

【For Immediate Release】



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

Announced 2019 Annual Results
Total Revenue exceeded RMB 1 billion
Revenue from Own brand business surged 31%
Full year total dividends jumped 9.1% YoY

Financial Highlights

For the year ended 31 December 2019 (RMB million)	2019 (unaudited)	2018	Change
Revenue	1,062.8	940.5	+13.0%
Gross Profit	296.0	263.3	+12.4%
Net Profit	169.1	147.5	+14.6%
Revenue from own brand business	631.8	482.3	+31.8%
Basic earning per share (RMB cent)	17.20	15.07	+14.1%
Declared final dividend (HK cent)	3	2.7	+11.1%

(Hong Kong, 30 March 2020) **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 year ended 31 December 2019 (“Year under Review”).

The Group's annual revenue exceeded RMB 1 billion in 2019. Revenue, gross profit and net profit all recorded double-digit growth. The gross profit of all three segments namely OEM, own brand business and fresh fruit business rose simultaneously. To share the achievements we made with shareholders, the Board recommends a final dividend of HK\$ 3.0 cents per share, implying a full year total dividends of HKD 4.8 cents in 2019, with a year-on-year increase of 9.1%.

According to a recent analysis report on China's processed fruits and vegetables market industry published by Euromonitor International, a global institution on the field of market data and research, the industry market size of 2019 has grown by 8% year-on-year to RMB12 billion while Tianyun International is a leading enterprise in the industry. With many years of intensive cultivation in the processed fruit industry, the Group's brand, image and product quality have been highly recognized.

During the Year Under Review, the Group continued to receive multiple accolades, including the “40th Anniversary of the Reform and Opening Up of the Country - China Canned Food Brand Award”, “2019 China Canned Food Leading Brand” and “China Canned Food Leading Enterprise” by the China Canned Food Industry Association. The Group also made the Most Valuable Chinese Brands for the third consecutive year and stepped across the RMB1 billion mark in assessed brand value for the first time and was also elected as a corporate member of the 2nd Council of the China Council for Brand Development. All these show the high level of market recognition for the Group’s outstanding brand value and influence, and also reflect the steady growth of market share and consumer recognition for the Group’s own brand products.

Continue to focus on its own brand, precise marketing and e-commerce bringing fruitful results

During the Year Under Review, the Group’s own brands, including “天同時代 (Tiantong Times)”, “繽果時代 (Bingo Times)” and “果小懶 (fruit zz)” maintained rapid revenue growth. The Group continued its effort in active participation in various international and domestic fairs and exhibitions, the Group has been endeavouring to expand into strong sales channels such as regional distributors and large chain supermarkets, enabling well- managed development of the sales network of our own brand and expanding product coverage to 27 provinces, direct municipalities and autonomous regions across the country, as well as 306 exclusive regional distributors, covering renowned chain supermarkets including Auchan, RT-MART, CR Vanguard, AEON, Beijing Jingkelong and Jinan Hualian. The Group successfully enhanced consumer interaction, increased sales and boosted online-to-offline image through organising various promotional activities. The Group also responded to the consumers’ preferences on online shopping and live streaming platforms, promoted products and built brand image on popular live streaming platforms such as TikTok, and successfully increased public access to our ecommerce tstores, which drove an increase in sales revenue.

OEM business remained steady, eyeing on global quality clients

During the Year Under Review, the Group’s OEM business maintained stable growth with seamless cooperation with renowned international food brands and continued to expand of our customer base. The Group’s OEM processed food products are eventually exported to a relatively dispersed range of regions, allowing us to effectively diversify risks associated with an overly concentrated customer base. As the global market’s appetite for processed food products made in China remains massive, the Group will continue to explore more business partnership opportunities in Japan and seek new and quality clients in other markets, such as Canada, Europe, Australia and New Zealand, in order to drive sustainable development in our OEM business.

Strive for the RMB 1 trillion fresh market underthe name of a leading fruit company

For years, the Group has selected and resold a small portion of fresh fruit to domestic fresh fruit wholesalers. A renowned data analytics consultant and Alibaba Group Holding Limited jointly

published the 2019 Online Fresh Food Consumption Development Trends Report, predicting that the fresh food market size will grow to RMB1 trillion by 2025. With online shopping becoming part of daily life, this shows that there is massive potential in the online fresh food market. The Group closely monitors the development of China's fresh fruit market, actively seeking partners that have both domestic and international fresh fruit sales channels and reputable Chinese brands associated with fresh fruits, in order to promote more sales, exchange and processing of fresh fruits from different origins of both domestic and overseas market, and bring a richer and more diversified varieties of quality fruits and processed fruits to the consumers at large.

