---|
| Amendments to IFRS 9 and IFRS 7 | Amendments to the Classification and Measurement of Financial Instruments |
| Amendments to IFRS 9 and IFRS 7 | Contracts Referencing Nature-dependent Electricity |
| Annual Improvements to IFRS Accounting Standards – Volume 11 | Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7 |

None of the developments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented in this interim financial report. The Group has not applied any new standards or amendments that is not yet effective for the current accounting period.

### 3. SEGMENT REPORTING

The Group manages its businesses by divisions, which are organised by business lines. In a manner consistent with the way in which information is reported internally to the Board (the chief operating decision maker) for the purposes of resources allocation and performance assessment, the Group has presented the following two reportable segments. No operating segments have been aggregated to form the following reportable segments.

- MLCC: manufacturing and sale of MLCC; and
- Investment and financial services: including but not limited to (i) direct investments in debt, equity and/or any other asset; (ii) asset management; (iii) provision of financial advisory services; and (iv) financial technologies.

Information regarding the Group's reportable segments as provided to the Board for the purposes of resources allocation and assessment of segment performance for the six months ended 30 June 2026 and 2025 is set out below:

| | Six months ended 30 June 2026 (Unaudited) | | |
|---|---|---|---|
| | **MLCC** | **Investment and financial services** | **Total** |
| | ***RMB'000*** | ***RMB'000*** | ***RMB'000*** |
| **Segment revenue** | | | |
| Disaggregated by timing of revenue recognition: | | | |
| Point in time | **341,683** | **–** | **341,683** |
| Over time | **–** | **16,756** | **16,756** |
| | **341,683** | **16,756** | **358,439** |
| Revenue from other source | **–** | **6,389** | **6,389** |
| Reportable segment revenue from external customers | **341,683** | **23,145** | **364,828** |
| Reportable segment profit | **4,585** | **15,010** | **19,595** |

| | Six months ended 30 June 2025 (Unaudited) | | |
|---|---|---|---|
| | MLCC | Investment and financial services | Total |
| | *RMB'000* | *RMB'000* | *RMB'000* |
| **Segment revenue** | | | |
| Disaggregated by timing of revenue recognition: | | | |
| Point in time | 283,729 | – | 283,729 |
| Over time | – | 18,443 | 18,443 |
| | 283,729 | 18,443 | 302,172 |
| Revenue from other source | – | 927 | 927 |
| Reportable segment revenue from external customers | 283,729 | 19,370 | 303,099 |
| Reportable segment (loss)/profit | (16,852) | 11,646 | (5,206) |

There are no inter-segment revenue for the six months ended 30 June 2026 and 2025.

The measure used for reporting segment profit/loss is earnings or loss of each segment without allocation of corporate interest income, other corporate income, central administrative expenses, central finance costs and income tax.

The following table presents segment assets and segment liabilities of the Group's operating segments as at 30 June 2026 and 31 December 2025:

| | **At 30 June 2026 (Unaudited)** | | |
|---|---|---|---|
| | **MLCC** | **Investment and financial services** | **Total** |
| | ***RMB'000*** | ***RMB'000*** | ***RMB'000*** |
| Reportable segment assets | **1,765,741** | **665,227** | **2,430,968** |
| Reportable segment liabilities | **1,214,041** | **152,310** | **1,366,351** |

| | At 31 December 2025 (Audited) | | |
|---|---|---|---|
| | MLCC | Investment and financial services | Total |
| | *RMB'000* | *RMB'000* | *RMB'000* |
| Reportable segment assets | 1,731,289 | 681,482 | 2,412,771 |
| Reportable segment liabilities | 1,237,888 | 56,443 | 1,294,331 |

Reconciliation of reportable segment profit or loss:

| | **Six months ended 30 June** | |
|---|---|---|
| | **2026** | 2025 |
| | **(Unaudited)** | (Unaudited) |
| | ***RMB'000*** | *RMB'000* |
| Total reportable segment profit/(loss) derived from the Group's external customers | **19,595** | (5,206) |
| Other corporate losses, net | **(1,119)** | (3,580) |
| Central administrative expenses | **(3,726)** | (4,236) |
| Central finance costs | **(19,206)** | (19,222) |
| Consolidated loss before taxation | **(4,456)** | (32,244) |

## 4. REVENUE AND OTHER INCOME

The principal activities of the Group are the manufacturing and sale of MLCC and investment and financial services.

Disaggregation of revenue from contracts with customers by major products or service lines is as follows:

| | Six months ended 30 June | |
|---|---|---|
| | **2026** | 2025 |
| | **(Unaudited)** | (Unaudited) |
| | ***RMB'000*** | *RMB'000* |
| **Revenue from contracts with customers within the scope of IFRS 15** | | |
| Sale of MLCC | **341,683** | 283,729 |
| Asset management fee income | **16,756** | 18,443 |
| | **358,439** | 302,172 |
| **Revenue from other sources** | | |
| Net gain from financial assets at FVPL | **6,389** | 927 |
| | **364,828** | 303,099 |
| **Other income** | | |
| Interest income on financial assets measured at amortised cost | | |
| – Bank interest income | **116** | 119 |
| Government grants *(note (a))* | **2,119** | – |
| Gross rental income from investment properties | **2,023** | 2,605 |
| Release of government grants as income *(note (b))* | **6,720** | 6,000 |
| Sundry income | **2,189** | 101 |
| | **13,167** | 8,825 |
| | **377,995** | 311,924 |

*Note:*

(a) Government grants represented the subsidy to the Group by the government of the People's Republic of China (the "**PRC**") as incentive primarily to encourage the development of the Group and the contribution to the local economic development. There are no unfulfilled conditions and other contingencies attaching to these grants.

