Tianyun International Holdings Limited
天韵國際控股有限公司

(incorporated in the British Virgin Islands with limited liability)

(Stock code: 6836)

ANNUAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 DECEMBER 2015

HIGHLIGHTS

	For the year ended 31 December			
	2015		2014	
	Excluding listing expenses RMB million	**Including listing expenses RMB million**	Excluding listing expenses RMB million	Including listing expenses RMB million
Key financial data				
Revenue	**553.6**	**553.6**	447.7	447.7
Gross profit	**172.0**	**172.0**	135.4	135.4
Gross profit margin	**31.1%**	**31.1%**	30.2%	30.2%
Profit attributable to equity holders of the Company	**117.4**	**96.9**	91.0	89.3

- Revenue increased by 23.7% as compared with 2014 (including revenue from Own Brand Product Sales increased by 99.4%)
- Gross profit increased by 27.0% as compared with 2014
- Gross margin advanced to 31.1% from 2014
- Profit attributable to equity holders, before listing expenses, increased by 29.0% as compared with 2014
- Proposed final dividend of HK$0.03 per share

The board of directors (the "Director" or the "Board") of Tianyun International Holdings Limited (the "Company") is pleased to announce the consolidated results of the Company and its subsidiaries (collectively, the "Group") for the year ended 31 December 2015 together with the comparative figures for the corresponding period in the previous year.

MANAGEMENT DISCUSSION AND ANALYSIS

The Group is principally engaged in (i) the production and sales of processed fruit products packaged in metal containers, plastic cups and glass containers and (ii) trading of fresh fruit. Processed fruit products are sold both on an OEM basis and under its own brands. On 7 July 2015, the Group was successfully listed on the Main Board of the Stock Exchange, which would further consolidate our leading position in China's processed fruit product industry.

Business Review

In 2015, the PRC's economy entered a new moderation state wherein the growth rate shifted from high to medium-to-high level. China recorded a gross domestic products ("GDP") growth of 6.9% in 2015, representing a year-on-year decrease of 5.5%. Nevertheless, the Group recorded a remarkable performance in 2015 with revenue and adjusted net profit (i.e. the profit attributable to equity holders of the Company before listing expenses) increased by 23.7% and 29.0% respectively, including an approximately of 99.4% year on year revenue growth of our own brand products. The brilliant results demonstrated the good prospect of processed fruit product industry as well as the Group's capability to capture the promising business opportunities.

As disclosed in the prospectus of the Company dated 24 June 2015, the largest canned fruit manufacturer in China in 2014 had a 4.3% market share in terms of total sales value of approximately RMB11.3 billion. The total sales value of the canned fruit market in China was forecasted to reach RMB11.9 billion in 2015. Our total sales value from processed fruit products achieved RMB472.4 million in 2015 and represented approximately 4.0% of the forecasted total sales of the market.

During the year, the new PRC Food Safety Laws was introduced and the relevant authority had taken certain measures to enforce full compliance with food industry standards and suspend certain illegal or sub-standard food processing companies in the PRC that did not meet regulatory standards. Moreover, the relevant authority had adopted more stringent environmental regulations and imposed fines and other penalties on activities that threaten the environment. The new food safety, and environmental laws and regulations may render the suspension of many production facilities in the industry. The additional capital expenditure and unanticipated regulatory developments would also create barriers to any new entries, and increase substantial operation burdens to those companies with only limited compliance systems in place.

Our Group has always kept our sustainable development that aligns with the harmonious relationship to the environment. We always insist on the ideology of environmental protection, green, conventional, safe and clean. During the year of 2015 and up to the date of this announcement, we have invested over RMB10 million in upgrading our sewage treatment facilities and gas boilers. The sewage treatment facilities were designed by the expert team from one of the most advanced PRC Institutes in this area and can degrade the chemical oxygen demand (COD), ammonia and other indicators in the most effective manner, and fully comply with the new PRC national standards. Our new gas boilers are most advanced energy saving condensing heat recovery boilers and replaced the old coal-fired boilers. The energy saving function of the boilers reduces their heat loss and the temperature of the exhaust gas, and thereby improving their thermal efficiency, saving energy and reducing the operating costs.

The new facilities have not only set a solid foundation for our Group's capacity expansion up to approximately of 130,000 tonnes in the next three years, but also contributed to the sustainable development in terms of environment protection.

Moreover, with our commitment to provide the customers with healthy and safe products, we have always been dedicated to follow stringent international production standards and are accredited with BRC (A), IFS Food (high), HALAL, QS, KOSHER and ISO22000 in respect of our production facilities, quality control and management during the year.

OEM Sales Strategy

The Group produced processed fruit products in accordance with the specifications provided by our OEM customers. Processed fruit products produced on an OEM basis ("OEM Sales") were sold both in the PRC and overseas including Canada, the United States, Japan, the United Kingdom, Germany, New Zealand, Australia, Malaysia, and South Africa.

The total value of imports and exports in the PRC in 2015 decreased by 7.0% with exports dropping 1.8% and imports going down by 13.2% according to the report of the National Bureau of Statistics of China. Despite the unfavourable global export environment, our OEM sales recorded a double digit growth of 18.5%. OEM Sales remained our core business. While we had secured more international well-known brand owners during the year, the Group received strong demand from existing OEM customers. We successfully controlled the contribution to be more evenly distributed among all of our OEM customers. During the review period, the contribution of total revenue from our five largest customers decreased from 43.9% in 2014 to 38.0% in 2015, and the percentage of sales of our largest customer to total sales reduced from 11.3% in 2014 to 9.6% in 2015. The number of active OEM customers increased moderately to 41 (2014: 38).

Own Brand Product Sales Strategy

We had been offering three lines of own brand products and targeting different markets, "繽果時代 (Bingo Times)" for the PRC retail market, "Tiantong Times" for overseas retail market and "果小懶" for online sales, respectively.

According to the report of National Bureau of Statistics of China, total retail sales of consumer goods in the PRC in 2015 rose by 10.7% with sales in urban areas growing by 10.5% and in rural area by 11.8%. Online retail sales also surged 33.3% compared with last year. Our Group followed the same trend and recorded significant growth in our own brand products ("Own Brand Sales") in both traditional retail sales and online retail sales.

