

29 January 2018

## TB8 USING BLOCKCHAIN TO IMPROVE FOOD SAFETY & BRAND VALUE

- Leveraging blockchain technology to improve information transparency in Tianmei's entire production, supply chain and sales networks
- Shared ledger to be designed to improve operating efficiencies of all business units and brand value of Tianmei by:
  - enhancing traceability of pollution and irregularities of its water products that may occur in any part of the supply chain by tracking the source of water all the way to point of sale;
  - increasing transparency within its business units and minimising paperwork errors; and
  - improving logistic and inventory management to minimise holding and transport costs
- Consumers will be able to scan QR Code on products to understand the source and process of the product they have purchased and be confident with the quality and the strict control of Tianmei branded products
- Tianmei's emphasis on food safety will further position it as a trusted leading brand in the large and growing Chinese drinking water industry

Tianmei Beverage Group Corporation Limited (ASX:TB8) ("Tianmei" or the "Company") is pleased to announce that it has commissioned a specialist independent blockchain solution company to design and implement a new blockchain system to synergise and integrate with the existing enterprise systems in order to improve food safety, production information transparency, brand value, and efficiencies in its production, supply chain and sales networks.

The rapid development of distributed ledger technology in recent years has enabled global major companies to improve the way food is tracked. Tianmei is no exception. With the new technology, Tianmei will be able to digitally connect data from its water source, processing and bottling batches, storage facilities, inventories, logistics and transportation, and sales and administration. Once the information, along with every step of the process, is captured and agreed by a senior member from each of the Tianmei's business units, the information will become permanent record that cannot be altered.

The importance of blockchain to any food and beverage producer, including Tianmei, is the ability to trace the contamination source or irregularities in any parts of the supply chain network that may be the cause of the contamination. Such ability will enable Tianmei to react swiftly to contain, isolate, and recall affected products effectively, instead of for a potentially costly Company or supply chain wide shut down. This is part of the Company's ongoing efforts to improve the quality of products, brand value, and to reduce food safety and business operating risks.

In addition to the guarantee of food safety, the use of blockchain technology will also improve transparency and efficiency across the Company's production, supply chain and sales networks. Each business unit sharing the same distributed ledger will have instant situation awareness on product movements. This is particularly useful for determining the upstream water and associated water products production levels, all the way to managing product shelf life and sales. Blockchain will also reduce traditional paperwork and manual systems, which can be inaccurate due to human error.

This voluntary and technologically assisted food safety monitoring blockchain system is in addition to the strict food safety standards Tianmei is already adhering to. Consumers will be able to understand the source and process of the products they have purchased and be confident with the quality and the strict control of Tianmei branded products. This will further enhance Tianmei as a trusted leading brand in the large and growing Chinese drinking water industry. The development work will commence immediately and is estimated to complete by the end of calendar year 2018.

**ENDS**

**Nicholas Ong**

Director & Company Secretary

On behalf of the Board of Tianmei Beverage Group Corporation Limited