(b) Government grants represented the subsidy to the Group by the government of the People's Republic of China (the "**PRC**") as incentive primarily to encourage the development of the Group and the contribution to the local economic development.

## 5. FINANCE COSTS

| | Six months ended 30 June | |
|---|---|---|
| | **2026** | 2025 |
| | **(Unaudited)** | (Unaudited) |
| | ***RMB'000*** | *RMB'000* |
| Interest on bank loans | **13,196** | 14,301 |
| Interest on other loans | **20,888** | 19,702 |
| Interest on lease liabilities | **90** | 68 |
| Total interest expense on financial liabilities not at FVPL: | **34,174** | 34,071 |
| Less: amounts capitalised in the cost of qualifying assets | **–** | (197) |
| | **34,174** | 33,874 |

## 6. INCOME TAX EXPENSES

| | Six months ended 30 June | |
|---|---|---|
| | **2026** | 2025 |
| | **(Unaudited)** | (Unaudited) |
| | ***RMB'000*** | *RMB'000* |
| Current tax | | |
| – Hong Kong Profits Tax for the period | **1,288** | 1,555 |
| – Under-provision of PRC Enterprise Income Tax ("**EIT**") in prior period | **–** | 1 |
| Income tax expenses for the period | **1,288** | 1,556 |

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate.

The provision for Hong Kong Profits Tax is calculated by applying the estimated annual effective tax rate of 16.5% (2025: 16.5%) for the six months ended 30 June 2026, except for one subsidiary of the Group which is a qualifying corporation under the two-tiered Profits Tax rate regime.

For this subsidiary, the first HK$2,000,000 of assessable profits are taxed at 8.25% and the remaining assessable profits are taxed at 16.5%. The provision for Hong Kong Profits Tax for this subsidiary was calculated at the same basis in 2025.

Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands ("**BVI**"), the Group is not subject to any income tax in the Cayman Islands and the BVI respectively.

All PRC subsidiaries were subject to EIT at the standard rate of 25% on their respective taxable profit during the six months ended 30 June 2026 and 2025, except that 深圳市宇陽科技發展有限公司 (literally translated as Shenzhen Eyang Technology Development Co., Ltd. ("**Shenzhen Eyang**")), and 東莞市東宇陽電子科技發展有限公司 (literally translated as Dongguan DONG Eyang Electronic Technology Development Co., Ltd. ("**DONG Eyang**"), both indirect wholly-owned subsidiaries of the Company, were recognised as High and New Technology Enterprise on 23 December 2021 and 19 November 2024, respectively and are subject to income tax rate of 15% for three consecutive years commencing in 2021 and 2024. The tax incentive of lower tax rate at 15% is further granted to Shenzhen Eyang on 26 December 2024 for three consecutive years.

## 7. DIVIDENDS

The Board did not declare the payment of an interim dividend for the six months ended 30 June 2026 (six months ended 30 June 2025: Nil).

## 8. LOSS PER SHARE

### (a) Basic loss per share

The calculation of basic loss per share attributable to the owners of the Company is based on the following data:

| | **Six months ended 30 June** | |
|---|---|---|
| | **2026** | 2025 |
| | **(Unaudited)** | (Unaudited) |
| | ***RMB'000*** | *RMB'000* |
| Loss | | |
| Loss for the purpose of basic loss per share | **(5,744)** | (33,800) |

| | | |
|---|---|---|
| | **2026** | 2025 |
| | **(Unaudited)** | (Unaudited) |
| Number of shares | | |
| Weighted average number of ordinary shares outstanding during the period | **744,750,000** | 744,750,000 |

**(b) Diluted loss per share**

No diluted loss per share for the six months ended 30 June 2026 and 2025 is presented as there is no potential ordinary shares outstanding during the periods.

## 9. ACCOUNTS AND BILLS RECEIVABLES

| | **30 June 2026 (Unaudited)** | 31 December 2025 (Audited) |
|---|---|---|
| | ***RMB'000*** | *RMB'000* |
| Accounts receivables | | |
| – Contracts with customers | **308,267** | 286,510 |
| Less: allowances for credit losses | **(7,970)** | (7,973) |
| | **300,297** | 278,537 |
| Bills receivables | **163,677** | 184,236 |
| | **463,974** | 462,773 |

Accounts and bills receivables arising from credit sales of MLCC products amounted to RMB300,626,000 (31 December 2025: RMB300,711,000).

Accounts receivables from investments and financial services amounted to RMB163,348,000 (31 December 2025: RMB162,062,000).

Accounts receivables consist of trade receivables and asset management fee receivables. The Group's trading terms with its customers are mainly on credit. The credit periods for accounts receivables of MLCC segment are generally within five months. The credit periods for amounts receivables of investments and financial services segments are due from the date of billing. The asset management fee is received or receivable at the end of each quarter. Each customer is assigned a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables and has a credit control policy to minimise its credit risk. Overdue balances are reviewed regularly by management. The accounts receivables are non-interest-bearing.

The bills receivables were all due within one year from the end of the reporting period.

