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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **Tianyun International Holdings Limited**, you should at once hand this circular to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale was effected for transmission to the purchaser or transferee.

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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 AND CONNECTED TRANSACTION
FORMATION OF JOINT VENTURE
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

**Independent financial adviser to the independent board committee and
the independent shareholders**



A letter from the Board is set out on pages 4 to 13 of this circular. A letter from the Independent Board Committee containing its recommendation is set out on page 14 of this circular. A letter from the Independent Financial Adviser containing its advice and recommendation to the Independent Board Committee and the Independent Shareholders is set out on pages 15 to 27 of this circular.

A notice convening the extraordinary general meeting of Tianyun International Holdings Limited to be held at 2/F, 35-45B Bonham Strand, Sheung Wan, Hong Kong on Tuesday, 2 April 2019, at 2:30 p.m. is set out on pages 34 to 35 of this circular. A form of proxy for use at the extraordinary general meeting is enclosed. Whether or not you intend to attend and vote at the extraordinary general meeting or any adjourned meeting (as the case may be) in person, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon and return it to the branch share registrar and transfer office of the Company in Hong Kong, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible, but in any event not less than 48 hours before the time appointed for holding such meeting or any adjourned meeting. Completion and return of the form of proxy will not preclude you from attending and voting in person at the extraordinary general meeting or any adjourned meeting (as the case may be) should you so wish.

18 March 2019

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DEFINITIONS

In this Circular, unless the context otherwise requires, the following expressions have the following meanings:

“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Business Day”	a day on which licensed banks are generally open for banking business in Hong Kong, other than Saturdays, Sundays and any day on which a tropical cyclone warning No. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a black rainstorm warning signal is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon
“Company”	Tianyun International Holdings Limited, a company incorporated in the British Virgin Islands with limited liability, whose shares are listed on the Stock Exchange
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Controlling Shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“core connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Designated Subsidiary”	a wholly-owned subsidiary of the Company to be designated by the Company
“Directors”	the directors of the Company (including the independent non-executive directors of the Company) and “Director” shall mean any one of them
“EGM”	the extraordinary general meeting of the Company to be convened and held to consider, and if thought fit, to approve the Joint Investment Agreement and the JV Agreement and the transactions contemplated thereunder

DEFINITIONS

“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Board Committee”	the independent board committee of the Company whose members comprises all the independent non-executive Directors to advise the Independent Shareholders on the terms of the Joint Investment Agreement and the JV Agreement and the transactions contemplated thereunder
“Independent Financial Adviser”	TC Capital International Limited, a licensed corporation under the SFO to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities and the independent financial adviser appointed for the purpose of advising the Independent Board Committee and the Independent Shareholders as to the Joint Investment Agreement
“Independent Shareholders”	Shareholders other than SDIH or its associates which are not required to abstain from voting at the EGM
“Joint Investment Agreement”	the joint investment agreement dated 11 February 2019 entered into between the Company and Sichuan Yizhan for the establishment of the JV Company
“JV Agreement”	the joint venture agreement to be entered into between the Designated Subsidiary and Sichuan Yizhan for the establishment of the JV Company after the fulfilment of the conditions precedent under the Joint Investment Agreement, the details of which are set out in the section headed “The JV Agreement” in the Letter from the Board in this circular
“JV Company”	the joint venture company to be incorporated by the Designated Subsidiary and Sichuan Yizhan in the PRC with limited liability

DEFINITIONS

“Latest Practicable Date”	13 March 2019, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“SDH”	四川發展(控股)有限責任公司 (Sichuan Development Holding Company Ltd*), a company established in the PRC with limited liability and is wholly-owned by Sichuan provincial government.
“SDIH”	Sichuan Development International Holding Company Ltd, a wholly-owned subsidiary of SDH incorporated in Hong Kong with limited liability
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shareholder(s)”	the shareholder(s) of the Company
“Sichuan Yizhan”	四川怡展實業有限公司 (Sichuan Yizhan Enterprise Co, Ltd.*), a company established in the PRC with limited liability, which is owned by SDIH as to 99.5% and SDH as to 0.5%
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

* for identification purpose only

LETTER FROM THE BOARD

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)

Executive Directors

Mr. Yang Ziyuan

Mr. Sun Xingyu

Mr. Wang Hu

Registered Office

Commerce House,

Wickhams Cay 1,

P.O. Box 3140, Road Town,

Tortola,

British Virgin Islands,

VG 1110

Non-executive Directors

Ms. Chu Yinghong

Mr. Wong Yim Pan

Mr. Liu Zhumeng

Principal place of business in Hong Kong

Unit 605, 6th Floor, Beautiful Group Tower

74-77 Connaught Road Central

Central

Hong Kong

Independent Non-executive Directors

Mr. Liang Zhongkang

Mr. Tsang Yuen Wai

Ms. Hui Yung Yung Janet

18 March 2019

To all Shareholders

Dear Sir or Madam

**DISCLOSEABLE AND CONNECTED TRANSACTION
FORMATION OF JOINT VENTURE
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

Reference is made to the announcements of the Company dated 8 January and 11 February 2019.

As disclosed in the announcement dated 11 February 2019, the Company has entered into the conditional Joint Investment Agreement.

The Independent Board Committee has been formed by the Board to advise the Independent Shareholders in respect of the Joint Investment Agreement and the JV Agreement. TC Capital International Limited has been appointed as the independent financial adviser to make recommendations to the Independent Board Committee and the Independent Shareholders in respect of the Joint Investment Agreement and the JV Agreement.

LETTER FROM THE BOARD

The purpose of this Circular is to provide you with further details on the Joint Investment Agreement and the JV Agreement and to give notice to the Shareholders of the EGM at which ordinary resolutions will be proposed to approve the Joint Investment Agreement and the JV Agreement and to provide other relevant information in accordance with the Listing Rules.

FORMATION OF A JOINT VENTURE

On 11 February 2019, the Company and Sichuan Yizhan, a subsidiary of a substantial shareholder of the Company, namely SDIH, entered into the conditional Joint Investment Agreement, pursuant to which the Company and Sichuan Yizhan agree to establish a joint venture company in Sichuan Province, the PRC, to make full use of the strengths of each party, geographical advantages of Sichuan Province and policy advantage of the “Belt and Road Initiative” policy, to collaborate in developing a supply chain for processed agricultural and food products and a base for supply of raw materials that complies with international standards.

The joint venture company focuses on businesses such as fruit and vegetable grading, fruit and vegetable canning and processing, fruit and vegetable ice-cream, fruit and vegetable functional beverage, fruit and vegetable international trade. Under the investment project, it is contemplated to set up a fruit and vegetable processing centre, grading centre and trading centre in such base. After the fulfilment of the conditions precedent of the Joint Investment Agreement, the Company and Sichuan Yizhan will enter into the JV Agreement (the draft of which has been included in the Joint Investment Agreement).

