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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)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2025

FINANCIAL HIGHLIGHTS

- For the year ended 31 December 2025, the total revenue of the Group was approximately RMB679.0 million, representing an increase of approximately 23.9% as compared with approximately RMB548.0 million for the year ended 31 December 2024;
- The overall gross profit of the Group for the year ended 31 December 2025 was RMB175.5 million, representing an increase of approximately RMB94.0 million (or 115.3%), as compared with approximately RMB81.5 million for the year ended 31 December 2024;
- Gross profit margin reached 25.9% in 2025, increased by 11.0 percentage points as compared to 2024; in particular, the gross profit margin of the MLCC business was increased from 6.3% in 2024 to 21.2% in 2025;
- Profit attributable to owners of the Company for the year ended 31 December 2025 was RMB133.4 million, as compared to a loss of RMB153.4 million for the year ended 31 December 2024;
- Basic earnings per share was RMB17.9 cents; and
- The Board recommends no payment of final dividends for the year ended 31 December 2025.

The board (the “**Board**”) of directors (the “**Directors**”) of Tianli Holdings Group Limited (the “**Company**”) is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively the “**Group**”) for the year ended 31 December 2025 together with the comparative results for the preceding financial year.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2025

| | <i>Notes</i> | 2025 <i>RMB'000</i> | 2024 <i>RMB'000</i> |
|---|--------------|-------------------------------|------------------------|
| Revenue | <i>5</i> | 678,985 | 547,999 |
| Cost of sales | | (503,452) | (466,484) |
| Gross profit | | 175,533 | 81,515 |
| Other income | <i>6</i> | 16,478 | 16,474 |
| Other losses, net | <i>7</i> | (2,848) | (4,173) |
| Gain on modification of financial liability | <i>8(b)</i> | 171,587 | – |
| Impairment of property, plant and equipment | | – | (32,128) |
| Selling and distribution costs | | (18,685) | (19,874) |
| Administrative expenses | | (79,962) | (86,635) |
| Research and development costs | | (66,740) | (62,428) |
| Finance costs | <i>8(a)</i> | (66,862) | (56,539) |
| Share of loss of an associate | | (582) | – |
| Profit/(loss) before taxation | | 127,919 | (163,788) |
| Income tax credit | <i>9</i> | 5,530 | 10,421 |
| Profit/(loss) for the year | | 133,449 | (153,367) |

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)

For the year ended 31 December 2025

| | <i>Notes</i> | 2025 | 2024 |
|--|--------------|-----------------------|-------------------------|
| | | <i>RMB'000</i> | <i>RMB'000</i> |
| Other comprehensive (loss)/income for the year, net of income tax | | | |
| Item that may be reclassified subsequently to profit or loss: | | | |
| Exchange differences on translation of foreign operations | | <u>(6,560)</u> | <u>3,004</u> |
| Other comprehensive (loss)/income for the year, net of income tax | | <u>(6,560)</u> | <u>3,004</u> |
| Total comprehensive income/(loss) for the year, net of income tax | | <u><u>126,889</u></u> | <u><u>(150,363)</u></u> |
| Profit/(loss) for the year attributable to: | | | |
| Owners of the Company | | <u><u>133,449</u></u> | <u><u>(153,367)</u></u> |
| Total comprehensive income/(loss) for the year attributable to: | | | |
| Owners of the Company | | <u><u>126,889</u></u> | <u><u>(150,363)</u></u> |
| | | <i>RMB cents</i> | <i>RMB cents</i> |
| Earnings/(Loss) per share | <i>11</i> | | |
| basic | | 17.9 | (20.6) |
| diluted | | <u><u>N/A</u></u> | <u><u>N/A</u></u> |

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2025

| | <i>Notes</i> | 2025 <i>RMB'000</i> | 2024 <i>RMB'000</i> |
|---|--------------|------------------------|------------------------|
| Non-current assets | | | |
| Property, plant and equipment | | 1,049,177 | 963,950 |
| Investment properties | | 50,782 | 52,464 |
| Deposits paid for acquisition of property, plant and equipment and other non-current refundable rental deposits | | 12,591 | 21,665 |
| Interest in an associate | | 5,418 | – |
| Financial assets at fair value through profit or loss (“FVPL”) | | 237,853 | 419,691 |
| Other intangible assets | | 1,198 | 245 |
| Restricted bank deposits | | 11,145 | – |
| Deferred tax assets | | 11 | 11 |
| | | 1,368,175 | 1,458,026 |
| Total non-current assets | | | |
| Current assets | | | |
| Inventories | | 250,382 | 207,208 |
| Financial assets at FVPL | | 217,274 | 43,740 |
| Accounts and bills receivables | 12 | 462,773 | 378,810 |
| Prepayments, deposits and other receivables | | 50,673 | 45,635 |
| Tax recoverable | | 3,728 | 3,829 |
| Restricted bank deposits | | 18,629 | 12,877 |
| Cash and bank balances | | 41,824 | 63,702 |
| | | 1,045,283 | 755,801 |
| Total current assets | | | |
| Current liabilities | | | |
| Trade payables | 13 | 196,052 | 148,137 |
| Deferred income, accruals and other payables | | 205,147 | 158,319 |
| Lease liabilities | | 1,825 | 6,226 |
| Tax payable | | 3,214 | 3,294 |
| Bank and other loans | | 586,783 | 1,043,248 |
| | | 993,021 | 1,359,224 |
| Total current liabilities | | | |