An ageing analysis of the accounts receivables as at the end of the reporting period based on the revenue recognition date is as follows:

| | **30 June 2026 (Unaudited)** | 31 December 2025 (Audited) |
|---|---|---|
| | ***RMB'000*** | *RMB'000* |
| Within 90 days | **133,541** | 120,818 |
| 91 to 180 days | **20,627** | 13,755 |
| 181 to 360 days | **17,029** | 17,364 |
| 1 to 2 years | **33,406** | 30,591 |
| 2 to 3 years | **37,491** | 37,824 |
| Over 3 years | **66,173** | 66,158 |
| | **308,267** | 286,510 |

As at the end of the reporting period, the ageing analysis of bills receivables based on bills issue date is as follows:

| | **30 June 2026 (Unaudited)** | 31 December 2025 (Audited) |
|---|---|---|
| | ***RMB'000*** | *RMB'000* |
| Within 90 days | **163,677** | 116,901 |
| 91 to 180 days | **–** | 67,335 |
| | **163,677** | 184,236 |

## 10. TRADE PAYABLES

| | **30 June 2026 (Unaudited)** | 31 December 2025 (Audited) |
|---|---|---|
| | ***RMB'000*** | *RMB'000* |
| Trade payables | **153,512** | 196,052 |
| | **153,512** | 196,052 |

An ageing analysis of the trade payables as at the end of the reporting period based on the suppliers' statement date is as follows:

| | **30 June 2026 (Unaudited)** | 31 December 2025 (Audited) |
|---|---|---|
| | ***RMB'000*** | *RMB'000* |
| Within 90 days | **144,944** | 158,380 |
| 91 to 180 days | **7,651** | 34,437 |
| 181 to 360 days | **203** | 2,476 |
| 1 to 2 years | **–** | – |
| Over 2 years | **714** | 759 |
| | **153,512** | 196,052 |

The trade payables are non-interest-bearing and are normally settled within 30 to 120 days.

# MANAGEMENT DISCUSSION AND ANALYSIS

## BUSINESS REVIEW

During the six months ended 30 June 2026, the global MLCC industry is experiencing a structural turning point. Driven by strong demand from generative AI computing infrastructure and the new energy vehicle sector, the industry has officially entered a new AI-driven supply-and-demand cycle.

## MLCC

In the first half of 2026, the global MLCC industry continued its recovery and entered a phase of structural growth characterized by tight supply and demand for high-end products, with the market showing a pattern of "shortages at the high-end, stability in the mid-range, and polarization at the low-end". Driven by the accelerated development of generative AI computing infrastructure and the ongoing upgrades in new energy vehicles and automotive electronics, the industry's demand has further shifted toward high-capacitance, miniaturized, high-temperature-resistant, highly reliable, and high-voltage products. Leading manufacturers in Japan and South Korea saw continued improvements in high-end capacity utilization rates and order visibility. As some production capacity was redirected toward high-value-added applications such as AI servers and automotive electronics, this led to tightening supply of high-end products and had a certain spillover effect on mid-to-high-end consumer-grade MLCC.

From the demand side, AI servers and data center infrastructure construction have become the industry's primary sources of incremental demand. High-performance GPU/ASIC platforms, operating under high-current, low-voltage power supply architectures, require a large number of MLCC for decoupling, filtering, voltage regulation, and power management. Demand for MLCC in AI servers is projected to grow at a compound growth rate of approximately 30% from 2025 to 2030, with demand in 2030 expected to be approximately 3.3 times that of 2025. As AI computing clusters evolve toward higher power density, 48V power supplies, and more advanced packaging, the usage of high-capacitance, small-form-factor, low-ESL, and highly reliable MLCCs per server and per rack continues to increase.

Automotive electronics continue to be a key driver of demand for high-end MLCC. The electrification and intelligentization of new energy vehicles, along with the growing adoption of 800V high-voltage platforms, are driving the use of high-voltage, high-reliability MLCC in applications such as on-board chargers, DC-DC converters, inverters, and battery management systems; at the same time, growing demand for low-loss, high-Q capacitors in high-frequency power conversion and resonant circuits is driving the adoption of certain high-Q MLCC products with copper internal electrodes. The lengthy technical certification processes, reliability requirements, and validation cycles for automotive products further raise the barriers to entry for establishing related high-end production capacity.

Demand for consumer electronics has shown a divergence, with "improvements in the mid-to-high-end segment and pressure on the low-end segment." Functional upgrades in AI smartphones, AI PCs, foldable smartphones, and other high-end smart devices have increased the usage volume and performance requirements for mid-to-high-end MLCC; at the same time, production capacity for high-end MLCC has been prioritized for AI servers and automotive electronics, leading to tight supply for certain mid-to-high-end consumer-grade specifications. On the other hand, rising memory prices have increased the BOM costs for smartphones, with a more significant impact on price-sensitive mid-to-low-end models, which has to some extent constrained shipments of these devices and demand for components. Research data indicates that the market share of low-end smartphones will decline significantly by 2026, with the rate of contraction exceeding that of the overall smartphone market; rising memory costs are considered one of the key factors contributing to this trend.

Against this backdrop, the Group's MLCC business segment capitalized on opportunities presented by industrial upgrading, achieving a significant surge in performance. It generated sales revenue of RMB341.7 million, representing a substantial increase of approximately 20% as compared with the corresponding period in 2025. During the period, by accelerating the domestic substitution of high-capacitance, high-Q and high-reliability products and obtaining certifications from leading customers, order volumes for high-capacitance MLCC and automotive-grade products grew steadily, while average selling prices are recovering to a reasonable range.