The revenue generated from our own brand products was approximately RMB100.3 million for the year ended 31 December 2015, accounted for 21.2% of the Group's revenue from processed fruit products and representing a 99.4% increase when compared with the same period in 2014. This substantial growth of revenue contribution of own brand products was mainly attributable to the launching of new distributorship system, which we had adopted in January 2015. By entering into formal distribution agreement with our distributors, we could better manage the sales strategies and foster a closer communication with our distributors. The number of our distributors increased from 17 as at 31 December 2014 to 86 as at the date of this announcement. Our own brand products was sold to 20 provinces and municipals in the PRC through the distributors.

Trading of Fresh Fruit

The Group selected and resold a small portion of the fresh fruit to fresh fruit wholesalers in the PRC. Under the review period, the revenue from trading of fresh fruit and others was approximately RMB81.2 million, representing 14.7% of the Group's total revenue. Due to the increase of revenue from OEM and own brand products, the segment weighed lesser when compared with the same period of 2014.

Expansion of Production Facilities

To cope with the rapid business growth and meet the increasing demand, the Group had completed the expansion of No. 3 and No. 4 workshops of our production facilities located on the existing site of our headquarter in Linyi City of Shandong Province of the PRC. As at the date of this announcement, the test production was in process. By introducing more advanced manufacturing and quality control equipment, we had enhanced our production efficiency and expanded the designed production capacity by 20,000 tonnes to reach approximately 84,000 tonnes per annum. The expansion of production facilities would satisfy the expected market demand of our processed fruit products in coming years before the completion of our No. 5 and No. 6 workshops. This is a key step to accelerate the pace of our own brand products to emerge into the PRC as well as overseas market, and increase our capability of mass production of any new developed products.

Broadening of Sales Channels

In 2015, the Group had proactively broadened its sales channels to those regions with huge potential growth. In July 2015, we signed a distribution agreement with a Hong Kong distributor and our products under Tiantong brand has been selling in some of the popular supermarket chains in Hong Kong. We considered this is one of the important steps for our own brand products to enter into the overseas market.

In addition to the traditional distribution channels by different regions, we had also secured distribution contracts with a number of national and regional supermarket chains. This allows us to receive feedback directly from consumers through the supermarket chains. We can then better anticipate and respond to consumers' changes in tastes, preferences and perceptions for our processed fruit products, and develop new processed fruit products accordingly.

With regard to the online sales channels, we have launched our online shop through Tmall, one of the most popular online retail platforms in the PRC since April 2015. The online sales volume for November 2015 alone was equal to the cumulative sales volume of the past six months in the trial period. Even more encouraging was the statistics of Tmall showing that our products consistently achieved over 20% higher score than the other online shops which are offering similar type of products.

Marketing and Promotion

The Group had allocated resources to proactively build its brand and enhance brand awareness through various marketing and promotion activities. During the year, the Group adopted several strategies to achieve the goal including, (i) advertising on regional satellite TV, internet, billboard and printed media to enhance brand image; (ii) joining both local and international exhibitions to promote our OEM and own brand products; and (iii) hosting tasting promotion events on a regular basis in supermarkets of various regions.

Research and Development

With a commitment to develop a wide variety of safe, high-quality, conveniently-consumed and healthy processed fruit products to our consumers, the Group had been placing more and more resources in research and development. We continuously strive to diversify and improve the varieties of products we offer. Our research and development team worked closely with our quality control team and sales and marketing teams in enhancing our existing product range and developing new products that respond to the market tastes and preferences.

During the year, we had completed the development of various new processed fruit products including fruit sorbet, fruit smoothies and fruit jelly. We expect to launch the new processed fruit products to the market during the year of 2016. We believe the new product varieties can help us to capture more customers and revenue in the processed fruit markets.

Future Prospect

China's short-term economic trend is clouded by a number of uncertainties including international trade and financial market conditions. However, with better living standard and higher level of health consciousness, the demand for high-quality, conveniently-consumed and safe processed fruit products with long shelf life remains strong in the PRC and all these factors are still strongly in favour of the growth of the processed fruit product industry.

We will continue to procure new international well-known brand customers for our OEM business. As of the date of this announcement, we have already arranged with a number of prospective customers to perform site visit before they confirm their orders in the peak season during the second half of 2016.

In 2016, expanding the market coverage has become a major development direction for the Group's own brand products. We believe the new distributorship system we adopted in 2015 can further enlarge our product's geographic coverage in the PRC and we will continue to expand the number of distributors. Following the success of extending the market to Hong Kong, we endeavor to bring our own brand products to other overseas markets by participating in international trade fairs for higher exposure.

We will also promote our own brand products and increase our marketing activities on different media channels including the cable and satellite TV that focused on Shandong Province and our targeted regions, in order to penetrate our brand and products to our targeted regions and customer groups.

Apart from traditional offline sales channels, we will invest more resources to develop the online shopping platform and set up new sales channels through WeChat, one of the biggest instant messaging software applications in China. Given the prevailing trend and habit of online shopping in the PRC, we believe that our online sales platforms will drive significant growth momentum on our revenue in the future.

To satisfy the increasing market demand for processed fruit products, we had timely expanded our production capacity and we will continue to enhance the automation and efficiency of our production facilities in 2016. We will also actively proceed with the development of No. 5 and No. 6 production workshops.

While we will continue developing new products that satisfy the market demand, we also plan to introduce more fruit varieties such as mandarin citrus and other tropical fruits, in order to widen and diversify the supply chain of our processed fruit products. To support the product range diversification, we will actively seek collaboration opportunities in the industry and will not exclude the possibility of merger and acquisition given that the collaborations are able to maximize the efficiency of the entire operation.

In the future, the Group will ride on the solid foundation of its OEM business to capture the significant opportunities on our own brand products. Our revenue of the first two months in 2016 as compared to the same period in 2015 has shown a growth trend that is consistent with our growth in the past. We expect that our performance will follow a similar trend in the coming year.

Financial Review

Revenue

During the year ended 31 December 2015, our revenue increased to approximately RMB553.6 million from approximately RMB447.7 million for the year ended 31 December 2014, representing an increase of approximately RMB105.9 million or 23.7%. The Company continued to sell its processed fruit products on both an OEM basis and under its own brand, and engage in the trading of fresh fruits. The increase in revenue was mainly attributable to (i) the increase in the sales of OEM sales from approximately RMB314.1 million for the year ended 31 December 2014 to approximately RMB372.1 million for the year ended 31 December 2015, representing a growth of 18.5%; and (ii) the increase in the sales of our brand products from approximately RMB50.3 million for the year ended 31 December 2014 to approximately RMB100.3 million for the year ended 31 December 2015, representing a growth of 99.4%.