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(CONTINUED)**

At 31 December 2025

| | <i>Notes</i> | 2025 RMB'000 | 2024 <i>RMB'000</i> |
|--|--------------|-------------------------------|------------------------|
| Net current assets/(liabilities) | | <u>52,262</u> | <u>(603,423)</u> |
| Total assets less current liabilities | | <u>1,420,437</u> | <u>854,603</u> |
| Non-current liabilities | | | |
| Lease liabilities | | 2,921 | 32 |
| Deferred income | | 16,118 | 3,477 |
| Bank and other loans | | 748,642 | 319,690 |
| Deferred tax liabilities | | <u>8,267</u> | <u>13,804</u> |
| Total non-current liabilities | | <u>775,948</u> | <u>337,003</u> |
| Net assets | | <u><u>644,489</u></u> | <u><u>517,600</u></u> |
| Capital and reserves | | | |
| Share capital | | 6,637 | 6,637 |
| Reserves | | <u>637,852</u> | <u>510,963</u> |
| Total equity | | <u><u>644,489</u></u> | <u><u>517,600</u></u> |

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

1. GENERAL INFORMATION

Tianli Holdings Group Limited (the “**Company**”) was a public limited company 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 of the Company are (i) manufacturing and sale of multi-layer ceramic capacitor (“**MLCC**”) and (ii) investment and financial services.

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION

a) Statement of compliance

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (the “**IASB**”) and the disclosure requirements of the Hong Kong Companies Ordinance. The consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The IASB has issued certain new and revised IFRS Accounting Standards which are first effective or available for early adoption for the current accounting period of the Group. Note 3 provides information on any changes in accounting policies resulting from the initial application of these developments to the extent that they are relevant to the Group for the current accounting period reflected in the consolidated financial statements.

b) Basis of preparation of the consolidated financial statements

The consolidated financial statements for the year ended 31 December 2025 comprise the Company and its subsidiaries (together referred to as the “**Group**”).

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates (the “**functional currency**”). The consolidated financial statements are presented in Renminbi (“**RMB**”) which is the Company’s functional currency and the Group’s presentation currency, and all value are rounded to the nearest thousand RMB except where otherwise indicated.

The measurement basis used in the preparation of the financial statements is the historical cost basis except that financial assets at FVPL are stated at their fair value as explained in the accounting policies.

The preparation of financial statements in conformity with IFRS Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying amounts of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to an accounting estimates is recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Going concern basis

As at 31 December 2025, the Group's current liabilities included bank and other loans of RMB586,783,000, of which (i) bank and other loans of RMB230,266,000 are repayable within 12 months from the end of the reporting period; and (ii) long term bank loans of RMB356,517,000 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 RMB441,517,000 did not meet certain financial covenants of the relevant bank loans as at 31 December 2025. The Group's cash and cash equivalents amounted to RMB41,824,000 as at 31 December 2025.

On discovery of the non-fulfilment of financial covenants by the subsidiary of the Company 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 and at 31 December 2025 the subsidiary did not meet the certain financial covenants. Accordingly the loans are classified as current liabilities as at 31 December 2025. 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 31 December 2025. 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 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 31 December 2025. Accordingly, the directors of the Company are satisfied that it is appropriate to prepare these consolidated financial statements on a going concern basis. Up to the date of approval of the 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 consolidated financial statements.

3. APPLICATION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS

The Group has applied the following amendments to IFRS Accounting Standards as issued by IASB for the first time, which are mandatorily effective for the Group's financial annual period beginning on or after 1 January 2025, to the consolidated financial statements for the current accounting year:

Amendments to IAS 21

Lack of Exchangeability

The Group has not applied any new standards and amendments to IFRS Accounting Standards that are not yet mandatorily effective for the current accounting period. The application of the Amendments to IAS 21 in the current year has had no material impact on the Group's financial positions and performance for the current and prior years and on the disclosures set out in the consolidated financial statements.

4. 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.

- (i) MLCC: manufacturing and sale of MLCC; and
- (ii) 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.

a) Segment results, assets and liabilities

For the purposes of assessing segment performance and allocating resources between segments, the Board monitors the results, assets and liabilities attributable to each reportable segment on the following basis:

Segment assets include all tangible assets, intangible assets, deferred tax assets and current assets with the exception of corporate assets. Segment liabilities include all payables, deferred income and deferred tax liabilities attributable to the activities of the individual segments and borrowings managed directly by the segments.

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortization of assets attributable to those segments. The measure used for reporting segment profit/(loss) is earnings and loss of each segment without allocation of corporate interest income, other corporate (loss)/gain, central administrative expenses, central finance costs and income tax.

In addition to receiving segment information concerning segment (loss)/profit, the Board is provided with segment information concerning revenue, interest income, depreciation and amortisation, write-down of inventories, reversal of write-down of inventories, impairment losses of accounts receivables, reversal of impairment losses of account receivables, impairment losses of other receivables, impairment loss of property, plant and equipment, finance costs, income tax and additions to non-current segment assets (other than financial instruments and deferred tax assets) used by the segments in their operations.

The accounting policy information of the operating segments are the same as the Group's accounting policy information.

