Tenfu (Cayman) Holdings Company Limited
天福（開曼）控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 6868)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2015

Financial Highlights

- Revenue for the six months ended 30 June 2015 was RMB786.3 million, decreased by 11.0% as compared with RMB883.2 million for the corresponding period in 2014;
- Gross profit margin for the six months ended 30 June 2015 increased from 61.9% for the six months ended 30 June 2014 to 62.2%;
- Profit for the six months ended 30 June 2015 decreased from RMB139.9 million for the corresponding period in 2014 to RMB99.9 million;
- Basic earnings per share for the six months ended 30 June 2015 amounted to RMB0.08; and
- The Board resolved to pay an interim dividend of HKD0.05 (equivalent to RMB0.041) per share.

The board of directors (the "**Board**") of Tenfu (Cayman) Holdings Company Limited (the "**Company**" or "**Tenfu**" and together with its subsidiaries, the "**Group**") is pleased to announce the unaudited consolidated interim results of the Group for the six months ended 30 June 2015, together with the comparative figures for the corresponding period in the year 2014 as below.

FINANCIAL INFORMATION

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	Six months ended 30 June **2015** Unaudited *RMB'000*	2014 Unaudited *RMB'000*
Revenue	*5*	**786,276**	883,236
Cost of sales		**(297,572)**	(336,259)
Gross profit		**488,704**	546,977
Distribution costs		**(253,125)**	(260,578)
Administrative expenses		**(102,837)**	(105,856)
Other income	*6*	**5,317**	6,284
Other (losses)/gains – net	*7*	**(329)**	1,199
Operating profit		**137,730**	188,026
Finance income		**14,200**	8,245
Finance costs		**(7,577)**	(3,252)
Finance income – net		**6,623**	4,993
Share of profits less losses of joint ventures		**676**	435
Profit before income tax		**145,029**	193,454
Income tax expense	*8*	**(45,087)**	(53,582)
Profit for the period, all attributable to the owners of the Company		**99,942**	139,872
Other comprehensive income for the period		**–**	–
Total comprehensive income for the period, all attributable to the owners of the Company		**99,942**	139,872
Earnings per share for profit attributable to the owners of the Company			
– Basic earnings per share	*9*	**RMB0.08**	RMB0.11
– Diluted earnings per share	*9*	**RMB0.08**	RMB0.11

	Note	Six months ended 30 June **2015** Unaudited *RMB'000*	2014 Unaudited *RMB'000*
Dividends	*10*	**50,316**	68,320

CONDENSED CONSOLIDATED BALANCE SHEET

	Note	As at 30 June 2015 Unaudited *RMB'000*	As at 31 December 2014 Audited *RMB'000*
ASSETS			
Non-current assets			
Land use rights		**263,801**	240,885
Investment properties		**4,026**	4,169
Property, plant and equipment		**648,024**	636,674
Intangible assets		**5,136**	5,290
Investments in joint ventures		**5,650**	6,469
Deferred income tax assets		**31,917**	41,165
Prepayments – non-current portion	*11(b)*	**36,003**	79,094
Long-term time deposits		**337,750**	135,000
		1,332,307	1,148,746
Current assets			
Inventories		**437,062**	422,758
Trade and other receivables	*11(a)*	**213,687**	240,662
Prepayments	*11(b)*	**85,428**	94,853
Restricted cash		**53,626**	98,810
Time deposits		**337,719**	606,853
Cash and cash equivalents		**404,919**	231,925
		1,532,441	1,695,861
Total assets		**2,864,748**	2,844,607

	Note	As at 30 June 2015 Unaudited *RMB'000*	As at 31 December 2014 Audited *RMB'000*
EQUITY			
Capital and reserves attributable to the owners of the Company			
Share capital: normal value	*12*	**100,816**	100,816
Share premium	*12*	**142,527**	277,520
Other reserves	*13*	**463,659**	463,659
Retained earnings		**1,221,732**	1,121,790
Total equity		**1,928,734**	1,963,785
LIABILITIES			
Non-current liabilities			
Borrowings	*16*	**122,272**	122,380
Deferred income tax liabilities		**21,942**	20,445
		144,214	142,825
Current liabilities			
Trade and other payables	*15*	**206,961**	211,453
Dividends payable		**1,386**	–
Current income tax liabilities		**23,714**	33,056
Borrowings	*16*	**538,867**	477,345
Other liabilities	*17*	**20,872**	16,143
		791,800	737,997
Total liabilities		**936,014**	880,822
Total equity and liabilities		**2,864,748**	2,844,607
Net current assets		**740,641**	957,864
Total assets less current liabilities		**2,072,948**	2,106,610

NOTES TO THE FINANCIAL INFORMATION

1 GENERAL INFORMATION

The Group is engaged in the classification, packaging and sales of tea leaves, manufacture and sales of tea snacks, and sales of tea ware, catering management, beverage production and sales of pre-packaged food. The Group has manufacturing plants in Fujian Province, Sichuan Province and Zhejiang Province, the People's Republic of China (the "PRC") and sells mainly to customers located in the PRC.

The Company was incorporated in the Cayman Islands on 22 April 2010 as an exempted company with limited liability under the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.

The Company's ordinary shares were listed on the main board of The Stock Exchange of Hong Kong Limited on 26 September 2011 ("the Listing").

This condensed consolidated interim financial information is presented in Renminbi ("RMB"), unless otherwise stated. This condensed consolidated interim financial information was approved for issue by the Board on 20 August 2015.

This condensed consolidated interim financial information has not been audited.

Key events

In March, April and May 2015, the Group renegotiated its existing loan facility to provide funding for the working capital and other general corporate purpose.

2 BASIS OF PREPARATION

This condensed consolidated interim financial information for the six months ended 30 June 2015 has been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 'Interim Financial Reporting' issued by the Hong Kong Institute of Certified Public Accountants. The condensed consolidated interim financial information should be read in conjunction with the annual financial statements of the Company for the year ended 31 December 2014, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants.

3 ACCOUNTING POLICIES

Except as described below, the accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2014, as described in those annual financial statements.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

The adoption of the new amendments of HKFRSs that are effective for the first time for this interim period do not have any material impact on the Group.

