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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)

DISCLOSEABLE TRANSACTION
DISPOSAL OF SHARES IN A SUBSIDIARY

On 6 March 2025 (after trading hours), the Vendor, a direct wholly-owned subsidiary of the Company, and the Purchaser, an Independent Third Party has entered into the Disposal Agreement pursuant to which the Vendor has agreed to sell, and the Purchaser has agreed to purchase the Sale Shares at the Consideration of RMB5,000,000.

As the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Disposal are more than 5% but less than 25%, the Disposal constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

THE DISPOSAL AGREEMENT

Date

6 March 2025 (after trading hours)

Parties

- (1) APEX CAPITAL BUSINESS LIMITED (as Vendor)
- (2) RENAISSANCE INTERNATIONAL CHINA LIMITED* (復興國際中國有限公司) (as Purchaser)

To the best knowledge, information and belief of the Board and after making all reasonable enquiries, the Purchaser and its ultimate beneficial owner(s) are all Independent Third Parties.

Subject Matter

The Vendor has agreed to sell the Sale Shares to the Purchaser. The Sale Shares represent 30% of the total shares of the Target Company.

The Disposal

Immediately prior to entering into the Disposal Agreement, the Target Company was an indirect wholly-owned subsidiary of the Company. Under the Disposal Agreement, the Vendor has agreed to sell, and the Purchaser has agreed to purchase the Sale Shares from the Vendor.

Consideration

Pursuant to the terms of the Disposal Agreement, the total Consideration is RMB5,000,000.

The Consideration of the Disposal was arrived at after arm's length negotiations between the Vendor and the Purchaser on normal commercial terms, taking into account the unaudited net liability of the Target Company as at 31 December 2024 which amounted to approximately HK\$2,000,000 and the factors as set out in the paragraph headed "REASON FOR AND BENEFITS OF THE DISPOSAL" below in this announcement.

Conditions Precedent

Completion of the Disposal is conditional upon the satisfaction of the following conditions:

- (a) the Vendor having obtained all necessary consents and/or authorisations required under any existing contractual arrangements or for the execution of this Disposal Agreement; and
- (b) the Purchaser having obtained all necessary consents and/or authorisations required under any existing contractual arrangements or for the execution of this Disposal Agreement.

The Consideration shall be paid by the Purchaser to the Vendor at Completion.

As at the date of this announcement, the Target Company is an indirect wholly-owned subsidiary of the Company. Upon Completion, the Group will hold 70% of the total shares of the Target Company.

INFORMATION ON THE PARTIES

Information about the Vendor and the Purchaser

The Vendor

The Vendor is a limited liability company established in BVI and is principally engaged in investment holding services. It is a direct wholly-owned subsidiary of the Company.

The Purchaser

The Purchaser is a limited liability company established in Hong Kong and is principally engaged in investment holding. The Purchaser is ultimately owned as to 100% by Mr. Wei Yong (韋勇).

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, there is, and in the past twelve months, there has been, no material loan arrangement between (a) the Purchaser and their directors and legal representatives and any ultimate beneficial owner of the Purchaser who can exert influence on the Disposal Agreement; and (b) the Company, any connected person at the Company's level and/or any connected person at the subsidiary level (to the extent that such subsidiary is involved in the transaction).

To the best of the Directors' knowledge, information and belief upon making all reasonable enquiries, the Purchaser and its ultimate beneficial owners are all Independent Third Parties.

Information on the Target Company

The Target Company is a limited liability company incorporated in Hong Kong and is principally engaged in the provision of QR codes on product packaging and solutions and advertising display services. It is an indirect wholly-owned subsidiary of the Company.

FINANCIAL EFFECTS OF THE DISPOSAL AND USE OF PROCEEDS

Subject to the final audit, it is expected that the Group will record an unaudited gain on disposal of approximately HK\$6,000,000. Such unaudited gain is estimated after taking into account the Consideration of RMB5,000,000 and the unaudited carrying value of the Target Company as at 31 December 2024. The proceeds from the Disposal will be used as the Group's working capital.

Upon Completion of the Disposal, the Group will hold 70% of the total shares of the Target Company and the Target Company will continue to be accounted as a subsidiary of the Group.

REASONS FOR AND BENEFITS OF THE DISPOSAL

Although the Target Company recorded an unaudited net liability of approximately HK\$2,000,000 as at 31 December 2024, the Purchaser is positive with the future financial performance after reviewing the business and operation status of the Target Company. Taking into account the Consideration to be received by the Group, the Board considers that

it is appropriate for the Group to proceed with the Disposal. The Disposal, when materialised, strengthens the cash flow of the Group, allowing the Group to improve its liquidity and allow the Group to reallocate its resources for future development.

The Directors (including the independent non-executive Directors) consider that the Disposal has been made on normal commercial terms, and that the terms of the Disposal Agreement and the Disposal are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

As one or more of the applicable percentage ratios exceed 5% but less than 25%, the execution of the Disposal Agreement constitutes a discloseable transaction for the Company and is therefore subject to the requirements of notification and announcement but exempted from the shareholders' approval requirement under Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the meanings set out below:

“Board”	the board of Directors of the Company;
“BVI”	the British Virgin Islands;
“Company”	Touyun Biotech Group Limited (Stock Code: 1332), a company incorporated in Bermuda with limited liability, the Shares of which are listed on the main board of the Stock Exchange;
“Completion”	completion of the Disposal under the Disposal Agreement;
“Completion Date”	The date of Completion;
“Condition(s) Precedent”	the conditions precedent to Completion as set out in the subsection headed “THE DISPOSAL AGREEMENT — Conditions Precedent” in this announcement and each a “Condition Precedent”;
“connected person(s)”	has the meaning ascribed to it under the Listing Rules;
“Consideration”	the total consideration in the sum of RMB5,000,000 shall be paid by the Purchaser by way of cash to the Vendor on the Completion Date;
“Director(s)”	the director(s) of the Company;
“Disposal”	the sale of the Sale Shares by the Vendor to the Purchaser;
“Disposal Agreement”	the share transfer agreement dated 6 March 2025 between the Vendor and the Purchaser in relation to the Disposal;

“Group”	the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Independent Third Party(ies)”	a person or a company that is a third party, independent of the Company and its connected person(s) ascribed to it in the Listing Rules;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“PRC”	the People’s Republic of China;
“Purchaser”	RENAISSANCE INTERNATIONAL CHINA LIMITED* (復興國際中國有限公司), a limited liability company incorporated in Hong Kong and an Independent Third Party;
“RMB”	Renminbi, the lawful currency of the PRC;
“Sale Shares”	30% of the total shares of the Target Company;
“Shareholder(s)”	the shareholder(s) of the company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Target Company”	FORTUNE ROAD INTERNATIONAL LIMITED*, (威道國際有限公司), a limited liability company incorporated in Hong Kong and an indirect wholly-owned subsidiary of the Company as at the date of the Disposal Agreement;
“Vendor”	APEX CAPITAL BUSINESS LIMITED, a limited liability company incorporated in BVI and a direct wholly-owned subsidiary of the Company;
“%”	per cent.

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

Hong Kong, 6 March 2025

* *For identification purpose only*

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

Executive Directors

Mr. Wang Liang (*Chairman*)

Mr. Du Dong

Non-executive Directors

Mr. Chen Hui

Ms. Tian Yuze

Mr. Jia Wenjie

Mr. Zhang Lele

Independent Non-executive Directors

Mr. Cheung Wing Ping

Mr. Ha Kee Choy Eugene

Mr. To Shing Chuen

Mr. Hu Guohua