Disaggregation of revenue from contracts with customers by the timing of revenue recognition, as well as 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 years ended 31 December 2025 and 2024 is set out below:

| | Year ended 31 December 2025 | | |
|--|------------------------------------|--|-----------------|
| | MLCC | Investment and financial services | Total |
| | RMB'000 | RMB'000 | RMB'000 |
| Segment revenue: | | | |
| Disaggregated by timing of revenue recognition | | | |
| Point in time | 638,931 | – | 638,931 |
| Over time | – | 36,894 | 36,894 |
| | 638,931 | 36,894 | 675,825 |
| Revenue from other source | – | 3,160 | 3,160 |
| Revenue from external customers | 638,931 | 40,054 | 678,985 |
| Segment (loss)/profit | (13,963) | 21,289 | 7,326 |
| Gain on modification of financial liability | | | 171,587 |
| Other corporate losses, net | | | (586) |
| Central administrative expenses | | | (13,583) |
| Central finance costs | | | (36,825) |
| Consolidated profit before taxation | | | 127,919 |

| | Year ended 31 December 2024 | | |
|--|-----------------------------|---|------------------|
| | MLCC | Investment and financial services | Total |
| | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> |
| Segment revenue: | | | |
| Disaggregated by timing of revenue recognition | | | |
| Point in time | 497,715 | – | 497,715 |
| Over time | – | 40,742 | 40,742 |
| | <u>497,715</u> | <u>40,742</u> | <u>538,457</u> |
| Revenue from other source | – | 9,542 | 9,542 |
| | <u>497,715</u> | <u>50,284</u> | <u>547,999</u> |
| Revenue from external customers | <u>497,715</u> | <u>50,284</u> | <u>547,999</u> |
| Segment (loss)/profit | (163,763) | 35,221 | (128,542) |
| Other corporate gain | | | 11,530 |
| Central administrative expenses | | | (13,481) |
| Central finance costs | | | <u>(33,295)</u> |
| Consolidated loss before taxation | | | <u>(163,788)</u> |

d) Revenue from major products and services

The following is an analysis of the Group's revenue from its major products and services

| | 2025 | 2024 |
|--|-----------------------|----------------|
| | <i>RMB'000</i> | <i>RMB'000</i> |
| Sale of MLCC | 638,931 | 497,715 |
| Assets management fee income | 36,894 | 40,742 |
| Net gain from fund investments | 3,160 | 9,542 |
| Revenue from investment and financial services | <u>40,054</u> | 50,284 |
| | <u>678,985</u> | <u>547,999</u> |

5. REVENUE

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:

| | 2025 | 2024 |
|---|-----------------------|----------------|
| | <i>RMB'000</i> | <i>RMB'000</i> |
| Revenue from contracts with customers within the scope of IFRS 15 | | |
| Sale of MLCC | 638,931 | 497,715 |
| Assets management fee income | 36,894 | 40,742 |
| | 675,825 | 538,457 |
| Revenue from other source | | |
| Net gain from financial assets at FVPL | 3,160 | 9,542 |
| Total revenue | 678,985 | 547,999 |

Notes:

- a) Disaggregation of revenue from contracts with customers by the timing of revenue recognition is disclosed in note 4.
- b) Revenue expected to be recognised in the future arising from contracts with customers in existence at the reporting date:

All sales contracts with customers for MLCC are for periods of one year or less. As permitted under IFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

Contracts for asset management service typically have the same terms with the funds managed by the Group, which ranged from 3 to 7 years and are subject to extension of 2 to 3 years, in which the Group bills a fixed amount for service rendered. The Group elected to apply the practical expedient by recognising revenue in the amount to which the Group has the right to invoice. As permitted under IFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

6. OTHER INCOME

| | 2025 | 2024 |
|--|----------------|----------------|
| | <i>RMB'000</i> | <i>RMB'000</i> |
| Interest income on financial assets measured at amortised cost | | |
| – bank interest income | 129 | 34 |
| Gross rental income from investment properties | 3,138 | 3,323 |
| Government grants (<i>note</i>) | 6,394 | 8,681 |
| Release of government grants as income | 5,178 | 3,266 |
| Other management fee income | 568 | 355 |
| Sundry income | 1,071 | 815 |
| | <u>16,478</u> | <u>16,474</u> |

Note: Government grants represented the subsidy to the Group by the government of 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.

7. OTHER LOSSES, NET

| | 2025 | 2024 |
|---|----------------|----------------|
| | <i>RMB'000</i> | <i>RMB'000</i> |
| Impairment loss of other receivables | (943) | – |
| (Impairment loss)/reversal of impairment loss | | |
| of accounts receivables, net | (895) | 41 |
| Loss on disposal of property, plant and equipment | (6,226) | (3,837) |
| Gain on termination of lease contracts | 4,672 | – |
| Net foreign exchange gain/(loss) | 544 | (377) |
| | <u>(2,848)</u> | <u>(4,173)</u> |

8. PROFIT/(LOSS) BEFORE TAXATION

Profit/(loss) before taxation is arrived at after charging/(crediting) the followings:

(a). Finance costs

| | 2025 <i>RMB'000</i> | 2024 <i>RMB'000</i> |
|---|------------------------|------------------------|
| Interest on bank loans | 28,478 | 29,649 |
| Interest on other loans | 38,215 | 33,383 |
| Interest on lease liabilities | 169 | 318 |
| | <hr/> | <hr/> |
| Total interest expense on financial liabilities not at fair value through profit or loss | 66,862 | 63,350 |
| Less: Amounts capitalised in the cost of qualifying assets | – | (6,811) |
| | <hr/> | <hr/> |
| | 66,862 | 56,539 |
| | <hr/> <hr/> | <hr/> <hr/> |

(b). Gain on modification of financial liability

| | 2025 <i>RMB'000</i> | 2024 <i>RMB'000</i> |
|------------------------------------|------------------------|------------------------|
| Gain on modification of other loan | (171,587) | – |
| | <hr/> | <hr/> |
| | (171,587) | – |
| | <hr/> <hr/> | <hr/> <hr/> |

Note:

During the year ended 31 December 2025, an unsecured loan comprising principal in the amount of approximately HK\$391,692,000 and accrued coupon interest of approximately HK\$112,982,000 with the original maturity date on 12 August 2025 (the “**Original Loan**”) was extended to 12 August 2030 and the coupon interest rate on the outstanding loan principal was changed from 5.5% per annum to 3.5% per annum with effect from 13 August 2025 (the “**Loan Modification**”). Before the Loan Modification, the Original Loan was stated at amortised cost using effective interest rate of 8.25% and amounted to approximately HK\$496,105,000 (equivalent to RMB454,527,000) at the date of modification.

