

**【Press Release – For Immediate Release】**



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

## **Announces 2020 Interim Results**

**As a Leading Domestic Food Enterprise, Tianyun International Proactively Embraces Changes and Opportunities Extends Product Portfolio And Develop New Production Capacity for Long Term Development**

(Hong Kong, 26 August 2020) **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 announced its results for the six months ended 30 June 2020 (“Review Period”).

During the first half of 2020, the new coronavirus pandemic had an impact on the global economy, coupled with the intensification of Sino-US trade antagonism, the global business environment was challenging and international trades reduced. Logistical support and retail industries faced with daunting challenges due to the lockdown measures implemented by countries and regions. As a consumer goods company, the fundamentals of the Group remain stable amid the uncertainty business environment brought by the pandemic. With gradual relaxation of the pandemic in China, the Group's production and business operations have gradually returned to normal in the second quarter. We continue to sell processed fruit products under own brand and OEM, and trade fresh fruit. During the Review Period, the group's revenue, gross profit and net income recorded RMB306.0 million, RMB85.5 million and RMB47.7 million respectively.

### **Proactively develop sales channels, strive to increase market share on its own brand products, and drive sales growth**

During the Review Period, the Group proactively explored potential sales networks, increased brand awareness through multi-channel marketing activities, participated in live direct sales activities through some popular online broadcast platforms, and organised promotional activities on e-commerce platforms, in order to enhance brand awareness and drive sales

growth. The revenue of processed fruit products sold under its own brand accounted for 53% of the total revenue, making it the largest business segment of the group's revenue.

During the Review Period, the Group's subsidiary Shandong Tiantong Food Co.,Ltd. (the "Tiantong Food") was highly recognized on its distinguished brands and was elected on the "2020 Most Valuable Chinese Brands List" for four consecutive years and given a brand value of over RMB 1.5Billion, reflecting the steady increase in the market share of the Group's own brand products. As at June 30, 2020, sales of the Group's own brand products cover 27 provinces, municipalities and autonomous regions across the country, including RT-Mart, Aeon, Jingkelong supermarket chains, and other well-known chain stores and supermarkets.

### **Launch new products and expand product portfolio actively**

Adhering to the belief on innovation, the Group introduces new ideas and launch new products to meet the consumer's demands on new trials and diversified fruit products. During the Review Period, the Group launched new types of processed fruit products such as cherry tomatoes, grapes and mangoes, with new packaging. These products meet the preferences of the younger generation and are welcomed by customers in general. The Group's own brand "天同時代 (Tiantong Times)" also launched other canned products such as canned fish, bringing fresh experience to our existing customers. In addition, based on the needs of customers, the Group launched large-pack cans such as 5-liter aluminium foil bags and 9-liter square drum packaging. The technology and quality of these large-pack products have won unanimous acclaim from our customers. The Group also continued to improve its proprietary research and development capabilities, and enhanced its innovation and food processing technology. It has successfully developed a series of sports drinks with vitamin and fruit juice under its own brand. The preparation work of the drink has entered into the final stage and is expected to be launched by the fourth quarter of 2020.

### **Stable development on OEM business and expansion to other regions continuously**

The Group's OEM business continues to be a stable source of income for the Group. The Group has worked closely with internationally renowned food brands covering five continents. The Group's products are exported to many different countries, which effectively diversifying the risk of over-concentration of customers. It is expected that the global market will continue to have a huge demand on processed fruit products from China. The Group will continue to seize opportunities to explore more business from overseas markets such as Japan, the United Kingdom, Canada, Europe, Australia, New Zealand, and other regions etc.

### **Seize the opportunities of the huge fresh fruits market in China**

The Group's business includes selecting and reselling a small portion of fresh fruit to domestic fresh fruit wholesalers. A report from the world's leading data analysis consultant estimated

that the market size of China's fresh food e-commerce industry would reach RMB 263.8 billion in 2020. China's fresh food e-commerce platform would become an emerging growth market with increasing penetration of e-commerce, change of user habits, and surge in demand during the pandemic. The Group will actively look for partners with local and foreign sales channels as well as well-known Chinese fresh fruits brands, in order to increase sales, processing and exchange of fresh fruit from different origins, and provide consumers with diverse choices of high-quality fresh fruits.

