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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)

INSIDE INFORMATION **MEMORANDUM OF UNDERSTANDING** **IN RELATION TO THE PROPOSED ACQUISITION**

The Board of directors (the “**Board**”) of Tianyun International Holdings Limited (the “**Company**”) and together with its subsidiaries, the “**Group**”) is pleased to announce that, on 21 November 2017, Tianyi Holding Hong Kong Limited (“**Tianyi**”), a wholly owned subsidiary of the Company entered into a non-legally binding memorandum of understanding (“**MOU**”) with Homemade for Life International, Inc. (“**Homemade for Life**”) in respect of a proposed acquisition (the “**Proposed Acquisition**”) of 51% or more of the issued share capital in Homemade Harvey Operating, LLC (“**Homemade Harvey**”).

Save for the termination of the MOU, confidentiality, warranties by Homemade for Life and the governing law, the MOU does not constitute any legally binding commitment in respect of the Proposed Acquisition until a definitive and binding agreement for sale and purchase (the “**Definitive Agreement**”) has been executed and delivered by all Parties.

The Board wishes to emphasize that no legally binding agreement in relation to the Proposed Acquisition has been entered into as at the date of this announcement. As such, the Proposed Acquisition may or may not proceed. If the Proposed Acquisition is materialised, it may constitute a notifiable transaction on the part of the Company. Shareholders and potential investors of the Company are urged to exercise caution when dealing in the securities of the Company.

Further announcement in respect of the Proposed Acquisition will be made by the Company in the event that any Definitive Agreement has been signed and when appropriate in accordance with the Listing Rules (if required).

MEMORANDUM OF UNDERSTANDING IN RESPECT OF THE PROPOSED ACQUISITION

This announcement is made by the Company pursuant to Rule 13.09(2) of the Listing Rules and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571, the Laws of Hong Kong).

The Board announces that, on 21 November 2017, Tianyi entered into the non-legally binding MOU with Homemade for Life in relation to the Proposed Acquisition.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, Homemade for Life and its ultimate beneficial shareholders are Independent Third Parties.

Under the MOU, the Company intends to acquire 51% or more of the issued share capital in Homemade Harvey.

The total investment and consideration for the Proposed Acquisition shall be not more than USD5 million subject to further due diligence and other conditions precedent, negotiation and finalization of an investment structure. The consideration shall be settled by way of cash and issuance of consideration shares of the Company, subject to certain guarantees and key performance indicators in the future, and to be determined in the Definitive Agreement. Cash proceeds from the consideration and investment will be invested in Homemade Harvey for its working capital, expansion of sales and distribution channels in the US, and product development.

The MOU shall be terminated automatically on the Long Stop Date. Save for the termination of the MOU, confidentiality, warranties by Homemade for Life, the governing law, the MOU does not constitute any legally binding commitment in respect of the Proposed Acquisition until a Definitive Agreement is executed and delivered by all Parties.

INFORMATION OF HOMEMADE HARVEY

Homemade Harvey is principally engaged in the sale of processed fruit blends in flexible pouch packaging with re-sealable caps.

Homemade Harvey's product, Homemade harvey[®], is certified organic (QAI), kosher (OU) and gluten-free, and is sold throughout its sales and distribution networks in the United States, predominately in the West Coast region in over 1,100 Health Food Market and Supermarket, including four of the top five retailers in the U.S.: Kroger, Albertson's/Safeway, Amazon/Whole Foods and Costco.

Homemade Harvey’s flexible formulation and manufacturing capacity can capture the life cycle of customers from Baby (through its Homemade Baby® brand) to Young Generation to Adult to Elderly with all-natural and functional product lines that include Protein, Vegetable combinations, Probiotics and trans-fat free fruit snacks.

Homemade Harvey’s products are produced in California, and achieve the highest processed food quality and safety standards from its co-production facilities, which are audited by retailers, USDA, and A.I.B. Siliker, NSF Cook and Thurber and additional third party certified audits, and meet SQF requirements for fruit and vegetable processing.

Homemade Harvey has entered into a number of corporate collaborations with the agriculture, nutrition, sports medicine, health science and athletic departments of different universities including University of California Los Angeles and University of Southern California. Homemade Harvey is also working to develop new forms of fruit and vegetable products with universities. These products are being incorporated into the diets of rehabilitative patients, student and professional athletes, and patients with specific medical conditions.

Homemade Harvey enjoys a following among Universities and professional athletes in the National Football League (“NFL”) and National Basketball Association (“NBA”) in the US who promote Homemade harvey® for its easy, on-the-go nutrition.

Homemade harvey® is aligned with the demands of today’s consumer as the intersection of three major trends in U.S. millennial shopping habits: Clean Label Health; Convenience; and Great Taste.