The following new standards and amendments of HKFRSs have been issued and are relevant to the Group's operations but they are not yet effective for the financial year beginning on 1 January 2015 and have not been early adopted by the Group:

		Effective for annual periods beginning on or after
Annual improvements 2014	HKFRS 5 'Non-current Assets Held for Sale and Discontinued Operations' HKFRS 7 'Financial Instruments: Disclosure' HKAS 19 'Employee Benefits' HKAS 34 'Interim Financial Reporting'	1 July 2016
HKFRS 10 and HKAS 28 (Amendments)	Regarding sale or contribution of assets between an investor and its associate or joint venture	1 January 2016
HKAS 27 (Amendments)	Regarding equity method in separate financial statements	1 January 2016
HKFRS 15	Revenue from Contracts with Customers	1 January 2017
HKFRS 9	Financial Instruments	1 January 2018

The Group will apply the new standards and amendments of HKFRSs described above when they become effective. The Group is in the process of making an assessment on the impact of these new standards and amendments of HKFRSs and does not anticipate that the adoption when they become effective will result in any material impact on the Group's results of operations and financial position.

4 ESTIMATES

The preparation of condensed consolidated interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing this condensed consolidated interim financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual financial statements for the year ended 31 December 2014.

5 REVENUE AND SEGMENT INFORMATION

The chief operating decision-maker has been identified as the Board. The Board reviews the Group's internal reporting in order to assess performance and allocate resources. The Board has determined the operating segments based on these reports.

The Board considers the business from a product perspective. The Board assesses the performance of the operating segments based on a measure of segment profit or loss.

The reportable operating segments derive their revenue primarily from the classification, packaging and sales of tea leaves, manufacture and sales of tea snacks, and sales of tea ware.

Others include revenue from restaurant, hotel, tourist, management services and catering management, beverage production and sales of pre-packaged food. These are not included within the reportable operating segments, as they are not presented separately in the reports provided to the Board.

No geographical segment information is presented as almost all the sales and operating profits of the Group are derived within the PRC and almost all the operating assets of the Group are located in the PRC, which is considered as one geographic location with similar risks and returns.

The Board assesses the performance of the operating segments based on a measure of adjusted operating profit or loss which in certain respects, as explained in the table below, is measured differently from operating profit or loss in the condensed consolidated interim financial information. The common administrative expenses, other gains or losses, other income, financing (including finance costs and interest income), share of results of joint ventures and income taxes are managed on a group basis and are not allocated to operating segments.

Segment assets consist primarily of land use rights, property, plant and equipment, intangible assets, inventories, trade and other receivables, prepayments, as well as time deposits, cash and cash equivalents and restricted cash held by subsidiaries in mainland China. They exclude investment properties, deferred income tax assets and prepaid tax, as well as time deposits, cash and cash equivalents and restricted cash held by the Company and overseas subsidiaries.

Segment liabilities comprise operating liabilities. They exclude borrowings, deferred income tax liabilities, current income tax liabilities, dividends payable and other payables due to related parties and directors' and senior management's emoluments payable.

Revenue

Turnover of the Group consists of the following revenues for the six months ended 30 June 2015 and 2014. All revenues are derived from external customers.

	Six months ended 30 June	
	2015	2014
	Unaudited	Unaudited
	RMB'000	*RMB'000*
Sales of tea leaves	**540,911**	637,292
Sales of tea snacks	**107,690**	100,803
Sales of tea ware	**106,445**	116,849
Others	**31,230**	28,292
	786,276	883,236

The segment results for the six months ended 30 June 2015:

			Unaudited		
	Tea leaves	**Tea snacks**	**Tea ware**	**All other segments**	**Total**
	RMB'000	***RMB'000***	***RMB'000***	***RMB'000***	***RMB'000***
Segment revenue	**540,911**	**107,690**	**106,445**	**31,230**	**786,276**
Segment results	**114,042**	**8,336**	**17,410**	**4,262**	**144,050**
Unallocated administrative expenses					**(11,308)**
Other income					**5,317**
Other losses – net					**(329)**
Finance income – net					**6,623**
Share of profits less losses of joint ventures					**676**
Profit before income tax					**145,029**
Income tax expense					**(45,087)**
Profit for the period					**99,942**

Other segment items included in the condensed consolidated statement of comprehensive income for the six months ended 30 June 2015:

	Unaudited					
	Tea leaves *RMB'000*	**Tea snacks** *RMB'000*	**Tea ware** *RMB'000*	**All other segments** *RMB'000*	**Unallocated** *RMB'000*	**Total** *RMB'000*
Depreciation of property, plant and equipment	**20,976**	**4,834**	**2,235**	**1,061**	**5,235**	**34,341**
Depreciation of investment properties	**–**	**–**	**–**	**–**	**143**	**143**
Amortisation of land use rights	**3,385**	**663**	**562**	**483**	**–**	**5,093**
Amortisation of intangible assets	**300**	**56**	**45**	**12**	**211**	**624**
Losses on disposal of property, plant and equipment, net	**230**	**37**	**24**	**–**	**–**	**291**

The segment assets and liabilities as at 30 June 2015 are as follows:

	Unaudited					
	Tea leaves *RMB'000*	**Tea snacks** *RMB'000*	**Tea ware** *RMB'000*	**All other segments** *RMB'000*	**Unallocated** *RMB'000*	**Total** *RMB'000*
Segment assets	**1,747,906**	**361,355**	**341,181**	**88,560**	**325,746**	**2,864,748**
Segment liabilities	**196,006**	**19,899**	**28,313**	**6,678**	**685,118**	**936,014**

The segment results for the six months ended 30 June 2014:

	Unaudited				
	Tea leaves *RMB'000*	Tea snacks *RMB'000*	Tea ware *RMB'000*	All other segments *RMB'000*	Total *RMB'000*
Segment revenue	637,292	100,803	116,849	28,292	883,236
Segment results	158,939	9,692	20,332	2,423	191,386
Unallocated administrative expenses					(10,843)
Other income					6,284
Other gains – net					1,199
Finance income – net					4,993
Share of profits of a joint venture					435
Profit before income tax					193,454
Income tax expense					(53,582)
Profit for the period					139,872

Other segment items included in the condensed consolidated statement of comprehensive income for the six months ended 30 June 2014:

