

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

Tianyun International Holdings Limited **天韻國際控股有限公司**

(incorporated in the British Virgin Islands with limited liability)

(Stock Code: 6836)

(1) CONNECTED TRANSACTION – ASSIGNMENT AGREEMENT **(2) CONTINUED SUSPENSION OF TRADING**

References are made to the announcements of the Company dated 20 November 2023, 23 November 2023 and 1 March 2024 in relation to the Subscription.

ASSIGNMENT AGREEMENT

On 30 April 2024, the Company as transferor, True Choice as transferee, Mr. Yeung and Jianlibao Asia entered into the Assignment Agreement pursuant to which the Company has conditionally agreed to assign and novate its Rights and Obligations under the Subscription Agreement to True Choice; and (ii) True Choice has conditionally agreed to assume all the Rights and Obligations of the Company under the Subscription Agreement at a consideration of RMB60 million.

IMPLICATIONS UNDER LISTING RULES

As at the date of this announcement, Mr. Yeung is indirectly interested in approximately 27.65% of the issued share capital of the Company and is also a non-executive Director and the Chairman of the Company. Being a substantial shareholder and Director of the Company, Mr. Yeung is therefore a connected person of the Company. Accordingly, the entering into of the Assignment Agreement constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules and is subject to the announcement, circular, Independent Shareholders' approval and reporting requirements.

GENERAL

An EGM will be convened and held for the Independent Shareholders to, among others, consider and, if thought fit, approve the Assignment Agreement and the transaction contemplated thereunder.

As Mr. Yeung, being a substantial shareholder and a non-executive Director of the Company, also holds 100% equity interest in True Choice as at the date of this announcement, he is regarded as having a material interest in the Assignment Agreement and the connected transaction contemplated thereunder. Mr. Yeung had therefore abstained from voting on the relevant Board resolution and he and his associates shall abstain from voting on the resolution(s) approving the Assignment Agreement and the transaction contemplated thereunder in the EGM.

An Independent Board Committee comprising all the independent non-executive Directors has been formed to advise the Independent Shareholders in respect of the Assignment Agreement and the connected transaction contemplated thereunder and how to vote at the EGM, after taking into account the recommendations of the IFA. The Company has appointed Silverbricks Securities Co., Ltd. as the IFA to advise the Independent Board Committee and the Independent Shareholders as to the foregoing matters.

A circular containing, among others, (i) a letter from the Board providing further information on the Assignment Agreement and the connected transaction contemplated thereunder; (ii) a letter from the Independent Board Committee with its advice to the Independent Shareholders; (iii) a letter from the IFA setting out its advice to the Independent Board Committee and the Independent Shareholders; and (iv) a notice convening the EGM, together with the proxy form for the EGM, is expected to be despatched to the Shareholders on or before 23 May 2024.

Since the Assignment Agreement and the transactions contemplated thereunder are subject to the fulfilment of the conditions precedent set out therein and may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

BACKGROUND

References are made to the announcements of the Company dated 20 November 2023, 23 November 2023 and 1 March 2024 in relation to the Subscription.

On 20 November 2023, the Company as subscriber and Jianlibao Asia as issuer entered into the Subscription Agreement pursuant to which the Company conditionally agreed to subscribe for, and Jianlibao Asia conditionally agreed to issue, new shares representing approximately 8.40% of the issued share capital of Jianlibao Asia as enlarged by the Subscription for a total subscription price of RMB300 million. Subsequently on 27 November 2023, the Company paid the Subscription Deposit of RMB60,000,000 in accordance with the terms of the Subscription Agreement. The Subscription Deposit will be treated as part of the total subscription price upon completion of the Subscription. The Subscription Deposit was financed by Mr. Yeung through extending the RL Loan in the same amount to the Company on the same date of the payment of the Subscription Deposit. The rest of the subscription price in the amount of RMB240 million will be paid upon completion of the Subscription.