Breakdown of the revenue by business segments for the year ended 31 December 2015 and the comparative figures in 2014 are set out as follows:

	For the year ended 31 December		**Changes**	
	2015	**2014**		
	RMB million	**RMB million**	**RMB million**	**%**
Revenue				
OEM Sales	**372.1**	314.1	58.0	18.5%
Own Brand Sales	**100.3**	50.3	50.0	99.4%
Fresh Fruits Sales and others	**81.2**	83.3	(2.1)	(2.5%)
Total	**553.6**	447.7	105.9	23.7%

Processed fruit products sold on an OEM basis contributed the most to the total revenue of the Group which represented 67.2% (2014: 70.2%) of the total revenue during the year ended 31 December 2015. Our processed fruit products are sold to international well-known brand owners either by our Group directly to overseas brand owners and trading entities, or through third party trading entities in the PRC.

Direct OEM sales to overseas brand owners and trading entities increased from approximately RMB34.4 million for the year ended 2014 to RMB60.4 million for the year ended 31 December 2015, representing a growth of 75.6%. The rise was mainly attributable to the increase in sales orders by a number of existing and new brand owners from North Amercia and Japan. Sales to the trading entities in the PRC also reported a double digit growth of 11.5% and increased to approximately RMB311.9 million for the year ended 31 December 2015 (2014: RMB279.7 million). Most of the top ten trading entities in the PRC for the year ended 31 December 2014 increased their sales orders during the year.

During the year under review, the sales of processed fruit products under our own brand accounted for 18.1% (2014: 11.2%) of the total revenue. The substantial increase was contributed by the continuous increase in the number of distributors under the new distributorship system since January 2015. Over 95% of our distributors completed their targeted sales in 2015.

We also sold fresh fruit products and the revenue contributed by fresh fruit sales and others represented 14.7% of the total revenue for the year ended 31 December 2015 (2014: 18.6%). Revenue from fresh fruit sales and others for the year ended 31 December 2015 was broadly in line with last year.

Gross profit and gross profit margin

	For the year ended 31 December		Changes	
	2015	**2014**		
	RMB million	**RMB million**	**RMB million**	**%**
Gross profit				
OEM Sales	**121.9**	97.4	24.5	25.2%
Own Brand Sales	**32.1**	15.6	16.5	105.8%
Fresh Fruits Sales and others	**18.0**	22.4	(4.4)	(19.6%)
Total	**172.0**	135.4	36.6	27.0%

	For the year ended 31 December	
	2015	**2014**
Gross profit margin		
OEM Sales	**32.8%**	31.0%
Own Brand Sales	**32.0%**	31.0%
Fresh Fruits Sales and others	**22.2%**	26.9%
Overall	**31.1%**	30.2%

Gross profit for the year ended 31 December 2015 increased to approximately RMB172.0 million from approximately RMB135.4 million for the year ended 31 December 2014, representing a year-on-year increase of RMB36.6 million, or 27.0%. The increase in gross profit was mainly driven by the increase of revenue from both OEM Sales and Own Brand Sales. The improvement of gross profit margin was mainly contributed by the increase in sales and volume of processed fruit products packaged in plastic cup containers which is the product with the highest gross profit margin among the existing types of packaging.

Other income

Other income for the year ended 31 December 2015 decreased to approximately RMB0.3 million from approximately RMB1.4 million for the year ended 31 December 2014. Other income in 2015 represented mainly various government subsidies received from finance bureau, city management committee and agricultural committee of the local government.

Selling and distribution expenses

Selling and distribution expenses mainly include the transportation costs, advertising expenses, salary expenses and related staff costs from sales and marketing department. For the year ended 31 December 2015, the selling and distribution expenses amounted to approximately RMB11.4 million, representing a year-on-year increase of approximately RMB0.4 million, or 3.6%. The increase was attributed to the rise in staff costs and advertising expenses for business expansion, and was partly offset by a reclassification of the business tax and surcharges.

General and administrative expenses

General and administrative expenses mainly include listing expenses, salary expenses and related staff costs for management and administrative departments, professional fees, depreciation, foreign exchange difference, and various taxes with regard to the use of land and buildings. The amount increased from RMB9.9 million for the year ended 31 December 2014 to RMB30.3 million for the year ended 31 December 2015. Excluding the one-off listing expenses of approximately RMB20.5 million (2014: approximately RMB1.7 million), general and administrative expenses for the year ended 31 December 2015 amounted to approximately RMB9.8 million, representing a year-on-year increase of approximately RMB1.6 million or 19.5%. The overall increase was mainly attributable to the increase in staff costs and professional fees after listing and additional depreciation and tax expenses after the acquisition of land and buildings during the year, which was partly offset by the exchange gain.

Income tax expenses

Income tax expenses represent the PRC enterprise income tax of our PRC subsidiaries. For the year ended 31 December 2015, our income tax increased by RMB7.9 million, or approximately 32.6%, to RMB32.1 million from RMB24.2 million for the year ended 31 December 2014. The increase in the income tax expenses was primarily due to the increase in our profit before tax during the period and the non-recurring listing expenses that had not been deductable from the taxable profit of 2015.

Net profit and net profit margin

	For the year ended 31 December		Changes	
	2015	2014		
	RMB million	RMB million	RMB million	%
Net profit for the year	96.9	89.3	7.6	8.5%
Adjustments:				
Listing expenses	20.5	1.7	18.8	1,105.9%
Adjusted net profit for the year	117.4	91.0	26.4	29.0%
Net profit margin	17.5%	20.0%	N/A	N/A
Adjusted net profit margin	21.2%	20.3%	N/A	N/A

For the year ended 31 December 2015, net profit increased by approximately RMB7.6 million or 8.5% to approximately RMB96.9 million as compared to approximately RMB89.3 million for the year ended 31 December 2014.

If the one-off listing expenses is excluded, the adjusted net profit increased from approximately RMB91.0 million for the year ended 31 December 2014 to approximately RMB117.4 million for the same period in 2015, representing a growth of 29.0% or an increase of RMB26.4 million.