	Unaudited					
	Tea leaves *RMB'000*	Tea snacks *RMB'000*	Tea ware *RMB'000*	All other segments *RMB'000*	Unallocated *RMB'000*	Total *RMB'000*
Depreciation of property, plant and equipment	20,834	4,289	2,221	986	5,124	33,454
Depreciation of investment properties	–	–	–	–	143	143
Amortisation of land use rights	3,005	510	552	23	–	4,090
Amortisation of intangible assets	222	43	33	12	205	515
Losses on disposal of property, plant and equipment, net	21	4	4	–	–	29

The segment assets and liabilities as at 30 June 2014 are as follows:

	Unaudited					
	Tea leaves *RMB'000*	Tea snacks *RMB'000*	Tea ware *RMB'000*	All other segments *RMB'000*	Unallocated *RMB'000*	Total *RMB'000*
Segment assets	1,514,567	267,513	306,128	63,844	485,344	2,637,396
Segment liabilities	146,288	11,966	20,316	5,624	549,511	733,705

6 OTHER INCOME

	Six months ended 30 June	
	2015	2014
	Unaudited	Unaudited
	RMB'000	*RMB'000*
Government grants	**3,116**	4,113
Income from investment properties	**785**	645
Others	**1,416**	1,526
	5,317	6,284

7 OTHER (LOSSES)/GAINS – NET

	Six months ended 30 June	
	2015	2014
	Unaudited	Unaudited
	RMB'000	*RMB'000*
Losses on disposal of property, plant and equipment, net	**(291)**	(29)
Net foreign exchange (losses)/gains	**(38)**	1,228
	(329)	1,199

8 INCOME TAX EXPENSE

	Six months ended 30 June	
	2015	2014
	Unaudited	Unaudited
	RMB'000	*RMB'000*
Current income tax		
– Hong Kong profits tax	**–**	2
– PRC corporate income tax	**32,342**	46,510
Deferred income tax	**12,745**	7,070
Income tax expense	**45,087**	53,582

(i) Cayman Islands profits tax

The Company is not subject to any taxation in the Cayman Islands.

(ii) Hong Kong profits tax

For the six months ended 30 June 2015 and 2014, Hong Kong profits tax has been provided for subsidiaries incorporated in Hong Kong at the rate of 16.5% on the estimated assessable profit for the period.

(iii) PRC corporate income tax ("CIT")

For the six months ended 30 June 2015 and 2014, CIT is provided at the rate of 25% on the assessable income of entities within the Group incorporated in mainland China.

9 EARNINGS PER SHARE

(a) Basic

Basic earnings per share is calculated by dividing the profit attributable to the owners of the Company by the weighted average number of ordinary shares in issue during the period.

	Six months ended 30 June	
	2015	2014
	Unaudited	Unaudited
Profit attributable to the owners of the Company (RMB'000)	**99,942**	139,872
Weighted average number of ordinary shares in issue	**1,227,207,460**	1,227,207,460
Basic earnings per share (RMB)	**0.08**	0.11

(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. The Company's potentially dilutive ordinary shares comprise share options.

Performance-related employee share options are treated as contingently issuable shares. Contingently issuable shares are considered outstanding and where applicable, included in the calculation of diluted earnings per share as if the conditions of the contingency are deemed to have been met, based on the information available, at the end of reporting period.

As at 30 June 2015 and 2014, none of the performance conditions of the share options were met, and thus the potentially dilutive ordinary shares are not included in the calculation of diluted earnings per share. As a result, diluted earnings per share is the same as basic earnings per share.

10 DIVIDENDS

	Six months ended 30 June	
	2015	2014
	Unaudited	Unaudited
	RMB'000	*RMB'000*
Interim dividend declared	**50,316**	68,320

An interim dividend for 2015 of Hong Kong Dollar ("HKD") 5 cents (equivalent to RMB4.1 cents) (2014: HKD7 cents (equivalent to RMB5.6 cents)) per share was declared by the Board on 20 August 2015 using the share premium account. This interim dividend, amounting to HKD61,360,000 (equivalent to RMB50,316,000) (2014: HKD85,905,000 (equivalent to RMB68,320,000)), has not been recognised as liability in this condensed consolidated interim financial information. It will be reflected as an appropriation of share premium for the year ending 31 December 2015. Similarly, the interim dividend for 2014 declared by the Board on 19 August 2014 was reflected as an appropriation of share premium for the year ended 31 December 2014 after 30 June 2014.

The final dividend for 2014 of HKD171,809,000 (equivalent to RMB134,993,000) and for 2013 of HKD159,537,000 (equivalent to RMB126,864,000) had been reflected as appropriation of share premium for the six months ended 30 June 2015 and 2014 respectively after obtaining the approval from the shareholders at the Company's annual general meeting held on 13 May 2015 and 15 May 2014 respectively.

The dividends paid in the six months ended 30 June 2015 were RMB133,607,000 (2014: RMB126,168,000).

11 TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

(a) Trade and other receivables

	As at	As at
	30 June	31 December
	2015	2014
	Unaudited	Audited
	RMB'000	*RMB'000*
Trade receivables due from third parties	**199,593**	219,439
Interest receivable on time deposits	**8,198**	12,269
Others	**5,896**	8,954
	14,094	21,223
Total of trade and other receivables	**213,687**	240,662

Most of the Group's sales are settled in cash or in bills by its customers. Credit sales are made to selected customers with good credit history with a credit term of 140 days.

The ageing analysis of the trade receivables based on invoice date is as follows:

	As at 30 June 2015 Unaudited *RMB'000*	As at 31 December 2014 Audited *RMB'000*
Up to 140 days	**197,704**	217,528
141 days to 6 months	**1,314**	1,336
6 months to 1 year	**575**	570
1 year to 2 years	**–**	5
	199,593	219,439

(b) Prepayments

	As at 30 June 2015 Unaudited *RMB'000*	As at 31 December 2014 Audited *RMB'000*
Non-current		
Prepayments for property, plant and equipment	**36,003**	79,094
Current		
Prepayments for lease of property and lease deposits	**63,608**	61,834
Prepayments for raw materials and packaging materials	**6,440**	6,854
Prepaid taxes	**13,160**	19,415
Prepayments for advertisement	**1,875**	6,750
Prepayments to a related party	**345**	–
	85,428	94,853
	121,431	173,947