As a result of the substantial modification of the term of the Original Loan, namely, (1) the extension of the original maturity date from 12 August 2025 to 12 August 2030 and (2) the decrease of the coupon interest rate from 5.5% per annum to 3.5% per annum, the Group accounted for the extinguishment of the Original Loan of HK\$496,105,000 (equivalent to RMB454,527,000) and recognition of the new financial liability of approximately HK\$308,822,000 (equivalent to RMB282,940,000) with effective interest rate increasing from original 8.25% to 12.34% (the “**Modified Loan**”), being its fair value at the date of modification. Accordingly, gain on modification of financial liability of approximately HK\$187,283,000 (equivalent to RMB171,587,000) is recognised during the year ended 31 December 2025.

9. INCOME TAX CREDIT

Income tax recognised in the consolidated statement of profit or loss and other comprehensive income represents:

| | 2025 <i>RMB'000</i> | 2024 <i>RMB'000</i> |
|---|------------------------|------------------------|
| Current tax | | |
| – Hong Kong Profits Tax for the year (<i>note (ii)</i>) | 6 | 77 |
| – Over provision of Hong Kong Profits Tax in prior year | – | (7,328) |
| – Under provision of PRC Enterprise Income Tax (“ EIT ”) in prior year | 1 | 472 |
| Deferred taxation | | |
| – Origination and reversal of temporary differences | <u>(5,537)</u> | <u>(3,642)</u> |
| Income tax credit for the year | <u><u>(5,530)</u></u> | <u><u>(10,421)</u></u> |

Notes:

- (i) 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.
- (ii) The provision for Hong Kong Profits Tax for 2025 is calculated at 16.5% (2024: 16.5%) of the estimated assessable profits for the year, 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 million 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 for 2024.

- (iii) 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.

- (iv) For the year ended 31 December 2025, all PRC subsidiaries were subject to EIT at the standard rate of 25% (2024: 25%) on their respective taxable profit during the year, 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.

10. DIVIDEND

No dividend was paid or proposed during the years ended 31 December 2025 and 2024, nor has any dividend been proposed since the end of the reporting period.

11. EARNINGS/(LOSS) PER SHARE

(a) Basic earnings/(loss) per share

The calculation of the basic earnings/(loss) per share is based on the profit attributable to the owners of the Company of RMB133,449,000 (2024: loss of RMB153,367,000) and the weighted average number of 744,750,000 (2024: 744,750,000) ordinary shares outstanding during the year.

(b) Diluted earnings/(loss) per share

No diluted earnings/(loss) per share for the years ended 31 December 2025 and 2024 is presented as there is no potential ordinary shares outstanding during both years.

12. ACCOUNTS AND BILLS RECEIVABLES

| | 2025 <i>RMB'000</i> | 2024 <i>RMB'000</i> |
|--|------------------------|------------------------|
| Accounts receivables | | |
| – Contracts with customers (<i>note a</i>) | 286,510 | 249,088 |
| Less: Allowances for credit losses | (7,973) | (8,445) |
| | 278,537 | 240,643 |
| Bills receivables (<i>note b</i>) | 184,236 | 138,167 |
| | 462,773 | 378,810 |

a) Accounts receivables

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

| | 2025 | 2024 |
|-----------------|-----------------------|----------------|
| | <i>RMB'000</i> | <i>RMB'000</i> |
| Within 90 days | 120,818 | 86,680 |
| 91 to 180 days | 13,755 | 9,407 |
| 181 to 360 days | 17,364 | 18,909 |
| 1 to 2 years | 30,591 | 40,788 |
| 2 to 3 years | 37,824 | 43,002 |
| Over 3 years | 66,158 | 50,302 |
| | 286,510 | 249,088 |

b) Bills receivables

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

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

| | 2025 | 2024 |
|-----------------|-----------------------|----------------|
| | <i>RMB'000</i> | <i>RMB'000</i> |
| Within 90 days | 116,901 | 93,950 |
| 91 to 180 days | 67,335 | 43,597 |
| 181 to 360 days | – | 620 |
| | 184,236 | 138,167 |

13. TRADE PAYABLES

| | 2025 <i>RMB'000</i> | 2024 <i>RMB'000</i> |
|----------------|------------------------|------------------------|
| Trade payables | <u>196,052</u> | <u>148,137</u> |

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

| | 2025 <i>RMB'000</i> | 2024 <i>RMB'000</i> |
|-----------------|------------------------|------------------------|
| Within 90 days | 158,380 | 132,122 |
| 91 to 180 days | 34,437 | 14,861 |
| 181 to 360 days | 2,476 | 91 |
| 1 to 2 years | – | 227 |
| Over 2 years | <u>759</u> | <u>836</u> |
| | <u>196,052</u> | <u>148,137</u> |

EXTRACT FROM INDEPENDENT AUDITORS' REPORT

The section below set out an extract of the independent auditors' report regarding the consolidated financial statements of the Group for the year ended 31 December 2025.

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

We draw attention to note 2(b) to the consolidated financial statements, which indicates that bank loans of the Group of RMB441,517,000 did not meet certain financial covenants of the relevant bank loans as at 31 December 2025. These events or conditions, along with other matters as set forth in note 2(b) to the consolidated financial statements, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

During the year ended 31 December 2025, the global economy has experienced slow recovery due to geopolitical conflicts and high inflation, with risks increasing significantly. This had varying degrees of negative impact on the Group's MLCC segment and investment and financial services segment.