CONDITIONS PRECEDENT

The formation of the joint venture shall be subject to the conditions precedent:

- (a) the Company having complied with the requirements of the Listing Rules with respect to the entering into of the JV Agreement, including but not limited to the requirements relating to connected transactions;
- (b) the Company having obtained all approvals with respect to the entering into of the JV Agreement, including but not limited to the approvals of Independent Shareholders and the Stock Exchange; and
- (c) Sichuan Yizhan having obtained all approvals with respect to the entering into of the JV Agreement.

The Company and Sichuan Yizhan shall use their best endeavour to procure the fulfilment of the conditions precedent. In the event that any of the conditions precedent is not fulfilled before 30 April 2019, the Joint Investment Agreement shall lapse automatically and none of the parties shall be liable to the other (save for any antecedent breach) unless both parties agree to defer the long-stop date.

LETTER FROM THE BOARD

The Company and Sichuan Yizhan shall arrange for the entering into the JV Agreement within 60 days after the fulfilment of the conditions precedent.

THE JV AGREEMENT

Parties: The Company and Sichuan Yizhan

Registered capital: The Company shall invest RMB140 million.

Sichuan Yizhan shall invest RMB 60 million.

The directors of the JV Company shall convene the first board meeting within 7 days after the establishment of the JV Company. The parties shall contribute 25% of the registered capital committed by them within 45 days from the date of the first board meeting. The schedule for capital contribution of the remaining 75% shall be further agreed between the parties.

Matters requiring consent of all directors:

The following matters require the approval of all the directors of the JV Company:

- the amendments to the constitution of the JV Company;
- the formulation of any profit sharing proposal or loss recovery proposal;
- the renewal, termination, liquidation or winding-up of the JV Company;
- the increase or reduction of the registered capital of the JV Company;
- the merger, division or reorganization of the JV Company;
- the formulation of the operation direction and investment plan of the JV Company;
- the appointment and removal of general manager;
- the issue of any bonds;

LETTER FROM THE BOARD

- the disposal of, or creation of charge over, any material assets of the JV Company;
- the disposal, sale or lease of all or substantial part of the assets of the JV Company.

Disposal of shares: If any shareholder of the JV Company intends to transfer all or part of the equity interest in the JV Company owned by it, the other shareholders shall have the pre-emptive rights to purchase such equity interest.

THE JV COMPANY

The name of the JV Company is to be agreed between the parties.

Place of incorporation: Sichuan Province, the PRC

Registered capital: RMB200 million (or equivalent amount in USD)

Corporate structure: The Designated Subsidiary and Sichuan Yizhan will hold equity interest in the JV Company as to 70% and 30% respectively.

Scope of business: The scope of business of the JV Company include, *inter alia*, development of agroecology, plantation and sales of fruit and vegetable, processing and trading of agricultural food products, production and sales of canned foods and beverages, export of self-manufactured products and other warehousing, logistics services (subject to the final approval of the governmental authority of the PRC).

Directors: Three directors including the chairman of the board, to be nominated by the Company

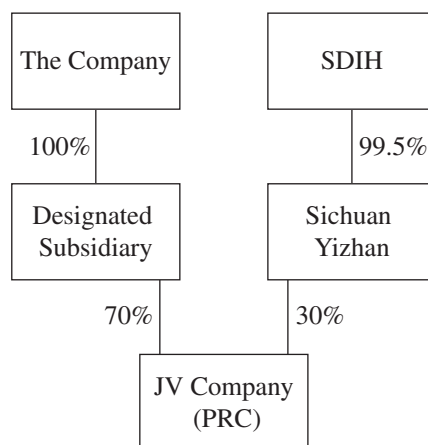
Two directors to be nominated by Sichuan Yizhan

Supervisor: Sichuan Yizhan shall be entitled to appoint one supervisor.

Dividend: Dividend will be distributed in proportion to the respective shareholding of the Designated Subsidiary and Sichuan Yizhan in the JV Company.

LETTER FROM THE BOARD

The corporate structure of the JV Company immediately upon the formation of the JV Company is as follows:



The JV Company will become a non-wholly owned subsidiary of the Company and its financial results will be consolidated to the financial statements of the Group.

REASONS FOR THE FORMATION OF JOINT VENTURE

The Group is principally engaged in (i) the production and sales of processed fruit packaged in metal containers, plastic cups and glass containers and (ii) trading of fresh fruit. The Group sells processed fruits under its own brand and on an original equipment manufacturer basis in the PRC and abroad.

The Group has been accelerating the establishment of its sales and distribution network in the PRC including the western part of the PRC, under its own brand business segment.

The Group intends to increase its presence in the tropical and sub-tropical climate zone through acquisition and establishment of new production bases. The Group endeavours to have multiple production bases that can process all varieties of fruit in three climate zones including tropical, subtropical and temperate climate zones.

The demand of the Group's processed fruit products has been strong globally and locally and the utilisation rate of its production capacity has been almost saturated at most of the time.

It is intended that the JV Company will invest in Sichuan Province and aims to establish a fruit and vegetable processing base which has facilities such as food and vegetable processing centre, grading centre and trading centre. Sichuan Pilot Free Trade Zone has become a transportation hub for import and export commodities in Sichuan as well as Southwest China. It carries the important strategic function of China's "Belt and Road Initiative" policy.

LETTER FROM THE BOARD

Through the formation of JV Company, the Group can establish a production and distribution base in the western part of the PRC for further business expansion and development into the western part of the PRC with new types of fruit and other products which the Group did not offer in the past, such as subtropical and tropical processed fruit products. As at the Latest Practicable Date, the Group did not have a production base in Sichuan Province and the Group did not have any business presence there. The Directors consider that it would be more difficult for the Group to establish its presence there itself. By cooperating with Sichuan Yizhan, the Group can leverage on the local experiences and business networks of Sichuan Yizhan and its communication channel with the local governmental authority of Sichuan Yizhan to establish its production base and business presence there at a more efficient manner.

The production facilities of the JV Company can increase the production capacity on new and existing processed fruit products such that it enables the Group to meet the future demand from customers while the production base can also facilitate the Group in its warehousing and logistics arrangement for its own brand products in the western part of the PRC. The Group also aims to introduce more fruit varieties from subtropical and tropical climate zone regions and develop new fruit products.

SDH is strong in raising capital, business synergies and resources allocation resulting from its abundant capital resources and good reputation. The Company has a professional management team and strong experience in and network for the procurement of raw materials, use of capital and arrangement of supply chain for processed agricultural and food products in the PRC and abroad. It is in the mutual interest of the Company and SDH for them to collaborate to develop an international food enterprise. Both parties expect that their collaboration will engender multiple synergies in the middle to long run.

The terms of the joint venture arrangement was negotiated between the parties based on arm's length negotiation, taking into account, *inter alia*, the past experiences of the Group and the initial scale of production with estimated aggregate production capacity of 24,000 tonnes for integrated fruit production line and 30,000 tonnes for fruit grading production line. The capital contribution is used for establishing the production base, including the cost for land acquisition, the cost for purchase of production machineries, the cost of construction of production plant and general working capital for establishing the production site and production. The respective capital contribution of the Group and Sichuan Yizhan was the results of negotiation between, and accepted by, the aforesaid parties, taking into account (i) the requirements of the Group to retain a substantial majority in the equity interest in the JV Company such that the Group is entitled to a significant profit sharing ratio and can dominate the business development of the JV Company in line with the business strategies of the Group, (ii) the availability of the financial resources of the Group and (iii) the need to give Sichuan Yizhan to have reasonable participation in the JV Company.