12 SHARE CAPITAL AND PREMIUM

	Number of authorised shares (thousands)	Number of issued shares (thousands)	Unaudited Ordinary shares (nominal value) RMB'000	Share premium RMB'000	Total RMB'000
At 1 January 2015	**8,000,000**	**1,227,207**	**100,816**	**277,520**	**378,336**
Dividends (i)	**–**	**–**	**–**	**(134,993)**	**(134,993)**
At 30 June 2015	**8,000,000**	**1,227,207**	**100,816**	**142,527**	**243,343**
Representing:					
– Interim dividend declared (i)				**50,316**	
– Others				**92,211**	
At 30 June 2015				**142,527**	
At 1 January 2014	8,000,000	1,227,207	100,816	472,704	573,520
Dividends (i)	–	–	–	(126,864)	(126,864)
At 30 June 2014	8,000,000	1,227,207	100,816	345,840	446,656
Representing:					
– Interim dividend declared (i)				68,320	
– Others				277,520	
At 30 June 2014				345,840	

(i) Pursuant to Section 34 of the Cayman Companies Law (2003 Revision) and the Articles of Association of the Company, share premium of the Company is available for distribution to shareholders subject to a solvency test on the Company and the provision of the Articles of Association of the Company. Details of the interim dividend declared are set out in Note 10.

13 OTHER RESERVES

	Unaudited				
	Merger reserve RMB'000	Capital reserve RMB'000	Statutory reserves RMB'000	Share-based payment reserve RMB'000	Total RMB'000
At 1 January 2015 and 30 June 2015	**278,811**	**231**	**184,617**	**–**	**463,659**
At 1 January 2014	278,811	231	156,441	1,586	437,069
Share option scheme – value of services from directors, employees and independent third party distributors *(Note 14)*	–	–	–	326	326
At 30 June 2014	278,811	231	156,441	1,912	437,395

14 SHARE-BASED PAYMENTS

On 17 December 2010, the Company adopted a share option scheme whereby the Board can grant options for the subscription of the Company's shares to the directors, employees, managerial staff and senior employees and those other persons that the Board considers that they will contribute or have contributed to the Group.

Share Option Scheme

Pursuant to the share option scheme of the Company in relation to the grant of options under the Share Option Scheme, the Company granted options to subscribe for an aggregate of 7,046,000 shares, 1,307,000 shares and 8,353,000 shares on 6 January 2012, 12 January 2012 and 19 March 2013 respectively to certain directors, employees and independent third party distributors. The options have a contractual option term of 10 years. The Group has no legal or constructive obligation to repurchase or settle the options in cash. These options vest in tranches over a period of up to 3 years.

The options are to be vested during the following periods, subject to the Group achieving its target growth in revenue and net profit and the employees and independent third party distributors meeting their performance targets as well (the "Performance Conditions"). The employees should remain in the Group's employ and the independent third party distributors should keep their businesses with the Group until those Performance Conditions are satisfied.

(i) up to 35% on or after 5 January 2013, 11 January 2013, 18 March 2014 respectively;

(ii) up to 35% on or after 5 January 2014, 11 January 2014 and 18 March 2015 respectively;

(iii) all the remaining options on or after 5 January 2015, 11 January 2015 and 18 March 2016 respectively.

Movements in the number of share options outstanding and their related weighted average exercise prices are as follows:

	Average exercise price in HKD per share	Number of options *(thousands)*
As at 1 January 2015	**4.86**	**16,395**
Lapsed *(Note (a))*	**5.44**	**(8,133)**
Forfeited *(Note (b))*	**5.28**	**(35)**
As at 30 June 2015	**4.28**	**8,227**
As at 1 January 2014	4.86	16,502
Forfeited *(Note (b))*	4.28	(20)
As at 30 June 2014	4.86	16,482

(a) During the six months ended 30 June 2015, the share options granted on 6 January 2012 and 12 January 2012 were lapsed due to the expiry of the 3 years vesting period.

(b) Options were forfeited during the six months ended 30 June 2015 and 2014 due to employees' resignation.

Share options outstanding at 30 June 2015 have the following expiry dates and exercise prices:

Expiry date	**Exercise price in HKD per share**	**Number of options *(thousands)***
18 March 2023	4.28	8,227

The total fair value, which was determined by using Binomial option price model, of the options granted on 19 March 2013 under the Share Option Scheme as at the grant date are approximately HKD16,249,000 (equivalent to RMB13,139,000). The following assumptions were adopted to calculate the fair value of the options on the grant date:

	Granted on 19 March 2013
Exercise price	HKD4.28
Expected volatility	56.79%
Expected dividend yield	3.00%
Risk free rate	1.20%

The expected volatility is determined by calculating the historical volatility of the price of listed companies with businesses similar to the Group. The expected dividend yield is determined by the directors based on the expected future performance and dividend policy of the Group.

During the six months ended 30 June 2015, no share option expense was charged to the condensed consolidated statement of comprehensive income.

During the six months ended 30 June 2014, the share option expense charged to the condensed consolidated statement of comprehensive income was approximately HKD411,000 (equivalent to RMB326,000) including an amount of HKD364,000 (equivalent to RMB289,000) for the directors and employees of the Group.

15 TRADE AND OTHER PAYABLES

	As at 30 June 2015 Unaudited *RMB'000*	As at 31 December 2014 Audited *RMB'000*
Trade payables – due to third parties	**73,037**	84,039
Trade payables – due to related parties	**45,131**	8,414
Other payables for property, plant and equipment	**2,666**	3,424
Other taxes payable	**5,519**	10,773
Employee benefit payables	**17,029**	23,926
Advances from customers	**33,857**	17,648
Amount due to a related party	**–**	8,093
Other payables for assets acquisition (i)	**–**	23,450
Others	**29,722**	31,686
	206,961	211,453

(i) Pursuant to an assets acquisition agreement entered into between Fujian Tian Fu Sales Co., Ltd. ("Fujian Tenfu"), an indirectly wholly-owned subsidiary of the Company, and Tenfu Group (Samoa) Holdings Co., Ltd. ("SAMOA"), a related party, dated 13 October 2014. SAMOA transferred its entire equity interests in Xiamen Tenfu Trading Co., Ltd. ("Xiamen Tenfu") to Fujian Tenfu at a consideration of RMB23,450,000. Xiamen Tenfu's only major assets are two retail properties that are leased to the Group. Accordingly the acquisition was regarded as an acquisition of assets. The transaction was completed on 26 December 2014 which is regarded as the assets acquisition date. The value of the acquired land use rights and property, plant and equipment amounted to RMB14,632,000, and RMB11,995,000, respectively.