The net profit and adjusted net profit margin for the year under review is 17.5% and 21.2% respectively (for the year ended 31 December 2014: 20.0% and 20.3% respectively).

Total comprehensive income for the year attributable to the owners of the Company

Total comprehensive income for the year attributable to the owners of the Company increased by 8.5% to RMB96.9 million for the year ended 31 December 2015 from RMB89.3 million for the year ended 31 December 2014.

Liquidity, financial resources and capital resources

The Group principally meets the requirements on its working capital and other liquidity requirements through a combination of operating cash flows, capital contributions and bank borrowings.

Summary of major indicators in respect to the strength on the liquidity of the Group

	As at 31 December 2015	**As at 31 December 2014**
Gearing ratio (%)	13.9%	34.2%
Current ratio	3.64	1.60
Cash and cash equivalent (RMB million)	227.0	31.6
Net current assets (RMB million)	257.0	45.8
Quick ratio	3.06	1.06

The gearing ratio of the Group as at 31 December 2015 was 13.9% (31 December 2014: 34.2%). Gearing ratio was calculated based on total debts divided by total equity. The amount of total debts was calculated by aggregating the bank borrowings and the non-trade nature of amounts due to directors, the immediate holding company and a related company.

The current ratio (calculated based on total current assets divided by total current liabilities) of the Group as at 31 December 2015 was 3.64 (31 December 2014: 1.60).

As at 31 December 2015, our cash and cash equivalents amounted to approximately RMB227.0 million (31 December 2014: RMB31.6 million). Our net current assets was approximately RMB257.0 million as at 31 December 2015, as compared to approximately RMB45.8 million as at 31 December 2014.

The quick ratio (calculated based on total currents assets minus inventory divided by total current liabilities) of the Group as at 31 December 2015 was 3.06 (31 December 2014: 1.06).

With stable cash inflows generated in the daily business operation, plus the net proceeds raised from listing, the Group has sufficient resources for future expansion.

The Group manages its capital structure to maintain a balance between the equity and debts which makes adjustment to the capital structure in light of the changes in economic conditions affecting the Group.

The Group has not experienced any material difficulties or adverse effects on its operations or liquidity as a result of fluctuations in currency exchange rates during the year ended 31 December 2015.

Capital structure

The Group's total equity and liabilities amounted to approximately RMB489.3 million and RMB97.3 million, respectively as at 31 December 2015 (31 December 2014: RMB118.3 million and RMB76.5 million).

Bank borrowings and finance costs, net

As at 31 December 2015, the total amount of interest-bearing bank borrowings of the Group was RMB68.0 million (31 December 2014: RMB33.0 million). These bank borrowings are denominated in RMB and are all repayable within one year. The increase in bank borrowings of RMB35.0 million was mainly due to the funding of the acquisition of certain land and buildings and production facilities for a consideration of RMB80.0 million during the year. Finance costs of the Group decreased from RMB2.4 million for the year ended 31 December 2014 to RMB1.9 million for the year ended 31 December 2015, representing a decrease of approximately RMB0.5 million or approximately 20.8%. Such drop was mainly attributable to the capitalisation of borrowing costs amounting to RMB1.7 million on qualifying assets during the year ended 31 December 2015 (for the year ended 31 December 2014: RMB0.9 million). The weighted effective interest rates of bank borrowings was 6.8% as at 31 December 2015 (2014: 9.1%).

Pledged assets

The Group pledged its land and buildings as collateral for bank borrowings. As at 31 December 2015, the net book value of pledged land and buildings amounted to approximately RMB78.8 million.

Capital expenditure

During the year under review, we have completed the purchase of a parcel of land in Linyi City, Shandong Province, the PRC together with our existing production facilities located thereon comprising the production plants, ancillary facilities, offices, dormitories and canteens with a total gross floor area of approximately 40,181.7 square metres at a consideration of RMB80.0 million which was fully settled in June 2015.

The Group also spent RMB2.7 million on renovating the existing production workshops, and RMB7.6 million on upgrading the existing production facilities, environmental system and auxiliary equipments. The addition of construction in progress amounted to RMB27.4 million mainly represented the leasehold improvement, and machinery and equipment for the No. 3 and No. 4 workshops. During the year, the Group also prepaid a total sum of RMB42.0 million to the local government for acquiring a parcel of land next to the existing site of the headquarter in Linyi City for business expansion in the future.

Interest rate risk

The Group has not used any derivatives to hedge against interest rate risk. The interest rate risk of the Group arises from the bank balances at floating interest rates and the bank borrowings. Bank borrowings obtained at variable rates expose the Group to cash flow interest rate risk which is partially offset by the bank balances held at variable rates. The borrowings of the Group at fixed rates expose the Group to fair value interest rate risk. During the year under review, the bank borrowings of the Group at variable rates and fixed rates were all denominated in RMB. The cash deposits placed with banks generate interest at the prevailing market interest rates.

Foreign currency exposure

The Group mainly operates in the PRC and most of the transactions are conducted in RMB. The Group is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the United States dollars and Hong Kong dollars. Foreign exchange risk mainly arises from sales transactions in foreign currencies with overseas customers which are mostly in United States dollars. The monetary assets of the Group are mainly held by the holding company and the subsidiaries of the Group and were denominated in Hong Kong dollars, Renminbi and United States dollars. The Group has not hedged the aforesaid foreign exchange risk.

Human resources

As at 31 December 2015, the number of employees of the Group was 407 (31 December 2014: 640). The drop in headcount was mainly from production function that was attributable to our continuous upgrade of production facilities and automation of production process. The total staff costs, including Directors' emoluments, amounted to approximately RMB18.1 million for the year under review (the year ended 31 December 2014: approximately RMB28.9 million). Since 1 March 2015, we have fully complied with the social insurance and housing provident fund requirements in the PRC.

The emoluments payable to the Directors are subject to their respective terms of engagement approved by the Remuneration Committee and the Nomination Committee, having regard to the operating results of the Group, the performance of individual Directors and comparable market statistics. The Group implements remuneration policy, bonus and share option scheme with reference to the performance of the Group and individual employees. The Group also provides benefits, such as insurance, medical and retirement funds, to employees and adopted share option scheme so as to sustain the competitiveness of the Group.