LETTER FROM THE BOARD

INFORMATION ON SDH AND SDIH

SDH is principally engaged in financing, investment and asset management. It is wholly owned by the Sichuan provincial government. Its business encompasses transport, energy, finance, mining, infrastructure and real estate, modern service industry, strategic new industry, etc. Based on the website of SDH (last accessed on the Latest Practicable Date), it is a shareholder of the following listed companies: Sichuan Expressway Company Limited* (四川成渝高速公路股份有限公司)(Shanghai: 601107; Hong Kong: 0107), Sichuan Road & Bridge (Group) Company Limited* (四川路橋建設集團股份有限公司)(Shanghai: 600039), Xinhua Winshare Publishing and Media Company Limited* (新華文軒出版傳媒股份有限公司)(Shanghai: 601811; Hong Kong: 0811), Sichuan Chemical Company Limited* (川化股份有限公司)(Shenzhen: 000155), Chengdu Guibao Science and Technology Company Limited* (成都矽寶科技股份有限公司)(Shenzhen: 300019) and Xinzhu Corporation* (成都市新築路橋機械股份有限公司)(Shenzhen: 002480).

SDIH is a wholly-owned subsidiary of SDH and was incorporated in Hong Kong. SDIH focuses on foreign financing, foreign investment, acquisition and international open cooperation. Its business encompasses international flight charter, agricultural food processing, international capital operation, etc.

VIEWS OF THE DIRECTORS

The Directors consider that the terms of the Joint Investment Agreement and the transactions contemplated thereunder are on normal commercial terms and are fair and reasonable and are in the interest of the Company and the Shareholders as a whole.

No Director has a material interest in the Joint Investment Agreement and the transactions contemplated thereunder. No Director was required to abstain from voting on the Board resolutions approving the Joint Investment Agreement.

LETTER FROM THE BOARD

LISTING RULES IMPLICATIONS

As at the Latest Practicable Date, SDIH holds 27% of the total issued share capital of the Company. SDIH is a substantial shareholder of the Company. Sichuan Yizhan is owned by SDIH as to 99.5% and is therefore an associate of SDIH and a connected person of the Company under Chapter 14A of the Listing Rules.

The formation of the JV Company pursuant to the Joint Investment Agreement therefore constitutes a connected transaction of the Company under the Listing Rules, the formation of the JV Company under the Joint Investment Agreement is subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. Since one or more of the applicable percentage ratios as defined in Rules 14.06 and 14A.76 of the Listing Rules in respect of the Joint Investment Agreement exceed 5% but all are less than 25%, the formation of JV Company pursuant to the Joint Investment Agreement also constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

SDIH and its associates shall abstain from voting on the proposed resolution(s) to approve the Joint Investment Agreement and the JV Agreement and the transactions contemplated thereunder at the EGM. The Independent Board Committee has been established to advise the Independent Shareholders in respect of the Joint Investment Agreement and the transactions contemplated thereunder. The Company has appointed TC Capital International Limited as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

GENERAL

No Director has material interest in the Joint Investment Agreement, the JV Agreement and the transactions contemplated thereunder. Formation of the JV Company is subject to the satisfaction of the conditions precedent under the Joint Investment Agreement. As the formation of JV Company may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

LETTER FROM THE BOARD

EGM

The notice of EGM is set out on pages 34 to 35 of this circular for the purpose of considering and, if thought fit, passing the resolutions set out therein.

A form of proxy for the EGM is enclosed herewith. Whether or not you are able to attend the EGM in person, please complete and return the form of proxy in accordance with the instructions printed thereon to the branch share registrar and transfer office of the Company in Hong Kong, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding of the EGM or any adjourned meeting (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting at the EGM or any adjourned meeting (as the case may be) should you so wish. Pursuant to the Listing Rules, voting by poll is required for any resolution put to vote at the EGM.

VOTING BY POLL AT THE EGM

Pursuant to Rule 13.39 of the Listing Rules and article 57 of the Articles of Association, any votes of the Shareholders at a general meeting must be taken by poll. An announcement on the poll results will be published after the EGM in the manner prescribed under Rule 13.39(5) of the Listing Rules.

Details of procedures for conducting a poll are set out in the Appendix II to this circular.

RECOMMENDATION

Your attention is drawn to (i) the "Letter from the Independent Board Committee" set out on page 14 of this Circular containing the recommendation from the Independent Board Committee to the Independent Shareholders regarding the Joint Investment Agreement and JV Agreement; and (ii) the "Letter from the Independent Financial Adviser" set out on pages 15 to 27 of this Circular containing the advice of the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders regarding the Joint Investment Agreement and JV Agreement.

LETTER FROM THE BOARD

The Directors are of the opinion that the terms of the Joint Investment Agreement and JV Agreement are on normal commercial terms, fair and reasonable so far as the Independent Shareholders are concerned and consider that the Joint Investment Agreement, the JV Agreement, and the transaction contemplated thereunder are in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend that the Independent Shareholders vote in favour of the resolutions to be proposed at the EGM to approve the Joint Investment Agreement, the JV Agreement, and the transactions contemplated thereunder.

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

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

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

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)

CONNECTED TRANSACTION: FORMATION OF JOINT VENTURE

18 March 2019

To the Independent Shareholders

Dear Sir or Madam,

We refer to the circular dated 18 March 2019 issued by the Company to the Shareholders (the “**Circular**”) of which this letter forms part. Terms defined in the Circular shall have the same meanings when used in this letter, unless the context otherwise requires.

We have been appointed as members of the Independent Board Committee to advise the Independent Shareholders on whether the terms of the Joint Investment Agreement, the JV Agreement and the transactions contemplated thereunder are on normal commercial terms, in the ordinary and usual course of business, fair and reasonable and are in the interests of the Company and the Shareholders as a whole. TC Capital International Limited has been appointed as independent financial adviser to advise us and the Independent Shareholders in this respect.

Your attention is drawn to the letter from the Independent Financial Adviser in the Circular containing the advice of the Independent Financial Adviser in respect of the Joint Investment Agreement, the JV Agreement and the transactions contemplated thereunder.

RECOMMENDATION

We have considered the principal factors taken into account by the Independent Financial Adviser in arriving at its opinion in respect of the Joint Investment Agreement and the transactions contemplated thereunder. We concur with the views of the Independent Financial Adviser that although the entering into of the Joint Investment Agreement is not in the ordinary and usual course of business of the Group, the terms of the Joint Investment Agreement (including the JV Agreement) and the transactions contemplated thereunder are on normal commercial terms and fair and reasonable insofar as the Company and the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend that the Independent Shareholders vote in favour of the resolutions in respect of the Joint Investment Agreement and the JV Agreement.