Completion of the Subscription is conditional upon fulfilment of certain conditions precedent as set out in the Subscription Announcement by 30 April 2024. On 29 March 2024 Jianlibao Asia notified the Company in writing that all the conditions precedent required to be fulfilled by Jianlibao Asia under the Subscription Agreement had been fulfilled and the Subscription can proceed to completion. Pursuant to the Subscription Agreement completion of Subscription shall take place on the third business day following such notice. However, as the Company currently does not have the financial resources to complete the Subscription, on 2 April 2024 the Company informed Jianlibao Asia the fact and sought solutions through proactive communication. After arm's length negotiation, the Parties agreed on the assignment and novation of all Rights and Obligations of the Company to True Choice subject to and in accordance with the terms and conditions of the Assignment Agreement.

ASSIGNMENT AGREEMENT

The principal terms of the Assignment Agreement are set out as follows:

Date	30 April 2024
Parties	The Company True Choice Jianlibao Asia Mr. Yeung

To the best knowledge, information and belief of the Directors and after making all reasonable enquiries, Jianlibao Asia and its ultimate beneficial owner(s) are all third parties independent of and not connected with the Company and its connected persons.

Subject Matter

The Company shall assign and novate all of its Rights and Obligations under the Subscription Agreement to True Choice, and True Choice shall take up and assume all of the Company's Rights and Obligations under the Subscription Agreement upon completion of the Assignment and Novation thereunder and whereupon the Company shall be released and discharged in full all of its Rights and Obligations under the Subscription Agreement.

Jianlibao Asia and True Choice have conditionally agreed that (i) True Choice shall enter into the True Choice Subscription Agreement with Jianlibao Asia upon completion of the Assignment and Novation; (ii) the size of the subscription in terms of shares to be subscribed and shareholding percentage in Jianlibao Asia shall be adjusted; (iii) the valuation (for 100% interest in Jianlibao) shall remain the same, being RMB6 billion; and (iv) the subscription price payable by True Choice to Jianlibao Asia for the Adjusted Subscription shall be partially satisfied by the set-off the RMB60,000,000 Subscription Deposit assigned by the Company to True Choice under the Assignment Agreement and the balance of RMB1,461,645.23 to be satisfied by True Choice with its own fund.

Consideration

The Assignment Consideration for the Assignment and Novation of the Company's Rights and Obligations to True Choice is RMB60,000,000 which represents the same amount of the Subscription Deposit. The Assignment Consideration shall be satisfied through the set-off of the RL Loan owed to Rainbow Lead by the Company upon completion of the Assignment and Novation.

The Assignment Consideration was determined after arm's length negotiations among the Parties to the Assignment Agreement taking into account, amongst other factors, (i) the Company's lack of financial resources to fulfil its obligations to consummate the Subscription; (ii) the amount of the Subscription Deposit paid which represents the Assignment Consideration; and (iii) the terms and conditions of the Subscription Agreement; (iv) the Company's financial exposure in defaulting on the Subscription Agreement.

On the basis of the above the Directors (other than the independent non-executive Directors whose views will be given after taking the advice from the IFA) consider the Assignment Consideration to be fair and reasonable.

Conditions Precedent

Completion of the Assignment Agreement is conditional upon fulfilment of the following conditions precedent:

1. the Company having, in accordance with the rules and regulations of the regulatory authorities such as the Securities and Futures Commission and the Stock Exchange (including with limitation the Listing Rules), obtained all applicable and necessary approvals, consents and waivers and/or fulfilled all obligations in connection with the execution and performance of the Assignment Agreement and the transactions contemplated thereunder, including the approval of the Company's shareholders at the EGM, despatch of the circular to shareholders and clearance of the circular by the regulatory authorities;
2. that the execution, delivery and performance of the Assignment Agreement by the Parties to the Assignment Agreement does not and will not violate any laws or regulations or the rules of any regulatory authorities of the PRC and/or Hong Kong (including but not limited to the Listing Rules), or any order or decree of any PRC and/or Hong Kong government agencies and/or regulatory authorities (including but not limited to the Stock Exchange and the SFC) and/or courts;