The ageing analysis of trade payables (including amounts due to related parties of trading in nature) based on invoice date is as follows:

	As at 30 June 2015 Unaudited *RMB'000*	As at 31 December 2014 Audited *RMB'000*
Up to 6 months	**109,426**	84,906
6 months to 1 year	**7,253**	5,569
1 year to 2 years	**1,489**	1,974
Over 2 years	**–**	4
	118,168	92,453

16 BORROWINGS

	As at 30 June 2015 Unaudited *RMB'000*	As at 31 December 2014 Audited *RMB'000*
Long-term bank borrowings		
– Unsecured	**122,272**	122,380
Short-term bank borrowings		
– Unsecured (i)	**487,600**	360,149
– Secured (ii)	**51,267**	117,196
	538,867	477,345
Total borrowings	**661,139**	599,725

(i) As at 30 June 2015, short-term bank borrowings of RMB487,600,000 (2014: RMB98,284,000) are guaranteed by Mr. Lee Rie-Ho, Mr. Lee Chia Ling and Mr. Lee Kuo-Lin, all of them are directors of the Company, either separately or jointly.

(ii) As at 30 June 2015, short-term bank borrowings of RMB51,267,000 are secured by the pledge of bank deposits of RMB53,626,000 of the Group.

As at 31 December 2014, short-term bank borrowings of RMB97,196,000 are secured by the pledge of bank deposits of RMB98,810,000 of the Group, and short-term bank borrowings of RMB20,000,000 are secured by the pledge of the land use rights and property, plant and equipment of the Group.

17 OTHER LIABILITIES

	As at 30 June 2015 Unaudited *RMB'000*	As at 31 December 2014 Audited *RMB'000*
Deferred revenue: customer loyalty programme	**20,872**	16,143

The Group operates a loyalty programme where customers accumulate points for purchases made which entitle them to redeem products of the Group in the future. Accordingly certain portion of the revenue from sale transaction is required to be deferred. Revenue from the reward points is recognised when the points are redeemed. Unused reward points will expire after one year.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND OUTLOOK

In the first half of 2015, the Group achieved revenue of RMB786.3 million, down 11.0% from the corresponding period in 2014, and recorded profit for the period of RMB99.9 million, down 28.5% from the corresponding period in 2014. The decrease in the Group's revenue for the period was attributable mainly to the macro economic slowdown in China.

In the first half of 2015, owing to the macroeconomic depression and austerity measures of the PRC government, the consumer market in the PRC continued its downward trend. Under this environment, the Group is still maintaining its market position, pursuing further development and adjusting its marketing strategies to protect and expand its market share.

1. **Leading brand position.** Ranking number one among 100 enterprises in relation to comprehensive strength in tea industry in the PRC in 2013, the "Tenfu" (天福) brand has one of the highest levels of brand awareness amongst tea product consumers in the PRC. The Group is of the view that the sales structure of its tea products in the first half of 2015 reflects the recent trend of Chinese consumers, which has been switching from unbranded to branded traditional Chinese tea leaves, as well as a more reasonable consumption practice. Consumers tend to purchase middle-and lower-ended but functional products instead of higher-ended products. With its high level of brand awareness and more than 20 years of presence in the market, as well as its diversified product range, the Group believes that it is in a good position to continue to occupy a large market share of branded traditional Chinese tea leaves and wait for the market re-bounce.

2. **Optimizing sales network.** The Group has continued adjusting retail outlets and retail points with a view to optimizing the reach of its sales network for its tea products in the PRC. As at 30 June 2015, the Group had a total of 1,371 self-owned and third-party owned retail outlets and retail points, down a net of 3 retail stores and retail points from a total of 1,374 as at 31 December 2014.

3. **Adjustment in each tea product category and development diversified product lines.** In the first half of 2015, the Group adjusted its tea product categories, focusing on the sale of middle-and lower-ended but functional products instead of higher-ended products to meet Chinese consumers' need.

4. **Strengthened costs control.** The Group has strengthened its costs control on all items in accordance with prevailing economic environment and market conditions, and as a result, distribution costs and administrative expenses decreased as compared to the corresponding period in 2014.

In addition, the successful initial public offering on the main board of the Stock Exchange on 26 September 2011 provided the Company with a fully-integrated financial platform to support its future development. The Company raised net proceeds of RMB933.3 million from the Listing. The table below sets out the Company's planned use of the net proceeds at the time of Listing and its use of such net proceeds as at 30 June 2015:

	Planned use of net proceeds at Listing	**Net proceeds used as at 30 June 2015**
Expand and optimize network of self-owned retail outlets and retail points	40.0%	23.6%
Acquire store premises for self-owned retail outlets	25.0%	25.0%
Working capital and other general corporate purposes	10.0%	10.0%
Maintain and promote brands	15.0%	9.4%
Expand production capacity	10.0%	10.0%
Total	100.0%	78.0%

In the second half of 2015, despite the anticipated further slowdown in economic growth in the PRC, the Group plans to keep its market share, continue with its expansion, optimize its network of self-owned retail outlets and retail points and acquire store premises for the operation of self-owned retail outlets. In particular, the Group plans to:

1. **Continue to expand and optimize its retail sales network.** The Group will increase the number of stores, including both self-owned and third-party owned retail outlets and retail points, according to the economic development of the PRC. As part of this goal, the Group plans to establish new retail outlets on high-traffic streets in the central business districts of selected cities, as well as retail points in popular shopping malls. In addition, the Group plans to continue to strengthen its business relationships with major department stores and superior hypermarkets by entering into further cooperation agreements to expand the circulation of its tea products. To capture more customers who prefer to buy their tea products on-line, the Group continues to monitor the opportunity to start internet sales after completion of acquisition of Xiamen Tianyu Commerce and Trading Co., Limited (廈門天鈺商貿有限公司) in September 2013. A joint venture agreement was entered into between Tenfu (Hong Kong) Holdings Company Limited ("**Tenfu HK**"), a subsidiary of the Company and Rise General Trading LLC. ("**Rise**"), an independent third party, on 17 June 2015 for entering into a joint venture to develop and register a joint venture company (the "**Joint Venture Company**") to undertake such activities as warehousing, blending, packaging, and trading the new brand of tea, to serve the Middle East. The authorized and issued share capital of the Joint Venture Company will be registered as AED 5,000,000. The actual amount invested to the Joint Venture Company is to be United States Dollar ("**USD**") 5,300,000 by Tenfu HK and Rise. Rise and Tenfu HK will own 51% and 49% of the registered capital and investment of the Joint Venture Company, respectively. The development of global tea market will enhance the Group's market position and enlarge the Group's market share. The Group will continue to monitor other opportunities for multi-channel sales and distribution network, which enables the Group to access a broad market audience and penetrate into different regions in the PRC, and continue to rapidly expand their sales.