Yours faithfully,

for and on behalf of the Independent Board Committee of
Tianyun International Holdings Limited

Mr. Liang Zhongkang
*Independent non-executive
Director*

Mr. Tsang Yuen Wai
*Independent non-executive
Director*

Ms. Hui Yung Yung Janet
*Independent non-executive
Director*

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Set out below is the text of a letter received from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Joint Investment Agreement (including the JV Agreement) for the purpose of inclusion in this circular.



18 March 2019

The Independent Board Committee and the Independent Shareholders
Tianyun International Holdings Limited

Dear Sirs,

DISCLOSEABLE AND CONNECTED TRANSACTION FORMATION OF JOINT VENTURE

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the Joint Investment Agreement and the transactions contemplated thereunder, details of which are set out in the letter from the Board (the “**Letter from the Board**”) in the circular of Tianyun International Holdings Limited (the “**Company**”) to the Shareholders dated 18 March 2019 (the “**Circular**”), of which this letter forms part. Capitalised terms used in this letter have the same meanings as those defined in the Circular unless the context otherwise requires.

As stated in the Letter from the Board, the Company and Sichuan Yizhan entered into the Joint Investment Agreement on 11 February 2019. Pursuant to the Joint Investment Agreement, the Company and Sichuan Yizhan agree to establish a joint venture company in Sichuan Province, the PRC, which focuses on businesses such as fruit and vegetable grading, fruit and vegetable canning and processing, fruit and vegetable ice-cream, fruit and vegetable functional beverage, fruit and vegetable international trade. After the fulfilment of the conditions precedent of the Joint Investment Agreement, the Company and Sichuan Yizhan will enter into the JV Agreement, the draft of which has been included in the Joint Investment Agreement.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

As stated in the Letter from the Board, SDIH, a company which owns 99.5% of Sichuan Yizhan, held 27% of the total issued share capital of the Company as at the Latest Practicable Date. Therefore, SDIH is a substantial shareholder while Sichuan Yizhan is an associate of SDIH and is a connected person of the Company under Chapter 14A of the Listing Rules. The formation of the JV Company pursuant to the Joint Investment Agreement therefore constitutes a connected transaction of the Company for the purpose of Chapter 14A of the Listing Rules. Since one or more of the applicable percentage ratios as defined in Rule 14.06 and 14A.76 of the Listing Rules in respect of the Joint Investment Agreement exceed 5% but are all less than 25%, the formation of the JV Company under the Joint Investment Agreement constitutes a discloseable and connected transaction for the Company under Chapter 14 and 14A of the Listing Rules and is subject to the reporting, announcement and Independent Shareholders' approval requirements under the Listing Rules.

We have been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders as to (i) whether the Joint Investment Agreement is entered in the ordinary and usual course of business of the Company and the terms of the Joint Investment Agreement and the JV Agreement are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned; (ii) whether the formation of JV Company is in the interests of the Company and the Shareholders as a whole; and (iii) how the Independent Shareholders should vote in respect of the relevant resolutions to approve the Joint Investment Agreement and the transaction contemplated thereunder.

OUR INDEPENDENCE

As at the Latest Practicable Date, we did not have any relationships or interests with the Company or any other parties that could reasonably be regarded as relevant to the independence of us. We have not acted as an independent financial adviser and have not provided any other services to the Company or any of its respective subsidiaries or their respective associates during the past two years. Accordingly, we consider that we are independent pursuant to the Rule 13.84 of the Listing Rules to act as Independent Financial Adviser in relation to the Joint Investment Agreement and the transaction contemplated thereunder.

BASIS OF OPINION

In formulating our recommendation, we have considered and reviewed, amongst other things, (i) the Joint Investment Agreement and the JV Agreement; (ii) the annual report of the Company for the year ended 31 December 2017 (the "**2017 Annual Report**") and the interim report of the Company for the six months ended 30 June 2018 (the "**2018 Interim Report**"); (iii) other information as set out in the Circular; and (iv) relevant market data and information available from public sources. We have also relied on all relevant information, opinions and facts supplied and representations made to us by the Directors and the representatives of the Company. We have also studied the relevant market information and trends of the related industry.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

We have assumed that all such information, opinions, facts and representations, which have been provided to us by the Directors or the representatives of the Company, are true, accurate and complete in all respects at the date thereof. The Directors have jointly and severally accepted full responsibility for the accuracy of the information contained in the Circular and have also confirmed that opinions expressed in the Circular have been arrived at after due and careful consideration and there are no material facts not contained in the Circular, the omission of which would make any statement in the Circular misleading. We have no reason to suspect that any material information has been withheld by the Company or is misleading. Therefore, we have no reason to doubt the truth or accuracy of the information provided to us, or to believe that any material information has been omitted or withheld.

We consider that we have reviewed sufficient information currently available to reach an informed view and to provide a reasonable basis for our recommendation. We have not, however, carried out any independent verification of the information provided by the Directors and the representatives of the Company, nor have we conducted any form of in-depth independent investigation into the business, affairs, operations, financial position or future prospects of each of the Group, Sichuan Yizhan and any of their respective subsidiaries and associates.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion and recommendation in respect of the Joint Investment Agreement, we have taken into consideration the following principal factors and reasons:

1. Information on the Group, SDH, SDIH, Sichuan Yizhan and the JV Company

Information of the Group

As stated in the Letter from the Board, the Group is principally engaged in (i) the production and sales of processed fruit packaged metal containers, plastic cups and glass containers; and (ii) trading of fresh fruit. The Company sells processed fruit under its own brand and on original equipment manufacturer (the “OEM”) basis in the PRC and abroad.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Set forth below are certain audited consolidated financial information of the Group for the two years ended 31 December 2016 and 31 December 2017 (“**FY2016**” and “**FY2017**”, respectively) as extracted from the 2017 Annual Report and unaudited consolidated financial information of the Group for the six months ended 30 June 2017 and 30 June 2018 (“**HY2017**” and “**HY2018**”, respectively) as extracted from the 2018 Interim Report.

	FY2016	FY2017	HY2017	HY2018
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	(audited)	(audited)	(unaudited)	(unaudited)
Revenue	653,474	745,541	343,289	439,294
Gross profit	199,372	204,258	92,783	122,082
Operating profit	168,381	164,180	68,295	96,480
Profit attributable to owners of the Company	128,776	123,281	52,346	67,494

We noted from the table above that the Group’s revenue increased by approximately 14.1% or approximately RMB92.1 million from FY2016 to FY2017. In HY2018, revenue amounted to approximately RMB439.3 million, representing an increase by approximately 28.0 % or approximately RMB96.0 million as compared to the same period in HY2017. Such increase in revenue of the Group was mainly due to substantial increase in the sales of the Group’s own brand products for both FY2017 and HY2018.

