

Date: 15 January 2012

Total No. of Pages: 2

To: Business Page/ Investment Page

**TIANYI FRUIT RECEIVES A FIRST “BUY” RATING FROM GUOSEN SECURITIES (HK)  
SECURING LEADERSHIP IN CHINA’S CONCENTRATED ORANGE JUICE MARKET  
WITH SUBSTANTIAL GROWTH IN CAPACITY**

Tianyi Fruit Holdings Limited (“Tianyi Fruit” or the “Company”, stock code: 00756, together with its subsidiaries, the “Group”), the largest frozen concentrated orange juice (“FCOJ”) manufacturer in the People’s Republic of China (“PRC”), was given a “buy” rating from Guosen Securities (HK).

According to a report on Tianyi Fruit issued by Guosen Securities (HK), the Group is one of the few concentrated orange juice producers in China with self-owned farms to supply part of the oranges used for internal consumption. It is expected that starting from 2013, the Group will have close to 80,000 mu self-owned farms, which will greatly enhance the Group’s control of orange supply. On the other hand, in view of the inherent constraints in the procurement of raw materials in the industry, raw materials will set a rather high entry barrier for potential entrants. As such, the arrival of new competitors is not very likely to be seen in the short run.

The Group acquired Huaihua Oujing Fruits Limited in Hunan in September 2011. Guosen Securities (HK) is of the view that the acquisition will greatly enhance the Group’s FCOJ capacity.

According to Guosen Securities (HK), the outlook for growth in China’s concentrated orange juice consumption is positive. It is of the view that about 75% of China’s concentrated orange juice consumed is imported, with 60% imported from Brazil. As the amount of domestic-grown oranges for processing further increases, the bottleneck in the production of domestic concentrated orange juice will be eased, and the quantity of home-grown orange juice will grow to replace imports.

Guosen Securities (HK) has set Tianyi Fruit’s 12-month price target at HK\$1.8, which is a price earnings ratio of approximately 8.7 times 2012 forecast.

**About Tianyi Fruit**

With a vertically integrated business model, Tianyi Fruit is the largest FCOJ manufacturer in the PRC. During the financial year of 2012, the Group operated 61,000 mu orange farms and a number of FCOJ processing plants in Chongqing city and Fujian Province, the PRC. Tianyi Fruit’s products include FCOJ, FCOJ fibre, orange pulp and fresh orange.

- End -

Media Enquiry:

CorporateLink Limited

Phoebe Leung	2801 6237 / 9339 3206	phoebe@corporatelink.com.hk
Ruby Yeung	2801 6095 / 6438 9621	ruby@corporatelink.com.hk
Alice Mok	2801 7729 / 9120 1614	alice@corporatelink.com.hk