

## Quarterly Cash Flow Report

Tianmei Beverage Group Corporation Limited (ASX Code: TB8) (the “**Company**” or “**Tianmei**”) has today released its Appendix 4C – Quarterly Cashflow report for the quarter ended 28 February 2017 (**Q1 FY2017**).

Our cash balance as at 28 February 2017 was A\$30.6 million, which represents an increase of approximately A\$10.5 million from the Company’s cash balance as at the end of the previous financial year ended 30 November 2016.

Receipts from customers and net cash from operating activities for Q1 FY2017 were A\$24.2 million and A\$4.1 million respectively. Key payments during this period were put towards:

- Continued investment in our R&D initiatives;
- Manufacturing of our various water products and the payment of slotting fees to promote products through our network of over 940 contracted stores in Guangdong;
- Advertising and marketing expenses related to our water products business as well as marketing of our product promotions business; and
- Leasing costs of our warehouse and offices, including a new office building we commenced the lease on in December 2016.

On 27 February 2016, we successfully completed our ASX listing, raising A\$10 million as part of the Initial Public Offering (“**IPO**”). The new funding and our growing revenue base gives us the required financial flexibility to facilitate growth and development from the current quarter onwards.

We are committed to expanding our business and at the end of February 2017, we made some large investments towards this goal. Our total investment expenditure over the quarter was A\$4.1 million, with key investment items outlined below:

- We completed the acquisition of the Qianlifeng water plant. This helps us to consolidate our margins as well as giving us confidence and greater certainty in our water supply for our varied product set, including our specialised infant water. The payments related to this were A\$0.76 million representing 80% of the acquisition price, with the remaining 20% having been paid when we entered into the agreement to acquire the water plant in the previous financial year.
- We acquired the land use rights to the land adjacent to the water plant so that we can begin the expansion of the water plant. The land is approximately 17,800 square meters in area with a lease period of 20 years (to the end of February 2037). The cost of the acquiring this land use right was approximately A\$1.5 million.
- We intend to increase the production capacity of the water plant from its current approx. 35 million litres of drinking water per annum to approx. 100 million litres of drinking water per annum. In order to accomplish this, we have recently signed an agreement with a contractor to prepare the land and build the required infrastructure and facilities. The total cost of this

project is anticipated to amount to approximately RMB 19.5 million with 50% of the cost paid in Q1 FY2017 (approximately A\$1.85 million).

The aforementioned investments in our water production facilities will help us to meet anticipated future demand for our water products.

We will continue to update shareholders on operational and corporate progress and initiatives as key developments occur.

#### **About Tianmei Beverage Group Corporation Limited**

We provide promotional services to producers of FMCG goods as well as our own water products in the Guangdong province in China. Guangdong province is one of China's most developed provinces with a gross domestic product of US\$1.1 trillion in 2014 and has as its capital, Guangzhou city, which is China's third largest city with a population of approximately 13 million people.

#### **Product Promotion**

We have contracts with over 940 terminal supermarkets and convenience stores in Guangdong. Through this network of stores, we promote fast moving consumer goods, including food, beverage and general grocery products for over 65 FMCG suppliers.

#### **Water Products**

Our water products business focuses on the sale of Tianmei-branded water products, including bottled water, infant water and water dispensers through a network of over 500 retail outlets. We have a number of patents approved and pending surrounding our water products and production equipment.

#### **Forward-Looking Statements**

This announcement includes certain forward-looking statements that are based on information and assumptions known to date and are subject to various risks and uncertainties. Actual, results, performance or achievements could be significantly different from those expressed in, or implied by, these forward-looking statements. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of Tianmei. These factors may cause actual results to differ materially from those expressed in the statements contained in this announcement.

## Appendix 4C

## 附录 4C

## Quarterly report for entities subject to Listing Rule 4.7B

## 实体季报须符合上市规则 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

31/03/00 发布, 于 30/09/01, 24/10/05, 17/12/10, 01/09/16 修正。

Name of entity

实体名称

Tianmei Beverage Group Corporation Limited

ABN

Quarter ended ("current quarter")

季度结束 ("本季度")

88 611 845 811

February 2017

Consolidated statement of cash flows 现金流合并报表		Current quarter SA'000 本季度 SA'000	Year to date (.....months) SA'000 年初至今 (.....个月) SA'000
<b>1. Cash flows from operating activities</b> <b>营业活动现金流量</b>			
1.1 Receipts from customers 来自客户 的收入		24,230	24,230
1.2 Payments for 付款			
(a) research and development 研究与开发		(392)	(392)
(b) product manufacturing and operating costs 产品制造与运营成本		(8,026)	(8,026)
(c) advertising and marketing 广告与营销		(2,397)	(2,397)
(d) leased assets 租赁资产		(4,562)	(4,562)