MLCC

In 2025, the global MLCC business officially emerged from the previous industry downturn and entered a “structural prosperity cycle”, presenting a differentiated pattern of “high-end boom, mid-end expansion and low-end stabilisation”. The industry's growth drivers, competitive landscape and development trends all demonstrated distinct stage characteristics. Overall, the industry has overcome the low-growth dilemma of recent years and gradually entered an upward trajectory. On the demand side, which serves as the core support for industry recovery, a clear polarisation and focus have been observed. On one hand, AI servers and automotive-grade MLCCs have become absolute growth engines, with explosive demand driving the high prosperity of the MLCC business: a single AI server requires 15,000 to 25,000 units of MLCCs, with some high-end platforms exceeding 440,000 units per server, more than ten times that of ordinary servers. It is expected that by 2030, MLCC demand from AI servers will reach 3.3 times that of 2025, representing a compound annual growth rate of 30%. Automotive-grade MLCCs have benefited from the rising penetration of new energy vehicles, with pure electric vehicles requiring up to 18,000 MLCCs per vehicle, more than three times that of traditional fuel vehicles, making automotive-grade products an important pillar of revenue growth. On the other hand, demand in the consumer electronics sector has shown divergence: general-purpose MLCC demand in ordinary consumer electronics (mid- to low-end mobile phones and traditional home appliances) has experienced only weak recovery and is unlikely to achieve significant growth in the short term, while demand growth in high-end consumer electronics (AI smartphones, AI PCs, foldable smartphones) has driven increased usage of mid- to high-end MLCCs, serving as a supplementary driver of demand and aligning closely with the recovery trend of “high-end leading, mid- to low-end under pressure” in the consumer electronics market. In addition, demand for high-frequency MLCCs in areas such as 5G base stations and satellite communications has continued to surge, becoming an important component of high-end MLCC demand.

Overall, 2025 marked a pivotal year for the global MLCC industry as it entered a new upward cycle, with a clear structural prosperity pattern. Demand from AI servers and automotive-grade products has become the principal driver of long-term growth, while domestic substitution accelerated and the industry's competitive landscape continued to improve. Through actively expanding its customer base and increasing market share, the Group's MLCC segment recorded higher sales volume. In 2025, the segment achieved sales revenue of RMB638.9 million, representing an increase of 28.4% compared with 2024. In addition, the Group delivered significant cost reductions through optimising sales structure and increasing output, with selling and administrative expenses also declining compared with 2024.

In 2025, the Group continued to (i) increase investment in research and development; (ii) strengthen technical cooperation; and (iii) accelerate product deployment in ultra-micro, high-capacitance, high-temperature and high-reliability categories to enhance competitiveness in the high-end market. During the year ended 31 December 2025, the Group made continuous breakthroughs in the research, development and delivery of industrial and automotive-grade products, while also developing multi-specification high-capacitance products. This further consolidated niche product offerings for new circuit applications, including three-terminal, copper-terminal and inverted long-width terminal MLCCs, to meet the needs of high-end customers. At present, the Group's product portfolio covers consumer-grade, automotive-grade and industrial-grade segments, with significant expansion in large-size, high-capacitance and high-voltage specifications

The Group currently operates production bases in Chuzhou and Dongguan. With a positive outlook on the long-term growth of the MLCC industry, the new bases have undergone upgrades in production environment and facilities, expanding high-end product capacity to meet the growing demand in the industrial and automotive markets. During the year ended 31 December 2025, both new production bases achieved stable mass production, with capacity continuing to expand. With further substantial enhancement of production capacity and technical capabilities, the Group's gross profit and cash flow are expected to normalise.

Asset Management

As at 31 December 2025, the Group is managing 11 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 into six of the funds.

Unit: US\$ million

| Fund Name | Initial Closing Date | Term (Year) | Investment Focus | Capital Commitment | |
|---|----------------------|--------------------|--|----------------------------------|-------------------------------------|
| | | | | 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 |

| Fund Name | Initial Closing Date | Term (Year) | Investment Focus | Capital Commitment | |
|---|----------------------|-------------|--|----------------------------------|-------------------------------------|
| | | | | Total of the Fund ⁽³⁾ | Total from the Group ⁽⁴⁾ |
| 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 | 9.3 | 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 the unanimous 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
5. The Tianli US Opportunities Fund L.P. has been de-registered with CIMA as of 31 December 2025 and is now entering the liquidation process.

As at 31 December 2025, 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 US\$73.1 million capital invested. During the year ended 31 December 2025, the six funds that the Group has invested resulted in a net gain of RMB3.2 million to the Group's financial results, in addition to the asset management fee income of RMB36.9 million.

Unit: US\$ million

| Fund name | Country/region | Debt | Product | | Invested amount |
|---|----------------|--------------|---------------|------------------|-----------------|
| | | | Common equity | Preferred equity | |
| Tianli China Opportunities Fund I L.P. | PRC | – | 91.8 | – | 91.8 |
| Tianli Private Debt Fund L.P. | UK | 23.6 | – | – | 23.6 |
| Tianli M&A Investment L.P. | Cayman Islands | 56.4 | – | – | 56.4 |
| Tianli Private Debt Capital L.P. | Cayman Islands | 32.1 | – | – | 32.1 |
| Tianli China Opportunities Fund II L.P. | PRC | – | 66.9 | – | 66.9 |
| Tianli UK Opportunities Fund L.P. | UK | – | 134.0 | 24.1 | 158.1 |
| Total | | 112.1 | 292.7 | 24.1 | 428.9 |

As at 31 December 2025, the investments made by these funds were in three countries or regions, including Hong Kong, PRC and UK and these investments were in the form of debt, common equity or preferred equity.