Commitments and contingent liabilities

As at 31 December 2015, the Group has no other material capital commitments. In addition, the Group did not have any material outstanding contingent liabilities. The capital commitments contracted for but not yet incurred and provided for as of 31 December 2015 amounted to approximately RMB16.0 million and were mainly the expenditure of leasehold improvement, and equipment and machineries for No. 3 and No. 4 workshops.

Material acquisitions and disposals

During the year ended 31 December 2015, the Group did not have any material acquisitions or disposals of subsidiaries or associated companies.

FINANCIAL INFORMATION

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2015

		Year ended 31 December	
		2015	**2014**
	Note	**RMB'000**	**RMB'000**
Revenue	*5*	**553,618**	447,678
Cost of sales		**(381,628)**	(312,307)
Gross profit		**171,990**	135,371
Other income		**345**	1,404
Selling and distribution expenses		**(11,390)**	(10,985)
General and administrative expenses		**(30,329)**	(9,894)
Operating profit		**130,616**	115,896
Finance income		**266**	59
Finance costs		**(1,865)**	(2,438)
Finance costs – net	*6*	**(1,599)**	(2,379)
Profit before income tax		**129,017**	113,517
Income tax expense	*7*	**(32,100)**	(24,206)
Profit for the year attributable to equity holders of the Company		**96,917**	89,311
Total comprehensive income for the year attributable to equity holders of the Company		**96,917**	89,311
Earnings per share for profit attributable to equity holders of the Company for the year (expressed in RMB cents)			
– Basic earnings per share	*8*	**11.12**	11.91
– Diluted earnings per share	*8*	**11.12**	11.91

Consolidated Statement of Financial Position

As at 31 December 2015

		As at 31 December	
		2015	**2014**
	Note	**RMB'000**	**RMB'000**
ASSETS			
Non-current assets			
Leasehold land and land use rights	*10*	**59,874**	–
Property, plant and equipment	*11*	**126,925**	72,514
Prepayment		**45,515**	–
		232,314	72,514
Current assets			
Inventories		**56,220**	41,071
Trade and other receivables	*12*	**71,036**	49,635
Cash and cash equivalents		**226,995**	31,595
		354,251	122,301
Total assets		**586,565**	194,815
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the Company			
Share capital	*13*	**248,057**	1
Reserves		**241,225**	118,329
Total equity		**489,282**	118,330
LIABILITIES			
Current liabilities			
Trade payables	*14*	**9,175**	12,365
Accruals and other payables		**15,540**	16,282
Amounts due to directors		**–**	7,311
Amount due to the immediate holding company		**5**	20
Amount due to a related company		**–**	90
Bank borrowings		**68,000**	33,000
Current income tax liabilities		**4,563**	7,417
Total current liabilities		**97,283**	76,485
Total equity and liabilities		**586,565**	194,815

Notes:

1 General information

The Company was incorporated in the British Virgin Islands ("BVI") on 8 September 2011 with limited liability. The address of its registered office is Commerce House, Wickhams Cay 1, PO Box 3140, Road Town, Tortola, British Virgin Islands, VG1110.

The Company is an investment holding company. The Company and its subsidiaries (together the "Group") are principally engaged in the manufacturing and trading of processed fruits products and fresh fruits (the "Business").

The Company has listed its shares on the Main Board of The Stock Exchange of Hong Kong Limited (the "Exchange") on 7 July 2015.

These financial statements are presented in Renminbi ("RMB"), unless otherwise stated.

2 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been prepared under the historical cost convention.

The preparation of financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

3 Accounting Policies

(a) The following amendments to existing standards have been adopted by the Group for the first time for the financial year beginning on or after 1 January 2015

HKAS 19 (2011) (Amendment)	Defined benefit plans: Employee contributions
Annual Improvements Project	Annual Improvements 2010-2012 Cycle
Annual Improvements Project	Annual Improvements 2011-2013 Cycle

Amendment to HKAS 19 – Defined benefit plans: employee contributions

Amendment to HKAS 19 on contributions from employees or third parties to defined benefit plans. The amendment distinguishes between contributions that are linked to service only in the period in which they arise and those linked to service in more than one period. The amendment allows contributions that are linked to service, and do not vary with the length of employee service, to be deducted from the cost of benefits earned in the period that the service is provided. Contributions that are linked to service, and vary according to the length of employee service, must be spread over the service period using the same attribution method that is applied to the benefits.

Amendments from annual improvements to HKFRSs 2010-2012 Cycle, on HKFRS 8, 'Operating segments', HKAS 16, 'Property, plant and equipment' and HKAS 38, 'Intangible assets' and HKAS 24, 'Related party disclosures'.

- HKFRS 8, 'Operating segments'

  The standard is amended to require disclosure of the judgements made by management in aggregating operating segments and a reconciliation of segment assets to the entity's assets when segment assets are reported.

- HKAS 16, 'Property, plant and equipment' and HKAS 38, 'Intangible assets'

  Both standards are amended to clarify how the gross carrying amount and the accumulated depreciation are treated where an entity uses the revaluation model.

- HKAS 24, 'Related Party Disclosures'

  The reporting entity is not required to disclose the compensation paid by the management entity (as a related party) to the management entity's employee or directors, but it is required to disclose the amounts charged to the reporting entity by the management entity for services provided.

  Amendments from annual improvements to HKFRSs 2011-2013 Cycle, on HKFRS 3, 'Business combinations', HKFRS 13, 'Fair value measurement' and HKAS 40, 'Investment property'.

- HKFRS 3, 'Business combinations'

  It clarifies that HKFRS 3 does not apply to the accounting for the formation of any joint arrangement under HKFRS 11 in the financial statements of the joint arrangement.

- HKFRS 13, 'Fair value measurement'

  It clarifies that the portfolio exception in HKFRS 13, which allows an entity to measure the fair value of a group of financial assets and financial liabilities on a net basis, applies to all contracts (including non-financial contracts) within the scope of HKAS 39 or HKFRS 9.

- HKAS 40, 'Investment property'

  It clarifies that the interrelationship between HKAS 40 and HKFRS 3 when classifying property as investment property or owner-occupied property.

  The adoption of these amendments to existing standards has not led to any significant changes in the accounting policies applied in these consolidated financial statements, and has no material effect on the Group's results and financial position for the current or prior accounting periods reflected in these consolidated financial statements.

