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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)

VOLUNTARY ANNOUNCEMENT BUSINESS UPDATE

This is a voluntary announcement made by the Company.

Tianyun International Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) has set up a production base (the “**Yunnan Production Base Project**”) in the Honghe Hani and Yi Prefecture of Yunnan Province, the People’s Republic of China (the “**PRC**”) for the production of tropical processed fruit products.

The Yunnan Production Base Project has a planned land area of over 130,000 square metres and designed total production capacity of 90,000 tonnes per annum. It is contemplated to establish a research centre, processing centre, grading centre, sales and trading centre, and storage and logistics center, focusing on tropical processed fruit products. The tentative scope of business of the Yunnan Production Base includes, inter alia, the production and sales of canned fruit and vegetables, beverages, fresh fruits and vegetables, and fruit jelly products.

The Group aims at developing green food brands and building a model production base. It is expected that the production base will commence operation in 2022. By the time, the production bases of the Group in Shandong Province, Hubei Province and Yunnan Province will achieve synergies. The production bases located in the north, middle and southwest parts of the PRC will enhance the Group’s products arrangement and sales strategies in all parts of the PRC.

The primary purpose of the Yunnan Production Base Project is to introduce more fruit varieties sourced from tropical climate zone and develop a base for processed tropical fruit products in Yunnan Province in the PRC.

Yunnan Province and its surrounding areas have abundant fruit, vegetable and natural resources. It is also named as “Kingdom of Plants and Fruits”. It is located in a low-latitude highland zone with diversified climate and excellent ecological environment. It has been a popular home town of many special types of fruits such as mango, pineapple, papaya, pomegranate, grape, jackfruit, mandarin orange, loquat and Chinese bayberry, etc..

The Honghe Hani and Yi Prefecture of Yunnan Province is a two-way import and export, and core collection and distribution hub of South Asia, Southeast Asia and the Northwest regions of the PRC. It has road connections in all directions and is easily accessible to the nearby countries including Vietnam, Myanmar, Laos, Singapore, Malaysia and Thailand. According to the statistics from the Kunming

Customs District of the PRC, Yunnan Province exported approximately 1.35 million tonnes of fruits with an aggregate value of approximately RMB18.4 billion in 2020 with a growth rate of approximately 24% comparing to the year of 2019. Green food and food processing industries have been rapidly developed and strongly supported by the local government.

Through the Yunnan Production Base Project, the Group can extend its production and distribution base from its existing base in the eastern and central parts of the PRC to the southwestern part of the PRC for further business expansion. The Group can develop new types of fruit and other products which the Group did not offer in bulk in the past, such as tropical processed fruit products.

The Yunnan Production Base Project can also 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 new production base can also facilitate the Group in its warehousing and logistics arrangement nationwide in the PRC and enhance the cost efficiency for its own brand products.

The Directors believe that the Yunnan Production Base Project is in the best interests of the Company and its shareholders as a whole. It is in line with the business strategy of the Group on the expansion of production facilities and enrichment of the varieties of processed fruits and market coverage in the PRC.

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

Hong Kong, 12 July 2021

As at the date of this announcement, the Board of the Company comprises (i) Mr. Yang Ziyuan and Mr. Sun Xingyu as the executive Directors; (ii) Ms. Chu Yinghong and Mr. Wong Yim Pan as the non-executive Directors; and (iii) Mr. Liang Zhongkang, Prof. Lu Yuanping and Mr. O'Yang Wiley as the independent non-executive Directors.