3. there being no material events that have occurred or may occur to any party to the Assignment Agreement, and such events are intended to limit the transfer thereunder or cause significant changes to the terms of the Assignment Agreement, or may render the transfer impossible to complete or illegal or inexpedient to proceed, or may have a material adverse impact on Jianlibao Asia;
4. there being no events, facts or circumstances that constitute or may constitute a material breach of any representation, warranty or undertaking given by the Company, True Choice, Jianlibao Asia or Mr. Yeung under the Assignment Agreement; and
5. Mr. Yeung and True Choice having executed the True Choice Subscription Agreement with Jianlibao Asia in respect of the Adjusted Subscription in accordance with the Assignment Agreement.

If the conditions precedent are not fulfilled by 30 June 2024 or such later date agreed by Jianlibao Asia, Jianlibao Asia shall have the right to unilaterally terminate the Assignment Agreement by written notice.

Completion

Completion of the Assignment and Novation shall take place on the day the last of the above conditions precedent is fulfilled.

Following completion of the Assignment and Novation, the Company shall not claim any right under the Subscription Agreement, including without limitation, requesting Jianlibao Asia to complete the Subscription.

Effect of Termination

The Parties further agree that if the Assignment Agreement is terminated or cancelled for whatever reason, the position of the Parties will return to the status before the signing of the Assignment Agreement. Since the Company is unable to fulfil its obligations to complete the Subscription, the Subscription Agreement shall terminate on the same day when the Assignment Agreement is terminated and Jianlibao Asia shall have the right to retain the Subscription Deposit of RMB60 million paid by the Company to Jianlibao Asia in accordance the Subscription Agreement without the need to return the Subscription Deposit to any party.

REASONS FOR AND BENEFITS OF THE ASSIGNMENT AGREEMENT

The Company entered into the Subscription Agreement back in November 2023 for the reasons set out in the announcement of the Company dated 20 November 2023. However, as disclosed in the latest announcement of the Company made on 15 April 2024, the Group is in a dire financial position with only approximately RMB1.1 million cash in bank. As such, the Company does not have the financial resources to complete the Subscription which entails RMB240 million for balance payment of the Subscription. Pursuant to the Subscription Agreement Jianlibao Asia shall have the right to forfeit the RMB60 million Subscription Deposit as a result of the Company's default on of the Subscription Agreement. On the other hand, the Company remains liable to repay the RL Loan with a principal amount of RMB60 million extended by Rainbow Lead to finance the payment of the Subscription Deposit on 27 November 2023. The RL Loan is an unsecured loan on normal commercial terms and constitutes a fully exempted connected transaction, namely financial assistance by a connected person to the Company, under the Listing Rules.

Given the current stringent financial position of the Group, the Board considers it is in the best interest of the Company not to proceed with the Subscription (even if Jianlibao Asia agrees to allow the Company to scale down the Subscription) but enter into the Assignment Agreement such that the Company shall be discharged and released from the Rights and Obligations under the Subscription Agreement.

With True Choice assuming the obligation to subscribe for Jianlibao Asia's shares and the set-off of the RL Loan against Subscription Deposit, the Company is relieved from the burden of servicing the RL Loan which would otherwise be extremely difficult in view of the current financial strain of the Company. Further had the Parties not entered into the Assignment Agreement, the Subscription Deposit would have been forfeited under the provision of the Subscription Agreement.

True Choice will subscribe for the Adjusted Subscription at the same valuation as the Company subscribed under the Subscription which was based on a valuation of RMB6 billion for 100% of Jianlibao. The Assignment Agreement is the result of friendly negotiation between the Parties on an arm's length basis with a view to help relieve the Company from further financial burden arising from the default on the Subscription Agreement.

