

【Press Release - For Immediate Release】



天韵國際控股有限公司

Tianyun International Holdings Limited

(Stock code : 6836.HK)

Announced 2022 Annual Results

Achieved Robust Earnings and Profitability

Declared Final Dividend of HK\$0.05 per share

New Beverages Strengthen the Group's Competitiveness

(Hong Kong, 24 March 2023) **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 its audited annual results for the year ended 31 December 2022 (“Year Under Review”). Being a consumer goods company, the annual results of the Group demonstrate stable revenue and profit, and showcase successful achievements in R&D and innovation, introduction of new product categories, enhancement of brand reputation, expansion of production capacity planning, sales network, and development strategies for the future. The Group recorded a revenue of approximately RMB680.7 million, a gross profit of approximately RMB189.8 million and a net profit of approximately RMB96.6million, with gross profit margin improved to 27.9%. In view of the Group's strong overall financial position and the steady improvement in its core competitiveness of the business, the Board recommends a final dividend of HK\$0.05 per share for 2022.

Being a role model for the industry with award-winning quality

Shandong Tiantong Food Co., Ltd. (“Shandong Tiantong Food”), a wholly-owned subsidiary of the Group, was awarded the "Certificate of High-tech Enterprise" by the Shandong Provincial Department of Science and Technology, the Shandong Provincial Department of Finance and the Shandong Provincial Taxation Bureau of the State Administration of Taxation and will continue to enjoy the preferential policies of the State on income tax exemption for high-tech enterprises.

The Group also received the title of “Excellent Quality and Safety Management Enterprise” jointly awarded by Shandong Entry-Exit Inspection and Quarantine Association and other organisations. Meanwhile, Shandong Tiantong Food received

the honorary titles of "Social Responsibility Model" and "Advanced Enterprise of Outstanding Contribution" of the canned food industry for the Thirteenth Five-year Plan as well as "Top 10 Enterprises (Export)" in China's canned food industry by the China Canned Food Industry Association ("CCFIA"), in recognition of the Group's outstanding contribution in the three-year special campaign to build a brand in China's canned food industry. Moreover, the Group was once again selected as a 2022 municipal-level "Specialized, Excellent, Featured and Innovative" Enterprise by the Linyi Municipal Bureau of Industry and Information Technology. The above honours represent a tremendous recognition of the Group's comprehensive strength.

Enhanced marketing of own brands with new products widely recognised by the market

The Group has a series of own brands, including "繽果時代(Bingo Times)", "果小懶 (fruit zz)", "天同時代(Tiantong Times)", "享派(Shiok Party)" and "妖果季(Demon Fruit Season)", enabling it to enhance its brand image in an all-round manner. Progress has been made in various aspects such as product diversification, packaging diversification and production de-seasonalisation. Meanwhile, the Group has actively responded to the ever-changing consumer market, continuously improved product quality, upgraded product packaging, and incorporated more fashion and leisure elements. The Group also actively enriched its product series. The Group identified the recent rise in demand for canned yellow peaches in the market and responded by launching new product lines, such as "Chinese trend style" canned peaches, Zodiac-branded canned fruit products, and brown sugar canned pears. In addition, in response to the significant growth of the functional beverage market in recent years and the expansion of consumption scenarios, the Group developed a range of specialty beverages to enhance its competitiveness in this area and optimized its product offerings.

The Group capitalized on an opportunity to significantly refine its marketing strategy and bolstered its engagement with consumers by launching various promotional activities. These efforts have resulted in enhanced brand image and increased sales of its own brand products. Currently, the Group's own brand products are available for sale in 27 provinces, municipalities, and autonomous regions across China, and the Group continues to utilize a "online + offline" sales model. The Group has established a presence on several popular online shopping platforms as its primary sales channels and has also partnered with online live-streaming entertainment platforms during major events like "Double Eleven" and "New Year's Eve" to increase its market visibility, strengthen its brand promotion, and execute wide-reaching marketing campaigns. Looking forward, the Group plans to fully leverage on the advantages of digital

technologies to further facilitate online sales of its own brand products.

Focus on OEM and the sales of fresh fruits business development

The Group's OEM business has exhibited steady development. Over the years, the Group has maintained close partnerships with globally renowned food brands and traders. Given the sustained demand for "Made in China" processed fruit products in foreign markets, the Group plans to actively seek out additional high-quality customers in developed countries and regions like Europe, Australia, New Zealand, Japan, the United Kingdom, the United States, and Canada, in order to expand its share in the international market.