The gross profit of the Group increased by approximately 2.5% or approximately RMB4.9 million from FY2016 to FY2017 mainly due to the increase in revenue and partly offset by the overall decrease in gross profit margin, from approximately 30.5% for FY2016 to approximately 27.4% for FY2017. The Group’s profit attributable to owners of the Company recorded a year-on-year decrease by approximately 4.3% from approximately RMB128.8 million for FY2016 to approximately RMB123.3 million for FY2017 mainly due to the increase in selling and distribution expenses and general and administrative expenses.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The Group's gross profit for HY2018 amounted to approximately RMB122.1 million, representing a period-on-period increase of approximately 31.6% or approximately RMB29.3 million. In HY2018, the Group's profit attributable to owners of the Company amounted to approximately RMB67.5 million, representing an increase of approximately 28.9% or approximately RMB15.1 million as compared to the same period in HY2017. The increase in both gross profit and profit attributable to owners of the Company was mainly driven by the increase in revenue from both own brand and OEM sales of approximately RMB209.5 million and approximately RMB181.4 million, respectively, as well as the improvement of gross profit margin in the sales of own brand products, from approximately 27.5% in HY2017 to approximately 30.9% in HY2018.

Set forth below is the summary of the consolidated assets and liabilities of the Group as at 31 December 2016 and 2017, and 30 June 2018, as extracted from the 2017 Annual Report and the 2018 Interim Report.

	As at 31 December 2016	As at 31 December 2017	As at 30 June 2018
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	(audited)	(audited)	(unaudited)
Total assets	695,698	838,160	1,038,448
Total liabilities	129,538	184,248	337,734
Net assets	566,160	653,912	700,714
Cash and cash equivalents	224,001	309,167	411,414

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Total assets of the Group mainly comprised property, plant and equipment, trade and other receivables, inventories and cash and cash equivalents. The total assets of the Group as at 31 December 2017 increased by approximately 20.5% or approximately RMB142.5 million as compared to the total assets as at 31 December 2016, mainly due to (i) the increase in the investment properties of approximately RMB34.0 million relating to the completion of an integrated development centre; (ii) the increase in trade and other receivables and non-current portion of prepayments paid for business acquisition of approximately RMB35.4 million; and (iii) the increase in cash and cash equivalents in relation to the proceed from the completion of issue of convertible bond in the principal sum of US\$9 million dated 27 November 2017. Total assets of the Group as at 30 June 2018 increased by approximately 23.9% or approximately RMB200.3 million to approximately RMB1,038.4 million as compared to the total assets as at 31 December 2017, mainly due to (i) the increase in leasehold land and land use rights and property, plant and equipment of approximately RMB75.3 million arising from the acquisition of subsidiaries; (ii) the increase in trade and other receivables of approximately RMB36.8 million; and (iii) the increase in cash and cash equivalents of approximately RMB102.2 million in relation to the proceed from the completion of issue of convertible bond in the principal sum of US\$4 million dated 29 January 2018 and cash generating from operating activities.

Total liabilities of the Group mainly comprised trade payables, accruals and other payables, bank and other borrowings and convertible bonds. The total liabilities of the Group as at 31 December 2017 amounted to approximately RMB184.2 million, representing an increase of approximately 42.2% or approximately RMB54.7 million as compared to approximately RMB129.5 million as at 31 December 2016. Such increase was mainly due to (i) the increase in trade payables of approximately RMB10.4 million; and (ii) the recognition of convertible bond in the principal sum of US\$9 million issued on 27 November 2017 at fair value of approximately RMB59.5 million, which were partially offset by the decrease of the non-current portion of other borrowings of approximately RMB13.7 million. The total liabilities of the Group as at 30 June 2018 amounted to approximately RMB337.8 million, representing an increase of approximately 83.3% or approximately RMB153.5 million as compared to approximately RMB184.2 million as at 31 December 2017. Such increase was mainly due to (i) the increase in current and non-current bank borrowings of approximately RMB64.5 million; (ii) the increase in trade payables and current income tax liabilities of approximately RMB37.4 million; (iii) the recognition of convertible bond in the principal sum of US\$4 million issued on 29 January 2018 at fair value of approximately RMB26.0 million; and (iv) the recognition of contingent consideration payable of approximately RMB17.8 million in relation to the acquisition of subsidiaries. As advised by the representative of the Company, the increase in current and non-current bank borrowings, trade payables and current income tax liabilities were mainly due to the acquisition of subsidiaries completed in January 2018.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

As a result of the aforesaid, the Group had a net asset position as at 31 December 2017 of approximately RMB653.9 million, represented an increase of approximately 15.5% as compared to that of approximately RMB566.2 million as at 31 December 2016. The net asset value of the Group showed further increase from approximately RMB653.9 million as at 31 December 2017 to approximately RMB700.7 million as at 30 June 2018.

Information of SDH, SDIH and Sichuan Yizhan

As stated in the Letter from the Board, SDH is principally engaged in financing, investment and asset management. It is wholly owned by the Sichuan provincial government. Its business encompasses transport, energy, finance, mining, infrastructure and real estate, modern service industry, strategic new industry, etc. SDH is also a shareholder of six companies listed in the Stock Exchange (“**HKEX**”), Shanghai Stock Exchange (the “**SSE**”) and the Shenzhen Stock Exchange (the “**SZSE**”), including 四川成渝高速公路股份有限公司 (Sichuan Expressway Company Limited*) (SSE: 601107; HKEX: 0107), 四川路橋建設集團股份有限公司 (Sichuan Road & Bridge (Group) Company Limited*) (SSE: 600039), 新華文軒出版傳媒股份有限公司 (Xinhua Winshare Publishing and Media Company Limited*) (SSE: 601811; HKEX: 0811), 川化股份有限公司 (Sichuan Chemical Company Limited*) (SZSE: 000155), 成都矽寶科技股份有限公司 (Chengdu Guibao Science and Technology Company Limited*) (SZSE: 300019) and 成都市新築路橋機械股份有限公司 (Xinzhu Corporation*) (SZSE: 002480).

SDIH is a wholly-owned subsidiary of SDH and was incorporated in Hong Kong. SDIH focuses on foreign financing, foreign investment, acquisition and international open cooperation. Its business encompasses international flight charter, agricultural food processing, international capital operation, etc.

Sichuan Yizhan is a company incorporated in the PRC with limited liability and is owned by SDIH as to 99.5% and SDH as to 0.5%. SDH effectively owns all the equity interest in Sichuan Yizhan.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Information of the JV Company

Pursuant to the JV Agreement, a wholly-owned subsidiary of the Company to be designated by the Company and Sichuan Yizhan will hold equity interest in the JV Company as to 70% and 30 % respectively. The tentative scope of business of the JV Company include, *inter alia*, development of agroecology, plantation and sales of fruit and vegetable, processing and trading of agricultural food products, production and sales of canned foods and beverages, export of self-manufactured products and other warehousing and logistics services.

As stated in the Letter from the Board, the JV Company focuses on businesses such as fruit and vegetable grading, fruit and vegetable canning and processing, fruit and vegetable ice-cream, fruit and vegetable functional beverage, fruit and vegetable international trade. Under the investment project, it is contemplated to set up a fruit and vegetable processing centre, grading centre and trading centre in such base.