The Directors (excluding the independent non-executive directors whose view will be expressed in the circular after considering the opinion of the IFA) believe that the terms of the Assignment Agreement are fair and reasonable, on normal commercial terms after arm's length negotiations between the Parties and in the interests of the Company and the Shareholders as a whole.

INFORMATION OF THE PARTIES

The Company is a limited liability company incorporated in the British Virgin, the shares of which are listed on the main board of the Stock Exchange. The Group is principally engaged in the manufacturing and sales of processed fruit and beverage products, and trading of fresh fruits.

Jianlibao Asia is a limited liability company incorporated in the Cayman Islands and is principally engaged in investment holding. Mr. Yip Hung Hon and Mr. Yeung Wan Chun indirectly holds 60% and 40% of interests in Jianlibao Asia, respectively. Jianlibao Asia is the majority shareholder directly holding approximately 55.54% of the total issued shares in Jianlibao which in turn is a company incorporated in the PRC and is principally engaged in the manufacturing and sales of sports drinks in the PRC.

True Choice is a limited liability company incorporated in the British Virgin Islands and is wholly owned by Mr. Yeung. It is principally engaged in investment holding.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Mr. Yeung is indirectly interested in approximately 27.65% of the issued share capital of the Company and is also a non-executive Director and Chairman of the Company. Being a substantial shareholder and Director of the Company. Mr. Yeung is therefore a connected person of the Company. Accordingly, the entering into of the Assignment Agreement constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules and is subject to the announcement, circular, Independent Shareholders' approval and reporting requirements.

GENERAL

An EGM will be convened and held for the Independent Shareholders to, among others, consider and, if thought fit, approve the Assignment Agreement and the connected transaction contemplated thereunder.

As Mr. Yeung, being a substantial shareholder, Chairman and a non-executive Director of the Company, also holds 100% equity interest in True Choice as at the date of this announcement, he is regarded as having a material interest in the Assignment Agreement and the transactions contemplated thereunder. Mr. Yeung had therefore abstained from voting on the relevant Board resolution and he and his associates shall abstain from voting on the resolution(s) approving the Assignment Agreement and the transactions contemplated thereunder in the EGM.

An Independent Board Committee comprising all the independent non-executive Directors has been formed to advise the Independent Shareholders in respect of the Assignment Agreement and the connected transaction contemplated thereunder. Silverbrick Securities Co., Ltd. has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in this connection.

A circular containing, among others, (i) a letter from the Board providing further information on the Assignment Agreement and the connected transaction contemplated thereunder; (ii) a letter from the Independent Board Committee with its advice to the Independent Shareholders; (iii) a letter from the IFA setting out its advice to the Independent Board Committee and the Independent Shareholders; and (iv) a notice convening the EGM, together with the proxy form for the EGM, is expected to be despatched to the Shareholders on or before 23 May 2024.

CONTINUED SUSPENSION OF TRADING

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

Since the Assignment Agreement and the transactions contemplated thereunder are subject to the fulfilment of the conditions precedent set out therein and may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

DEFINITIONS

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

“Adjusted Subscription”	the subscription by True Choice for the shares in Jianlibao Asia representing approximately 1.84 % of Jianlibao Asia total issued share capital as enlarged by the subscription for a total subscription price of RMB61,461,645.23
“Announcements”	announcements of the Company dated 20 November 2023, 23 November 2023 and 1 March 2024 in relation to the Subscription
“Assignment Agreement”	the conditional assignment agreement dated 30 April 2024 entered into between the Company as transferor, True Choice as transferee, Mr. Yeung and Jianlibao Asia, which provides for, inter alia, the Assignment and Novation the Rights and Obligations
“Assignment and Novation”	the assignment and novation of the Rights and Obligation under the Assignment Agreement
“Assignment Consideration”	the consideration for the Assignment and Novation of the Rights and Obligation under the Subscription Agreement by the Company to True Choice in the amount of RMB60,000,000
“associate(s)”	has the meaning ascribed to it in the Listing Rules
“Board”	the board of directors of the Company
“connected person(s)”	has the meaning ascribed to it in the Listing Rules
“Company”	Tianyun International Holdings Limited, a company incorporated in the British Virgin Islands with limited liability, whose shares are listed on the main board of the Stock Exchange

