

**【For Immediate Release】**



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

**Reported a steady 2019 interim result with upward trend  
Expected Sichuan project to boost business growth and development**

**Financial Highlights**

<b>For the six months ended 30 June (RMB million)</b>	<b>2019</b>	<b>2018</b>	<b>Change</b>
Revenue	<b>457.6</b>	439.3	<b>+4.2%</b>
Gross Profit	<b>127.9</b>	122.1	<b>+4.8%</b>
Net Profit	<b>70.3</b>	67.5	<b>+4.1%</b>
Revenue from own brand business	<b>258.0</b>	209.5	<b>+23.2%</b>
Basic earning per share (RMB cent)	<b>7.18</b>	6.90	<b>+4.1%</b>
Declared interim dividend (HK cent)	<b>1.8</b>	1.7	<b>+5.9%</b>

(Hong Kong, 29 August 2019) **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 2019 (“Review Period”).

During the Review Period, the Group was awarded triple honors by China Canned Food Industry Association, namely “China Canned Food Brand of 40th Anniversary of China’s Reform and Opening up”, “2019 China Canned Food Leading Brand” and “2019 China Canned Food Leading Enterprise”. The Group was included in the Most Valuable Chinese Brands List for three consecutive years. According to the list, the Group’s brand strength was valued at 782 and brand value exceeded RMB1 billion for the first time.

**Exploring Sichuan potentials through the new production base**

According to the main economic indicators data released by Sichuan Provincial Bureau of Statistics, the province's total GDP reached RMB 2,517.2 billion in the first half of 2019, a year-on-year increase of 7.9%, and the growth rate was 1.6 percentage points higher than the national average. This is the first time in half a year that Sichuan’s GDP exceeded RMB 2 trillion. Among them, the province's total retail sales of consumer goods reached RMB 964.15 billion, a year-on-year increase of 10.5%, and the growth rate was 2.1 percentage points higher than the national average. From the data, Sichuan's

economy continued its stable and progressive development trend in the first half of the year. The growth rate of major economic indicators was higher than the national average and was better than the expected target at the beginning of the year.

Known as the “land of abundance”, Sichuan has a vast territory, rich resources, superior geographical environment with production of a wide variety of crops. Sichuan's agricultural and sideline products have always occupied an extremely important position in the country and it is one of the 13 major grain producing areas in China. In addition to the excellent natural conditions, Sichuan is also being supported by favorable policies. In the past few years, the development opportunities arise from the western China and the Yangtze River Economic Belt have set off a precedent for the development of Sichuan. In recent years, Sichuan also has vigorously promoted the construction of the connecting railways and transportation hub. The improved transportation, the optimized surroundings, and the enhanced openness have become Sichuan's major advantage. Since the third quarter of 2018, the Group has strategically cooperated with Sichuan Development Holding Company Limited (“SDH”) to successfully realize the complementary advantages of both parties. SDH provides the Group with strong financial strength, expansion opportunities and credibility, which in turn promotes the Group's longer-term and sustainable development.

#### **Diversified M&A strategies striving to become one of the leading processed fruits enterprises in China and around the world**

In January 2019, the Group and SDH signed a memorandum of understanding, whereby both parties will leverage on their own strengths to conduct close cooperation in the agriculture field. This includes developing a base for raw materials, investing in talents, technology, and expertise, investing in relevant agriculture industry projects and providing capital support necessary for acquisition of high-quality agriculture projects in China and abroad. At the same times both parties intend to invest an aggregate of RMB1 billion in agricultural food projects.

In addition, the Group and Sichuan Yizhan Enterprise Co., Ltd. ,a subsidiary of Sichuan Development International Holding Company Ltd(四川發展國際控股有限公司), have recently established a joint venture company in Sichuan Province, the PRC.The joint venture company will make full use of the strengths of each party and geographical advantages of Sichuan Province, and jointly develop a supply chain for processed agricultural and food products as well as a base for supply of raw materials that complies with international standards. Sichuan Pilot Free Trade Zone, where the joint venture company located, has become a transportation hub for import and export commodities in Southwest China. It carries the important strategic function of China's “Belt and Road” policy. Sichuan's gross regional product (the “GRP”) reached approximately RMB 4,000 billion in 2018, representing a year-on-year increase of approximately 8% and approximately 1.4% higher than the national average of GRP growth rate. The total retail sales of consumable goods increased approximately 11.1% year-on-year and approximately 2.1% higher than the national average in 2018. In addition, the fruit output including fresh fruit and dried fruit) in Sichuan Province increased from approximately 840 thousand

