

【For Immediate Release】



天韵國際控股有限公司
Tianyun International Holdings Limited
(Stock code : 6836.HK)

Announces 2017 Interim Results

Revenue up 11.6% with interim dividend of HK\$1.6 cents per share

Further breakthrough in parallel development

Successfully transforms into a Processed Fruit Products Company

with its Own Brand Business

Consolidates leading position in China Upgrading Consumer Goods Industry

Financial Highlights

For the six months ended 30 June (RMB million)	2017	2016	Change
Revenue	343.3	307.6	+11.6%
Adjusted Gross Profit*	92.7	90.6	+2.3%
Adjusted Net Profit*	58.3	52.8	+10.4%
Revenue from own brand business	138.7	90.1	+53.9%
Interim dividend (HK\$ per ordinary share)	0.016	0.016	-

*Excluding non-recurring expenses

(Hong Kong, 29 August 2017) **Tianyun International Holdings Limited (“Tianyun International”, together with its subsidiaries, the “Group”)**, a leading seller and manufacturer of processed fruits products in China, announced its results for the six months ended 30 June 2017 (“Reviewing Period”). During the Reviewing Period, the Group has strived to develop its businesses. We continued to expand our online and offline operations, thus allowing our sales results to perform steadily and rise continuously, with period on period revenue realising double-digit growth rate. Our revenue and adjusted gross profit grew 11.6% and 2.3% respectively to RMB343.3 million and RMB92.7 million. The Group maintained parallel development strategy of its own brand and OEM business, of which revenue from our own brand business soared by 53.9% to RMB138.7 million, making its share of total revenue rose to 40.4% from 29.3% of the same period last year, which is comparable with the revenue of OEM business. The Group has successfully transformed into a processed fruit products company

with its own brand business, which further consolidates its leading position in China upgrading consumer goods industry.

The Board of Directors suggested to pay an interim dividend for the six months ended 30 June 2017 of HK\$1.6 cents per share in return for the support of shareholders.

A Breakthrough in Own Brand Product Sales

During the Reviewing Period, the Group has dedicated strong effort in developing and establishing our own brands, including“天同時代 (Tiantong Times)”,“繽果時代 (Bingo Times)”, and“果小懶”. Income has grown steadily, with strong development momentum. Revenue from its own brand business experienced a period on period growth of 53.9% to RMB138.7 million, which is an inspiring result accounting for 40.4% of the total revenue. For the first half of this year, The Group has actively participated in various trade fairs, including the 42nd International Food and Beverage Exhibition held in Japan, the 96th China Food and Drinks Fair, and PLMA’s 2017 “World of Private Label” International Trade Show, in order to continuously expanded the sales network and enhance the profile of its own brands. The Group received widespread attention from industry players and clients and attracted a large number of customers from various countries and regions looking for cooperation and new business opportunities, which helped promoting the Group’s own brands towards broader international markets.

Continuous Promotion of E-commerce Development Led to Online Sales surged

Since 2016, to cater for the consumption patterns of the younger generations of consumers in their 20s and 30s, the Group has put great effort in developing online sales channels which conduct marketing and promotion on the internet and leverage new media for precise marketing. The Group focuses on e-commerce platforms such as WeChat Business (微商). The Group also set up a special “E-Commerce Commission” to manage and control its WeChat sales team. At the same time, the Group has provided special offers to online members, including the sale of limited quantity new fruit products and product customisation. Our online sales during the Review Period has already exceeded that of the full year of 2016, soaring to RMB32.5 million, representing approximately 11.0% of the revenue from processed fruit products during the Review Period.

Deepened Sales Channel Expanding to Promote the Deep Penetration of Products

The Group puts great emphasis on the traditional offline sales channels which are more mature and has spared no effort in expanding such channels. During the Reviewing Period, the Group continued to make good progress on offline sales. The Group continued to utilise the new distribution system for its own brand, organised promotion events with distributors and offered free trial products to potential customers in our target markets. The successful marketing made our number of distributors jumped to 160 as compared to 126 at the end of last year while the sales network of our own brand

has now covered 21 provinces, direct-controlled municipalities, and autonomous regions in China, making the products of the Group penetrated further into the national consumer goods upgrading market. Additionally, the Group has successfully opened up the overseas markets under the brand of “天同時代 (Tiantong Times)”, which has entered into Hong Kong and Macau markets, and can be found on the shelves of over 1,300 points of sales including Wellcome Supermarkets, 7-11 convenience stores, AEON stores, O’farm organic stores, and VanGO convenience stores of Vanguard.

Hope to Achieve All-round Synergic Effects Through Acquisition

As a renowned food processor in China, we continue to supply consumer with safe, nutritious, delicious and convenient processed fruit products. In order to accelerate the development of business, the Group hopes to achieve all-round synergic effects among brands, products, types, channels and capacity through acquisition.

