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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)**

**MAJOR AND CONNECTED TRANSACTION**  
**DISPOSAL OF A SUBSIDIARY**

**THE DISPOSAL**

On 6 May 2025 (after trading hours), the Vendor, a direct wholly-owned subsidiary of the Company, and the Purchaser has entered into the Disposal Agreement pursuant to which the Vendor has conditionally agreed to sell, and the Purchaser has conditionally agreed to purchase the Sale Shares, representing 70% of the total shares of the Target Company at the Consideration of RMB13,000,000.

Before Completion and as at the date of this announcement, the Target Company is owned as to 70% by the Vendor and 30% by the Purchaser. Upon Completion of the Disposal, the Target Company will cease to be a subsidiary of the Company and the Company will cease to hold any shares of the Target Company. The financial results of the Target Company will no longer be consolidated into the consolidated financial statements of the Group.

**LISTING RULES IMPLICATIONS**

Reference is made to the announcement of the Company dated 6 March 2025 in relation to the Previous Disposal. As the Disposal and the Previous Disposal (i) are both entered into by the Group with the same parties within a 12-month period; and (ii) both involve the disposal of interests in the Target Company, the Previous Disposal and the Disposal shall be aggregated as if they were one transaction pursuant to Rules 14.22 and 14.23 of the Listing Rules. As the highest percentage ratio (as defined under the Listing Rules) in respect of the Previous Disposal and the Disposal (on an aggregated basis) is more than 25% but all of the percentage ratios are less than 75%, the Previous Disposal and the Disposal (on an aggregated basis) constitutes a major disposal for the Company and is subject to the reporting, announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

As the Purchaser is a substantial shareholder of the Target Company as at the date of this announcement, the Purchaser is thus a connected person of the Company at subsidiary level under Chapter 14A of the Listing Rules. Accordingly, the Disposal constitutes a connected transaction on the part of the Company under Chapter 14A of the Listing Rules. In light of the fact that the Disposal has been approved by the Board and the independent non-executive Directors have confirmed that the terms of the Disposal Agreement are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole, the entering into of the Disposal Agreement will constitute a connected transaction which is subject to reporting and announcement requirements but is exempt from the circular, independent financial advice and Shareholders' approval requirements under Rule 14A.101 of the Listing Rules.

### **GENERAL**

The SGM will be convened and held for the Shareholders to consider and, if thought fit, approve the Disposal Agreement and the transactions contemplated thereunder.

A circular containing, among other things, (i) further information on the Disposal Agreement and the transactions contemplated thereunder; (ii) a notice of the SGM; and (iii) other information as required under the Listing Rules, is expected to be despatched to the Shareholders on or before 27 May 2025.

### **THE DISPOSAL**

On 6 May 2025 (after trading hours), the Vendor, a direct wholly-owned subsidiary of the Company, and the Purchaser has entered into the Disposal Agreement pursuant to which the Vendor has conditionally agreed to sell, and the Purchaser has conditionally agreed to purchase the Sale Shares, representing 70% of the total shares of the Target Company in the at the Consideration of RMB13,000,000.

### **THE DISPOSAL AGREEMENT**

#### **Date**

6 May 2025 (signed by parties 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)

As the Purchaser is a substantial Shareholder of the Target Company as at the date of this announcement, the Purchaser is thus a connected person of the Company at subsidiary level under Chapter 14A of the Listing Rules.

## **Subject Matter**

The Vendor has agreed to sell the Sale Shares to the Purchaser. The Sale Shares represent 70% of the total shares of the Target Company.

As at the date of this announcement, the Target Company is owned as to 70% by the Vendor and 30% by the Purchaser.

## **The Disposal**

Immediately prior to entering into the Disposal Agreement, the Target Company was an indirect non-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. Upon Completion of the Disposal, the Target Company will be owned as to 100% by the Purchaser and the Target Company will cease to be a subsidiary of the Company. The Company will cease to hold any shares of the Target Company and the financial results of the Target Company will no longer be consolidated into the consolidated financial statements of the Group.

## **Consideration**

Pursuant to the terms of the Disposal Agreement, the total Consideration is RMB13,000,000.

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 (i) the unaudited net liability of the Target Company as at 31 December 2024 which amounted to approximately HK\$2,000,000; (ii) the past performance of the Target Company; (iii) the future prospects and earning capacity of the Target Company; and (iv) the factors as set out in the paragraph headed "REASONS FOR AND BENEFITS OF THE DISPOSAL" below in this announcement.

## **Conditions Precedent**

Completion of the Disposal is conditional upon the satisfaction of, among others, 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 the Disposal Agreement;
- (b) the Purchaser having obtained all necessary consents and/or authorisations required under any existing contractual arrangements or for the execution of the Disposal Agreement; and
- (c) the Disposal Agreement and the transactions contemplated thereunder having been approved by the Shareholders at the SGM.

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

## 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).

As at the date of this announcement, the Target Company is owned as to 30% by the Purchaser. Hence, the Purchaser is a substantial Shareholder of the Target Company as at the date of this announcement, thus, a connected person of the Company at subsidiary level under Chapter 14A of the Listing Rules.

