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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)**

### **INSIDE INFORMATION AND SUSPENSION OF TRADING**

This announcement is made by the Company pursuant to the inside information provision in Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and Rule 13.09(2)(a) of the Listing Rules. Reference is made to the Company's announcement dated 27 March 2024 (the "**Announcement**") and definitions used herein shall have the same meaning as defined in the Announcement, unless otherwise defined.

The Company would like to provide further information and update to its shareholders and potential investors in relation to the SFC Letter.

On 25 March 2024, the Company received the SFC Letter indicating that the SFC has been investigating into the Matters and raising concern in relation to, amongst other things, misstatement of bank balances in the Group's audited financial statements for the three financial years ended 31 December 2021 and in the unaudited financial statements for the six months ended 30 June 2022 (the "**Published Results**").

The alleged misstatements of bank balances concern two bank accounts of the Group, namely (i) the Wuhan Rural Commercial Bank account held by Tiantong Food (Yichang) Limited\* (天同食品(宜昌)有限公司), a former subsidiary of the Company which was involved in the Unauthorized Transfer; and (ii) the Linshang Bank account held by Shandong Tiantong Food Co., Limited\* (山東天同食品有限公司).

The SFC Letter alleged that there was misstatement of cash and bank balances of the Group in the Published Results based on the records and documents provided by the Company to the SFC and the bank documents independently obtained by the SFC. The misstatement was alleged to be in the range of approximately RMB433.8 million to approximately RMB563.7 million, representing over 90% of the Group's cash and bank balances and over 45% of the Group's net asset value in the Published Results.

### **REMEDIAL MEASURES & APPOINTMENT OF INDEPENDENT MANAGER**

In light of the Matters and the concerns raised by the SFC Letter, the Group shall take immediate actions to safeguard its assets in the interest of the Company and its shareholders. The SFC required the Company to engage a reputable independent consultant (the "**Independent Manager**"), to be agreed by the SFC, to safeguard the Group's assets until completion of an investigation on the Matters (the "**Investigation**") and internal control review and taking appropriate steps to ensure the integrity of the Company's management, details of which are further set out below in this announcement.

The required steps of safeguarding the Group's assets are set out in (1) to (6) below. Pending the formal engagement of the Independent Manager, all members of the Audit Committee of the Company will be jointly responsible for carrying out all the below safeguarding steps:

1. Add a representative of the Independent Manager as a joint signatory of all bank accounts of the Group for approving any payment in excess of RMB500,000 (or an equivalent sum in other currency);
2. Without prior written approval by the Independent Manager, the Group is not allowed to effect any payment subject to a daily payment limit of RMB500,000 (or an equivalent sum in other current currency) in aggregate in respect of which no prior written approval by the Independent Manager is needed;
3. All the bank transactions and balances of the Group will be verified, reviewed and analyzed by the Independent Manager on a weekly basis with reference to the relevant bank statements, records and other supporting documents;
4. Any disposal of the Group's assets with net book value in excess of RMB500,000 (or an equivalent sum in other currency) requires prior written approval by the Independent Manager;
5. Notify all the Group's current debtors that any settlement of trade balances be made directly to the Group's bank account(s) designated by the Independent Manager; and
6. The trade receivables balances will be verified, reviewed and analyzed by the Independent Manager on a monthly basis with reference to the relevant supporting documents.

On 19 April 2024 the Company, with clearance from the SFC, engaged Acclime Corporate Advisory (Hong Kong) Limited as the Independent Manager to take the above steps to safeguard the Group's assets and shall report any irregularities to the SFC immediately.

## **UNDERTAKINGS**

The SFC required the Company to provide certain undertakings in relation to the remedial actions required to be taken by the Company. The Company undertakes to the SFC to:

1. to engage a reputable independent consultant, to be agreed by the SFC, to conduct the Investigation and issue an announcement disclosing its findings and, where appropriate, the restated financial information to reflect the Group's true financial position;
2. Undertake to take appropriate steps to ensure the integrity of the Company's management by taking into account the SFC's concerns and findings of the Investigation. The steps should include (i) dismissal of all directors/senior management who are responsible for the Matters; and (ii) recruitment of competent and independent directors, with appropriate qualifications and experience to manage the Company. After a new board of directors is formed, the appointment of the whole board is required to be approved by a majority of the Company's shareholders who are independent of the directors and senior management responsible for the Matters; and
3. Undertake to engage a reputable independent consultant, to be agreed by the SFC, to conduct a review of the Group's internal control focusing on its financial reporting procedures, payment procedures and custody and preservation of the Group's books and records, and issue an announcement disclosing its review findings and recommendations, the Company's responses and implementation of these recommendations.

Further announcement(s) in relation to the above will be made by the Company as and when appropriate.

## **SUSPENSION OF TRADING**

At the request of the Company, trading in the shares of the Company on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) has been suspended with effect from 9am on 26 March 2024. The SFC has, under Rule 8(1) of the Securities and Futures (Stock Market Listing) Rules, directed the Stock Exchange to suspend all dealings in the shares of the Company from 9:00 a.m. on 15 April 2024. Trading in the shares of the Company 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**  
**Yeung Wan Yiu**  
*Chairman and Non-Executive Directors*

Hong Kong, 19 April 2024

*As at the date of this announcement, the Board comprises (i) Mr. Yang Ziyuan (duties suspended), Dr. Wan Ho Yuen, Terence, Mr. Sun Xingyu (duties suspended) and Ms. Lv Chunxia as the executive Directors; (ii) Mr. Yeung Wan Yiu (Chairman), Ms. Chu Yinghong, Mr. Wong Yim Pan, Mr. Yin Xiaolong and Mr. Yeung Wing Keung as the non-executive Directors; and (iii) Mr. Liang Zhongkang, Mr. Shiu Shu Ming, Prof. Ye Xingqian as the independent non-executive Directors.*

*\*for identification purposes only*