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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)

DISCLOSEABLE TRANSACTION **ACQUISITION OF LAND USE RIGHTS**

On 22 December 2021, Mile City Natural Resources Bureau* (彌勒市自然資源局) and Tiantong Food (Mile) entered into the Land Grant Contract, pursuant to which Mile City Natural Resources Bureau agreed to grant, and Tiantong Food (Mile) agreed to acquire, the land use rights in respect of the Land.

As the highest applicable percentage ratio (as defined under the Listing Rules) in respect of the Land Grant Contract is more than 5% but less than 25%, the Land Grant Contract constitutes a discloseable transaction for the Group under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements under the Listing Rules.

ACQUISITION OF LAND USE RIGHTS

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THE LAND GRANT CONTRACT

The major terms of the Land Grant Contract are as follows:

Date of execution:	22 December 2021
Parties:	Mile City Natural Resources Bureau (彌勒市自然資源局) of the PRC government, as grantor Tiantong Food (Mile), as purchaser
Consideration:	RMB61,119,380, the same of which has already been fully paid by the Group
Details of the land use rights:	The land use rights to use a parcel of industrial land with a site area of 132,579.55 square metres located at Xiaoshishan Villager Group, Kuaxi Villager Committee, Xingtian Industrial Park, Mile City, Yunnan Province, the PRC
Delivery date:	Mile City Natural Resources Bureau agrees to deliver the Land to Tiantong Food (Mile) before 20 January 2022
Term:	50 years commencing from the delivery date
Condition of the Land:	By the time Mile City Natural Resources Bureau delivers the Land to Tiantong Food (Mile), the Land must be levelled, and there should be access to road and communication, electricity and water supply

BASIS UPON WHICH THE CONSIDERATION WAS DETERMINED

Tiantong Food (Mile) secured the land use rights in respect of the Land by participating in a land auction organised by the Mile City government.

The amount of the consideration is the same as the bidding price submitted by Tiantong Food (Mile) in the said auction.

Tiantong Food (Mile) has satisfied the consideration with the internal resources of the Group.

REASONS FOR ACQUISITION OF LAND USE RIGHTS

As disclosed in the paragraph headed “Research and Development, and Production Capacity” in the section headed “Management Discussion and Analysis” in the Group’s interim report for the six months ended 30 June 2021 and the announcement of the Company dated 12 July 2021, the Group is setting up a production base in the Honghe Hani and Yi Prefecture of Yunnan Province, the PRC. The Group intends 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 Yunnan production base will achieve synergies with the Group’s production bases in Shandong and Hubei Province, while the Group will benefit from the expansion in production facilities, enrichment of processed fruit varieties and growth in market coverage in the PRC as it further develops production and sales of temperate, subtropical and tropical processed fruit products and beverages. Together, the three major processed fruit production bases will enable the Group to strengthen its presence in Northern China, Central China and Southwest China. At the same time, the Yunnan production base will facilitate greater optimisation of the Group’s arrangements on warehousing and transportation across the PRC, thereby enhancing cost efficiency of the Group’s own brand products.

INFORMATION ABOUT THE PARTIES

Mile City Natural Resources Bureau is the authority of the PRC government responsible for managing the natural resources in Mile City. To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, Mile City Natural Resources Bureau and its superior governmental departments are third parties independent of the Company and connected persons of the Company.

The Group (including Tiantong Food (Mile)) 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.

VIEWS OF THE DIRECTORS

The terms of the Land Grant Contract are based on the template promulgated by the PRC government. The Directors consider that the terms of the Land Grant Contract 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.

IMPLICATIONS UNDER THE LISTING RULES

As the highest applicable percentage ratio (as defined under the Listing Rules) in respect of the Land Grant Contract is more than 5% but less than 25%, the Land Grant Contract constitutes a discloseable transaction for the Group under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements under the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions have the meanings ascribed to them below:

“Board”	the board of Directors;
“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 of Hong Kong Limited;
“Directors”	the directors of the Company;
“Group”	the Company and its subsidiaries;
“Land”	a parcel of industrial land with a site area of 132,579.55 square metres in Xiaoshishan Villager Group, Kuaxi Villager Committee, Xingtian Industrial Park, Mile City, Yunnan Province, the PRC;

“Land Grant Contract”	the Contract for Grant of State-Owned Land Use Rights for Construction entered into between Mile City Natural Resources Bureau and Tiantong Food (Mile) on 22 December 2021;
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
“PRC”	the People’s Republic of China;
“Tiantong Food (Mile)”	Tiantong Food (Mile) Company Limited* (天同食品(彌勒)有限公司), a company incorporated in the PRC and a wholly-owned subsidiary of the Company.

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

Hong Kong, 22 December 2021

As at the date of this announcement, the Board 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.

* *For identification purpose only*