Preparation work for Shandong No. 5 and No. 6 production workshops is under way and expected to release full production capacity by 2021

The Group has continued to improve production facilities during the Year Under Review, in order to raise our level of automation and production efficiency. Currently, the Group has completed the land acquisition for the No. 5 and No. 6 production workshops in Shandong, and preparation work is under way and various construction projects are expected to commence as soon as possible and complete in the first half of 2021. a new form of Tetra Pak packaging that is more environmentally friendly, convenient and oriented towards the PRC market will be launched along with the new project in Shandong with regard to No. 5 and No.6 production workshops. The new packaging is expected to lead to significant increase in product types and specifications, and raise volume of production orders.

Yichang Tiantong has continued to transform its facilities and enhance its capacity, effectively increasing the Group's production capacity for new products and existing processed fruit products, while also facilitating the Group's arrangements with warehousing and transportation of its own brand products in Central China as well as developing subtropical fruit products. During the Year Under Review, Yichang Tiantong carried out production smoothly and has successfully increased production capacity and fulfilled its production goals in 2019 during its production peak season in the second half of 2019.

Insist on independent and proprietary innovation with products and technology fully upgraded

The Group always upgrades and improves its production technology and products to achieve healthy and long-term development. During the Year Under Review, the Group was accredited as the 8th batch of the municipal level "One Technique for One Enterprise" R&D centre (第八批市級「一企一技術」研發中心) by the municipal government of Linyi City of Shandong Province. This is a significant recognition on the Group's capability on its independent innovation. Furthermore, the Group has gradually achieved its operating goal of deseasonalisation. During the Year Under Review, the Group successfully utilised new modern cold storage technology to extend fruit storage period and stretching a longer seasonal cycle for fruit processing. Additionally, the Group successfully developed a proprietary formula for a functional sport drink and obtained the relevant production permit. The Group has entered into the final stage of development of new products such as fruit tea and fruit-flavoured bubble tea. The Group will commence production of and launch various special

beverage products depending on market conditions.

Strengthen up through M&A; Combined competitive advantages of strategic partners to lay solid foundation for long-term diversified development

Besides the signing of a memorandum of partnership with Sichuan Development Holding Ltd (四川發展(控股)有限責任公司, “SDH”) at the beginning of 2019 to leverage both parties’ strengths and deepen cooperation in the agriculture field, the Group established a joint venture company in Sichuan Province of PRC with Sichuan Yizhan Enterprise Co., Ltd., (四川怡展實業有限公司, “Sichuan Yizhan”), a subsidiary of Sichuan Development International Holding Company Ltd (“SDIH”), to jointly develop a supply chain for processed agricultural and food products as well as a base for supply of raw materials that comply with international standards. During the Year Under Review, the Group has actively commenced vital preliminary work such as land acquisition, environmental, safety, filing, and design works etc. for its Sichuan project. And further in June 2019, the Group, SDIH and SC Foods Co., Ltd. (“SC Foods”), a Japanese food enterprise, signed a tripartite “memorandum of strategic cooperation”, intending to develop strategic cooperation in respect of the international market, which includes assisting the Group to implement and operate the food processing and international trading centre project.

Moreover, the Group established its strategic partnership with a renowned beverage enterprise in November 2019, with the aim to develop special and sport beverage products and construct relevant facilities and production lines.

Mr. Yang Ziyuan, Chairman and CEO of the Group commented, “ ‘Fruit processing’ industrial chain remains the main development theme for us. We will continue our efforts in intensifying deseasonalisation, increasing product types, enhancing and upgrading product packaging and design, optimising and expanding our distributor network, strengthening brand competitiveness, and implementing online and offline advertising and promotion for our products with different positioning, in order to boost the Group’s revenue and profitability. Looking forward, under a strong and stable business foundation, together with the smooth and gradual progress in the agriculture collaboration project with Sichuan Development, and expected increase in overall capacity of the Group, we will continue to integrate diverse merger and acquisition, and inherent growth strategies to consolidate our position as a market leader. Having entered into the strategic cooperation with SC Foods from Japan in mid-2019, we will continue to promote quality agricultural products and related processed food products to the global market and to reward shareholder and investors with brilliant results.”

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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 RMB1 trillion. It is one of the largest state-owned enterprises in Sichuan Province, and mainly engaged in financing, investment, and asset management. Its business scopes include transportation, energy, finance, mining, infrastructure and real estate, modern services, and strategic emerging industries.

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 became the first fruit processor in China’s fruit processing industry to place the “Zero Added Preservatives” label on its products.

The Group was awarded 2017 China's Most Promising Listed Companies by the internationally renowned financial magazine Forbes and became an 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 or <https://v.douyin.com/v2de9w/>

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