2. **Continue to enhance brand reputation and consumer awareness.** The Group plans to maintain and promote its high level of brand awareness through targeted marketing and promotional activities. The Group will devote further efforts to promote its products and brands during major traditional Chinese festivals, and continue opening tea cultural flagship stores in order to maintain and promote the well-known "Tenfu" (天福) brand. The Group also plans to continue the promotion of an enhanced rewards program for its customers in order to encourage repeating business and increase customer loyalty.

3. **Continue to expand tea-related products portfolio.** The Group believes that a broad portfolio of products will help it maintain its leading brand awareness and keep pace with constantly changing consumer preferences and trends. To this end, the Group plans to develop and introduce new concepts for tea-related products and expand its product portfolio. Through the completion of acquisition of Xiamen Tianqia Catering Management Co., Limited (廈門天恰餐飲管理有限公司) in October 2013, the Group enters into the tea drink (including milk tea) industry with the trademark of "放牛斑". Xiamen Daily Plus Food Beverage Management Co., Ltd. (廈門天天飲餐飲管理有限公司), a joint venture company with Ten Ren Tea (Hong Kong) Limited (天仁茶業股份有限公司) was establish in January 2014 to further develop the tea drink business with the trademark of "喫茶趣 TO GO". Through the establishment of Xiamen Daily Plus Food Beverage Management Co., Ltd., the Group will expand its market share in tea drink (including milk tea) industry by cooperation with Ten Ren Tea Co., Ltd. and leveraging experience of Ten Ren Tea Co., Ltd. in Taiwan and international market.

4. **Expand production capacity to achieve optimisation in procurement costs.** The Group has commenced the operation of the new production plant located in Zhangzhou, after the completion of its construction, and will consider further expansion through acquisition should suitable acquisition opportunities arise, in order to satisfy the anticipated increases in the demand for tea and tea-related products. After the completion of acquisition of 浙江天福茶業有限公司 (Zhejiang Tianfu Tea Industry Co., Ltd.) in September 2013, the Group will be able to have a production facility strategically located in Zhejiang, where is the production base of Longjing tea and close to the retail outlets and retail points in Central and Northeast China, as well as to achieve optimization in procurement costs.

5. **Quality assurance.** The Group considers product quality assurance to be essential to its operations, and places particular emphasis on inspecting and controlling the quality of raw materials in its supply chain. The Group will continue its commitment to quality assurance going forward by further enhancing its internal testing capabilities.

Looking forward, the Group's primary goal is to continue growing its business and increasing its market share by leveraging on its strong market position and sales network and the anticipated long-term growth in the PRC tea market.

FINANCIAL REVIEW

Revenue

During the six months ended 30 June 2015, the Group was engaged in the sale and marketing of a comprehensive range of tea products and the development of product concepts, tastes and packaging designs. The Group has manufacturing plants in Fujian province and Sichuan province, the PRC. The Group's key products are tea leaves, tea snacks and tea ware, which it sells through a nationwide network of self-owned and third-party owned retail outlets and retail points.

During the six months ended 30 June 2015, the Group derived substantially all of its revenue from the sales of tea leaves, tea ware and tea snacks. The revenue of the Group decreased by 11.0% from RMB883.2 million for the six months ended 30 June 2014 to RMB786.3 million for the six months ended 30 June 2015. The following table sets forth a breakdown of revenue by product category for the periods indicated:

	Six months ended 30 June			
	2015		2014	
	RMB'000	***%***	*RMB'000*	*%*
Revenue contributed from:				
Sales of tea leaves	**540,911**	**68.8**	637,292	72.2
Sales of tea snacks	**107,690**	**13.7**	100,803	11.4
Sales of tea ware	**106,445**	**13.5**	116,849	13.2
Others(1)	**31,230**	**4.0**	28,292	3.2
Total	**786,276**	**100.0**	883,236	100.0

Note:

(1) "Others" include revenue from restaurant, hotel, tourist, management service and catering management, beverage production and sales of pre-packaged food. The Group derived its revenue from these operations through the provision of accommodation, food and beverages and other ancillary services and ticket sales from its tea museums.

Revenue from sales of the Group's tea leaves decreased by 15.1% from RMB637.3 million for the six months ended 30 June 2014 to RMB540.9 million for the six months ended 30 June 2015. Revenue from sales of the Group's tea snacks increased by 6.8% from RMB100.8 million for the six months ended 30 June 2014 to RMB107.7 million for the six months ended 30 June 2015. Revenue from sales of the Group's tea ware decreased by 8.9% from RMB116.8 million for the six months ended 30 June 2014 to RMB106.4 million for the six months ended 30 June 2015. The revenue decrease from sales of the Group's tea leaves and tea ware were primarily due to the macro economic slowdown in China. The revenue increase from sales of the Group's tea snacks was primarily due to the variety of tea snacks.

Cost of sales

Cost of sales of the Group primarily comprises costs of inventories (mainly including costs of raw materials) and labour costs. Cost of sales of the Group decreased by 11.5% from RMB336.3 million for the six months ended 30 June 2014 to RMB297.6 million for the six months ended 30 June 2015, primarily due to the decrease of revenue.

Gross profit and gross profit margin

As a result of the foregoing factors, gross profit of the Group decreased by 10.7% from RMB547.0 million for the six months ended 30 June 2014 to RMB488.7 million for the six months ended 30 June 2015, with gross profit margin increasing from 61.9% for the six months ended 30 June 2014 to 62.2% for the six months ended 30 June 2015.

Distribution costs

The distribution costs of the Group decreased by 2.9% from RMB260.6 million for the six months ended 30 June 2014 to RMB253.1 million for the six months ended 30 June 2015. The decrease of distribution costs was primarily due to a strengthened control on staff costs of the Group through tightened human resource management.