Investment

During the year ended 31 December 2025, the Group acquired 35% equity interest in 深圳市宇澤微電科技有限公司 for a cash consideration of RMB6,000,000 of which RMB350,000 is for the paid-up capital and RMB5,650,000 is for the capital reserve of the associate.

BUSINESS PROSPECTS

MLCC, with its small size, high capacitance, and ease of surface mounting, is one of the most widely used and rapidly developing chip electronic components. It is widely applied in consumer electronics, communications, automotive electronics, and other fields, earning the title of “rice of the electronic industry.” At the same time, high-end capacitor and resistance are also considered as one of the “bottleneck” technology projects in China. Against the backdrop of China’s accelerated development as a technology powerhouse to achieve technological self-reliance, the trend of domestic substitution for MLCC is evident.

In 2025, the MLCC industry entered a clear structural recovery cycle, with growth primarily driven by demand from AI servers and automotive electronics. At the same time, domestic substitution accelerated, presenting historic development opportunities for domestic MLCC manufacturers.

In the AI server segment, the Company has successfully established cooperative relationships with core domestic customers, with MLCC orders for AI servers continuing to grow. Looking ahead, as global AI computing infrastructure continues to expand, demand for MLCCs in AI servers is expected to increase significantly, particularly for mid- to high-end specifications. The Company will continue to deepen cooperation with high-end AI customers, expand the supply of MLCC products for AI servers, and advance technological innovation such as high-frequency copper inner electrodes to enhance product performance and meet high-end demand.

In the automotive-grade MLCC segment, the Company’s products have passed AEC-Q200 certification and are successfully supplied to major domestic new energy vehicle manufacturers and related Tier 1 supply chains. The Company’s resonant capacitors for on-board chargers (OBC) achieved the first domestic batch delivery. Looking forward, as electrification and intelligence in automobiles continue to advance, the demand and reliability requirements for MLCCs in automotive electronic systems will further increase. The Company will continue to expand production capacity of automotive-grade products, promote the high-end development of automotive-grade MLCCs, and penetrate more core safety systems of new energy vehicles such as ADAS and electric drive, thereby further increasing the revenue contribution of automotive-grade products.

The MLCC segment continues to adhere to its consistent strategy by consolidating its position in the general consumer market and actively exploring opportunities in AI servers, automotive electronics, communication base stations, data centers and other markets, thereby expanding cooperation with leading customers in the target markets. In addition to continuously increasing investment in research and development, equipment, environmental protection, automation and informatization to meet customer needs, the Group will fully leverage favorable conditions such as the significantly improved cleanliness level and equipment precision of the new factories this year to intensify efforts in cost reduction and efficiency enhancement, and continuously strengthen core competitiveness through the development of new materials and new processes. Historically, the Group has excelled in small-and-micro sized MLCCs. In recent years, through continuous investment in research and development, the Group has not only achieved technological breakthroughs in miniature high-capacitance products to consolidate its leading position in the PRC, but also successively expanded its product portfolio to include multiple large-sized product lines with characteristics such as high-capacitance, high-Q, high-temperature and high-voltage, particularly those meeting the reliability requirements of industrial-grade and automotive-grade applications. The Group will continue to explore new markets, actively advance its internationalisation strategy, expand market share, and provide customers with better products and superior services through ongoing innovation, technological advancement and excellent quality.

In respect of investment and financial services, the Group will reinforce the post-investment monitoring and management of existing projects in its fund operation, take various measures to prevent and mitigate potential risks, through enhancing risk-control measures and reducing risk exposure based on the terms of the existing agreements in order to safeguard the interests of fund investors. During the year ended 31 December 2025, the Group implemented various strategies to enhance the performance of the investments. With most of its efforts directed towards the subsequent management of existing projects, the Group will also start developing new business when appropriate, exploring value-added opportunities for investors in stable and reliable investment projects.

FINANCIAL REVIEW

For the year ended 31 December 2025, the Group's revenue was derived from (i) MLCC segment; and (ii) investment and financial services segment. Total revenue of the Group was RMB679.0 million, which represented an increase of RMB131.0 million, or 23.9%, as compared to that for the year ended 31 December 2024. Revenue from the MLCC segment for the year ended 31 December 2025 was RMB638.9 million, representing an increase of RMB141.2 million, or 28.4% from the year ended 31 December 2024, which was due to sales volume and selling price increase. Revenue from the investment and financial services segment for the year ended 31 December 2025 was RMB40.1 million. Among this, the asset management fee income was RMB36.9 million for the year ended 31 December 2025 which represented a decrease of RMB3.8 million, or 9.4%, as compared to that for the year ended 31 December 2024. And the Group's net gain from financial assets at fair value through profit or loss ("FVPL"), which recorded RMB3.2 million for the year ended 31 December 2025 which represented a decrease of RMB6.3 million, or 66.3%, as compared to that for the year ended 31 December 2024.

Gross Profit Margin

Aggregate gross profit margin for the year ended 31 December 2025 was 25.9%, representing an increase of 11.0 percentage points as compared to the year ended 31 December 2024.

The gross profit margin of the MLCC segment increased from 6.3% for the year ended 31 December 2024 to 21.2% for the year ended 31 December 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 Group exercised a certain level of cost control during the year, leading to a decrease in average cost.

Other Income

The Group's other income amounted to RMB16.5 million for the year ended 31 December 2025, and there was no material change from the year ended 31 December 2024.

Research and Development Costs

The Group incurred research and development costs of RMB66.7 million for the year ended 31 December 2025, representing an increase of RMB4.3 million from the year ended 31 December 2024. The increase was mainly due to more resources spent on research and development, so research and development costs increased during the year ended 31 December 2025.