As disclosed in the Letter from the Board, the board of directors of the JV Company will comprise five members. Three directors, including the chairman of the board, shall be nominated by the Company and the remaining two directors shall be nominated by Sichuan Yizhan. The supervisor of the JV Company shall be appointed by Sichuan Yizhan.

2. Reasons for the formation of the JV Company

Business opportunities of agricultural products in Sichuan Province

As stated in the Letter from the Board, the JV Company is set up for the purpose of developing a base for processed agricultural and food products in Sichuan Province in the PRC which includes vegetable processing centre, grading centre, trading centre and storage and logistics centre in such base. Through the formation of JV Company, the Group can establish a production and distribution base in the western part of the PRC for further business expansion and development into the western part of the PRC with new types of fruit and other products which the Group did not offer in the past, such as subtropical and tropical processed fruit products.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

According to the announcement dated 22 January 2019 published on the website of Sichuan Provincial Bureau of Statistics, Sichuan's gross regional product (the "GRP") reached approximately RMB4,067.8 billion in 2018, representing an increase of approximately 8% compared to the previous year and approximately 1.4% higher than the national average of GRP growth rate. The total retail sales of consumable goods amounted to approximately RMB1,825.5 billion, representing an increase of approximately 11.1% compared to the previous year and approximately 2.1% higher than the national average in 2018. According to data from the website of the National Bureau of Statistics, the disposable income per capita in Sichuan Province was reported approximately RMB20,580 for 2017. The disposable income per capita in Sichuan Province increased from approximately RMB14,231 in 2013 to approximately RMB20,580 in 2017, representing a compound annual growth rate of approximately 9.7%. In addition, the fruit output (including fresh fruit and dried fruit) in Sichuan Province increased from approximately 840.1 thousand tons in 2013 to approximately 1,007.9 thousand tons in 2017, representing a compound annual growth rate of approximately 4.7%.

According to 《國務院關於印發中國(四川)自由貿易試驗區總體方案的通知》(the "Notice of the State Council on Issuing the Framework Plan for China (Sichuan) Pilot Free Zone"*) dated 15 March 2017, the government planned to establish a pilot free trade zone in Sichuan Province with approximately 120 square kilometers in order to further open the market and enhance the development of western part of the PRC and the Yangtze River Economic Belt. The government encourages businesses in the pilot free trade zone in Sichuan Province to collaborate with the countries along the Belt and Road Initiative to explore and develop the trade supply chain.

We are of the view that setting up a base for processed agricultural and food products in Sichuan Province will enjoy the economic benefit from (i) the increase of economic scales and the demand of fruit in Sichuan Province; and (ii) the establishment of pilot free trade zone in Sichuan Province will provide more business opportunities to expand the market to the countries along the Belt and Road Initiative.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Increase the production capacity of the Group

As stated in the Letter from the Board, the production facilities of the JV Company can increase the production capacity on new and existing processed fruit products such that it enables the Group to meet the future demand from customers while the production base can also facilitate the Group in its warehousing and logistics arrangement for its own brand products in the western part of the PRC. The Group also aims to introduce more fruit varieties from subtropical tropical climate zone regions and develop new fruit products. It is in line with the business strategy of the Group regarding the expansion of production facilities and enriching the varieties of processed fruits and market coverage in China. As stated in the 2018 Interim Report, the Group continued to advance and upgrade of its production facilities, in order to raise its production efficiency and capacity. As a result, we consider the increase of the Group's production capacity by establishing new production facilities through the JV Company is in line with the Group's business strategy.

Synergies of strategic partnership with SDH

According to an announcement dated 12 June 2015 published on the website of The People's Government of Sichuan Province, SDH is a wholly state-owned enterprise established by the People's Government of Sichuan Province and principally engaged in investment and asset management and agricultural is one of the investment areas where SDH focuses on. As stated in the Letter from the Board, the Group can leverage on the local experiences and business networks of Sichuan Yizhan, which is effectively owned by SDH, and its communication channel with the local governmental authority of Sichuan Yizhan to establish its production base and business presence there at a more efficient manner. As stated in the Letter from the Board, the Company has a professional management team and strong experience in and network for the procurement of raw materials, use of capital and arrangement of supply chain for processed agricultural and food products in the PRC and abroad. As stated in the 2018 Interim Report, the Group has consistently strived to explore suitable strategic merger and acquisition opportunities.

We consider that setting up of the JV Company by the Group with SDH is in line with the Group's business strategy to expand its business. In addition, based on the expertise and experiences of the Company and the background of the SDH, we consider the formation of JV Company is in the mutual interest of the Company and SDH which the respective parties could utilize their own resource to make contribution to develop an international food enterprise collaboratively as discussed in the Letter from the Board.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Having taken into account of the above, we are of the view that although the entering into the Joint Investment Agreement is not in the ordinary and usual course of business of the Company, the entering into the Joint Investment Agreement is fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Company and the Independent Shareholders as a whole.

3. The Joint Investment Agreement, the JV Agreement and the JV Company

As stated in the Letter from the Board, the Company and Sichuan Yizhan entered into the Joint Investment Agreement on 11 February 2019. Pursuant to the Joint Investment Agreement, the Company and Sichuan Yizhan agree to establish a company in the PRC for the purpose of developing a base for processed agricultural and food products in Sichuan Province in the PRC. The Company and Sichuan Yizhan plan to set up a fruit and vegetable processing centre, grading centre and trading centre in such base. After the fulfilment of the conditions precedent the Joint Investment Agreement, the Company and Sichuan Yizhan will enter into the JV Agreement, the draft of which has been included in the JV Agreement.

The principal terms in relation to the JV Agreement and the details of the JV Company have been set out in the Letter from the Board. Please refer to the sections headed “The JV Agreement” and “The JV Company” in the Letter from the Board.

As stated in the Letter from the Board, the terms of the joint venture arrangement was determined after arm’s length negotiation between the Company and Sichuan Yizhan, after taking into account, inter alia, the past experiences of the Group and the initial scale of production. It is expected that the registered capital to be contributed by the Group will be funded by internal resources of the Group.

As advised by the management of the Company, the total estimated cost for the JV Company put into production will be approximately RMB197.6 million and shall be allocated to the (i) land acquisition of approximately RMB35.0 million; (ii) purchase of production machineries of approximately RMB51.6 million; (iii) construction of production plant of approximately RMB109.0 million; and (iv) general working capital of approximately RMB2.0 million for establishing the production site and production. Based on the capital contribution by both the Company and Sichuan Yizhan of RMB200 million, we consider that the JV Company would have sufficient working capital for the development of its business.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Having taking into account that (i) the total registered capital of RMB200 million contributed by both the Company and Sichuan Yizhan is determined by the total estimated cost for the JV Company put into production; (ii) the Company and Sichuan Yizhan will be entitled to the profit of the JV Company in proportion to their respective shareholdings in the JV Company; (iii) the Company's entitlement to appoint three directors of the JV Company which will allow the Company has control over the decision making of the JV Company and also according to its shareholding in the JV Company; (iv) the restriction on transfer of equity interests in the JV Company would protect the Company's interest in the JV Company from unexpected introduction of new investor(s) in the JV Company and secure the commitment of Sichuan Yizhan in the JV Company, we are of the view that the terms of Joint Investment Agreement (including the JV Agreement) are on normal commercial terms and are fair and reasonable so far as the Company and the Independent Shareholders are concerned.