Administrative expenses

Administrative expenses of the Group decreased by 2.9% from RMB105.9 million for the six months ended 30 June 2014 to RMB102.8 million for the six months ended 30 June 2015. The decrease was primarily due to further cost control on labour by effective use of human resources and further cost control on utilities, pre-opening costs and office expenses.

Other income

Other income of the Group decreased by 15.4% from RMB6.3 million for the six months ended 30 June 2014 to RMB5.3 million for the six months ended 30 June 2015. The decrease was primarily due to the decrease in PRC local government grants from RMB4.1 million for the six months ended 30 June 2014 to RMB3.1 million for the six month ended 30 June 2015.

Other losses and gains, net

Other losses of the Group was RMB0.3 million for the six months ended 30 June 2015, as compared to other gains of RMB1.2 million for the six months ended 30 June 2014, primarily due to losses of RMB0.3 million on disposal of property, plants and equipment and net losses of RMB0.04 million on foreign exchange for the six months ended 30 June 2015, respectively, compared with losses of RMB0.03 million on disposal of property, plants and equipment and net gains of RMB1.2 million on foreign exchange for the corresponding period in 2014.

Finance income

Finance income of the Group increased from RMB8.2 million for the six months ended 30 June 2014 to RMB14.2 million for the six months ended 30 June 2015, primarily due to the increase in interest income as a result of placing our funds as bank deposits.

Finance costs

Finance costs of the Group increased by 133.0% from RMB3.3 million for the six months ended 30 June 2014 to RMB7.6 million for the six months ended 30 June 2015, primarily due to an increase in Group's bank borrowings from RMB599.7 million as at 31 December 2014 to RMB661.1 million as at 30 June 2015.

Share of profits less losses of joint ventures

Share of profits less losses of joint ventures of the Group was RMB0.7 million and RMB0.4 million for the six months ended 30 June 2015 and 2014, respectively.

Income tax expense

Income tax expense of the Group decreased by 15.9% from RMB53.6 million for the six months ended 30 June 2014 to RMB45.1 million for the six months ended 30 June 2015, primarily due to a decrease in the Group's profit before income tax from RMB193.5 million for the six months ended 30 June 2014 to RMB145.0 million for the six months ended 30 June 2015.

Profit for the period

As a result of the foregoing factors, profit of the Group, all of which was attributable to the owners of the Company, decreased by RMB40.0 million, or 28.5%, from RMB139.9 million for the six months ended 30 June 2014 to RMB99.9 million for the six months ended 30 June 2015. Net profit margin of the Group decreased from 15.8% for the six months ended 30 June 2014 to 12.7% for the six months ended 30 June 2015, primarily due to decrease in revenue.

Liquidity and capital resources

Cash position

The operations of the Group are capital intensive, and its liquidity requirements arise principally from the need for working capital to finance its operations and expansions. The Group has historically met its working capital and other capital requirements principally from cash generated from its operations, bank borrowings and capital contributions by its shareholders.

The Group's cash and cash equivalents increased by RMB173.0 million, or 74.6%, from RMB231.9 million as at 31 December 2014 to RMB404.9 million as at 30 June 2015, primarily due to an increase in borrowings.

The Group had net cash inflow from operating activities of RMB180.7 million, net cash inflow from investing activities of RMB27.4 million and net cash outflow from financing activities of RMB35.0 million for the six months ended 30 June 2015.

Bank borrowings and gearing ratio

The Group had total bank borrowings of RMB661.1 million as at 30 June 2015 compared to RMB599.7 million as at 31 December 2014. As at 30 June 2015, the weighted average effective interest rates of the Group's long-term and short-term bank borrowings were 2.8% and 2.0%, respectively, and 57.1% of the Group's bank borrowings were denominated in USD and 42.9% were denominated in HKD.

As at 30 June 2015, short-term bank borrowings of RMB51.3 million were secured by bank deposits of RMB53.6 million of the Group. As at 30 June 2014, short-term bank borrowings of RMB92.3 million were guaranteed by Mr. Lee Rie-Ho, Mr. Lee Chia Ling and Mr. Lee Kuo-Lin, all of whom are the directors of the Company (the "**Directors**") and short-term bank borrowings of RMB41.5 million were secured by bank deposits of RMB46.0 million of the Group.

As at 30 June 2015, bank borrowings of RMB487.6 million are guaranteed by Mr. Lee Rie-Ho, Mr. Lee Chia Ling and Mr. Lee Kuo-Lin, either separately or jointly. Our Directors are of the view that the guarantee of bank borrowings of RMB487.6 million by Mr. Lee Rie-Ho, Mr. Lee Chia Ling and Mr. Lee Kuo-Lin, being a form of financial assistance (as defined in the Listing Rule) for the benefit of the Group, was on normal commercial terms where no security over the assets of the Group was granted in respect of such financial assistance provided by Mr. Lee Rie-Ho, Mr. Lee Chia Ling and Mr. Lee Kuo-Lin. Accordingly, such guarantee is exempt from all reporting, announcement and independent shareholders' approval requirements pursuant to Rule 14A.90 of the Listing Rule.

The Group regularly monitors its gearing ratio, which represents total debt as a percentage of total capital. Total debt is calculated as total borrowings. Total capital is calculated as total equity plus total debt. As at 30 June 2015, the gearing ratio of the Group was 25.5%, compared to 23.0% as at 31 December 2014. The increase during the first half of 2015 was primarily due to an increase in borrowings.

Working capital

	As at 30 June 2015 *RMB'000*	As at 31 December 2014 *RMB'000*
Trade and other receivables	**213,687**	240,662
Trade and other payables	**206,961**	211,453
Inventories	**437,062**	422,758
Trade receivables turnover days(1)	**97**	106
Trade payables turnover days(2)	**64**	68
Inventories turnover days(3)	**260**	239

Notes:

(1) Trade receivables turnover days = the average of the beginning and ending trade receivables balances for the period, divided by revenue from wholesales to third-party retailers plus sales from the Group's self-owned retail points located in hypermarkets and department stores and sales through other sales channels mainly representing wholesales to other end customers for the period, multiplied by the number of days in the period.

(2) Trade payables turnover days = the average of the beginning and ending trade payables balances for the period, divided by cost of sales for the period, multiplied by the number of days in the period.

