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Tianyun International Holdings Limited

天韵國際控股有限公司

(Incorporated in the British Virgin Islands with limited liability)

(Stock Code: 6836)

(1) QUARTERLY UPDATE ON RESUMPTION PROGRESS

(2) BANKRUPTCY RESTRUCTURING

AND

(3) CONTINUED SUSPENSION OF TRADING

This announcement is made by Tianyun International Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.24A of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

References are made to the announcements of the Company dated 26 March 2024, 27 March 2024, 15 April 2024, 19 April 2024, 29 April 2024, 30 April 2024, 20 May 2024, 30 May 2024, 12 June 2024 and 18 June 2024 and the circular dated 20 June 2024 in relation to, among other things, (i) the delay in the publication of the audited annual results of the Group for the year ended 31 December 2023 (the “**2023 Annual Results**”); (ii) the investigation conducted by the Securities and Futures Commission (the “**SFC**”); (iii) the direction issued by the SFC pursuant to Rule 8(1) of the Securities and Futures (Stock Market Listing) Rules (Chapter 571V of the Laws of Hong Kong) to suspend trading in the shares of the Company (the “**Shares**”); (iv) the resumption guidance (the “**Resumption Guidance**”) set by the Stock Exchange for resumption of trading in the shares in the Company (the “**Shares**”); (v) the appointment of independent non-executive directors (“**INEDs**”); (vi) the shareholder requisition to remove three directors of the Company (vii) the appointment of independent forensic accountant; and (viii) financial assistance from substantial shareholder of the Company (collectively referred as the “**Announcements**”).

The board of directors of the Company (the “**Board**”) wishes to update its shareholders (the “**Shareholders**”) and potential investors of the Company the latest developments of the Company and its progress with fulfilling the Resumption Guidance.

UPDATE ON OPERATIONS OF THE GROUP & BANKRUPTCY RESTRUCTURING

The Group is principally engaged in the manufacturing and sales of processed fruit and beverage products and trading of fresh fruits.

Since the suspension of trading in the Shares on 26 March 2024, the Company’s subsidiary, Shandong Tiantong Food Co., Ltd.* (山東天同食品有限公司) (“**Shandong Tiantong**”), faced legal proceedings from creditors for an aggregate amount of approximately RMB129 million and also owed wages and social security to its employees in the approximate amount of RMB10.95 million.

Shandong Tiantong had assets of approximately RMB122 million, while its total liabilities amounted to approximately RMB279 million. The existence of certain loans and guarantees cannot be verified by the Company as of the date of this announcement.

The legal actions had resulted in all of Shandong Tiantong's bank accounts being frozen and its factories, real estate properties and assets being subject to property preservation order(s) from the PRC court. Such events disrupted the operation and capital available to Shandong Tiantong and led to the suspension of Shandong Tiantong's operations.

Shandong Tiantong is in financial difficulties and does not have the ability to repay its debts due and is insolvent. Therefore, Shandong Tiantong had made an application to the Linyi City Hedong District People's Court* (臨沂市河東區人民法院) (the "Court") for bankruptcy restructuring. Shandong Tiantong was informed on 25 June 2024 that the Court had accepted its bankruptcy restructuring application on 21 June 2024.

The Board believes that Shandong Tiantong has value as it possesses years of experience and high brand value in the industry and has established extensive customer base. The bankruptcy restructuring application may help Shandong Tiantong to reduce its debt burden, alleviate financial costs and make a fresh start. The Company will keep Shareholders and potential investors informed of any material progress of Shandong Tiantong's bankruptcy restructuring and will make further announcement(s) in accordance with the Listing Rules as and when appropriate.

In light of the Group's financial situation, Rainbow Lead Ventures Limited, the substantial shareholder of the Company, has granted an unsecured loan in the principal amount of HK\$15 million to the Company to fund the Group's operations, professional fees and work for resumption of trading in the Shares and to acquire the entire equity interest in Ahead Global Limited, which is principally engaged in the operation of hot food supply stalls in a convenience retailer in Hong Kong. The Group actively seeks opportunities for its businesses to maximize the overall operating efficiency, achieve synergies and create greater value for the Group and the Shareholders.