(b) *The following are new standards and amendments to standards have been issued but are not effective for financial year beginning 1 January 2015, and have not been early adopted by the Group.*

		Effective for annual periods beginning on or after
HKAS 1 (Amendment)	Disclosure Initiative	1 January 2016
HKFRS 9	Financial Instruments	1 January 2018
HKFRS 10 and HKAS 28 (Amendments)	Sale or Contribution of Assets Between an Investor and its Associates or Joint Venture	To be determined
HKFRS 11 (Amendment)	Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
HKFRS 14	Regulatory Deferral Accounts	1 January 2016
HKFRS 15	Revenue from Contracts with Customers	1 January 2018
HKAS 16 and HKAS 38 (Amendments)	Classification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
HKAS 16 and HKAS 41 (Amendments)	Agriculture: Bearer Plants	1 January 2016
HKFRS 10, HKFRS 12 and HKAS 28 (Amendments)	Investment Entities: Applying the Consolidation Exception	1 January 2016
HKAS 27 (Amendment)	Equity Method in Separate Financial Statements	1 January 2016
HKFRS 16	Lease	1 January 2019
HKFRSs (Amendments)	Annual Improvements 2012-2014 Cycle	1 January 2016

The Group has already commenced but not yet completed, an assessment of the impact of adoption of these new standards and amendments to standards to the Group and is not yet in a position to state whether these would have a significant impact on the Group's results of operations and financial position.

(c) *New Hong Kong Companies Ordinance*

In addition, the requirements of Part 9 "Accounts and Audit" of the new Hong Kong Companies Ordinance (Cap. 622) come into operation during the financial year, as a result, there are changes to presentation and disclosures of certain information in the consolidated financial statements.

4 Segment information

Management has determined the operating segments based on the information reviewed by the chief operating decision-maker that are used to making strategic decisions. The chief operating decision-maker is identified as the CEO of the Company.

The chief operating decision-maker assesses the performance of the business based on a measure of profit after income tax and considers the business in a single operating segment. Information reported to the chief operating decision-maker for the purposes of resources allocation and performance assessment focuses on the operation results of the Group as a whole as the Group's resources are integrated. Accordingly, the Group has identified one operating segment – manufacturing and trading of fresh fruits and processed fruit products, and segment information are not presented.

The Company is domiciled in the British Virgin Islands while the Group operates its business in the PRC. For the year ended 31 December 2015, the Group's revenue of RMB493,201,000 (2014: RMB413,237,000) was generated from customers in the PRC, and the Group's revenue of RMB60,417,000 (2014: RMB34,441,000) was generated from overseas customers. All non-current assets were located in the PRC.

Segment assets and liabilities

No assets and liabilities are included in the Group's segment reporting that are submitted to and reviewed by the chief operating decision maker internally. Accordingly, no segment assets and liabilities are presented.

Information about major customers

External customers contribute over 5% of total revenue of the Group for years ended 31 December 2015 and 2014 are as follows:

	Year ended 31 December	
	2015	**2014**
	RMB'000	**RMB'000**
Customer A	**53,347**	50,539
Customer B	**53,073**	51,214
Customer C	**37,217**	34,527
Customer D	**36,675**	32,779
Customer E	**29,948**	27,589

5 Revenue

The Group is principally engaged in the production and sales of processed fruits products and trading of fresh fruits. Turnover consists of revenue from sales of fresh fruits and processed fruits products.

	Year ended 31 December	
	2015	**2014**
	RMB'000	**RMB'000**
Revenue		
Domestic sales	**493,201**	413,237
Direct overseas sales	**60,417**	34,441
Total sale of goods	**553,618**	447,678

6 Finance costs, net

	Year ended 31 December	
	2015	**2014**
	RMB'000	**RMB'000**
Finance income		
– Interest income on short-term bank deposits	**266**	59
Finance costs		
– Interest expenses on bank borrowings	**(3,593)**	(3,345)
– Less: amounts capitalised on qualifying assets *(Note)*	**1,728**	907
	(1,865)	(2,438)
Finance costs, net	**(1,599)**	(2,379)

Note:

During the year, the Group has capitalised borrowing costs amounting to RMB1,728,000 (2014: RMB907,000) on qualifying assets. Borrowing costs were capitalised at the weighted average rate of its general borrowings of 6.8% (2014: 9.1%).

7 Income tax expense

BVI income tax

The Company is incorporated in the BVI under the Business Companies Act of the BVI and, accordingly, are exempted from the BVI income tax.

Hong Kong profits tax

Entities incorporated in Hong Kong are subject to Hong Kong profits tax at a rate at 16.5% for the years ended 31 December 2015 and 2014 on the estimated assessable profit for the years. No Hong Kong profits tax was provided for as there was no estimated assessable profit that was subject to Hong Kong profits tax during the years.

PRC corporate income tax

PRC corporate income tax has been provided at the rate of 25% of the profits for the PRC statutory financial reporting purpose, adjusted for those items which are not assessable or deductible for the PRC corporate income tax purpose. Certain subsidiaries of the Group are entitled to preferential tax incentives in the cities where the subsidiary is located.

The income tax expense of the Group for the years is analysed as follows:

	Year ended 31 December	
	2015	**2014**
	RMB'000	**RMB'000**
Current income tax:		
PRC corporate income tax	**32,100**	24,206

8 Earnings per share

(a) Basic

Basic earnings per share are calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares deemed to be in issue during the years.

	Year ended 31 December	
	2015	**2014**
Profit attributable to equity holders of the Company (RMB$'000)	**96,917**	89,311
Weighted average number of ordinary shares in issue (thousand)	**871,918**	750,000
Basic earnings per share (RMB cents)	**11.12**	11.91

The 100 ordinary shares issued on incorporation and the newly issued shares of 749,999,900 under the capitalisation issue pursuant to the shareholder resolutions dated 11 June 2015 are adjusted in the weighted average number of ordinary share in issue as if the issues had occurred at 1 January 2014, the beginning of the earliest period reported.

(b) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. As at 31 December 2015, the Group has share options which may result in dilutive potential ordinary shares (2014: Nil). Its calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average annual market share prices of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated is compared with the number of shares that would have been issued assuming the exercise of the share options.