(3) inventories turnover days = the average of the beginning and ending inventory balances for the period, divided by the cost of sales for the period, multiplied by the number of days in the period.

The Group's trade and other receivables represent primarily balances due from third-party retailers. The Group's trade and other receivables decreased by RMB27.0 million from RMB240.7 million as at 31 December 2014 to RMB213.7 million as at 30 June 2015, primarily due to the settlement of trade receivables due from third parties.

The Group's trade and other payables principally comprise payables to its raw material suppliers, employee benefit payables, other taxes payable, accrued operating expenses and advances from customers. The Group's trade and other payables decreased from RMB211.5 million as at 31 December 2014 to RMB207.0 million as at 30 June 2015, primarily due to (i) a decrease in employee benefit payables due to the decrease of the number of employees, and (ii) a decrease in other taxes payable, as a result of the decrease in value added tax payable as at 30 June 2015, compared with that as at 31 December 2014.

The Group's inventories comprise raw materials (including packaging materials), work-in-progress and finished goods. The Group's inventories increased from RMB422.8 million as at 31 December 2014 to RMB437.1 million as at 30 June 2015, because of an increase in purchases and decrease in sales.

As at 30 June 2015, the Group has sufficient working capital and financial resources to support its regular operations.

Foreign exchange risk

The Group's normal operating activities are principally conducted in RMB, since all of its operating subsidiaries are based in the PRC. As at 30 June 2015, most of the operating entities' revenues, expenses, assets and liabilities were denominated in RMB. The Group's foreign exchange risk mainly arises from the portion of its sales and purchases of products denominated in USD and financing activities denominated in USD and HKD. The Directors are of the view that the Group does not have significant foreign currency risk exposure.

Any future depreciation of RMB could adversely affect the value of any dividends the Group pays to its shareholders. The Group currently does not engage in hedging activities designed or intended to manage such exchange rate risk.

Contingent liabilities

The Group had no material contingent liabilities as at 30 June 2015.

EMPLOYEE AND REMUNERATION POLICY

As at 30 June 2015, the Group had a total of 5,179 employees with 5,173 employees based in the PRC and 6 employees based in Hong Kong. For the six months ended 30 June 2015, the labour costs of the Group was RMB142.8 million.

The Group's employee remuneration policy is determined by reference to factors such as remuneration in respect of the local market, the overall remuneration standard in the industry, inflation level, corporate operating efficiency and employee performance. The Group conducts performance appraisal once every year for its employees, the results of which are applied in annual salary review and promotional assessment. The Group's employees are considered for annual bonuses according to certain performance criteria and appraisal results. Social insurance contributions are made by the Group for its PRC employees in accordance with the relevant PRC regulations.

The Group also provides continuous learning and training programs to its employees to enhance their skills and knowledge, so as to maintain their competitiveness and improve customer services. The Group did not experience any major difficulties in recruitment, nor did it experience any material loss in manpower or any material labour dispute during the six months ended 30 June 2015.

The Company adopted a share option scheme on 17 December 2010. During the six months ended 30 June 2015, the Company did not grant any options to subscribe for shares of the Company.

OTHER INFORMATION

Purchase, Sales or Redemption of Shares

During the six months ended 30 June 2015, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

Corporate Governance

The Company is committed to the establishment of stringent corporate governance practices and procedures with a view to enhancing investor confidence and the Company's accountability and transparency. The Company strives to maintain a high standard of corporate governance. For the six months ended 30 June 2015, the Company has complied with the code provisions included in the Corporate Governance Code (the "**CG Code**") as set out in Appendix 14 of the Listing Rules and there has been no deviation from the code provisions as set forth under the CG Code for the six months ended 30 June 2015.

Model Code for Securities Transactions by Directors

The Board has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix 10 of the Listing Rules as the code for dealings in securities transactions by the Directors. Specific enquiries have been made with all Directors and they have confirmed their compliance with the required standard set out in the Model Code throughout the six months ended 30 June 2015.

Interim Dividend

At the Board meeting held on 20 August 2015, it was resolved that an interim dividend of HKD0.05 (equivalent to RMB0.041) per share (2014 interim dividend: HKD0.07 (equivalent to RMB0.056) per share) be paid on or around 29 September 2015 to the shareholders (the "**Shareholders**") of the Company whose names appear on the Company's register of members on 17 September 2015. The total amount of the dividend to be paid is approximately 50% of the consolidated after tax net profit of the Group for the six months ended 30 June 2015, which is similar to the basis of dividend paid for the same period last year.

Closure of Register of Members

For determining the entitlement to the interim dividend, the register of members of the Company will be closed from 15 September 2015 to 17 September 2015, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to qualify for the interim dividend, all transfers of shares, accompanied by the relevant share certificates, must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, located at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration not later than 4:30 p.m. on 14 September 2015.

Review of Accounts

The audit committee of the Company (the "**Audit Committee**") comprises the three independent non-executive Directors and one non-executive Director. The Audit Committee and the Company's management have reviewed the accounting principles and practices adopted by the Group, and discussed internal control and financial reporting matters including review of the unaudited interim results of the Group for the six months ended 30 June 2015. The condensed consolidated interim financial statements of the Group for the six months ended 30 June 2015 have also been reviewed by PricewaterhouseCoopers, the external auditor of the Company, in accordance with Hong Kong Standard on Review Engagement 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants.

Publication of Interim Report

This interim results announcement is published on the websites of the Stock Exchange (http://www.hkexnews.hk) and the Company (http://www.tenfu.com). The interim report of the Company for the six months ended 30 June 2015 containing all the information required by the Listing Rules will be despatched to the Shareholders and made available for review on the aforesaid websites in due course.

By order of the Board
Tenfu (Cayman) Holdings Company Limited
Lee Chia Ling
Director

Hong Kong, 20 August 2015

As at the date of this announcement, the Board comprises nine members, of which Mr. Lee Rie-Ho, Mr. Lee Shih-Wei, Mr. Lee Chia Ling and Mr. Lee Kuo-Lin are the executive Directors; Mr. Tseng Ming-Sung and Mr. Wei Ke are the non-executive Directors and Mr. Lo Wah Wai, Mr. Lee Kwan Hung and Mr. Fan Ren Da, Anthony are the independent non-executive Directors.