THE RESUMPTION GUIDANCE, THE COMPANY'S RESUMPTION PLAN AND THE EXPECTED TIMELINE IN FULFILLING RESUMPTION GUIDANCE

Below sets out the Resumption Guidance, the Company's resumption plan with details of actions that the Company has taken or intends to take as well as the expected timeframe in fulfilling the Resumption Guidance to resume trading in the Shares:

Resumption Guidance	Update on resumption progress and the expected Timeline
(i) Demonstrate that there is no reasonable regulatory concern about the integrity or character of the Group's management and/or that of any persons with substantial influence over the Group's management and operations, which may pose a risk to investors and damage market confidence	The Company had suspended all duties and powers of executive Directors Mr. Yang Ziyuan, Mr. Sun Xingyu and senior management Mr. Sun Lei with effect from 26 March 2024 until further notice, who are implicated in the matters being investigated by the SFC. The SFC required, amongst other things, the Company to engage a reputable independent consultant to complete a forensic investigation (the "Forensic Investigation") and internal control review (the "IC Review"). The Company will take appropriate actions and measures as soon as practicable upon completion of the Forensic Investigation and the IC Review to ensure compliance with this condition of the resumption guidance.

- (ii) Conduct an independent internal control review and demonstrate that the Company has in place adequate internal controls and procedures to meet its obligations under the Listing Rules
- The Company had engaged Acclime Corporate Advisory Services (Hong Kong) Limited as the independent forensic accountant to conduct the Forensic Investigation, which is expected to be completed by September 2024. It is expected that the IC Review will be conducted following the conclusion of the Forensic Investigation.
- (iii) Publish all outstanding financial results and address any audit modifications
- The 2023 Annual Results is expected to be published upon completion of the Forensic Investigation and the IC Review.
- The Company will publish further announcement(s) in this regard to inform its Shareholders and potential investors as and when appropriate.
- (iv) Re-comply with Rule 3.10A of the Listing Rules
- The Company currently has 3 INEDs out of its 10 members Board, which falls below the requirement of Rule 3.10A of the Listing Rules. In the event that the ordinary resolutions to remove executive Directors Mr. Yang Ziyuan and Mr. Sun Xingyu and non-executive Directors Ms. Chu Yinghong put forward by a shareholder requisition are passed at the EGM to be held on 8 July 2024, the Company will re-comply with Rule 3.10A of the Listing Rules as the 3 INEDs will constitute more than one-third of the then 7 members Board.
- (v) Demonstrate the Company's compliance with Rule 13.24 of the Listing Rules
- The Company's compliance with Rule 13.24 of the Listing Rules can be assessed with the publication of the 2023 Annual Results.
- (vi) Inform the market of all material information for the Company's shareholders and other investors to appraise the Company's position
- Since the suspension of trading in the Shares on 26 March 2024, the Company has kept its Shareholders and potential investors informed of all material information in relation to the SFC investigation, the Resumption Guidance and any material updates and progress by way of announcements.
- The Company will continue to keep its Shareholders and potential investors abreast of any relevant material development by making further announcement(s) as and when appropriate in accordance with the requirements under the Listing Rules.

CONTINUED SUSPENSION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended with effect from 9:00 a.m. on 26 March 2024. On 12 April 2024, the SFC had, under Rule 8(1) of the Securities and Futures (Stock Market Listing) Rules, directed the Stock Exchange to suspend all dealings in the Shares from 9:00 a.m. on 15 April 2024.

The Company will make further announcement(s) to keep its Shareholders and potential investors informed of any progress on the fulfilment of the Resumption Guidance as and when appropriate.

Trading in the Shares will remain suspended until further notice. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

By Order of the Board
Tianyun International Holdings Limited
Mr. Yeung Wan Yiu
Chairman and Non-Executive Director

Hong Kong, 25 June 2024

As at the date of this announcement, the Board comprises (i) Mr. Yang Ziyuan (Chairman)(duties suspended), Mr. Sun Xingyu (duties suspended) and Dr. Wan Ho Yuen, Terence (Chief Executive Officer) as the executive Directors; (ii) Mr. Yeung Wan Yiu (Chairman), Ms. Chu Yinghong, Mr. Wong Yim Pan and Mr. Yeung Wing Keung as the non-executive Directors; and (iii) Ms. Chen Weijie, Ms. Lau Chui Ping Soey and Mr. Shiu Shu Ming as the independent non-executive Directors.

** For identification purpose only*