Finance Costs

The Group's finance costs amounted to RMB66.9 million for the year ended 31 December 2025 representing an increase of RMB10.4 million from the year ended 31 December 2024. The increase was mainly due to the additional drawdown of bank and other loans in 2025.

Property, Plant and Equipment

The net book values of the Group's property, plant and equipment were RMB1,049.2 million as at 31 December 2025, increased by RMB85.2 million from the balance as at 31 December 2024. The increase was mainly due to the additions to plant and machinery used in production of MLCC.

Investment Properties

There's no material change for the carrying value of the Group's investment property, which was amounted to RMB50.8 million as at 31 December 2025, comparable to the carrying value of RMB52.5 million as at 31 December 2024.

Financial Assets at Fair Value Through Profit or Loss

As at 31 December 2025, the Group's financial assets at FVPL had a carrying value of RMB455.1 million, which was a decrease of 1.8% from the Group's financial assets at FVPL with a carrying value of RMB463.4 million as at 31 December 2024. This was due to the depreciation of US dollar against RMB during the year ended 31 December 2025.

Accounts and Bills Receivables

As at 31 December 2025, the Group's accounts and bills receivables amounted to RMB462.8 million, an increase of RMB84.0 million from the balance as at 31 December 2024. The increase was mainly due to the increase in MLCC product sales on credit during the year ended 31 December 2025.

Prepayments, Deposits and Other Receivables

As at 31 December 2025, prepayments, deposits and other receivables in current assets amounted to RMB50.7 million, representing an increase of RMB5.0 million as compared to the balance as at 31 December 2024. The increase was mainly due to an increase in value added tax recoverable during the year.

Cash and Bank Balances and Pledged Bank Deposits

As at 31 December 2025, the Group's cash and bank balances totalled RMB71.6 million, decreased by RMB5.0 million from 31 December 2024. The decrease was mainly due to the additional drawdown of the bank and other loans is less than the cash used for additions to plant and machinery.

Trade Payables

As at 31 December 2025, the Group's trade payables amounted to RMB196.1 million, an increase of RMB48.0 million from 31 December 2024. The increase was mainly due to the increase in purchasing on credit to support MLCC production during the year ended 31 December 2025.

Deferred Income, Accruals and Other Payables

As at 31 December 2025, total current and non-current deferred income, accruals and other payables amounted to RMB221.3 million, which was an increase of RMB59.5 million from 31 December 2024. The increase was mainly due to the increase in other payables from acquisition of production equipment and receipt of government grants during the year ended 31 December 2025.

Bank and Other Loans

As at 31 December 2025, the Group's bank and other loans was carrying RMB1,335.4 million, which represented a decrease of RMB27.5 million from RMB1,362.9 million as at 31 December 2024. The decrease was mainly due to the effect of modification of other loan leading to the decrease in carrying amount which is offset by the effect of additional draw down of bank and other loans during the year ended 31 December 2025.

Contingent Liabilities

As at 31 December 2025, the Group had no material contingent liabilities (31 December 2024: Nil).

Capital Commitments

As at 31 December 2025, the Group had capital commitments of RMB163.0 million (31 December 2024: RMB162.4 million), including undrawn commitment to Tianli Private Debt Fund L.P. of approximately US\$13.2 million, or RMB92.4 million (31 December 2024: US\$13.2 million or RMB94.7 million), Tianli China Opportunities Fund I L.P. of approximately US\$3.6 million, or RMB25.1 million (31 December 2024: US\$3.6 million or RMB25.8 million) from the investment and financial services segment. Also, the capital commitment for construction of plant was approximately RMB8.2 million (31 December 2024: Nil). The capital commitment for additions to production equipment was approximately RMB31.3 million (31 December 2024: RMB36.0 million). The capital commitment for investment in an associate was approximately RMB6.0 million (31 December 2024: RMB6.0 million) from the MLCC segment.

Significant Investments

As at 31 December 2025, details of significant investments (with individual investment value of 5 per cent or more of the Group's total assets) held by the Group were set out as follows:

(i) Investment in Tianli China Opportunities Fund I L.P. ("REI")

The Group recorded investment in REI as "financial assets at fair value through profit or loss". REI is a project fund established for a property investment in Beijing. During the year ended 31 December 2025, unrealised gain of RMB2.1 million on revaluation of the investment in REI has been recorded by the Group. No realised gain or loss and dividend have been received from this investment.

(ii) Investment in Tianli Special Situations Capital L.P. (“SSC”)

The Group recorded investment in SSC as “financial assets at fair value through profit or loss”. SSC invests predominantly in global mergers and acquisitions, private equity or other corporate finance transactions. During the year ended 31 December 2025, unrealised loss of RMB4.3 million on revaluation of the investment in SSC has been recorded by the Group. No realised gain or loss and dividend have been received from this investment.

| Nature of investments | Interests held | Investment cost | Carrying value | Total assets of the Group RMB | Carrying value to total assets of the Group |
|---|----------------|--|--|----------------------------------|---|
| | | | | | |
| (i) Tianli China Opportunities Fund I L.P. | 15.04% | USD16,264,000 (approximately RMB103,081,000) | USD22,952,000 (approximately RMB160,878,000) | 2,413,458,000 | 6.7% |
| (ii) Tianli Special Situations Capital L.P. | 5.60% | USD9,800,000 (approximately RMB62,117,000) | USD27,631,000 (approximately RMB193,674,000) | 2,413,458,000 | 8.0% |

The above significant investments are in line with the assets management segment’s strategy. The Group will continue to consolidate resources, strengthen compliance and risk management control, and proactively focus on key markets and projects, thereby improving the value of investment assets through sophisticated, proactive management.