In future, the Group will continue our strategy of parallel development of our own brand and OEM businesses, in order to further consolidate the Group’s market leading position. The Group will continue to promote and advertise its brands “繽果時代(Bingo Times)”, “果小懶”, “天同時代 (Tiantong Times)”, and “果三十”, as well as the products from these lines. In addition to accelerating the establishment of the offline sales network in China, among Hong Kong and Macau, the Group will also be more active in participating in large scale food exhibitions and trade fairs around the world, so as to strengthen the image of our brands in the global market.

In terms of products and product types, the Group has launched a diverse range of new products with different flavours to meet with the market demand, including the “冰糖燉梨 (Stewed pears soup with crystal sugar)” under the “繽果時代 (Bingo Times)” brand and the “一罐一碼紅包獎賞 (One-can-one-code Bonus Reward)” series of processed fruit products. We have been and are continuing to research and develop new processed fruit products, including a trans-fat-free snack that is made from 100% fruits and is very similar to fruit ice creams, and fruit jellies. The Group will continue to roll out new types of snack products under our own brand for satisfying the tastes and demands of different consumer groups, particularly the younger generations. The Group will expand its supply chain of processed fruit products through introducing more fruit types and continue to develop new products.

In terms of channel, e-commerce will be our big focus in the future. The Group will use precise marketing on e-commerce platforms such as WeChat Business (微商) and Tmall (天貓商城) to promote its own brand product. We hope that the integration of branding and technology could promote a deeper interaction between online and offline market and build a more comprehensive and efficient O2O processed food market, and create new development momentum for the Group. At the same time, the Group will actively seek industrial partnership opportunities and potential acquisitions under the premise of maximization of overall operating efficiency and business synergies. The Group

is actively pursuing the acquisition of a company engaged in the production and sales of processed fruit including mandarin orange in subtropical zone of China. Currently the preparation work is progressing well and the Group targets to complete the potential acquisition by the end of this year.

In terms of production capacity, the Group continues to enhance production facilities to improve its production efficiency and volume. Upgrade and transformation of production workshops No. 1 and No. 2 have been completed, which further enhance production efficiency and level of automation, while production workshops No. 3 and No. 4 have also officially commenced production last year, and the Group is also actively driving the design work for production workshops No. 5 and No. 6. During the Review Period, annual designed production capacity of the Group reached 84,000 tons. Meanwhile, the Group has consistently and strictly complied with the Food Safety Law of the People's Republic of China (中國食品安全法) and the Regulation on the Implementation of the Food Safety Law of the People's Republic of China (中國食品安全法實施條例), and introduced more advanced quality control equipment, as we strive to further enhance the safety levels of production ingredients and food production, and strengthen the Group's competitiveness.

Mr. Yang Ziyuan, Chairman and CEO of the Group, said, "I am pleased and proud, by leveraging breakthroughs in the sales of our own brand products, the Group successfully transformed into a leading enterprise in China upgrading consumer goods industry in the first half of 2017. As economic development appears to take a stable foothold, there is a clearer rising trend in domestic consumption in China. Coupled with China's consumers having an increasing awareness in pursuing healthiness, more people are starting to understand that canned fruits are just as healthy and nutritious as fresh fruits, which brings new opportunities to the industry. The Group will continue to supply our consumers with safe, nutritious, delicious and convenient processed fruit products based on our highest mission of safe and healthy food production. As to the overall development of the Group, we will make a balance between our domestic and international businesses by considering the benefits on each side, we would strive to become one of the leading enterprises in the sector in China in the short to medium term, and bring to shareholders and investors long term, sustainable and stable investment returns."

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About Tianyun International Holding Limited (Stock Code: 6863.HK)

Tianyun International Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") are 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. Processed fruit products are sold both on an OEM basis and under our own brands. On 7 July 2015, the Group was successfully listed on the Main Board of The Stock Exchange of Hong Kong Limited which had further consolidated our leading position in China's processed fruit product industry.

The Group has been consistently committed to provide healthy and safe products to its customers. As one of the food enterprises with the most complete quality certifications, we have always been dedicated to following stringent international production standards and are accredited with BRC (A+), IFS Food (High), FDA, HALAL, SC, KOSHER, BSCI and ISO22000 in respect of our production facilities, quality control and management. The Group has also passed the internal food production standard reviews and audits from some of the UK and US supermarket chains. At the same time, within China, as a “Equal production line; Equal standard; Equal quality” food production and export enterprise, the Group has been supplying products of equivalent quality to domestic and international markets. Since 2016, the Group’s own brand processed fruit products have continued to obtain a high degree of market recognition, and have been awarded by a national institution the honour and qualification of “China Canned Product Quality Certification Label”, become the first and only fruit processor in China’s fruit processing industry to put the “Zero Added Preservative Canned Products” label for its products sold in China.

For more information, please visit www.tianyuninternational.com

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For media inquiries, please contact:

Joanne Chan	Tel: (852)3679 3671	Email: jchan@lbs-comm.com
Pauline Fu	Tel: (852)3752 2674	Email: pfu@lbs-comm.com