

【For Immediate Release】



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

Announces 2018 Interim Results
Transformed into a Consumer Brand Business with Solid Growth
Diversified product strategy to consolidate market leadership

Financial Highlights

For the six months ended 30 June (RMB million)	2018	2017	Change
Revenue	439.3	343.3	+28.0%
Gross Profit	122.1	92.8	+31.6%
Net Profit	67.5	52.3	+29.1%
Revenue from own brand business	209.5	138.7	+51.0%
Earning per share (RMB cent)	6.90	5.35	+29.0%
Interim dividend (HK cent per ordinary share)	1.7	1.6	+6.3%

(Hong Kong, 28 August 2018) **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 2018 (“Review Period”). During the Review Period, the Group strived to develop its business, actively expanded its sales channels, and launched a richer product line to the market. The sales performance and brand awareness were further enhanced. The Group maintained parallel development strategy of its own brand and OEM business, the Group’s revenue, gross profit and net profit grew 28.0%, 31.6% and 29.1% respectively to RMB439.3 million, RMB122.1 million and RMB67.5 million, of which revenue from our own brand business even soared by 51.0% to RMB209.5 million.. The share of our own brand business in the Group’s total revenue further rose to 47.7%. Our own brand business segment becomes the largest reported segment for the first time. During the Review Period, the Group was honoured with the title of “2017 Linyi Mayors Quality Award” and “2018 China Canned Food Leading Brand” and many other honours. Meanwhile, with its outstanding brand value impact, the Group once again topped in the 2018 Most Valuable Chinese Brands List for its outstanding brand influence. The steady increase of market share and consumer recognition of the Group’s own brand will further strengthen the Group's leading market position in the upgraded consumer goods industry.

Precise Brand Development Strategy Increase Brand Awareness Steadily

During the Review Period, the growth of our own brand business was strong, revenue from our own brand business even experienced a period-on-period growth of 51.0% to RMB209.5 million. The Group actively participated in various national food fairs, and developed outstanding regional distributors and chain superstore channels, successfully strengthened interaction and cooperation with our distributors. The number of exclusive regional distributors has also expanded to 204 and we have successfully made our products available at chain supermarkets with a large number of branches such as RT-Mart and CR Vanguard. At the same time, the Group also increased its efforts to promote the Group's brand and product edge, and organized a variety of promotional activities with regional market characteristics to launch different packaging products to meet the needs of various target customer groups. The Group's series of brand development strategies has closely followed the market trend of consumption upgrade, which was conducive to accelerating the Group's development pace in the domestic market.

Grasped New Opportunities for E-commerce Development and secured more Quality OEM Customers

Driven by consumption upgrade, online and offline integration has become the mainstream trend of brand development. During the Review Period, revenue from online sales grew to RMB35.2 million, representing 16.8% of the Group's revenue from the own brand business.. By upgrading the product packaging design, updating the webpage of the online store, organising various reward programmes and implementing other online sales strategies , the Group has enhanced its online brand image and established good product reputation, which has boosted the growth of online sales. The Group will also take advantage of the existing sales advantages of fresh fruit, actively focus on the development trend of fresh fruit e-commerce, actively seek out well-known partners related to fresh fruit, increase the variety of fresh fruit and exchange circulation to enrich consumers' demand for diversified fresh fruit products.

During the Review Period, our OEM business continued to develop steadily with minimal impact from the U.S. – China trade dispute. The demand from developed countries for “Made-in-China” processed food products remained strong. The Group will continue to cultivate more new quality customers in Canada, Europe and other regions to increase its international market share.

Diversified Product Types to Enhance Core Competitiveness

The Group has committed to improving its production capacity, brand and channels to adapt to the changing market and accelerate business development. In face of growing market demand, the Group continued to advance the enhancement and upgrade of its production facilities, promote refined management, and adopt the de-seasonalised modes of production strategy to raise its production

efficiency and capacity. Preparations for production workshops No. 5 and No. 6 are actively in process.

In terms of brand, the Group attaches great importance to improving product quality, striving to maintain a good reputation for quality, safety, health, deliciousness and nutrition, upgrading product packaging, injecting more fashion and leisure elements, and strengthening cooperation with distributors to promote all-rounded marketing activities to enhance the visibility of their products. The Group also stabilizes its brand position by launching a variety of new products. The Group has successfully developed a fat-free pure fruit snack which is very similar to ice-cream, for which a patent application has been accepted. In addition, the functional beverage formula and healthy pudding with different flavours developed by the Group will gradually be rolled out based on market conditions. In the future, the Group will focus on building its own brand and further consolidate its leading position in the market through a more targeted brand strategy.

In terms of channels, the Group will continue adopting parallel development strategy for online and offline business. The Group actively expands distributors such as supermarket chains. The geographical coverage of our own brand products has further extended to 24 provinces, direct-controlled municipalities and autonomous regions. In terms of online sales, the Group has updated the webpage of the online store, optimized its brand image by optimizing the operation of e-commerce platforms such as WeChat and Tmall. Meanwhile, the Group is still actively seeking cooperation opportunities, striving to enhance the Group's brand recognition and extend our snack and beverage product line and possessing fruit processing capability in both domestic and overseas locations in order to lower tariff risks arising from international trade disputes.

Mr. Yang Ziyuan, Chairman and CEO of the Group, said, "The development of the Group's own brand has achieved remarkable results in the first half of 2018, and the brand recognition and reputation was being further improved. I am delighted and proud of the Group's further breakthrough in China upgrading consumer goods industry. As consumers continuously seek new flavours and experience in different flavours, we have sustained our innovative efforts, introducing a diverse range of new products with different flavours. Among these, a fat-free pure fruit snack food will be officially launched in the mainland China, Hong Kong and Macau markets in the fourth quarter of 2018. The new product is a healthy snack food, which does not contain any fat, and can be transported and stored at room temperature. It is a revolutionary product that is convenient for transportation and storage, which contains original fruit taste and nutrition with a soft taste like ice-cream after freezing for a few hours. Meanwhile, the Group has numerous new products either in the pipeline or currently undergoing R&D, such as healthy pudding with different flavours. These innovative snacks will be gradually rolled out based on market circumstances, in order to satisfy and suit the tastes and demands of consumers in different age groups. "

"Recently, China government attaches great importance to food safety and is promoting food safety to the national strategic level. As a company with a high sense of social responsibility, we will continue

to take food safety as our highest mission. High quality is an important direction of food consumption upgrade. We will strengthen product innovation, strive to enrich product categories, and provide consumers with safe, nutritious, delicious and convenient processed fruit products. In face of new market opportunities, we will formulate more business strategies which meet the needs of the market and further explore various sales channels. We strive to become one of the leading enterprises in China and international fruit processing industry, and bring stable and sustainable investment returns to shareholders and investors.”

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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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