tons in 2013 to approximately 1,000 thousand tons in 2017, representing a compound annual growth rate of approximately 4.7%. It was expected that the joint venture company will benefit the Group from (i) the increase of economic scales and better serving the demand for fruit in Southwest China; and (ii) more business opportunities to expand the market to the countries along “the Belt and Road” Initiative.

In June 2019, the Group, the government of Qingbaijiang district in Chengdu, Sichuan Province and a Japanese food trading company under Sumitomo group (“日本住商食品”) entered into a memorandum of strategic co-operation to establish strategic partnership with respect to the trading and processing of China’s Sichuan specialty fruits and vegetables and other agricultural products. This pushes specialty fruits and vegetables and food into a larger international audience through the technological advantages of 日本住商食品 as well as propelling Sichuan agriculture to open up cooperation with the world.

**Reputation of the brand further enhanced, online and offline networks continue to expand boosting the implementation of precise marketing strategies**

In the first half of 2019, income from own brand products under the “天同時代 (Tiantong Times)”, “繽果時代 (Bingo Times)”, and “果小懶” has risen steadily. During the Review Period, the Group continued to actively participate in various international and domestic food and drinks fairs and exhibitions, and continued to develop a regional distributorship network and supermarket chains channels through sample sales in some provinces and cities. The sales network of our own brand has developed orderly. The geographical coverage of our products has extended to market of 24 provinces, direct-controlled municipalities and autonomous regions as well as Hong Kong and Macau. The number of exclusive regional distributors has expanded to 277, covering famous regional supermarket chains such as Auchan, RT-Mart, CR Vanguard, AEON, Beijing Jingkelong and Jinan Hualian. The Group always pays attention to interacting and communicating with various consumers. It promotes sales through promotional activities such as roadshows, complimentary gifts promotion, sample tasting, lucky draws, and redemptions. At the same time, the said promotion activities create a vivid brand image of our Group and our products and enhances our market competitiveness so as to attract more customers, and achieve accurate communication.

The Group’s own brand products have increased their well-established reputation through successfully enhancing sales performance of the Group in e-commerce platforms such as TMall, WeChat Business and Pinduoduo. During the Review Period, the Group enhanced the online image of our own brand through online sales and branding strategies such as remodeling and upgrading the package, labelling and carton design, updating the webpage of the online stores, organizing various reward programs, and increasing product categories and fruit flavors and varieties. In addition, in response to consumers’ preferences for live streaming platforms, the Group promoted products in popular live streaming platforms, which helped to increase hit rate of our stores in e-commerce platforms, and thus, to a certain extent, increasing the sales.

### **OEM business remained steady, reaching out to more quality clients**

During the Review Period, the Group's OEM business continued to develop steadily and we worked closely with renowned international food brands. The demand for processed fruit products "Made in China" remained massive in global market. Although the final export destinations of the Group's OEM processed fruit products are comparatively dispersed, we will continue to explore more high-quality new customers in Canada, Europe, Australia, New Zealand, Japan and South Korea.

### **Huge business opportunities for fresh fruits business, dedicated to exploring domestic and international sales channels and cooperation opportunities**

The Group often selects and resells a small portion of the fresh fruit to fresh fruit wholesalers in the PRC. According to the "2019 Online Fresh Consumption Development Trend Report" recently released by a well-known data analytics consulting firm together with Alibaba Group Holding Limited, it is expected that the volume of fresh fruit market would achieve RMB 1,000 billion by 2025. This report also stated that it has become a daily routine for consumers to buy fruits and fresh product online, and it is a trend for the number of relevant online active users to increase robustly, which demonstrates the great potential for online fresh market. The Group always pays close attention to the development of fresh fruit market in China, and proactively explores oversea and domestic sales channels for fresh fruit and well-known Chinese fresh fruit brands as our partners, so as to enrich the supply of our fresh fruit from different overseas and domestic regions and to provide consumers with more choices of fruits and processed fruits with high quality.

