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Tianyun International Holdings Limited **天韻國際控股有限公司**

(incorporated in the British Virgin Islands with limited liability)

(Stock code: 6836)

DISCLOSEABLE TRANSACTION

On 30 January 2018 (after trading hours), the Group entered into the Strategic Cooperation Transaction Documents with Tai Wei Group, which involve the production and distribution of the Products in the PRC.

The Strategic Cooperation Transaction Documents and the transaction contemplated thereunder constitute a joint arrangement under Chapter 14 of the Listing Rules. As some of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Strategic Cooperation Transaction Documents are more than 5% but less than 25%, the Strategic Cooperation Transaction Documents constitute a discloseable transaction for the Group under Chapter 14 of the Listing Rules and therefore is subject to the reporting and announcement requirements under the Listing Rules.

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STRATEGIC COOPERATION ARRANGEMENT

Date: 30 January 2018

Parties: *Strategic Cooperation Agreement*

- (i) Tianyun International Holdings Limited
- (ii) Tai Wei Beverage Joint Stock Company Limited

Purchase Agreement

- (i) Shandong Tiantong, an indirect wholly-owned subsidiary of the Company
- (ii) Tai Wei (Guangzhou), a wholly-owned subsidiary of Tai Wei

To the best of the Directors' knowledge, information, belief and having made all reasonable enquiries, Tai Wei and Tai Wei (Guangzhou) and their ultimate beneficial owner are third parties independent of the Group and are not connected persons of the Group.

Major terms of the Strategic Cooperation Transaction Documents

Pursuant to the Strategic Cooperation Transaction Documents:

- (a) Tai Wei authorizes the Group to manufacture and distribute a series of the Products in the PRC for a period of 10 years commencing from the date of the Strategic Cooperation Agreement;
- (b) the Group may sell the Products through its own sales channels, and retain the proceeds of sales, provided that the Group shall pay 3% of the proceeds of sale of such Products to Tai Wei as brand authorization fee and Tai Wei Group may also order the Products from the Group and sell the same through its own sales channels;
- (c) all intellectual property rights in connection with the Products belong to Tai Wei;
- (d) Tai Wei has ordered the Products with a total sum of RMB162 million, which shall be delivered in batches in accordance with the requirements of Tai Wei during the period between May 2018 and April 2019;
- (e) Tai Wei shall pay a total sum of RMB 18 million by the end of January 2018. The remaining portion of the consideration shall be paid one day before the delivery of each batch of Products; and
- (f) the Group will use such constituents and adopt such packaging in accordance with the requirements of Tai Wei.

The terms of the Strategic Cooperation Transaction Documents (including the consideration thereof) were arrived at after arm's length negotiations between the Group and Tai Wei Group after taking into account the potential market demand and prospect of the Products.

REASONS FOR ENTERING INTO THE STRATEGIC COOPERATION TRANSACTION DOCUMENTS AND THE BENEFIT THEREOF

The strategic cooperation arrangement will enable the Group to leverage on its competitive advantage in sourcing raw materials, and manufacturing high quality and safe processed food products in the PRC, and selling and distributing processed food products through its traditional distributional channels in over 20 provinces in the PRC plus existing online channels. The Group can also diversify its product lines into functional food and beverage products, increase flexibility and capacity in production, and raise its source of revenues. Moreover, the Group could distribute its traditional and newly developed processed fruit products in Taiwan through Tai Wei Group in the future.

The Directors believe that the strategic cooperation arrangement will integrate the Group and Tai Wei Group's respective resources and jointly develop, manufacture and sell high-quality and market-oriented beverage products in the PRC on the basis of mutual benefit and reciprocity in the long run, thus boosting the Group's business growth and creating values for the shareholders.

INFORMATION ABOUT THE GROUP AND TAI WEI GROUP

The Group is principally engaged in the production and sales of processed fruit products packaged in metal containers, plastic cups and glass containers.

Tai Wei Group, as a brand owner, is principally engaged in retail, wholesale, and import and export of beverages, cigarettes and wines, and the research and development of beverages..

VIEWS OF THE DIRECTORS

The Directors (including the independent non-executive Directors) consider that the terms of the Strategic Cooperation Transaction Documents are on normal commercial terms, and are fair and reasonable and in the interests of the Group and the Shareholders as a whole.

IMPLICATION UNDER THE LISTING RULES

The Strategic Cooperation Transaction Documents and the transaction contemplated thereunder constitute a joint arrangement under Chapter 14 of the Listing Rules. As some of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Strategic Cooperation Transaction Documents are more than 5% but less than 25%, the Strategic Cooperation Transaction Documents constitute a discloseable transaction for the Group under Chapter 14 of the Listing Rules and therefore is subject to the reporting and announcement requirements under the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions have the meanings ascribed to them below:

“Company”	Tianyun International Holdings Limited, a company incorporated in the British Virgin Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange;
“Group”	the Company and its subsidiaries;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“PRC”	the People’s Republic of China;
“Products”	the beverage products being sold under the brand name “X-Bear Beverage Series (熊霸激能飲料系列)” in the PRC;
“Purchase Agreement”	the purchase agreement entered into by Shandong Tiantong and Tai Wei dated 30 January 2018;
“RMB”	Renminbi, the lawful currency of PRC;
“Shandong Tiantong”	山東天同食品有限公司 (Shandong Tiantong Food Co., Ltd.), a limited liability company established in the PRC on 21 January 2003 and is an indirect wholly-owned subsidiary of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Strategic Cooperation Agreement”	the strategic cooperation agreement entered into by Shandong Tiantong and Tai Wei dated 30 January 2018;
“Strategic Cooperation Transaction Documents”	collectively, the Strategic Cooperation Agreement and the Purchase Agreement;

- “Tai Wei” 泰威飲料股份有限公司 (Tai Wei Beverage Joint Stock Company Limited) a company incorporated under the laws of Taiwan with limited liability;
- “Tai Wei (Guangzhou)” 泰威飲料(廣州)有限公司 (Tai Wei Beverage (Guangzhou) Co. Ltd.), a company established under the laws of the PRC with limited liability and a wholly-owned subsidiary of Tai Wei;
- “Tai Wei Group” collectively, Tai Wei and Tai Wei (Guangzhou).

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

Hong Kong, 30 January 2018

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.