### **Increase production automation and new capacity**

During the Review Period, the Group continued to improve its production facilities, and increase production automation and efficiency. The land acquisition for the Group's No. 5 and No. 6 new workshops in Shandong has been completed. Construction works started and are expected to be completed in the first half of 2021. New production capacity from the new workshops is anticipated to be released in the second half of 2021. Products in new forms of packaging are expected to be available in the new workshops, which would increase the types and specifications of our products and effectively increase the number of new orders. Our production base in Yichang City in China continued to transform its facilities and enhance its capacity during the Review Period, resulting in increasing the production capacity on the Group's new products and existing processed fruit products. The Yichang production base can also facilitate the Group's storage and transportation of its own brand products in central part of China, and develop new types of processed fruit products in subtropical regions.

### **Actively seek M&A opportunities and strategic cooperation to achieve long-term development**

The group has been actively looking for M&A and strategic cooperation opportunities, hoping to enrich its existing business, expand its sales network, enhance information exchange, explore new technologies, new inventions and new market opportunities, and strengthen the overall competitiveness of the group. During the Review Period, the Group further established strategic cooperation with well-known beverage companies and planned to launch a variety of specialty and sports functional beverages in the near future. As a result, the product line the Group would be extended to the beverage sector.

### **Fulfil social responsibility with high recognition**

During the Review Period, the Group implemented preventive measures both internally and externally to ensure safety production, fulfil social responsibilities, and provide employees with a regular healthy and hygienic working environment. The cohesion of employees were strengthened. The Group also received a number of awards, including a High and New Technology Enterprise ("HNTE") certificate jointly presented by the Department of Science & Technology of Shandong Province, Shandong Provincial Department of Finance and

Shandong Provincial Tax Service, and Tax Service, State Taxation Administration. This indicates that the Group is highly recognized and supported at national level in terms of its technological strengths and innovation capabilities.

During the Review Period, Shandong Tiantong's Engineering and Research & Development Center was recognized by the National Development and Reform Commission. Such result has reinforced that the Group's canned fruit processing and intelligent production is leading in the industry and its production technology and R&D capabilities have been highly recognized.

**Mr. Yang Ziyuan, Chairman and CEO of the Group**, said, " China's economy is steadily recovering. The Group will seize this recovering momentum and continue to develop its own brand business, launch different types of new fruit products, and broaden the Group's product portfolio. Looking ahead, the Group will seize opportunities and actively optimize a number of development strategies in order to reinforce the Group's core competitive advantages and create long-term value for stakeholders and shareholders."

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#### **About Tianyun International Holding Limited (Stock Code: 6836.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 its own brands "繽果時代 (Bingo Times)", "果小懶 (fruit zz)" and "天同時代 (Tiantong Times)" 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(FSMA), 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 chains. At the same time, as a Chinese "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 respectively the China's Most Promising Listed Companies by the internationally renowned financial magazine Forbes, and the “2017 Linyi Mayor Quality Award” as an integrated food production and sales enterprise by the government of the Linyi City of the Shandong Province. The Group’s newly and proprietary researched, developed and produced pure fruit snack food also received a “Certificate of Invention Patent” from the State Intellectual Property Office of the People's Republic of China in 2018. The Group and its own brand “*繽果時代 (Bingo Times)*” were awarded as China Canned Food Leading Enterprise and China Canned Food Leading Brand by national institutions respectively in 2019.

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: [jchan@lbs-comm.com](mailto:jchan@lbs-comm.com)

Raimie Siu Tel: (852)3752 2672 Email: [rsiu@lbs-comm.com](mailto:rsiu@lbs-comm.com)