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Touyun Biotech Group Limited
透雲生物科技集團有限公司
(Incorporated in Bermuda with limited liability)
(Stock Code: 1332)

VOLUNTARY ANNOUNCEMENT
BUSINESS UPDATE

This is a voluntary announcement of Touyun Biotech Group Limited (the “**Company**” together with its subsidiaries, the “**Group**”).

Reference was made to the Company’s announcements dated 21 February 2020, 28 August 2020, 29 December 2020 and 12 August 2021. The Group constructed the manufacturing facilities for chlamydomonas reinhardtii, micro-algae and related products in Lucheng District, Changzhi City, Shanxi Province, the PRC. The construction of the first phase with a production capacity of 4,000 tons/year officially commenced on 23 April 2020.

According to the latest development and as of 28 December 2021, two fermentation tanks for the chlamydomonas reinhardtii project with a capacity of 180,000 liters have successfully passed the production trial of continuous fermentation. All electrical and automatic control equipment is functioning normally with its products fulfilling standards, marking the official launch of the chlamydomonas reinhardtii project of the Group. The remaining six fermentation tanks with a capacity of 180,000 liters will be put into production one after another, and it is expected that all of their production will be optimized in the second half of 2022. After the optimization, the annual capacity of chlamydomonas reinhardtii will be 4,000 tons. The design of the plant, equipment and other facilities of the second phase with an annual capacity of 6,000 tons has begun, and its construction will commence in the second half of 2022 depending on market conditions.

The Board of the Company considers that there is growth potential for the chlamydomonas reinhardtii and the micro-algae product market as the population becomes more health-conscious. Upon the commencement of the formal production of chlamydomonas reinhardtii, the production and sale of chlamydomonas reinhardtii and micro-algae related products will allow the Group to diversify its business and broaden its income streams.

By order of the Board
Touyun Biotech Group Limited
Wang Liang
Chairman

Hong Kong, 28 December 2021

As at the date of this announcement, the Board comprises the following directors:

Executive Directors

Mr. Wang Liang (*Chairman*)

Mr. Du Dong

Mr. Lo Yuen Wa Peter

Non-executive Directors

Mr. Chen Hui

Ms. Tian Yuze

Mr. Zhang Lele

Mr. Jia Wenjie

Independent non-executive Directors

Mr. Cheung Wing Ping

Mr. Ha Kee Choy Eugene

Mr. To Shing Chuen

Mr. Hu Guohua