### 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. As at the date of this announcement, the Target Company is held as to 70% by the Vendor and 30% by the Purchaser.

## FINANCIAL INFORMATION OF THE TARGET COMPANY

Set out below is the unaudited financial information of the Target Company for the financial years ended 31 December 2023 and 2024 respectively:

	<b>For the year ended 31 December 2023</b>	<b>For the year ended 31 December 2024</b>
	<i>HK\$'000</i> (unaudited) <i>(approx.)</i>	<i>HK\$'000</i> (unaudited) <i>(approx.)</i>
Net (loss)/profit before taxation	(26,503)	(9,117)
Net (loss)/profit after taxation	(26,503)	(9,117)

Based on the financial information of the Target Company, the consolidated unaudited net liabilities of the Target Company was approximately HK\$2,000,000 as at 31 December 2024.

## **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\$15,300,000. Such unaudited gain is estimated after taking into account the Consideration of RMB13,000,000 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, the Target Company will be owned as to 100% by the Purchaser and it will cease to be a subsidiary of the Company. The Company will cease to hold any shares of the Target Company and the financial results of the Target Company will no longer be consolidated into the consolidated financial statements 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 still positive with the future financial performance and 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, eliminates the risk of increasing liabilities from the Target Company, 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.

## **LISTING RULES IMPLICATIONS**

Reference is made to the announcement of the Company dated 6 March 2025 in relation to the Previous Disposal. As the Disposal and the Previous Disposal (i) are both entered into by the Group with the same parties within a 12-month period; and (ii) both involve the disposal of interests in the Target Company, the Previous Disposal and the Disposal shall be aggregated as if they were one transaction pursuant to Rules 14.22 and 14.23 of the Listing Rules. As the highest percentage ratio (as defined under the Listing Rules) in respect of the Previous Disposal and the Disposal (on an aggregated basis) is more than 25% but all of the percentage ratios are less than 75%, the Previous Disposal and the Disposal (on an aggregated basis) constitutes a major disposal for the Company and is subject to the reporting, announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

As the Purchaser is a substantial shareholder of the Target Company as at the date of this announcement, the Purchaser is thus a connected person of the Company at subsidiary level under Chapter 14A of the Listing Rules. Accordingly, the Disposal constitutes a connected transaction on the part of the Company under Chapter 14A of the Listing Rules. In light of the fact that the Disposal has been approved by the Board and the independent non-executive Directors have confirmed that the terms of the Disposal Agreement are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole, the entering into of the Disposal Agreement will constitute a connected transaction which is subject to reporting and announcement requirements but is exempt from the circular, independent financial advice and Shareholders' approval requirements under Rule 14A.101 of the Listing Rules.

None of the Directors has a material interest in the Disposal. Hence, no Director is required to abstain from voting on the relevant resolution(s) of the Board approving the Disposal Agreement and the transactions contemplated thereunder.

## **GENERAL**

The SGM will be convened and held for the Shareholders to consider and, if thought fit, approve the Disposal Agreement and the transactions contemplated thereunder.

The voting in respect of the Disposal at the SGM will be conducted by way of poll. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder or any of their associates has any material interest in the Disposal Agreement and the transactions contemplated thereunder, and will be required to abstain from voting on the relevant resolution(s) to approve the Disposal Agreement and the transactions contemplated thereunder at the SGM.

A circular containing, among other things, (i) further information on the Disposal Agreement and the transactions contemplated thereunder; (ii) a notice of the SGM; and (iii) other information as required under the Listing Rules, is expected to be despatched to the Shareholders on or before 27 May 2025.

## **DEFINITIONS**

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

“associates”	has the meaning ascribed to it under the Listing Rules;
“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 RMB13,000,000 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 disposal agreement dated 6 May 2025 between the Vendor and the Purchaser in relation to the Disposal;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong Dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“PRC”	the People’s Republic of China which, for the purposes of this announcement, excludes Hong Kong, Macau and Taiwan;
“Previous Disposal”	the sale of 30% of the total shares of the Target Company by the Vendor to the Purchaser in accordance with the Previous Disposal Agreement;
“Previous Disposal Agreement”	the share transfer agreement dated 6 March 2025 between the Vendor and the Purchaser in relation to the Previous Disposal;
“Purchaser”	Renaissance International China Limited* (復興國際中國有限公司), a limited liability company established in Hong Kong, which owns 30% shares of the Target Company as at the date of this announcement;
“RMB”	Renminbi, the lawful currency of the PRC;
“Sale Shares”	70% of the total shares of the Target Company;

“SGM”	the special general meeting of the Company to be convened for the purpose of considering and, if thought fit, approving the Disposal Agreement and the transactions contemplated thereunder;
“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 established in Hong Kong and an indirect non-wholly-owned subsidiary of the Company as at the date of the Disposal Agreement;
“Vendor”	Apex Capital Business Limited, a limited liability company established 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 May 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