In the first half of 2026, the Group continued to strengthen its investment in research and development and its technological partnerships, seizing the structural opportunities driven by the dual engines of AI computing power and new energy vehicles, and continuously accelerating technological breakthroughs and market expansion in high-end product segments such as ultra-compact, high-capacity, high-temperature, high-Q, and high-reliability products. During the period, the Group made significant progress in the research, development and delivery of MLCC specifically designed for AI servers, computing power, and storage chips. Production volumes of automotive-grade products continue to expand, and several high-capacity and high-reliability products have completed certification with leading customers and entered the mass production phase. The Group's product portfolio spans the three major application areas of consumer, automotive, and industrial markets. By continuously pushing the boundaries in core parameters such as smaller sizes, higher capacitance, and higher voltage resistance, the Group is constantly expanding its technological frontiers, ensuring that the Group's overall technical capabilities and the completeness of our product portfolio maintain a leading position in the domestic market.

## Asset Management

As at 30 June 2026, the Group is managing 10 funds, each with a distinct focus. The Group derives asset management fee income by providing asset management services to the funds. The capital commitments from their limited partners are listed in the table below. The Group, being one of the limited partners, also directly invests six of the funds.

***Unit: US$ million***

| | | | | | Capital Commitment | |
|---|---|---|---|---|---|---|
| | Fund Name | Initial Closing Date | Term (Year) | Investment Focus | Total of the Fund[3] | Total from the Group[4] |
| 1 | Tianli China Opportunities Fund I L.P. | January 2017 | 9.6 | Project fund established for an investment in Beijing | 116.4 | 17.5 |
| 2 | Tianli SPC | January 2017 | Not Applicable | Invest in a wide range of assets including private equity investments, listed and unlisted securities, debt securities and other financial instruments | 98.4 | – |
| 3 | Tianli Private Debt Fund L.P. | January 2017 | 12 | Invest in a wide range of private debt instruments with regional focus primarily in developed countries and China | 300.0 | 35.0 |
| 4 | Tianli Private Debt Capital L.P. | March 2017 | 9 | Invest predominantly across a wide range of private debt instruments globally | 175.0 | 9.8 |
| 5 | Tianli Global Opportunities Capital L.P.[2] | March 2017 | 7+2[1] | Invest globally across various sectors and distressed assets | 175.0 | 12.2 |
| 6 | Tianli Special Situations Capital L.P. | March 2017 | 10 | Invest predominantly in global mergers and acquisitions, private equity or other corporate finance transactions | 35.0 | 9.8 |
| 7 | Tianli Public Markets Capital L.P. | March 2017 | 11 | Invest predominantly in the secondary market of publicly traded securities globally | 20.0 | 5.6 |
| 8 | Tianli M&A Investment L.P. | March 2017 | 10 | Invest predominantly in global mergers and acquisitions or other corporate finance related investments | 120.0 | – |
| 9 | Tianli China Opportunities Fund II L.P. | April 2017 | 10.3 | Project fund established for an investment in Shanghai | 80.4 | – |
| 10 | Tianli UK Opportunities Fund L.P. | March 2017 | 9.3 | Invest predominantly in projects located in the United Kingdom | 150.4 | – |

*Notes:*

1. Extension upon recommendation of the general partner with approval of the investment committee

2. Formerly known as Tianli Real Estate Capital L.P.

3. Including cross holdings among the funds

4. Including direct capital

As at 30 June 2026, the total capital commitment of the above funds (after eliminating the cross-holding effect) was approximately US$647.8 million, among which the Group had committed approximately US$89.9 million with approximately US$75.8 million capital invested. During the six months ended 30 June 2026, the six funds that the Group has invested resulted in a net gain of RMB6.4 million to the Group's financial results, in addition to the asset management fee income of RMB16.7 million.

***Unit: US$ million***

| | | Product | | | |
|---|---|---|---|---|---|
| **Fund name** | **Country/ region** | **Debt** | **Common equity** | **Preferred equity** | **Invested amount** |
| Tianli China Opportunities Fund I L.P. | PRC | – | 91.8 | – | 91.8 |
| Tianli Private Debt Fund L.P. | UK | 26.7 | – | – | 26.7 |
| Tianli M&A Investment L.P. | Cayman Islands | 68.6 | – | – | 68.6 |
| Tianli Private Debt Capital L.P. | Cayman Islands | 35.3 | – | – | 35.3 |
| Tianli China Opportunities Fund II L.P. | PRC | – | 66.9 | – | 66.9 |
| Tianli UK Opportunities Fund L.P. | UK | – | 118.2 | – | 118.2 |
| **Total** | | **130.6** | **276.9** | **–** | **407.5** |

The investments made by these funds were in three countries or regions, including PRC, UK and Cayman Islands,(four countries or regions, including PRC, UK, Cayman Islands and the US with prior periods) and these investments were in the form of debt, common equity or preferred equity.

### Investment

The Group has made no new investment during the six months ended 30 June 2026.

## FINANCIAL REVIEW

For the six months ended 30 June 2026, the Group's revenue was derived from (i) MLCC segment; and (ii) investment and financial services segment. Total revenue of the Group was approximately RMB364.8 million, which represented an increase of approximately RMB61.7 million, or approximately 20.4%, as compared to that for the six months ended 30 June 2025. Revenue from the MLCC segment for the six months ended 30 June 2026 was approximately RMB341.7 million, representing an increase of approximately RMB58.0 million, or approximately 20.4% from the six months ended 30 June 2025, which was due to sales volume and selling price increase. Revenue from the investment and financial services segment for the six months ended 30 June 2026 was approximately RMB23.1 million. Among this, the asset management fee income was approximately RMB16.7 million which remained stable in terms of original currency of US dollar for the six months ended 30 June 2026 and 2025. The Group's net gain from financial assets at fair value through profit or loss ("**FVPL**"), which recorded RMB6.4 million for the six months ended 30 June 2026 as compared to a net gain of approximately RMB0.9 million for the six months ended 30 June 2025.