+ See chapter 19 for defined terms

+有关定义的术语, 参见第 19 章

1 September 2016

2016 年 9 月 1 日

Quarterly report for entities subject to Listing Rule 4.7B  
实体季报须符合上市规则 4.7B

<b>Consolidated statement of cash flows</b> <b>现金流合并报表</b>	<b>Current quarter</b> <b>SA'000</b> <b>本季度</b> <b>SA'000</b>	<b>Year to date</b> <b>(.....months)</b> <b>SA'000</b> <b>年初至今 (.....个月)</b> <b>SA'000</b>
(e) staff costs 员工成本	(601)	(601)
(f) administration and corporate costs 行政和企业成本	(596)	(596)
1.3 Dividends received (see note 3) 所得股息 (见注释3)		
1.4 Interest received 收入利息	15	15
1.5 Interest and other costs of finance paid 利息和其它支付的财务费用	(2)	(2)
1.6 Income taxes paid 支付的所得税	(3,560)	(3,560)
1.7 Government grants and tax incentives 政府补助和税收		
1.8 Other (provide details if material) 其它 (如果必要提供详情)		
<b>1.9 Net cash from / (used in) operating activities</b> <b>来自于/ (用于) 运营活动的净现金</b>	<b>4,109</b>	<b>4,109</b>
<b>2. Cash flows from investing activities</b> <b>投资活动现金流量</b>		
2.1 Payments to acquire: 付款项:		
(a) property, plant and equipment 财产、车间和设备	(3,391)	(3,391)
(b) businesses (see item 10) 业务 (见条款10)		
(c) investments 投资	(758)	(758)

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Consolidated statement of cash flows 现金流合并报表		Current quarter \$A'000 本季度 \$A'000	Year to date (.....months) \$A'000 年初至今 (.....个月) \$A'000
2.2	(d) intellectual property 知识产权		
	(e) other non-current assets 非流动资产		
	Proceeds from disposal of: 处理以下所得收益:		
	(a) property, plant and equipment 财产、车间和设备		
	(b) businesses (see item 10) 业务 (见条款10)		
	(c) investments 投资		
	(d) intellectual property 知识产权		
	(e) other non-current assets 其它非流动资产		
	2.3 Cash flows from loans to other entities 其它实体贷款现金流		
	2.4 Dividends received (see note 3) 所得股息 (见注释3)		
	2.5 Other (provide details if material) 其它 (如果必要提供详情)		
2.6	Net cash from / (used in) investing activities 来自于/ (用于) 投资活动的净现金	(4,149)	(4,149)
3.	Cash flows from financing activities 融资活动所得现金流		
3.1	Proceeds from issues of shares 股份发行收益	10,000	10,000
3.2	Proceeds from issue of convertible notes 可转换票据发行收益		

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Quarterly report for entities subject to Listing Rule 4.7B  
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Consolidated statement of cash flows 现金流合并报表		Current quarter \$A'000 本季度 \$A'000	Year to date (.....months) \$A'000 年初至今 (.....个 月) \$A'000
3.3	Proceeds from exercise of share options 行使购股权所得		
3.4	Transaction costs related to issues of shares, convertible notes or options 与发行股票、可转换票据或期权有关的交易 成本		
3.5	Proceeds from borrowings 借款所得		
3.6	Repayment of borrowings 偿还借款		
3.7	Transaction costs related to loans and borrowings 与贷款和借款相关的交易成本		
3.8	Dividends paid 已付股息		
3.9	Other (provide details if material) 其它 (如重要, 请详述)		
3.10	Net cash from / (used in) financing activities 来自于/ (用于) 运营活动的净现金	10,000	10,000

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Consolidated statement of cash flows 现金流合并报表		Current quarter \$A'000 本季度 \$A'000	Year to date (.....months) \$A'000 年初至今 (.....个月) \$A'000
<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b> 期间的现金和现金等价物净增加 / (减少)		
4.1	Cash and cash equivalents at beginning of quarter/year to date 季初/年初至今的现金和现金等价物	20,677	20,677
4.2	Net cash from / (used in) operating activities (item 1.9 above) 来自 / (用于) 经营活动的净现金 (上文第 1.9 项)。	4,109	4,109
4.3	Net cash from / (used in) investing activities (item 2.6 above) 来自 / (用于) 投资活动的现金净额 (上文第 2.6 项)。	(4,149)	(4,149)
4.4	Net cash from / (used in) financing activities (item 3.10 above) 来自 / (用于) 融资活动的现金净额 (上文第 3.10 项)。	10,000	10,000
4.5	Effect of movement in exchange rates on cash held 汇率变动对现金持有的影响		
<b>4.6</b>	<b>Cash and cash equivalents at end of quarter</b> 季度末的现金和现金等价物	<b>30,637</b>	<b>30,637</b>