4. Possible financial effects of entering into the Joint Investment Agreement

Upon the formation of the JV Company, the Company would hold 70% of the issued share capital of the JV Company, and by virtue of the terms of the JV Agreement, the JV Company will be accounted for as an indirectly owned subsidiary of the Group and the financial results of the JV Company would be consolidated into the Group's financial statement.

As extracted from the 2018 Interim Report, the unaudited consolidated net asset value of the Group was approximately RMB700.7 million as at 31 June 2018. Upon the formation of the JV Company, there will be re-classification of cash and bank balances in total amount of RMB140 million to an interest in a subsidiary. Therefore, there will have no immediate material impact on the consolidated earnings of the Group as well as the net asset value attributable to equity shareholders of the Company upon the formation of JV Company.

It should be noted that the aforementioned analyses are for illustrative purpose only and does not purport to represent how the financial position of the Group will be upon the formation of the JV Company.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

RECOMMENDATION

We are of the view that although the entering into the Joint Investment Agreement is not in the ordinary and usual course of business of the Group, having considered (i) setting up a base for processed agricultural and food products in Sichuan Province will enjoy the economic benefit from the demand of fruit in Sichuan Province and the establishment of pilot free trade zone in Sichuan Province; (ii) the increase of the Group's production capacity by establishing new production facilities through the JV Company is in line with the Group's business strategy; (iii) the formation of JV Company is in the mutual interest of the Company and SDH which the respective parties could utilize their own resource to make contribution to develop an international food enterprise collaboratively; and (iv) the terms of the Joint Investment Agreement (including the JV Agreement) and the transactions contemplated thereunder are on normal commercial terms and fair and reasonable insofar as the Company and the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole. Accordingly, we would recommend (i) the Independent Board Committee to advise the Independent Shareholders; and (ii) the Independent Shareholders to vote in favour of the resolution(s) to be proposed at the EGM in this regard.

Yours faithfully,
For and on behalf of
TC Capital International Limited
Edward Wu
Chairman

Note: Mr. Edward Wu has been a responsible officer of Type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance since 2005. He has participated in and completed various advisory transactions in respect of connected transactions of listed companies in Hong Kong.

*The English translation of the Chinese name(s) in this letter, where indicated with * is included for information purpose only and should not be regarded as the official English name(s) of such Chinese names.*

1. DISCLOSURE OF INTERESTS OF DIRECTORS AND CHIEF EXECUTIVES IN EQUITY OR DEBT SECURITIES

As at the Latest Practicable Date, the interests and short positions of each Director, chief executive of the Company and their respective associates in the Shares, underlying shares and debentures of the Company or any of its associated corporation(s) (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she was taken or deemed to have under such provisions of the SFO); or were required pursuant to Section 352 of the SFO to be entered into the register referred to therein; or were required pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers to be notified to the Company and the Stock Exchange are set out below:

Long positions in Shares

Name of director/ chief executive	Capacity	Nature of interest	Number of Shares held	Approximate percentage of total issued share capital (note 1)
Yang Ziyuan	Interest in controlled corporation	Corporate interest	187,702,260 (note 2)	19.20%
Chu Yinghong	Interest of spouse	Personal interest	187,702,260 (note 3)	19.20%
Sun Xingyu	Interest in controlled corporation	Corporate interest	110,000,000 (note 4)	11.25%
Tsang Yuen Wai	Beneficial owner	Personal interest	192,000	0.02%

Notes:

- The percentage of shareholding is calculated on the basis of 977,462,000 Shares in issue as at the Latest Practicable Date.
- These shares are held by Wealthy Active Limited, which is wholly owned by Mr. Yang Ziyuan. Accordingly, Mr. Yang is deemed to be interested in 187,702,260 Shares under SFO.
- Ms. Chu Yinghong is the spouse of Mr. Yang and is deemed to be interested in the Shares which Mr. Yang is interested in.
- These shares are held by Wealthy Maker Limited, which is wholly owned by Mr. Sun Xingyu. Accordingly, Mr. Sun is deemed to be interested in 110,000,000 Shares under SFO.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors, chief executives of the Company and their respective associates had any interests or short positions in the Shares, underlying shares and debentures of the Company or any of its associated corporation(s) (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he was taken or deemed to have under such provisions of the SFO); or were required pursuant to Section 352 of the SFO to be entered into the register referred to therein; or were required pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers to be notified to the Company and the Stock Exchange.

2. SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, so far as was known to the Directors and chief executives of the Company, the following persons (other than a Director or chief executive of the Company) had an interest or a short position in the Shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who was, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group:

Name	Number of Shares held	Capacity	Approximate percentage of total issued share capital (note 1)
SDH	263,914,740	Interest in controlled corporation	27.00%
SDIH	263,914,740 (note 2)	Beneficial owner	27.00%
Wealthy Active Limited	187,702,260 (note 3)	Beneficial owner	19.20%
Chu Yinghong	187,702,260 (note 4)	Interest of spouse	19.20%
Yang Ziyuan	187,702,260 (note 3)	Interest in controlled corporation	19.20%
Wealthy Maker Limited	110,000,000 (note 5)	Beneficial owner	11.25%
Sun Xingyu	110,000,000 (note 5)	Interest in controlled corporation	11.25%

Notes:

1. The percentage of shareholding is calculated on the basis of 977,462,000 Shares in issue as at the Latest Practicable Date.
2. SDIH is wholly-owned by SDH.
3. Wealthy Active Limited is wholly owned by Mr. Yang Ziyuan.
4. Ms. Chu Yinghong is the spouse of Mr. Yang and is deemed to be interested in the Shares which Mr. Yang is interested in.
5. Wealthy Maker Limited is wholly owned by Mr. Sun Xingyu.

Save as disclosed herein, as at the Latest Practicable Date, there was no other person so far as was known to the Directors and chief executives of the Company (other than a Director or chief executive of the Company) had an interest or a short position in the Shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who was, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group.

3. DIRECTORS' SERVICES CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with any member of the Group which was not expiring or determinable within one year without payment of compensation (other than statutory compensation).

4. OTHER INTERESTS OF THE DIRECTORS

As at the Latest Practicable Date:

- (a) none of the Directors had any direct or indirect interest in any assets which have, since 31 December 2017, being the date to which the latest published audited consolidated financial statements of the Group were made up, been acquired or disposed of by, or leased to, or were proposed to be acquired or disposed of by, or leased to any member of the Group; and
- (b) none of the Directors was materially interested in any contract or arrangement entered into by any member of the Group which contract or arrangement was subsisting as at the date of this circular and which was significant in relation to the business of the Group as a whole.