### Gross Profit Margin

Aggregate gross profit margin for the six months ended 30 June 2026 was approximately 25.4%, representing an increase of approximately 3.6 percentage points as compared to the six months ended 30 June 2025.

The gross profit margin of the MLCC segment was approximately 20.3% for the six months ended 30 June 2026 while the gross profit margin was approximately 16.5% for the six months ended 30 June 2025. This was due to the increase in average price as a result of the increased proportion of high-end products. At the same time, the increase in average prices exceeded the increase in average costs, resulting in a rise in the gross profit margin.

### Other Income

The Group's other income amounted to approximately RMB13.2 million for the six months ended 30 June 2026, which represented an increase of approximately 49.2% from the six months ended 30 June 2025. This was mainly due to the increase in release of government grants as income compared with the six months ended 30 June 2025.

**Profit/Loss attributable to owners of the Company**

Loss attributable to owners of the Company for the six months ended 30 June 2026 was approximately RMB5.7 million as compared to a loss of approximately RMB33.8 million for the same period in 2025.

Such reduction in loss is mainly attributable to (i) the turnaround in the financial performance for the business segment of multi-layer ceramic capacitors, which recorded a segment profit of approximately RMB4.6 million for the six months ended 30 June 2026 as compared to the segment loss of approximately RMB16.9 million during corresponding period in 2025; and (ii) for the asset management business segment, an improvement of financial performance has been reflected with a segment profit of approximately RMB15.0 million for the six months ended 30 June 2026 as compared to approximately RMB11.6 million for the six months ended 30 June 2025. The segment profit aforementioned was offset by the corporate expenses which mainly included the loan interest expenses arising from such loan liabilities modified in 2025, such interest expenses were substantially non-cash items and did not have material impact on the daily operations and cash flows of the Group.

**Selling and Distribution Costs**

The Group's selling and distribution costs totalled approximately RMB11.1 million for the six months ended 30 June 2026, and this was an increase of approximately 45.2% from the six months ended 30 June 2025. This was mainly due to the Group's more inputs on selling and distribution during the six months ended 30 June 2026.

**Administrative Expenses**

The Group's administrative expenses for the six months ended 30 June 2026 were approximately RMB31.0 million, representing a decrease of approximately RMB4.9 million from the six months ended 30 June 2025. The decrease was mainly attributable to the Group's better exercise of cost control in administrative expenses for the six months ended 30 June 2026.

**Research and Development Costs**

The Group incurred research and development costs of approximately RMB33.5 million for the six months ended 30 June 2026, representing an increase of approximately RMB4.4 million from the six months ended 30 June 2025. The increase was mainly due to more resources spent on research and development, so research and development costs increased during the six months ended 30 June 2026.

### Finance Costs

The Group's finance costs amounted to approximately RMB34.2 million for the six months ended 30 June 2026, representing an increase of approximately RMB0.3 million from the six months ended 30 June 2025. The change was primarily due to a revaluation of the loan under IFRS following a reduction in the contract nominal interest rate after the terms of a loan were amended in the second half of 2025, resulting in a recalculated effective interest rate that exceeded the nominal interest rate; this difference was amortized normally during the current period. Last year's interest rate reduction had already locked in lower long-term cash interest costs, and the change in the current period does not constitute an increase in new financing costs.

### Property, Plant and Equipment

The net book values of the Group's property, plant and equipment were approximately RMB1,040.8 million as at 30 June 2026, decreased by approximately RMB8.4 million from the balance as at 31 December 2025. The decrease was mainly due to the depreciation of plant and machinery used in production of MLCC.

### Investment Properties

The Group's investment property was carried at approximately RMB49.9 million as at 30 June 2026, which was comparable to the carrying value of approximately RMB50.8 million as at 31 December 2025.

### Financial Assets at Fair Value Through Profit or Loss

As at 30 June 2026, the Group's financial assets at FVPL had a carrying value of approximately RMB443.9 million, which was a decrease of approximately 2.5% from the balance as at 31 December 2025 which was due to the depreciation of US$ against RMB in the period.

### Accounts and Bills Receivables

As at 30 June 2026, the Group's accounts and bills receivables amounted to approximately RMB464.0 million, an increase of approximately RMB1.2 million from the balance as at 31 December 2025. The increase was mainly due to the increase in MLCC product sales on credit during the six months ended 30 June 2026.

### Prepayments, Deposits and Other Receivables

As at 30 June 2026, prepayments, deposits and other receivables in current assets amounted to approximately RMB56.5 million, representing an increase of approximately RMB5.8 million as compared to the balance as at 31 December 2025. The increase was mainly due to the increase in deposit paid for the purchase from suppliers during the period.

### Cash and Bank Balances and Pledged Bank Deposits

As at 30 June 2026, the Group's cash and bank balances totalled approximately RMB78.2 million, increased by approximately RMB6.6 million from 31 December 2025. The increase was mainly due to the additional drawdown of the bank and other loans.

### Trade and Bills Payables

As at 30 June 2026, the Group's trade and bills payables amounted to approximately RMB153.5 million, a decrease of approximately RMB42.6 million from 31 December 2025. The decrease was mainly due to the decrease in purchasing on credit to support MLCC production during the six months ended 30 June 2026.

### Deferred Income, Accruals and Other Payables

As at 30 June 2026, total deferred income, accruals and other payables amounted to approximately RMB250.6 million, which was an increase of approximately RMB29.3 million from 31 December 2025. The increase was mainly due to the increase in other payables from acquisition of production equipment.