The sales of Chinese fresh fruits always have advantages both locally and overseas, and the Group has accumulated many years of experiences in this regard. The Group plans to diversify its fresh fruit product portfolio and expand its sales network to other regions. In addition, the Group's Yunnan production base is situated amidst plenty fruit resources, allowing the Group to source and process a greater variety of exotic fruits and vegetables from tropical regions. This, in turn, will provide consumers with a wider selection of high-quality, diverse fruit and vegetable products.

Actively research and develop new production techniques and construct new workshops and bases to expand production capacity

To enhance its production capacity and achieve sustainable growth, the Group has been actively investing in research and development of new products with independent core technologies, as well as continuously improving its production techniques. As a leading high-tech enterprise in the industry, the Group successfully developed two new specialty beverages during the review period: vitamin sports drinks with fruit pieces and fruit enzyme sports drinks. The vitamin sports drink is a beverage that contains fruit pieces processed from fruits, which can improve energy metabolism and alleviate fatigue. The fruit enzyme sports drink uses peaches, apples, and other raw materials to provide enzymes that meet daily nutritional requirements and is aimed at promoting better health. With the completion of R&D, the Group is entering the preparatory stage of production and sales for these two new products, which will soon be launched in the market, offering consumers more diversified choices.

The Group has been actively expanding its production capacity. The Shandong production base has made continuous improvements in its production facilities, increasing output and enhancing efficiency through automation. The installation of new production workshops No. 5 and No. 6 is nearly completed, which will significantly expand the production capacity of both new and existing processed fruit products.

Additionally, the construction of the Yunnan production base began in 2022 and is expected to be partially operational by the end of 2023. This is a significant step for the Group's development in China's tropical climate region, as it will comprehensively expand the Group's overall production capacity, improve logistics and warehousing, and offer customers a wider variety of processed fruit products and specialty beverages. The Yunnan production base will work in tandem with the Shandong production base to increase the production and sales of tropical, subtropical, and temperate processed fruit products and beverages.

Mr. Yang Ziyuan, Chairman and CEO of the Group said, “In the aftermath of COVID-19, as the world gradually reopens, the Group has focused on creating value, improving risk management, and enhancing operational efficiency. The Group aims to seize the opportunities presented by the restoration of normalcy by investing in R&D, developing new product categories, improving product packaging and design, and expanding its distributor network. These efforts will not only boost the Group's revenue and profitability but also provide customers and consumers with a greater variety of fruit products and specialty beverages. As the Group strengthens its capabilities and expands its investment in sales channels, it will prioritize diversified product categories and a robust brand portfolio as a core business strategy. Additionally, the Group will pursue domestic and international M&A opportunities and strategic partnerships to broaden its sources of revenue, promote a diversified development model, enhance its brand influential power, and reputation globally. By doing so, the Group will achieve sustainable growth and offer consistent and sustainable returns to its shareholders and investors.”

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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 research and development, production and sales of processed fruit packaged in metal containers, plastic cups, glass containers and aluminum foil bags and beverages 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 beverages are sold under its own brand Shio Party “享派” and “妖果季(Demon Fruit Season)”.

The Group has been consistently committed to providing its customers with healthy and safe products. As a food enterprise with one of the most complete quality certifications, we rigorously adhere to stringent international production standards and are accredited with BRC

(A), IFS Food (High), FDA(FSMA), SC, KOSHER, SMETA and ISO9000, etc. in respect of our production facilities, quality control and management. The Group has also passed the internal food production standards reviews and audits from several 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 consistent quality to domestic and international markets. Since 2016, the Group’s own-brand processed fruit products have continued to achieve high market recognition, and have also been awarded the honor and qualification of “China Canned Product Quality Certification Label” by national associations.

The Group was awarded China's Most Promising Listed Companies by internationally-renowned financial magazine Forbes, and the “2017 Linyi Mayor Quality Award” by the PRC government in 2017. The Group’s new and proprietary researched, developed and produced pure fruit snack food received a national “Certificate of Invention Patent” in 2018. In 2019 and 2022, the Group was awarded the national Hi-tech Enterprise Certificate consecutively. In 2020, the Group was recognised as one of the Most Valuable Chinese Brands for the fourth consecutive year.

For more information, please visit www.tianyuninternational.com

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