Diluted earnings per share for the year ended 31 December 2015 equal basic earnings per share as the exercise of outstanding share options would be anti-dilutive.

9 Dividends

	Year ended 31 December	
	2015	**2014**
	RMB'000	**RMB'000**
Dividends relating to 2013	**–**	40,000
Dividends relating to 2014	**–**	30,000
	–	70,000

Dividends of RMB70,000,000 for the year ended 31 December 2014 represented dividends declared by Shandong Tiantong Food Co., Ltd ("Shandong Tiantong") to the then owners of Shandong Tiantong based on the number of issued shares outstanding at relevant time.

On 30 March 2016, the board of directors proposed a final dividend of in respect of the year ended 31 December 2015 of HK$30,000,000, representing HK$0.03 per ordinary share. Such dividend is to be approved by the shareholders at the Annual General Meeting of the Company. This proposed final dividend is not reflected as a dividend payable as of 31 December 2015, but will be recorded as a distribution of reserve for the year ending 31 December 2016.

10 Leasehold land and land use rights

The Group's interests in leasehold land and land use rights represent the prepaid operating lease payments and their net book values are analysed as follows:

	Year ended 31 December	
	2015	**2014**
At 1 January	**–**	–
Addition	**60,598**	–
Amortisation	**(724)**	–
At 31 December	**59,874**	–

As at 31 December 2015, the Group's leasehold land and land use rights were pledged to secure bank borrowings granted to the Group.

11 Property, plant and equipment

	Building RMB'000	Leasehold improvements RMB'000	Furniture and fixtures RMB'000	Plant and machinery RMB'000	Motor vehicles RMB'000	Office and computer equipment RMB'000	Construction in progress RMB'000	Total RMB'000
At 1 January 2014								
Cost	–	35,592	70	15,619	1,849	2,115	–	55,245
Accumulated depreciation	–	(7,227)	(49)	(5,670)	(1,039)	(1,775)	–	(15,760)
Net book amount	–	28,365	21	9,949	810	340	–	39,485
Year ended 31 December 2014								
Opening net book amount	–	28,365	21	9,949	810	340	–	39,485
Additions	–	5,044	–	2,965	860	389	27,352	36,610
Transfer	–	505	–	1,050	–	–	(1,555)	–
Disposals	–	–	–	–	–	(9)	–	(9)
Depreciation	–	(1,755)	(6)	(1,512)	(187)	(112)	–	(3,572)
Closing net book amount	–	32,159	15	12,452	1,483	608	25,797	72,514
At 31 December 2014								
Cost	–	41,141	70	19,634	2,709	2,380	25,797	91,731
Accumulated depreciation	–	(8,982)	(55)	(7,182)	(1,226)	(1,772)	–	(19,217)
Net book amount	–	32,159	15	12,452	1,483	608	25,797	72,514
Year ended 31 December 2015								
Opening net book amount	**–**	**32,159**	**15**	**12,452**	**1,483**	**608**	**25,797**	**72,514**
Additions	**19,402**	**4,286**	**56**	**5,845**	**1,154**	**1,586**	**27,325**	**59,654**
Transfer	**–**	**–**	**–**	**1,787**	**–**	**–**	**(1,787)**	**–**
Disposals	**–**	**–**	**–**	**(126)**	**–**	**–**	**–**	**(126)**
Depreciation	**(461)**	**(2,009)**	**(7)**	**(2,095)**	**(277)**	**(268)**	**–**	**(5,117)**
Closing net book amount	**18,941**	**34,436**	**64**	**17,863**	**2,360**	**1,926**	**51,335**	**126,925**
At 31 December 2015								
Cost	**19,402**	**45,427**	**126**	**26,828**	**3,863**	**3,966**	**51,335**	**150,947**
Accumulated depreciation	**(461)**	**(10,991)**	**(62)**	**(8,965)**	**(1,503)**	**(2,040)**	**–**	**(24,022)**
Net book amount	**18,941**	**34,436**	**64**	**17,863**	**2,360**	**1,926**	**51,335**	**126,925**

As at 31 December 2015, the net book value of buildings were pledged to secure bank borrowings granted to the Group.

Construction in progress as at 31 December 2015 and 2014 mainly comprises new plants and production lines being constructed in the PRC.

12 Trade and other receivables

	As at 31 December	
	2015	**2014**
	RMB'000	**RMB'000**
Trade receivables	**69,565**	48,549
Prepayments	**45,978**	434
Other receivables	**1,008**	652
	116,551	49,635
Less: non-current portion: prepayment for land use rights and property, plant and equipment	**(45,515)**	–
Current portion	**71,036**	49,635

The Group's credit terms granted to wholesale customers generally ranged from 30 to 60 days. As at 31 December 2015 and 2014, the ageing analysis of the trade receivables based on invoice date is as follows:

	As at 31 December	
	2015	**2014**
	RMB'000	**RMB'000**
Less than 30 days	**42,941**	28,531
31 to 60 days	**26,624**	19,358
61 to 90 days	**–**	660
	69,565	48,549

As at 31 December 2015, no trade receivables were past due but not impaired (2014: RMB660,000).

The ageing analysis of these trade receivables based on due date is as follows:

	As at 31 December	
	2015	**2014**
	RMB'000	**RMB'000**
Less than 30 days	**–**	660

No provision for impairment of trade receivables was made as at 31 December 2015 and 2014.

13 Share capital

Authorised ordinary share

Under the BVI Companies Act, there is no concept of authorised capital. The Company is authorised to issue an unlimited number of shares and the shares do not have any par value.

Issued and fully paid ordinary share

	Number of ordinary share	Nominal value of ordinary share HK$'000	Equivalent nominal value of ordinary share RMB'000
Ordinary shares of USD1			
As at 1 January 2014	100	1	1
At 31 December 2014 and 1 December 2015	**100**	**1**	**1**
Capitalisation issue *(Note (a))*	**749,999,900**	**7,500**	**6,000**
Issuance of ordinary shares for global offering *(Note (b))*	**250,000,000**	**320,000**	**256,000**
Share issuance cost	**–**	**(17,429)**	**(13,944)**
As at 31 December 2015	**1,000,000,000**	**310,072**	**248,057**

Notes:

(a) Capitalisation issue

Pursuant to the resolution passed by the shareholders of the Company on 16 June 2015, conditional upon the share capital account of the Company being credited as a result of the issuance of new shares pursuant to the initial public offering of the Company's shares, the directors were authorised to capitalise an amount of HK$7,499,999 standing to the credit any reserve account of the Company by applying such sum in paying up in full at par of 749,999,900 shares for allotment and issue to the persons whose names appear on the register of members of the Company at the close of business on 16 June 2015.