### Bank and Other Loans

As at 30 June 2026, the Group's bank and other loans was carrying approximately RMB1,385.9 million, which represented an increase of approximately RMB50.5 million from approximately RMB1,335.4 million as at 31 December 2025. The increase was mainly due to the additional drawdown of the bank and other loans and the interest incurred for the other loans.

### Contingent Liabilities

As at 30 June 2026, the Group had no material contingent liabilities (31 December 2025: Nil).

### Capital Commitments

As at 30 June 2026, the Group had capital commitments of approximately RMB143.7 million (31 December 2025: approximately RMB163.0 million), including undrawn commitment to Tianli Private Debt Fund L.P. of approximately US$13.2 million, or approximately RMB88.8 million (31 December 2025: approximately US$13.2 million or approximately RMB92.4 million), Tianli China Opportunities Fund I L.P of approximately US$3.6 million, or approximately RMB24.2 million (31 December 2025: approximately US$3.6 million or approximately RMB25.1 million) from the investment and financial services segment. Also, the capital commitment for leasehold improvement of plant of approximately RMB8.6 million (31 December 2025: approximately RMB8.2 million) and additions to production equipment of approximately RMB16.1 million (31 December 2025: RMB31.3 million) from the MLCC segment. The decrease was mainly due to the settlement for the additions to production equipment from the MLCC segment, and the decrease of the capital commitment of the investment and financial services segment was attributable to the decrease of the exchange rate of US dollars. There was no material change in terms of US dollars for the capital commitment of the investment and financial services segment.

## LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

### Liquidity and Capital Resources

As at 30 June 2026, the Group had net current assets of approximately RMB280.5 million (31 December 2025: approximately RMB52.3 million), comprising of current assets of approximately RMB1,224.6 million (31 December 2025: approximately RMB1,045.3 million), net off current liabilities of approximately RMB944.1 million (31 December 2025: approximately RMB993.0 million).

As at 30 June 2026, the Group's current ratio was 1.3 (31 December 2025: 1.1). The current ratio was comparable to the year ended 31 December 2025.

### Banking Facilities

As at 31 December 2025, the Group had been granted banking facilities of approximately RMB863.0 million in aggregate, which utilised banking facilities amounted to approximately RMB810.0 million.

As at 30 June 2026, the Group had been granted banking facilities of approximately RMB860.0 million in aggregate, which utilised banking facilities amounted to approximately RMB845.0 million.

### Gearing Ratio

The Group monitors its capital structure through gearing ratio, which is net debt divided by capital plus net debt. Net debt is calculated at the sum of bank and other loans, lease liabilities, trade and bills payables and accruals and other payables (excluding deferred income and receipt in advance) less cash and cash equivalents. Capital represents equity attributable to the owners of the Company (excluding share capital). As at 30 June 2026 and 31 December 2025, the gearing ratios of the Group were approximately 73.5% and 72.7% respectively. The increase in gearing ratio was a result of the increase in bank and other loans during the six months ended 30 June 2026.

### Financial Resources

With the amount of liquid assets on hand as well as credit facilities granted by banks, the management is of the view that the Group has sufficient financial reserves to meet its ongoing operational requirements.

## FOREIGN EXCHANGE RISK

For the six months ended 30 June 2026, the Group's revenue was mainly denominated in Renminbi, US dollars and HK$, whilst its purchases were mainly denominated in Renminbi, US dollars, HK$ and Japanese Yen. The trade receivables denominated in US dollars were greater than the trade payables denominated in US dollars, and the trade receivables denominated in HK$ were smaller than the trade payables denominated in HK$. Meanwhile, the Group is exposed to risks in respect of trade payables denominated in Japanese Yen, but is basically not exposed to risks in respect of trade receivables denominated in Japanese Yen. In the event of vigorous fluctuation of exchange rates, foreign exchange risk will exist to a certain extent. The Group will adopt corresponding hedging measures in relation to its foreign currency exposure, with a view to providing protection against future foreign exchange risk.

## CHARGES ON ASSETS

As at 30 June 2026, property, plant and equipment, investment property, bills receivables and restricted bank deposits, of the Group with carrying amounts of approximately RMB496.9 million (31 December 2025: approximately RMB540.8 million), approximately RMB32.1 million (31 December 2025: approximately RMB32.6 million), approximately RMB67.7 million (31 December 2025: approximately RMB88.0 million), and approximately RMB6.4 million (31 December 2025: approximately RMB6.4 million) respectively have been pledged as securities for bank and other loans facilities.

## BUSINESS PROSPECTS

Due to their numerous excellent characteristics, such as small size, high capacitance per unit volume, and ease of mounting, MLCC are among the most widely used and fastest-growing surface-mount electronic components. They are extensively used in consumer electronics, telecommunications, automotive electronics, and other fields, and are often referred to as the "the rice of the electronics industry". At the same time, high-end capacitors and resistors are among such projects in China's technology sector facing critical bottleneck stage. Against the backdrop of China's accelerated efforts to build itself into a leading scientific and technological power and achieve self-reliance in science and technology, the trend toward domestic substitution of MLCC is clear.