Acquisitions of Machineries

On 25 February 2025 (after trading hours of the Stock Exchange), Dongguan Dong Eyang Electronic Technology Development Limited* (東莞市東宇陽電子科技發展有限公司) (“**Dong Eyang**”) (as purchaser), an indirect wholly-owned subsidiary of the Company, and Dong Rong Industrial (HK) Limited* (東榮實業(香港)有限公司) (“**Dong Rong**”) (as vendor), entered into the purchase contract, pursuant to which Dong Eyang agreed to acquire a batch of capacitance tester from Dong Rong at the consideration of JPY175,000,000 (equivalent to approximately HK\$9,100,000) (the “**Acquisition of CT**”).

As one or more of the applicable percentage ratio (as defined under the Listing Rules) in respect of the Acquisition of CT exceeds 5% but is less than 25%, the Acquisition of CT constitutes a discloseable transaction of the Company and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

For details of the Acquisition of CT, please refer to the announcements of the Company dated 25 February 2025 and 3 March 2025.

On 3 April 2025 (after trading hours of the Stock Exchange), Dong Eyang (as purchaser), an indirect wholly-owned subsidiary of the Company, and People and Technology Inc. (a company incorporated in South Korea with limited liability and its shares are listed on KOSDAQ (stock code: 137400.KQ)) (“**P&T**”) (as vendor), entered into the machine acquisition agreement, pursuant to which Dong Eyang agreed to acquire one casting machine from P&T at the consideration of USD1,290,000.00 (equivalent to approximately HK\$10,062,000.00) (the “**Acquisition of Casting Machine**”).

As one or more of the applicable percentage ratio (as defined under the Listing Rules) in respect of the Acquisition of Casting Machine exceeds 5% but is less than 25%, the Acquisition of Casting Machine constitutes a discloseable transaction of the Company and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

For details of the Acquisition of Casting Machine, please refer to the announcements of the Company dated 3 April 2025.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

Liquidity and Capital Resources

As at 31 December 2025, the Group had net current assets of approximately RMB52.3 million (31 December 2024: net current liabilities RMB603.4 million), comprising current assets of RMB1,045.3 million (31 December 2024: RMB755.8 million), net off current liabilities of RMB993.0 million (31 December 2024: RMB1,359.2 million).

As at 31 December 2025, the Group's current ratio was 1.1 (31 December 2024: 0.6). The increase in current ratio was mainly due to the other loan of RMB454.1 million was classified as current liabilities as at 31 December 2024, which is extended to be repayable on 12 August 2030.

Capital Expenditure

Capital expenditure incurred by the Group (representing acquisition and deposit of property, plant and equipment and intangible asset) for the year ended 31 December 2025 was approximately RMB178.9 million (2024: RMB196.6 million). The Group anticipates that the funding required for future capital expenditure will be principally financed by cash generated from operations and bank borrowings, although the Group may consider raising additional funds as and when appropriate.

Banking Facilities

As at 31 December 2024, the Group had been granted banking facilities of RMB828.0 million in aggregate, which utilised banking facilities amounted to RMB780.4 million.

As at 31 December 2025, the Group had been granted banking facilities of RMB888.0 million in aggregate, which utilised banking facilities amounted to RMB759.6 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 31 December 2025 and 31 December 2024, the gearing ratios of the Group were approximately 73% and 76% respectively. The decrease in gearing ratio was a result of the decrease in amount of bank and other loans due to the loan modification during the year ended 31 December 2025.

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 year ended 31 December 2025, 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 and other receivables denominated in US dollars were less than the trade and other payables denominated in US dollars, and the trade and other receivables denominated in HK\$ were smaller than the trade and other payables denominated in HK\$. Meanwhile, the Group is exposed to risks in respect of trade and other payables denominated in Japanese Yen, but is basically not exposed to risks in respect of trade and other 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 31 December 2025, property, plant and equipment, investment property, bills receivables and restricted bank deposits, of the Group with carrying amounts of approximately RMB540.8 million (31 December 2024: RMB478.8 million), RMB32.6 million (31 December 2024: RMB33.6 million), RMB88.0 million (31 December 2024: RMB66.2 million), and RMB6.4 million (31 December 2024: RMB0.4 million) respectively have been pledged as securities for bank and other loans facilities.

FINAL DIVIDEND

The Board did not recommend the payment of any final dividend for the year ended 31 December 2025 (2024: Nil).

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2025, the Group had a total of 1,399 (2024: 1,257) employees. The Group recognises the importance of human resources to its success. Compensation for the Group is made in reference to the prevailing market conditions, individual performance, contributions as well as duties and responsibilities.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities (including treasury shares (as defined under the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "**Listing Rules**")), if any) during the year ended 31 December 2025. As at 31 December 2025, the Company did not hold any treasury shares (as defined under the Listing Rules).

CORPORATE GOVERNANCE CODE

During the year ended 31 December 2025, the Company has complied with all the code provisions of the Corporate Governance Code as set out in Appendix C1 of the Listing Rules.

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 to the Listing Rules as the code of conduct regulating Directors’ dealings in securities of the Company. Having made specific enquiry of all the Directors, all Directors have confirmed that they have complied with the required standards as set out in Model Code regarding their securities transactions throughout the year ended 31 December 2025.

EVENT AFTER THE REPORTING PERIOD

The Group has no material events after reporting period which are required to be disclosed.

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), Mr. Xu Xuechuan and Ms. Jiao Jie. The principal responsibilities of the Audit Committee include the review and supervision of the Group’s financial reporting process and risk management (including but not limited to business, operation as well as environmental, social and governance related risks) and internal control systems. The Audit Committee has reviewed the consolidated financial statements of the Group for the year ended 31 December 2025.

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

Hong Kong, 27 March 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.