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Quarterly report for entities subject to Listing Rule 4.7B  
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5. Reconciliation of cash and cash equivalents 现金和现金等价物的对账		Current quarter \$A'000 本季度	Previous quarter \$A'000 上个季度
at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts (如合并现金流量表所示) 季度末到帐的相关项目			
5.1	Bank balances 银行存款		
5.2	Call deposits 通知存款		
5.3	Bank overdrafts 银行透支		
5.4	Other (provide details) 其他 (提供详细信息)		
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above) 季度末现金和现金等价物 (应等于上文第4.6项)	30,637	30,637

6. Payments to directors of the entity and their associates 向实体及其联合公司的董事支付		Current quarter 本季度 \$A'000
6.1	Aggregate amount of payments to these parties included in item 1.2 包括在条款1.2中的给这些缔约方的总金额	
6.2	Aggregate amount of cash flow from loans to these parties included in item 2.3 条款2.3包括向这些当事方贷款的现金流量总额	
6.3	Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2 条款6.1和6.2中包含的理解交易所必需的任何说明	

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7.	<b>Payments to related entities of the entity and their associates</b> <b>对实体及其联合公司的相关实体的付款</b>	<b>Current quarter</b> <b>本季度</b> <b>\$A'000</b>
7.1	Aggregate amount of payments to these parties included in item 1.2 包括在条款1.2中的给这些缔约方的总金额	
7.2	Aggregate amount of cash flow from loans to these parties included in item 2.3 包括在条款2.3中的向这些当事方贷款的现金流量总额	
7.3	Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2 条款7.1和7.2中包含的理解交易所必需的任何说明	

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8.	<b>Financing facilities available</b> <b>提供融资设施</b>	<b>Total facility amount</b> <b>at quarter end</b> <b>\$A'000</b> <b>季末总设施金额</b> <b>\$A'000</b>	<b>Amount drawn at</b> <b>quarter end</b> <b>\$A'000</b> <b>季末拨出总金额</b> <b>\$A'000</b>
	<i>Add notes as necessary for an understanding of the position</i> 如有必要，添加注释以便理解		
8.1	Loan facilities 贷款设施		
8.2	Credit standby arrangements 备用信贷安排		
8.3	Other (please specify) 其他（请具体化）		
8.4	Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well. 以下为对以上每个设施的描述，包括出借人，利率以及是否有担保或无担保。如果在季度结束后订立或拟议增加任何设施，则包括这些设施的详细信息。		

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9.	Estimated cash outflows for next quarter 下季度预计现金流出额	SA'000
9.1	Research and development 研发	(337)
9.2	Product manufacturing and operating costs 产品制造和经营费用	(6,585)
9.3	Advertising and marketing 广告和营销	(785)
9.4	Leased assets 租赁资产	(21)
9.5	Staff costs 员工费用	(638)
9.6	Administration and corporate costs 管理和公司成本	(218)
9.7	Other (provide details if material) 其他 (提供详细资料)	
9.8	Total estimated cash outflows 总预计现金流出额	(8,584)

10.	Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above) 商业实体的收购和处置 (上文项目 2.1 (b) 和 2.2 (b))	Acquisitions 收购	Disposals 处置
10.1	Name of entity 实体名称		
10.2	Place of incorporation or registration 合并或注册地点		
10.3	Consideration for acquisition or disposal 考虑处置或收购		
10.4	Total net assets 净资产总额		
10.5	Nature of business 业务性质		

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**Compliance statement**  
**合规声明**

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.  
此报表遵照符合上市规则 19.11A 的会计准则与政策制备。
- 2 This statement gives a true and fair view of the matters disclosed.  
本声明对所披露的事项给出了真实和公正的看法。

Sign here:  
在此签署:



(Director & Company secretary)  
(董事/公司秘书)

Date: 31 March 2017  
日期:

Print name: Nicholas Ong  
大写姓名:

**Notes**  
**附注**

1.The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.  
本季报向提供了一个基础，其为市场提供了在过去的季度实体是怎样融资及对市场现金状况的影响的信息。在此报告包含或附加的注释中对额外信息进行披露的实体是值得鼓励的。

2.If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.  
如果本季度报告是根据澳大利亚会计准则编制的，则AASB107：现金流量表的定义和规定适用于本报告。如果本季度报告是根据“上市规则”第91.11A条所规定的其他会计准则编制的，则相应的等效标准适用于本报告。

3.Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.  
股息收入应以从经营活动所得的现金流或由投资活动所得的现金流分类，这取决于该实体的会计政策。

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