Driven by the dual forces of generative AI computing infrastructure and the intelligent transformation of new energy vehicles, MLCC has become key foundational components supporting AI servers and automotive-grade high-voltage architectures, and both the quantity per unit and the value of products in these fields are rising rapidly. At the same time, the process of domestic substitution in the MLCC industry has moved from the initial planning phase to a period of accelerated implementation. Faced with a historic window of opportunity created by leading overseas manufacturers' strategic retrenchment of production capacity in high-end sectors, the Group will resolutely deepen its technological breakthroughs and customer certifications, while seizing the structural growth dividends brought by AI computing power and automotive electronics. Going forward, the Group aims to achieve a qualitative transformation in the high-end electronic ceramics sector, shifting from domestic substitution to domestic leadership, and to provide solid support for the security and autonomy of the nation's electronic information industry chain through core products that are globally competitive.

Looking ahead to the second half of 2026, driven by demand from AI servers, data center infrastructure construction, automotive electronics, embedded chips, and other high-end applications, product demand and shipment volumes, and as synergised by the product mix continuous optimisation, together with the recovery of the average selling prices for certain products, the MLCC segment's revenue and gross profit margin are anticipated to improve as compared to the corresponding period in 2025, with reference to the aforesaid demand reflected in customer orders and production schedules and on the assumption that no significant adverse changes in industry competition will take place.

At the same time, the situation in the Strait of Hormuz and the resulting fluctuations in energy and other commodity prices may put pressure on the Group's costs for certain raw materials, energy, and logistics. The Group will continue to monitor geopolitical developments, raw material prices, and changes in the supply chain, and will strive to mitigate the impact of such cost fluctuations on its operating performance by optimizing procurement strategies, improving production efficiency, adjusting product mix, and strengthening communication with customers. The Group's actual operating performance will continue to depend on factors such as downstream demand, customer orders and delivery schedules, average product selling prices, raw material prices, exchange rate fluctuations, and market competition.

## EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2026, the Group had a total of 1,382 (31 December 2025: 1,399) employees. The remuneration policy regarding the employees of the Group is based on their merit, qualifications and competence. Remuneration and bonuses are awarded to employees based on individual performances and are in line with market practices. Other benefits including share award scheme, insurance policies, retirement benefit plans are offered to eligible employees.

## MATERIAL ACQUISITIONS AND DISPOSALS

The Group had no material acquisition or disposal for the six months ended 30 June 2026.

## INTERIM DIVIDEND

The Board did not recommend the payment of an interim dividend for the six months ended 30 June 2026 (30 June 2025: Nil).

## PURCHASE, SALE OR REDEMPTION OF THE LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company during the six months ended 30 June 2026. As at 30 June 2026, the Company did not hold any treasury shares (as defined under the Listing Rules).

## SHARE AWARD SCHEME

The following is a summary of the principal terms of a share award scheme (the "**Share Award Scheme**" or the "**Scheme**") adopted by the Company on 14 July 2017 (the "**Adoption Date**"):

**(a) Purpose**

The purposes of the Share Award Scheme are to (i) encourage and retain the eligible participants of the scheme to work with the Company; (ii) provide additional incentive for them to achieve performance goals which in turn increase the value of the Company; and (iii) align the interests of eligible participants directly with that of the shareholders through ownership of interests in the Company.

**(b) Participants**

Pursuant to the Share Award Scheme, the Board may propose or determine which eligible participant shall be entitled to receive grants of award shares ("**Award Shares**") under the scheme ("**Selected Participant**"), together with the number of shares to which each Selected Participant shall be entitled, and make the relevant grant of Award Shares to the Selected Participant under the scheme subject to such conditions as the Board may deem appropriate at its discretion. The Selected Participants include any Director and employees of the Group.

**(c) Total Number of Shares Available for Issue**

The total number of Award Shares, whether they are new shares to be allotted and issued by the Company or existing shares to be purchased on market by the trustee of the Scheme, underlying all grants made pursuant to the Share Award Scheme shall not exceed 10% of the issued share capital of the Company from time to time. As at the date of this interim report, the total number of shares of the Company available for issue under the Share Award Scheme was 74,475,000 shares, representing 10% of the issued shares of the Company. Up to the date of the date of this interim report, a total of 5,958,000 shares had been awarded under the Share Award Scheme. The total number of shares available for grant under the Share Award Scheme as at 1 January 2026 and 30 June 2026 were 68,517,000 shares.

**(d) Maximum Entitlement of Each Participant**

There is no specific maximum entitlement for each eligible participant under the Share Award Scheme.

**(e) Vesting Date and condition**

The Selected Participant shall be entitled to receive the awarded shares vested in him/her in accordance with the vesting schedule and the vesting conditions set forth in the notice of awards issued to them. Subject to the expiration of the Share Award Scheme, in the event that the specific vesting conditions cannot be fulfilled on a particular vesting date of any given year, the entire vesting schedule shall be adjourned until such conditions are met. Upon expiry of the Share Award Scheme, any outstanding but unvested award shares shall lapse and become returned shares.

**(f) Acceptance of Award**

No amount is payable by the Selected Participant upon acceptance of the award.

**(g) Duration and remaining life of the Share Award Scheme**

Unless terminated earlier by the Board, the Share Award Scheme shall be valid and effective for a period commencing on 14 July 2017 and ending on the tenth anniversary of such date, and will expire on 14 July 2027.

During the period ended 30 June 2026, no shares were purchased or granted under the Share Award Scheme. Details of the awarded shares under the Share Award Scheme during the six months ended 30 June 2026 are set out below:

| | | | Number of award shares | | | |
|---|---|---|---|---|---|---|
| **Categories of awardees** | **Date of grant (1)** | **Fair value per share (2)** | **Balance at 1 January 2026** | **Granted during the period** | **Lapsed during the period** | **Balance at 30 June 2026** |
| Director of the Company (4) | 14 July 2017 | RMB1 | 5,958,000 | – | – | 5,958,000 |

*Notes:*

(1) The date of award refers to the date on which the selected employees agree to undertake to hold the awarded shares on the terms on which they are granted and agreed to be bound by the rules of the Share Award Scheme.

