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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) DECONSOLIDATION OF SUBSIDIARIES OF THE GROUP (2) VOLUNTARY WINDING -UP OF A SUBSIDIARY AND (3) CONTINUED SUSPENSION OF TRADING**

This announcement is made by Tianyun International Holdings Limited (the “**Company**” and, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2)(a) and Rule 13.25(1)(c) of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the inside information provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong).

References are made to (i) the Company’s announcements dated 31 March 2022 and 8 April 2022 in relation to the delay in publication of the unaudited and audited annual results of the Group for the year ended 31 December 2021 and suspension of trading in the Company’s shares (the “**Shares**”) since 1 April 2022; (ii) the Company’s announcement dated 29 April 2022 in relation to, amongst others, the establishment of an investigation committee to investigate into the unauthorized transaction(s); (iii) the Company’s announcement dated 12 May 2022 in relation to the Stock Exchange’s guidance to the Company for the resumption of trading in the Shares (the “**Resumption Guidance**”); (iv) the Company’s announcement dated 16 May 2022 in relation to the change of auditors of the Company; (v) the Company’s announcement dated 30 June 2022 in relation to quarterly update on the progress of resumption of trading in the Shares; and (vi) the Company’s announcement dated 29 July 2022 in relation to key findings of the independent forensic investigation and potential deconsolidation of subsidiaries (the “**Potential Deconsolidation Announcement**”) (collectively, the “**Previous Announcements**”)

Capitalised terms used in this announcement have the same meanings as defined in the Previous Announcements unless defined otherwise herein.

### **1. DECONSOLIDATION OF SUBSIDIARIES OF THE GROUP**

As disclosed in the Potential Deconsolidation Announcement, pursuant to the legal opinion issued by the PRC Legal Adviser dated 21 July 2022, the Company had lost control of Tiantong Yichang and Tiantong Yuanan (the “**Subsidiaries**”) from 23 December 2021 when the finance staff of the Subsidiaries ignored the Group’s internal control procedures and made the Unauthorized Transfer. The Subsidiaries also did not respond to the Company’s repeated demands and requests for all the necessary books and records for the 2021 Audit and for the preparation of the Subsidiaries’ management accounts for the six months ended 30 June 2022. As such, the Company is having difficulty in completing the 2021 Audit and is unable to prepare the consolidated financial statements of the Group involving the financial information of the Subsidiaries for the six months ended 30 June 2022 and announce the same within the prescribed deadline in compliance with the requirements of the Listing Rules.

In view of the above, the Directors has resolved that it is appropriate to deconsolidate the financial results of the Subsidiaries from the Group's financial statements with effect from 31 December 2021. Despite the series of actions taken by the Company as disclosed in the Potential Deconsolidation Announcement, the Company has failed to regain and recover the control of the Subsidiaries. In view of such circumstances, the Board has resolved that the Subsidiaries be deconsolidated ("**Deconsolidation**") effective from 31 December 2021 for the reason that the Company has lost control of the Subsidiaries.

## **POSSIBLE EFFECT OF THE DECONSOLIDATION**

The Group is principally engaged in the manufacturing and sales of processed fruit and beverage products and trading of fresh fruits, with most of its sales conducted in the PRC. The Subsidiaries are based in Yichang City, Hubei Province, the PRC and are principally engaged in the production and sales of processed fruit and beverage products.

The Deconsolidation would result in a deconsolidation of assets, liabilities and certain reserves in the financial statements of the Subsidiaries, which would lead to a net loss to the Group. The Board expects that the Deconsolidation would have significant impact on the consolidated financial statements of the Group for the year ended 31 December 2021. Based on the unaudited consolidated management accounts of the Group for the year ended 31 December 2021, the Group would record a one-time loss on deconsolidation of approximately RMB179 million. Further, pursuant to the preliminary discussions with the new Auditor, there is a high likelihood that the consolidated financial statements of the Group for the year ended 31 December 2021 will be qualified in respect of the financial results of the Subsidiaries and the net assets of the Subsidiaries attributable to the Group will be considered written off. As at the date of this announcement, the Company is in the course of quantifying the financial impacts of the deconsolidation on the Group with the assistance of the new Auditor.

## **2. VOLUNTARY WINDING-UP OF A SUBSIDIARY**

The Board wishes to inform the shareholders and potential investors of the Company that on 10 August 2022, Strong Won Investment Limited ("**Strong Won BVI**"), the sole shareholder of Strong Won Investment Hong Kong Limited ("**Strong Won HK**") resolved to wind up Strong Won HK by way of member's voluntary winding-up under the Companies (Winding up and Miscellaneous Provisions) Ordinance (Chapter 32 of the laws of Hong Kong). Strong Won BVI and Strong Won HK are indirect wholly-owned subsidiaries of the Company. Dr. Wan Ho Yuen Terence and Mr. Yeung Chun Wa of Zhonghui Anda CPA Limited have been appointed as the joint voluntary liquidators ("**Liquidators**") of Strong Won HK.

### **INFORMATION ON STRONG WON HK**

Strong Won HK is a limited liability company incorporated in Hong Kong on 6 June 2017. It is principally engaged in investment holding. Apart from holding 100% equity interest in Tiantong Yichang (one of the Subsidiaries which in turn holds 100% equity interest in Tiantong Yuanan), it has no other major assets or operation.

As one or more of the percentage ratios as defined in Rule 14.04(9) of the Listing Rules for Strong Won HK and its subsidiaries (on a sub-consolidated basis) for the year ended 31 December 2021 are 5% or more, Rule 13.25(1)(c) applies to Strong Won HK according to Rule 13.25(2) of the Listing Rules.

## **REASONS FOR VOLUNTARY WINDING UP OF STRONG WON HK**

Following the loss of control of the Subsidiaries, the Board considers that it is prudent and in the best interest of the Company to segregate the Subsidiaries from the Group as soon as possible in order to entrench the Group from any further potential tangible and intangible losses and damage arising from the loss of control of the Subsidiaries, including reputational risks and potential third-party claims. Leverage on the Liquidators' extensive commercial network and wealth of experience in handling liquidations and distressed assets disposal, the Board believes that the Liquidators would provide the best solution to the Group in dealing with the assets and liabilities of Strong Won HK.

Further announcement(s) will be made by the Company as and when appropriate if there is any progress regarding the voluntary winding-up of Strong Won HK.

### **3. CONTINUED TRADING SUSPENSION OF THE SHARES OF THE COMPANY**

Trading in the Shares on the Stock Exchange has been suspended with effect from 9:00 am on 1 April 2022 as required under Rule 13.50 of the Listing Rules and will remain suspended until further notice.

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.

**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**  
**Yang Ziyuan**  
*Chairman and Executive Director*

Hong Kong, 10 August 2022

*As at the date of this announcement, the Board comprises (i) Mr. Yang Ziyuan, Mr. Sun Xingyu and Mr. Yeung Wan Yiu as the executive Directors; (ii) Ms. Chu Yinghong and Mr. Wong Yim Pan as the non-executive Directors; and (iii) Mr. Liang Zhongkang, Mr. Shiu Shu Ming and Prof. Ye Xingqian as the independent non-executive Directors.*

*\* For identification purposes only*