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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)

**ANNOUNCEMENT OF AUDITED ANNUAL RESULTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

Reference is made to the announcement (the “Announcement”) of Touyun Biotech Group Limited (formerly known as China Touyun Tech Group Limited) (the “Company”) dated 31 March 2022 in relation to the unaudited consolidated annual results of the Company and its subsidiaries (collectively, the “Group”) for the year ended 31 December 2021. Terms used herein shall have the same meanings as those defined in the Announcement unless the context requires otherwise.

2021 AUDITED ANNUAL RESULTS

The board of directors (the “Board”) of the Company is pleased to announce that the Company’s auditors, Moore Stephens CPA Limited (the “Auditors”), have completed the audit of the consolidated financial statements of the Group for the year ended 31 December 2021 in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). Save for the variances as disclosed in the section “VARIANCE BETWEEN AUDITED RESULTS AND UNAUDITED RESULTS” in this announcement, the final results contained in the Announcement remain unchanged.

VARIANCE BETWEEN AUDITED RESULTS AND UNAUDITED RESULTS

After the publication of the Announcement, the overdue principal amounts payable by the Group subsequent to 31 December 2021 and up to the date of this announcement had been adjusted from approximately HK\$94,713,000 (equivalent to RMB77,500,000) to approximately HK\$106,934,000 (equivalent to RMB87,500,000). The difference is due to the net effect of: 1). one of the outstanding loans as at 31 December 2021 amounting to approximately HK\$24,442,000 (equivalent to RMB20,000,000) was overdue at the beginning of April 2022; and 2). one of the outstanding loans amounting to approximately HK\$12,221,000 (equivalent to RMB10,000,000) was settled in January 2022.

SCOPE OF WORK OF THE AUDITORS

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income, and the related notes thereto for the year ended 31 December 2021 as set out in the Announcement as supplemented with this announcement have been agreed by the Auditors to the amounts set out in the Group's consolidated financial statements for the year. The work performed by the Auditors in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by the Auditors on the Announcement or this announcement.

EXTRACT OF FROM INDEPENDENT AUDITORS' REPORT PREPARED BY THE AUDITORS

The Group would like to provide an extract from the independent auditor's report prepared by the Auditors on the Group's annual financial statements for the year ended 31 December 2021 as set out below:

Disclaimer of Opinion

We do not express an opinion on the consolidated financial statements of the Group. Because of the significance of the matter described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements. In all other respects, in our opinion the consolidated financial statements have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis for Disclaimer of Opinion

The Group had recorded a net loss of approximately HK\$123,941,000 for the year ended 31 December 2021 and its current liabilities exceeded the current assets by approximately HK\$261,344,000 as at 31 December 2021, including advances from a director and unsecured borrowings from independent third parties of which the aggregate carrying amounts were approximately to HK\$385,241,000, while the Group's cash and cash equivalents as at 31 December 2021 amounted to only approximately HK\$60,198,000.

Certain of the Group's other borrowings have been either past due or repayable on demand, and hence are due for immediate payment as at 31 December 2021. The amount immediately payable by the Group, taken into account (a) outstanding principal, and (b) interests accrued but unpaid, were approximately HK\$94,102,000 (equivalent to RMB77,000,000) and HK\$1,409,000 (equivalent to RMB1,153,000), respectively ("Overdue Borrowings").

Subsequent to 31 December 2021 and up to the date of this report, other than Overdue Borrowings, the Group has defaulted in repaying additional other borrowings and respective overdue principal amounts payable by the Group are approximately of HK\$106,934,000 (equivalent to RMB87,500,000).

These conditions, together with other matters as set out in Note 1(b) to the consolidated financial statements, indicate the existence of material uncertainties which may cast significant doubt on the Group's ability to continue as a going concern.

Management is currently in negotiation with the existing lenders with regards to the repayment arrangement of those past due borrowings, including but not limited to, agreeing to a repayment schedule. The negotiations, as represented by the management, in respect of these debt refinancing plans are in progress. We are unable to obtain sufficient appropriate evidence to satisfy ourselves whether the assumptions adopted by the Company to prepare the consolidated financial statements on a going concern basis, as described in Note 1(b) thereto are reasonable and supportable, and as such whether the Group will have sufficient finance available to meet its financial obligations.

In view of the significance of the extent of the uncertainty relating to the ongoing availability of finance to the Group, we disclaim our opinion in respect of year ended 31 December 2021.

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This annual results announcement is published on the Company's website (<http://www.touyunbiotech.com.hk>) and The Stock Exchange of Hong Kong Limited (the "Stock Exchange")'s website (<http://www.hkex.com.hk>). The 2021 annual report of the Company containing all the information required by the Rules Governing the Listing of Securities on the Stock Exchange will be dispatched to the shareholders of the Company and made available on the same websites in due course.

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

Hong Kong, 14 April 2022

As at the date of this announcement, the Board comprised the following Directors:

Executive Directors

Mr. Wang Liang (*Chairman*)
Mr. Du Dong

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