(2) The fair value of the awarded shares is based on the fair value at the date of grant.

(3) The awarded shares granted to the beneficiaries during the year ended 31 December 2017 would be vested in three tranches of 1,986,000 shares each on the vesting date on 31 March 2018, 2019 and 2020 respectively. Subject to the expiration of the Share Award Scheme, in the event that the specific vesting conditions cannot be fulfilled on a particular vesting date of any given year, the entire vesting schedule shall be adjourned until such conditions are met. Upon expiry of the Share Award Scheme, any outstanding but unvested award shares shall lapse and become returned shares.

(4) During the six months ended 30 June 2026, Mr. Zhou Chunhua, being the grantee and a director of the Company, participated in the Share Award Scheme.

## COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Board is committed to maintaining high standards of corporate governance to safeguard the interests of shareholders and other stakeholders. The Directors recognize the importance of incorporating elements of good corporate governance in the management structure, internal control and risk management systems of the Group so as to achieve effective accountability.

The Company has adopted all applicable code provisions of the Corporate Governance Code (the "**CG Code**") as set out in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") throughout the six months ended 30 June 2026. The Board has reviewed the Company's corporate governance practices and is satisfied that the Company has been in compliance with all code provisions as set out in the CG Code contained in Appendix C1 of the Listing Rules during the six months ended 30 June 2026.

The Board will continue to enhance the corporate governance practices appropriate to the conduct and growth of its business and to review such practices from time to time to ensure that they comply with the CG Code and align with the latest developments.

## MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Board has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 of the Listing Rules as the code of conduct regulating Directors' dealings in securities of the Company. Having made specific enquiry of all Directors, all Directors had confirmed that they have complied with the required standards as set out in Model Code regarding their securities transactions throughout the six months ended 30 June 2026.

## DISCLOSURE OF INFORMATION ON DIRECTORS PURSUANT TO RULE 13.51B(1) OF THE LISTING RULES

Save and except for the disclosure in this announcement, there is no change of the Directors' information pursuant to Rule 13.51B of the Listing Rules since the disclosure made in the Company's annual report for the financial year ended 31 December 2026 in relation to the Directors' information.

## AUDIT COMMITTEE

The audit committee of the Company (the "**Audit Committee**") comprises three independent non-executive Directors, namely, Mr. Chu Kin Wang, Peleus (chairman of the Audit Committee), Ms. Jiao Jie and Mr. Xu Xuechuan. The main duties of the Audit Committee are to assist the Board in providing an independent view of the financial statements and financial and accounting policies of the Company and overseeing the financial reporting system, internal control procedures and risk management system of the Company. The Company's unaudited condensed consolidated interim results and financial report for the six months ended 30 June 2026, have not been audited by the auditors of the Company but have been reviewed by the auditors of the Company and the Audit Committee and confirms that the applicable accounting principles, standards and requirements have been complied with, and that adequate disclosures have been made. The Audit Committee has also discussed the auditing, internal control and financial reporting matters.

## REMUNERATION COMMITTEE

The remuneration committee of the Company (the "**Remuneration Committee**") comprises Mr. Xu Xuechuan (an independent non-executive Director and the chairman of the Remuneration Committee), and two other members being Mr. Chu Kin Wang, Peleus (an independent non-executive Director) and Mr. Zhou Chunhua (an executive Director).

The primary duties of the Remuneration Committee are to establish, review and make recommendations to the Board on our Company's policy and structure concerning remuneration of the Directors and senior management, on the diversity policy of the Board and senior management, on the establishment of a formal and transparent procedure for developing policies concerning such remuneration, determine the terms of the specific remuneration package of each executive Director and senior management and review and approve performance-based remuneration by reference to corporate goals and objectives resolved by the Board from time to time.

## NOMINATION COMMITTEE

The nomination committee of the Company (the "**Nomination Committee**") comprises Mr. Chu Kin Wang, Peleus (an independent non-executive Director and the chairman of the Nomination Committee), and three other members being Mr. Xu Xuechuan (an independent non-executive Director), Ms. Jiao Jie (an independent non-executive Director) and Mr. Zhou Chunhua (an executive Director). Ms. Jiao Jie was appointed as a member of the Nomination Committee in response to the amended CG Code on 20 June 2025. The revised terms of references have been adopted by the Board on 20 June 2025.

The primary duties of the Nomination Committee are to review the structure, size and composition of the Board; assess the independence of the independent non-executive Directors and make recommendations to the Board on the appointment and re-appointment of Directors and succession planning for Directors. Recommend to the Board suitably qualified persons to become a member of the Board and to review the structure, size, composition of the Board and board diversity on a regular basis and as required.

## PUBLICATION OF 2025 INTERIM RESULTS AND 2025 INTERIM REPORT

This announcement is published on the website of the Stock Exchange (www.hkexnews.hk) and the Company's website (https://www.irasia.com/listco/hk/tianli). The interim report of the Company for the six months ended 30 June 2026 will also be available on the above websites and dispatched to the Shareholders who requested the printed copy in due course.

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

Hong Kong, 28 August 2026

*As at the date of this announcement, the Board comprises two executive Directors, namely Mr. Zhou Chunhua (Chairman) and Mr. Pan Tong (Chief Executive Officer), and three independent non-executive Directors, namely Mr. Chu Kin Wang, Peleus, Mr. Xu Xuechuan and Ms. Jiao Jie.*