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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 FIXED ASSETS

On 31 July 2025 (after trading hours), the Vendor, an indirect wholly-owned subsidiary of the Company, as vendor and the Purchaser entered into a Steam Pipeline Network Asset Transfer Agreement in relation to the disposal of certain steam pipeline facilities located in Lucheng District, Changzhi City, Shanxi for a consideration of RMB14,816,964.

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

On 31 July 2025 (after trading hours), the Vendor, an indirect wholly-owned subsidiary of the Company, as vendor and the Purchaser entered into a Steam Pipeline Network Asset Transfer Agreement in relation to the disposal of certain steam pipeline facilities located in Lucheng District, Changzhi City, Shanxi. The principal terms of the Disposal Agreement are set out below.

Vendor: Shanxi Touyun Biotechnology Co., Ltd.* (山西透雲生物科技有限公司)

Purchaser: Changzhi Lucheng District Luxin Construction and Investment Group Co., Ltd.* (長治市潞城區潞新建設投資集團有限公司)

- Subject matter:** transfer of the following target assets from the Vendor to Purchaser (i) 550 meters of medium-pressure steam pipeline and 420 meters of condensate recovery pipeline within the Power Plant; and (ii) 1,550 meters of medium-pressure steam pipeline, 1,550 meters of condensate recovery pipeline, and ancillary facilities from the Power Plant to the boundary of the Vendor's factory located in Lucheng Economic and Technological Development Zone, Changzhuang Village, Dianshang Town, Lucheng District, Changzhi City, Shanxi Province, PRC* (山西長治市潞城區店上鎮常莊村潞城經濟技術開發區).
- Consideration:** RMB14,816,964 (approximately HK\$16,144,000).
- 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) valuation of the Disposal Assets of RMB14,816,964 as at 31 May 2025 prepared by an independent professional valuer; and (ii) the unaudited net book value of the Target Assets as at 30 June 2025 which amounted to approximately HK\$10,537,000.
- Payment Terms:** The Purchaser shall pay the first installment of RMB5,000,000 by 31 December 2025 and the remaining consideration of RMB9,816,964 by 31 December 2026.
- Conditions:** The Completion is conditional upon the satisfaction of the following conditions:
- (i) the valuation report having been jointly confirmed by the Parties; and
 - (ii) the Vendor having provided the construction completion documents, along with the initial periodic inspection certification for the Target Assets.
- Completion:** Completion of the transfer of the Target Assets shall take place on the Completion Date.

INFORMATION OF THE PARTIES

The Group and the Vendor

The principal activities of the Group are (i) provision of QR codes on product packaging and solutions and advertising display services; (ii) the manufacture and sale of packaging products; (iii) investments and trading in securities and money lending, and (iv) production and sale of *Chlamydomonas reinhardtii*, micro-algae and related products.

The Vendor is a company established in the PRC and an indirect wholly-owned subsidiary of the Company, engaged in the *chlamydomonas reinhardtii*, micro-algae and related products business.

The Purchaser

The Purchaser is a 100% state owned entity established in the PRC and is principally engaged in the infrastructure business in the PRC.

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.

REASONS FOR ENTERING INTO THE AGREEMENTS

Reference is made to the announcement of the Company dated 21 February 2020 in relation to the co-operation agreement entered into between the Company and the District Government.

Based on the co-operation agreement dated 21 February 2020, the District Government agreed to support the construction of the chlamydomonas reinhardtii and related products facilities by the provision of the relevant land use right for the construction of the facilities. On 20 August, 2021, the construction of the Target Assets (being the steam supply pipeline as part of the facilities) was completed.

To optimize the utilization of the steam supply pipeline and support the industrial development of Lucheng District, the Purchaser, as the representative of the District Government, intends to acquire the Target Assets. Upon completion, the Target Assets will become part of the district's public infrastructure, ensuring equitable access for all plants within the area.

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.

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\$4,154,000. Such unaudited gain is estimated after taking into account the Consideration of RMB14,816,964, after deducting the applicable value added tax amounted to approximately RMB1,223,000, and the unaudited net book value of the Target Assets as at 30 June 2025 which amounted to approximately HK\$10,537,000. The proceeds from the Disposal will be used as the Group's working capital.

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;
“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 when the Completion takes place, which shall be within seven (7) days after signing of the Disposal Agreement;
“connected person(s)”	has the meaning ascribed to it under the Listing Rules;
“Director(s)”	the director(s) of the Company;
“Disposal”	the transfer of the Target Assets by the Vendor to the Purchaser;
“Disposal Agreement”	the transfer agreement dated 31 July 2025 between the Vendor and the Purchaser in relation to the Disposal;
“District Government”	the People's Government of Lucheng District, Changzhi City, Shanxi Province* (山西省長治市潞城區人民政府)
“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;
“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;

“Parties”	the Vendor and the Purchaser;
“PRC”	the People’s Republic of China;
“Purchaser”	Changzhi Lucheng District Luxin Construction and Investment Group Co., Ltd.* (長治市潞城區潞新建設投資集團有限公司), a state-owned limited liability company incorporated in the PRC and an Independent Third Party;
“Power Plant”	Wangqu Power Plant* (王曲電廠), a power plant located in Lucheng District, Changzhi City, Shanxi Province, PRC
“RMB”	Renminbi, the lawful currency of the PRC;
“Shareholder(s)”	the shareholder(s) of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Target Assets”	(i) 550 meters of medium-pressure steam pipeline and 420 meters of condensate recovery pipeline within the Power Plant; and (ii) 1,550 meters of medium-pressure steam pipeline, 1,550 meters of condensate recovery pipeline, and ancillary facilities from the Power Plant to the boundary of the Vendor’s factory located in Lucheng Economic and Technological Development Zone, Changzhuang Village, Dianshang Town, Lucheng District, Changzhi City, Shanxi Province, PRC* (山西長治市潞城區店上鎮常莊村潞城經濟技術開發區);
“Vendor”	Shanxi Touyun Biotechnology Co., Ltd.* (山西透雲生物科技股份有限公司), a limited liability company incorporated in the PRC and an indirect wholly-owned subsidiary of the Company;
“%”	per cent.

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

Hong Kong, 31 July 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. Zhang Lele

Independent Non-executive Directors

Mr. Cheung Wing Ping

Mr. Ha Kee Choy Eugene

Mr. To Shing Chuen