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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)

**QUARTERLY UPDATE ON THE IMPLEMENTATION OF
ACTION PLAN TO RESOLVE THE AUDIT QUALIFICATION**

This announcement is made by the board (the “**Board**”) of directors (the “**Directors**”) of Touyun Biotech Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

References are made to the annual report of the Company for the year ended 31 December 2024 (the “**2024 Annual Report**”). Unless otherwise stated, capitalised terms used herein shall have the same meanings as those defined in the 2024 Annual Report.

The Board would like to update the shareholders of the Company and potential investors on the measures taken by the Company to resolve disclaimer of opinion as set out below:

1. The Company is currently launching a series of new health products targeting different customer groups for the purpose of continuously expanding the Group’s customers base and stream of revenue. The Board considers that there is growth potential for the Group’s health products market as the population becomes more health conscious.
2. On 1 April 2025, Mr. Wang Liang, a Director, and Ms. Qiao Yanfeng, a shareholder of the Company, provided undertakings to the Company, confirming that they would not demand repayment of the amounts due to them with aggregate amounts of approximately HK\$121.8 million until the Group has sufficient cash reserve to repay the amounts due to them.
3. The Company had successfully obtained new loans with aggregate amounts of HK\$4.8 million from Mr. Wang Liang and Ms. Qiao Yanfeng for the use of the Group’s working capital.

4. The Company had successfully obtained to obtain new loans with an aggregate principal amount of approximately HK\$49.5 million from several lenders.
5. Starting from May 2025, the Group has been negotiating with one of its lenders (the “**Lender**”) for the extension of term of two loans with a principal amount of RMB60 million and maturity date of 7 June 2025 and a principal amount of RMB90 million and maturity date of 11 December 2025 respectively (the “**Outstanding Loans**”). The management of the Group is currently in negotiations with the Lender regarding partial repayment and a further extension of the repayment date for the Outstanding Loans.
6. The Company has been exploring various options and alternatives to increase the Group’s working capital by realisation of the Group’s non-core asset items and unprofitable business. For example, the Group entered into agreements for the disposal of 30% and 70% shares in one of its subsidiaries to an independent third-party investor at the consideration of RMB5,000,000 and RMB13,000,000 on 6 March 2025 and 6 May 2025 respectively. Upon completion of the abovementioned disposals, the Group is expected to record unaudited gain on disposal of approximately HK\$6,000,000 and HK\$15,300,000 respectively. Please refer the Company’s announcement dated 6 March 2025 and 6 May 2025 and the Company’s circular dated 28 May 2025 for further details of the abovementioned disposals. Furthermore, the Group has disposed certain fixed assets in Shanxi at a consideration of RMB14,816,964 on 31 July 2025, please refer to the Company’s announcement dated 31 July 2025 for further details.
7. The Group has been taking active initiatives with a view to enhance the speed of the Group’s product distribution and customer reach-out: (i) the Group has been maintaining ongoing discussions with leading supermarket chains/groups, with mutual interest in establishing a formal agreement for the distribution and sale of products of the Group; and (ii) the Group has been keeping an eye on and collaborating with various trending Key Opinion Leaders to promote the Group’s products and boost product sales through livestream commerce channels. Shanxi Touyun Biotechnology Co., Ltd* (“**Shanxi Touyun**”), a wholly owned subsidiary of the Company has signed a Strategic Cooperation Agreement (the “**Strategic Cooperation Agreement**”) with Shenzhen Louyujian Supply Chain Technology Co., Ltd.*, Henan Guozitou Marketing Management Co., Ltd.*, and Beijing Hewanjia Biotechnology Co., Ltd.* (collectively the “**Sales Consortium**”) on 23 October 2025. According to the Strategic Cooperation Agreement, during the period from 2026 to 2028, the Sales Consortium shall purchase *Chlamydomonas reinhardtii* and related products from Shanxi Touyun with a total value not less than RMB1 billion. Please refer to the Company’s announcement dated 3 November 2025 for further details.

The Board will continue to proactively implement relevant measures to resolve the uncertainties related to going concern associated with the disclaimer of opinion and will make further announcements in a timely manner.

* *for identification purpose only.*

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

Hong Kong, 31 December 2025

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