(b) Issuance of ordinary shares for global offering

On 7 July 2015, upon its listing on the Exchange, 250,000,000 ordinary shares of nil nominal value were issued at a price of HK$1.28 per share. The gross proceeds received by the Company from the global offering amounted to HK$320,000,000. Dealings in these shares on the Exchange commenced on 7 July 2015.

(c) These new shares rank pari passu with the existing shares in all respects.

14 Trade payables

	As at 31 December	
	2015 RMB'000	2014 RMB'000
Trade payables	**9,175**	12,365

As at 31 December 2015, the ageing analysis of the trade payables based on invoice date were as follows:

	As at 31 December	
	2015 RMB'000	2014 RMB'000
Less than 30 days	**7,987**	11,156
31 to 90 days	**861**	732
91 to 180 days	**327**	331
181 to 365 days	**–**	144
Over 365 days	**–**	2
	9,175	12,365

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company, nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2015.

REVIEW OF THE FINAL RESULTS BY AUDIT COMMITTEE

The Audit Committee has reviewed together with the management and the Company's independent auditor the accounting principles and practices adopted by the Group and has discussed auditing, internal control and financial reporting matters, including the review of the audited consolidated financial statements for the year ended 31 December 2015.

REVIEW OF PRELIMINARY ANNOUNCEMENT

The figures in respect of the preliminary announcement of the Group's results for the year ended 31 December 2015 have been agreed by the Group's auditor, PricewaterhouseCoopers, to the amounts set out in the Group's consolidated financial statements for the year. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by PricewaterhouseCoopers on the preliminary announcement. The Audit Committee has reviewed the annual results for the year ended 31 December 2015.

CORPORATE GOVERNANCE

The Company has adopted the code provisions as set out in the Corporate Governance Code as set out in Appendix 14 to the Listing Rules. Throughout the period since the Listing Date (i.e. 7 July 2015) and up to 31 December 2015, the Company has complied with the relevant provisions of the Corporate Governance Code except code provision A.2.1 of the Corporate Governance Code.

Under code provision A.2.1 of the Corporate Governance Code, the responsibilities between the Chairman and the Chief Executive Officer should be separate and should not be performed by the same individual. Mr. Yang Ziyuan is our Chief Executive Officer, and he also performs as the Chairman of the Board as he has considerable experience in the fruit processing industry. The Board believes that vesting the roles of both the Chairman of our Board and the Chief Executive Officer in the same person has the benefit of ensuring consistent leadership within our Group and enables more effective and efficient overall strategic planning of our Group.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the code of conduct regarding the directors' securities transactions as set out in the Model Code as set out in Appendix 10 to the Listing Rules. Having made specific enquiry of all Directors, all the Directors have confirmed that they have complied with the required standards as set out in the Model Code during the period from the Listing Date to 31 December 2015.

USE OF PROCEEDS FROM IPO

On 7 July 2015, the Company's shares were listed on the main board of the Stock Exchange. A total of 250,000,000 shares were listed at HK$1.28 per share for a total gross proceeds of HK$320 million. The total net proceeds raised from the IPO of the Company were approximately HK$274.9 million after deduction of related listed expenses. The use of proceeds has been consistent with the disclosure in the prospectus of the Company dated 24 June 2015. Up to the date of this announcement, the respective use of the net proceeds is as follows:

	Avaliable RMB million Equivalent	Used RMB million Equivalent	Unused RMB million Equivalent
Capital expenditure on new production facilities	113.4	42.0	71.4
Expand distribution and sales network	34.0	2.3	31.7
Enhance our brand awareness and promote the on-line shopping platform	34.0	0.9	33.1
Enhance our research and development capabilities	11.3	–	11.3
Enhance the information technology systems and infrastructure	11.3	11.3	0.0
Working capital and general corporate purposes	22.7	22.7	0.0

ANNUAL GENERAL MEETING

The Annual General Meeting ("2016 AGM") of the Company will be held at 5th Floor, Euro Trade Centre, 13-14 Connaught Road Central, Hong Kong on 19 May 2016, at 10:30 a.m.

DIVIDENDS

The Board has proposed a final dividend of HK$0.03 per share for the year ended 31 December 2015, to be payable to the shareholders of the Company whose names appear on the register of members of the Company as at 31 May 2016 (the record date). Subject to the approval of the Company's shareholders at the 2016 AGM, the final dividend will be paid on or about 21 June 2016.

CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the 2016 AGM, the register of members of the Company will be closed from 17 May 2016 to 19 May 2016 (both days inclusive), during such period no transfer of shares of the Company will be registered. In order to be eligible to attend and vote at the 2016 AGM, all transfer of shares of the Company accompanied by the relevant share certificate(s) and appropriate transfer form(s) must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on 16 May 2016.

For determining the entitlement to receive the proposed final dividend, the register of members of the Company will be closed from 26 May 2016 to 31 May 2016 (both days inclusive), during such period no transfer of shares of the Company will be registered. In order to be eligible to receive the proposed final dividend, all transfer of shares of the Company accompanied by the relevant share certificate(s) and appropriate transfer form(s) must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on 25 May 2016.

PUBLICATION OF RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This results announcement is published on the Stock Exchange's website at www.hkexnews.hk and the Company's website at www.tianyuninternational.com. The 2015 annual report of the Company will be despatched to shareholders of the Company and published on the aforesaid websites on or before 30 April 2016.

By Order of the Board
Tianyun International Holdings Limited
Yang Ziyuan
Chairman

Hong Kong, 30 March 2016

As at the date of this announcement, the Board of the Company comprises (i) Mr. Yang Ziyuan and Mr. Sun Xingyu as the executive Directors; (ii) Ms. Chu Yinghong and Mr. Wong Yim Pan as the non-executive Directors; and (iii) Mr. Liang Zhongkang, Mr. Tsang Yuen Wai and Ms. Hui Yung Yung Janet as the independent non-executive Directors.