5. EXPERT'S CONSENT AND QUALIFICATION

The following is the qualification of the expert which has given opinion or advice which are contained in this circular.

Name	Qualification
TC Capital International Limited	A corporation licensed to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO

The letter from the above expert is given as of the date of this circular for incorporation in this circular.

The above expert has given and has not withdrawn its written consent to the issue of this circular with the inclusion therein of its reports, letters and opinions and references to its name in the form and context in which it appears.

As at the Latest Practicable Date, the above expert did not have any direct or indirect shareholding in any member of the Group, or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group or any interests, directly or indirectly, in any assets which have been, since 31 December 2017, being the date to which the latest published audited accounts of the Company were made up, acquired, disposed of or leased to any member of the Group, or were proposed to be acquired, disposed of or leased to any member of the Group.

6. COMPETING INTERESTS

As at the Latest Practicable Date, none of the Directors or their respective close associates was interested directly or indirectly in any business, apart from their interest in the Company, which competes or is likely to compete, either directly or indirectly, with the business of the Group.

7. WORKING CAPITAL

The Directors, after due and careful enquiry, are of the opinion that, after taking into consideration the financial resources presently available to the Group, including banking and other facilities and other internal resources, the Group has sufficient working capital for at least the next twelve months from the Latest Practicable Date.

8. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2017, being the date to which the latest published audited consolidated financial statements of the Group were made up.

9. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection during normal business hours (Saturdays and public holidays excepted) at Unit 605, 6/F, Beautiful Group Tower, 74-77 Connaught Road Central, Central, Hong Kong from the date of this circular up to and including the date which is 14 days from the date of this circular:

- (a) the Joint Investment Agreement (together with the JV Agreement);
- (b) the letter from the Independent Board Committee, the text of which is set out on page 14 of this circular;
- (c) the letter from the Independent Financial Adviser, the text of which is set out on pages 15 to 27 of this circular;
- (d) the written consents from the experts referred to in paragraph headed “Experts’ consents and qualifications” in this appendix;
- (e) the memorandum and articles of association of the Company;
- (f) the announcements of the Company dated 8 January 2019 and 11 February 2019;
- (g) this circular.

10. MISCELLANEOUS

The English text of this circular will prevail over the Chinese text in the case of any inconsistency.

All resolutions will be put to vote at the EGM by poll pursuant to article 57 of the Articles of Association.

On a poll, every Shareholder present in person or by proxy or, in the case of a Shareholder being a corporation, by its duly authorised representatives, shall have one vote for every Share of which he/she is the holder.

A Shareholder present in person or by proxy or by authorised representatives who is entitled to more than one vote does not have to use all his/her votes (i.e., he/she can cast less votes than the number of Shares he/she holds or represents) or to cast all his/her votes the same way (i.e., he/she can cast some of his/her votes in favour of the resolution and some of his/her votes against the resolution).

The poll voting slip will be distributed to Shareholders or their proxies or authorized representatives upon registration of attendance at the EGM. Shareholders who want to cast all their votes entitled may mark a “✓” in either “FOR” or “AGAINST” box corresponding to the resolution to indicate whether he/she supports that resolution. For Shareholders who do not want to use all their votes or want to split votes in casting a particular resolution shall indicate the number of votes cast on a particular resolution in the “FOR” or “AGAINST” box, where appropriate, but the total votes cast must not exceed his/her entitled votes, or otherwise, the voting slip will be spoiled and the Shareholder’s vote will not be counted.

After closing the poll, the Company’s share registrar, Tricor Investor Services Limited, will act as scrutineer and count the votes and the poll results will be published after the EGM.

NOTICE OF EXTRAORDINARY GENERAL MEETING

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)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the extraordinary general meeting of Tianyun International Holdings Limited (“**Company**”) will be held at 2/F, 35-45B Bonham Strand, Sheung Wan, Hong Kong on Tuesday, 2 April 2019 at 2:30 p.m. for the purposes of considering and, if thought fit, passing, with or without modifications, the following resolutions as ordinary resolutions:

ORDINARY RESOLUTIONS

1. **THAT** the Joint Investment Agreement (as defined in the circular to shareholders of the Company dated 18 March 2019 (the “**Circular**”) and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified and any one director of the Company (the “**Director**”) be and is hereby authorized to take all such steps to implement the same and to execute all documents or deeds as they may consider necessary or appropriate in relation thereto, including but not limited to make any changes, modifications, amendments, waivers, variations or extensions of such terms and conditions of the Joint Investment Agreement as he or she may think fit;
2. **THAT** the JV Agreement (as defined in the Circular) and the transactions contemplated thereunder be and are hereby approved and confirmed and any one Director be and is hereby authorized to take all such steps to implement the same and to execute all documents or deeds as they may consider necessary or appropriate in relation thereto, including but not limited to make any changes, modifications, amendments, waivers, variations or extensions of such terms and conditions of the JV Agreement as he or she may think fit;

NOTICE OF EXTRAORDINARY GENERAL MEETING

3. **THAT** the Director(s) be and are hereby authorised to do all such further acts and things and execute such further documents and take all steps which in their opinion may be necessary, desirable or expedient to implement and/or give effect to the Joint Investment Agreement, the JV Agreement and all other transactions contemplated thereunder with any changes as such Director(s) may consider necessary, desirable or expedient.

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

Hong Kong, 18 March 2019

Principal place of business in Hong Kong:
Unit 605, 6th Floor, Beautiful Group Tower
74-77 Connaught Road Central
Central
Hong Kong

Notes:

1. A member entitled to attend and vote at the above meeting (or at any adjournment thereof) is entitled to appoint another person as his proxy to attend and vote in his stead. A proxy need not be a member of the Company.
2. Where there are joint registered holders of any shares, any one of such persons may vote at the above meeting (or at any adjournment thereof), either personally or by proxy, in respect of such shares as if he were solely entitled thereto; but if more than one of such joint holders be present at the above meeting personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such share shall alone be entitled to vote in respect thereof.
3. In order to be valid, the form of proxy, together with the power of attorney or other authority (if any) under which it is signed or a certified copy of that power of attorney or authority (such certification to be made by either a notary public or a solicitor qualified to practise in Hong Kong), must be deposited with the branch share registrar and transfer office of the Company in Hong Kong, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, not less than 48 hours before the time fixed for holding the above meeting or any adjournment thereof.
4. Completion and return of the form of proxy will not preclude a member from attending and voting in person at the EGM or any adjourned meeting (as the case may be) should he so wish.
5. The translation into Chinese language of this notice is for reference only. In case of any inconsistency, the English version shall prevail.

As at the date of this notice, the Board of the Company comprises (i) Mr. Yang Ziyuan, Mr. Sun Xingyu and Mr. Wang Hu as the executive Directors; (ii) Ms. Chu Yinghong, Mr. Wong Yim Pan and Mr. Liu Zhumeng 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.