

[Press release – For Immediate Release]



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

**Acquisition of Strong Won Investment Limited for an aggregate
consideration of HK\$55 million
To Establish a production and distribution base in Central China**

(Hong Kong, 17 September 2017) **Tianyun International Holdings Limited** (“**Tianyun International**”, together with its subsidiaries, the “**Group**”) (Stock code: 6836.HK), a leading seller and manufacturer of processed fruits products in China, is pleased to announce that the Group has made an acquisition of Tiantong Foods (Yichang) Ltd. in Dangyang, Hubei Province for an aggregate consideration of HK\$55 million. Dangyang, located in the central part of China, has unique geographical advantages with convenient water and land transportation. It is expected that the Group will establish a production and distribution base in the central part of China for further business expansion and development of subtropical processed fruit products through the acquisition. The production base can also facilitate the Group in its warehousing and logistics arrangement for its own brand products in the central part of China.

On 15 September 2017 (after trading hours of the Stock Exchange), Tianyi Holding Hong Kong Limited, the wholly-owned subsidiary of Tianyun International, has made an acquisition of Strong Won Investment Limited and its fully subsidiary Tiantong Foods (Yichang) Ltd. (Target Group) from Long Advance Investments Limited, a company wholly-owned by Mr. Li Jinrong, with an aggregate consideration of HK\$55 million, of which HK\$33 million will be settled in cash. The remaining maximum consideration of HK\$22 million will be settled by allotment and issuance a maximum of 17,188,000 new shares at HK\$1.28 per share. The consideration is linked to future operating performance of the Target Group and will provide a high incentive scheme.

Upon acquisition completion, Mr. Li Jinrong will be appointed as senior management of the Target Group and be delegated with the responsibilities of managing the business of the Target Group. The Target Group has decided the Target Production Volume during the period of three years commencing from the Completion Date (with an aggregate amount of production volume can reach 80,000 tonnes of processed fruits) and Target Revenue (total amount of revenue from its principal business can reach RMB700 million). When the Target Group has achieved 50% of the Target

Production Volume and 50% of the Target Revenue, Tianyun International will pay 50% of the Consideration Shares after the issue of relevant financial statements of the Target Group (85.94 million new shares). When the Target Group has achieved the Target Production Volume and the Target Revenue, the Group will issue the remaining 50% of the Consideration Shares. If the Target Production Volume and/or Target Revenue cannot be achieved, the number of Consideration Shares shall be reduced by proportion equivalent to the percentage of shortfall between the gap of actual and the Target volume, or that of actual and the Target revenue.

The Target Group is based in Dangyang, Hubei Province in China, with a site area of 101 mu and a construction area of 26,000 square meters (including standardized factory with 12 production lines, office building, warehouses, and environmental protection and staff facilities.) The Target Group also possesses the requisite licences on its business in China, and various international certifications on its production facilities, quality control and management systems. Through the acquisition, the Company can establish a production and distribution base in the central part of China for further business expansion and development of subtropical processed fruit products.

Mr. Yang Ziyuan, Chairman and CEO of the Group, said, “We are devoted to develop our own brand processed fruit products with high quality and high degree of market recognition since 2016. In the first half of 2017, revenue from our own brand business soared by 53.9%, which shows the growing momentum of Group driven by the own brand business. The production facilities of the Target Group can increase the production capacity on new and existing processed fruit products while the production base can also facilitate the Group in its warehousing and logistics arrangement for its own brand products in the central part of China. By introducing the Group’s long established customers, and integrating the Group’s production knowhow and quality control systems to the Target Group, we consider that many synergies can be achieved. Mr. Li will also be appointed as senior management of the Group and be delegated with the responsibilities of managing the business of the Group in Hubei Province. We trust that Mr. Li will be able to expand the Group’s market share in Central China and the subtropical processed fruit sector under the current incentive system, thus bringing 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