REASONS FOR AND BENEFITS OF THE PROPOSED ACQUISITION

It is expected that the principal business of Homemade Harvey will be absorbed by the Group and create the following synergies immediately:

1. Homemade Harvey can immediately introduce 4 conventional pouch products, 4 functional health pouch products and 3 baby food products for baby in 3 different stages. The formulations include the ingredients such as fresh fruit, protein, probiotics, oats, ginger and vegetables that can predominantly be sourced locally in China. The new pouch and baby products can be produced and sold immediately under Homemade Harvey’s brand or the Group’s own brands in China, US, Japan and Europe.
2. The Group can immediately access to Homemade Harvey’s existing distribution channels in the US that cover 4 out of the top 5 supermarket chains including Whole Foods/Amazon, Kroger, Albertson’s/Safeway, and Costco, and leverage on the network to promote the Group’s own brand and self-developed products, including but not limited to fruit jelly and fruit ice.

3. The Group can provide quality, cost effective, stable, reliable and international standard production capacities for Homemade Harvey, thus reducing its production costs and increasing flexibility of its own production capacity.
4. Collaborations in the areas of agriculture, nutrition, sports medicine and health science, among the Group, Homemade Harvey, Universities in the US, and Universities in China, can be established to develop new form of processed fruit and vegetable products with strong local demand and plenty of local raw materials supply in China. Nutritional diets for professional athletes, militaries, astronauts, rehabilitative patients or patients with diseases that are popular in China locally, can be established. The Group and Homemade Harvey can also join their research and development effort in developing new packages that are safe, cost effective, convenient, highly portable, and good for storage and shelf-life.
5. Mr Lawrence Jackson, the Chief Executive Officer and Chief Marketing Officer of Homemade Harvey, was a professional star player in NFL before he joined Homemade Harvey. He can leverage on his image and product knowledge to promote the Group's own brand products in China. Mr Lawrence Jackson can also develop promotional partnerships with other NFL and NBA star players to promote the Group's own brand products in China.

The Directors are of the view that the Proposed Acquisition will accelerate the revenue and profit growth on its own brand business, and diversify the Group's revenue and profit source to the US market. The Group can add overseas brands to its portfolio of own brands that are currently used in China. The Group's product lines and product varieties will be broaden with particular areas of fruit pouch/puree, baby food, organic food, healthy fruit snack, functional health food and athletes food.

Moreover, the Group will leverage on the extensive skills and experience of the management team of Homemade Harvey with regard to their new product development capabilities and US University networks, to continuously develop new, unique and innovative processed fruit products that can target consumers with different consumption patterns, stages of life, and market trends towards a healthier eating/diet. The collaboration with reputable US Universities will expand the Group's business into food technology area.

Accordingly, the Board considers that the Proposed Acquisition, should it materialise, can raise the Group's branding effect and reputation as an international processed food enterprise, and enhance the value of the Shareholders and are in the interests of the Company and the Shareholders as a whole.

GENERAL

The MOU does not constitute legally-binding commitment in respect of the Proposed Acquisition. The Proposed Acquisition is subject to the execution of the Definitive Agreement.

Further announcement in respect of the Proposed Acquisition will be made by the Company in the event that any Definitive Agreement has been signed and when appropriate in accordance with the Listing Rules (if required).

The Board wishes to emphasize that no legally binding agreement in relation to the Proposed Acquisition has been entered into as at the date of this announcement. As such, the Proposed Acquisition may or may not proceed. If the Proposed Acquisition is materialised, it may constitute a notifiable transaction on the part of the Company. In this regard, the Company will comply with the reporting, disclosure and/or other requirements under the Listing Rules.

Shareholders and potential investors of the Company are urged to exercise caution when dealing in the securities of the Company.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

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| “Board” | the board of Directors of the Company; |
| “Company” | Tianyun International Holdings Limited, a Company incorporated in the British Virgin Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (6836.HK); |
| “Definitive Agreement” | the formal sale and purchase agreement which may or may not be entered into in relation to the Proposed Acquisition; |
| “Director(s)” | the director(s) of the Company; |
| “Hong Kong” | the Hong Kong Special Administrative Region of the People’s Republic of China; |
| “HK\$” | Hong Kong dollar, the lawful currency of Hong Kong; |

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| “Independent Third Party(ies)” | independent third party(ies) who is/are not connected person(s) of the Company and any of its subsidiaries and is/are independent of the Company or its connected person(s) (as defined in the Listing Rules); |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange; |
| “Long Stop Date” | three (3) months from the date of the MOU (or such further period as may be agreed by the Parties); |
| “MOU” | the Memorandum of Understanding in relation to the Proposed Acquisition; |
| “Party(ies)” | Party(ies) to the MOU; |
| “PRC” | the People’s Republic of China; |
| “Shareholders” | shareholders of the Company; |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited; |
| “Tianyi” | Tianyi Holding Hong Kong Limited, a wholly-owned subsidiary of the Company and incorporated in Hong Kong with limited liability; |
| “US” | The United States of America; and |
| “%” | Per cent. |

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

Hong Kong, 21 November 2017

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