“EGM”	the extraordinary general meeting of the Company to be convened for the Independent Shareholders to, among others, consider, and, if thought fit, approve the connected transaction contemplated under the Assignment Agreement;
“Group”	the Company and its subsidiaries
“Independent Board Committee”	an independent committee of the Board, comprising all three independent non-executive Directors, established to advise the Independent Shareholders in respect of the connected transaction contemplated under the Assignment Agreement
“Independent Shareholder(s)”	Shareholder(s) other than Mr. Yeung and his associates, and all other Shareholders with a material interest in the connected transaction contemplated under the Assignment Agreement
“IFA”	Silverbricks Securities Co., Ltd., the independent financial adviser appointed by the Company for the purpose of advising the Independent Board Committee and the Independent Shareholders in respect of the connected transaction contemplated under the Assignment Agreement
“Jianlibao”	Guangdong Jianlibao Co., Limited* (廣東健力寶股份有限公司), a company incorporated in the PRC
“Jianlibao Asia”	Jianlibao Asia Limited, a company incorporated in the Cayman Islands with limited liability and limited by shares;
“Jianlibao Asia Share(s)”	The issued ordinary share(s) in Jianlibao Asia
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Yeung”	Mr. Yeung Wan Yiu, Non-Executive Director, Chairman and substantial shareholder of the Company

“Parties”	The Company, Jianlibao Asia, True Choice and Mr. Yeung
“PRC”	The People’s Republic of China
“Rainbow Lead”	Rainbow Lead Ventures Limited, a company incorporated in the British Virgin Islands with limited liability, whose shares are wholly owned by Mr. Yeung
“RL Loan”	an unsecured shareholder loan in the amount of RMB60 million provided by Rainbow Lead to the Company to fund the Subscription Deposit
“RMB”	Renminbi, the lawful currency of the PRC
“Rights and Obligations”	the rights and obligations of Company as assignor under the Subscription Agreement to be assigned and novated to True Choice as assignee pursuant to the Assignment Agreement
“Shareholder”	Shareholder(s) of the Company
“SFC”	The Securities and Futures Commission
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subscription”	the subscription by the Company of shares representing approximately 8.40% of the issued share capital of Jianlibao Asia as enlarged by the Subscription for a total consideration of RMB300 million under the Subscription Agreement
“Subscription Agreement”	the subscription agreement dated 20 November 2023 entered into between the Company as subscriber and Jianlibao Asia as issuer in relation to the Subscription
“Subscription Consideration”	The consideration payable for the Subscription in the amount of RMB300 million

“Subscription Deposit”	RMB60 million, being 20% of the Subscription Consideration
“substantial shareholder”	has the meaning ascribed to it in the Listing Rules
“True Choice”	True Choice International Limited, a limited liability company incorporated in the British Virgin Islands and is wholly owned by Mr. Yeung
“True Choice Subscription Agreement”	the subscription agreement to be entered into between True Choice as subscriber and Jianlibao Asia as issuer in relation to the Adjusted Subscription

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

Hong Kong, 30 April 2024

As at the date of this announcement, the Board comprises (i) Mr. Yang Ziyuan (duties suspended), Dr. Wan Ho Yuen, Terence and Mr. Sun Xingyu (duties suspended) 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) Mr. Shiu Shu Ming, Ms. Lau Chui Ping Soey and Ms. Weijie Chen as the independent non-executive Directors.

* *for identification purposes only*