### **Continuous expansion of production facilities to fully support the business development**

During the Review Period, the Group continued to enhance and upgrade its production facilities, so as to raise its degree of automation and capacity. Currently, the preparations for production to be conducted in workshops No. 5 and No. 6 have been actively in process and we plan to complete the land auction procedures and commence its construction by the fourth quarter of 2019. Further, Yichang Tiantong continued to transform its facilities and upgrade its capacity effectively so as to increase the Group's production capacity for new products and existing processed fruit products, to facilitate the storage and transportation arrangements for the Company's own brand products in central China, and to develop products from those fruits grown in the subtropical region. During the Review Period, production of Hubei branch commenced smoothly, while the construction of workshops No. 2 is under intense preparation.

### **Adhere to the sustainable development of the business, and to pursue excellence from product packaging to business philosophy**

To achieve sustainable business development, the Group will maintain its principal policy of deseasonalization towards all-climate, year-round production of products. As production capacity of the Shandong and Hubei production bases continue to increase, the Group will actively seek M&A opportunities in the future to achieve product and productivity synergies with partners. With the

mission of expanding and enriching product lines, the Group will seek to expand sales coverage and product variety of fresh fruits, particularly fruits of tropical and subtropical climates, and to provide more specific and comprehensive services to customers. For product packaging, the Group is actively researching on several more environmentally friendly and convenient alternatives to tinned cans, plastic bottles and glass jars for canned food packaging, such as Tetra Pak. New forms of packaging are instrumental in increasing product variety and specifications as well as raising order volume.

**Mr. Yang Ziyuan, Chairman and CEO of the Group** commented, “The Group expects that with the upgrading of China's consumption structure and the expansion of the new generation of consumer groups, snack foods will show an even stronger growth momentum. As a leading consumer goods company, the Group will seize the favorable market environment and its brand advantages, and strive to become one of the leading processed fruit products enterprises in China and the world. In the future, the Group will continue optimizing its business operations, enhancing its efficiency and at the same time, providing consumers with healthy, delicious, safe and convenient fruit products so as to bring sustainable and stable investment returns to shareholders and investors.”

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#### **About Sichuan Development Holding Company Limited**

Sichuan Development Holding Company Limited is a late model state-owned enterprise in the PRC. It is a wholly-owned company of the Sichuan Provincial People's Government. The level of its consolidated assets exceeds RMB100 billion. It is one of the largest state-owned enterprises in Sichuan Province, mainly engaged in financing, investment, and asset management. Its business scopes include transportation, energy, finance, mining, infrastructure and real estate, modern services, strategic emerging industries, etc.

#### **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, glass containers and aluminium foil bags and ii) trading of fresh fruit. Processed fruit products are sold both under our own brands and on an OEM basis.

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 been continuously dedicated to adhering to stringent international production standards and are accredited with BRC (A), IFS Food (High), FDA, HALAL, SC, KOSHER, BSCI and ISO22000, etc. in respect of our production facilities, quality control and management. The Group has also passed the internal food production standard reviews and audits from several the UK and US supermarket chain. At the same time, in 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”, being the first fruit processor in China’s fruit processing industry to put the “Zero Added Preservative Canned Products” label for its products sold in China.

The Group was awarded 2017 China's Most Promising Listed Companies by the internationally renowned financial magazine Forbes and became the only integrated food production and sales enterprise in Linyi City, Shandong Province, which was awarded the “2017 Linyi Mayor Quality Award”. The Group’s newly researched and developed pure fruit snack food also received the “Certificate of Invention Patent” from the State Intellectual Property Office of the People's Republic of China in 2018.

For more information, please visit [www.tianyuninternational.com](http://www.tianyuninternational.com)

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For media inquiries, please contact:

Joanne Chan	Tel: (852)3679 3671	Email: <a href="mailto:jchan@lbs-comm.com">jchan@lbs-comm.com</a>
Pauline Fu	Tel: (852)3752 2674	Email: <a href="mailto:pfu@lbs-comm.com">pfu@lbs-comm.com</a>