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TAYANG 大洋

TA YANG GROUP HOLDINGS LIMITED

大洋集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1991)

**(1) PROPOSED REMOVAL OF AUDITOR;
(2) FURTHER DELAY IN PUBLICATION OF
2023 ANNUAL RESULTS ANNOUNCEMENT AND
DELAY IN DESPATCH OF 2023 ANNUAL REPORT;
(3) POSTPONEMENT OF BOARD MEETING; AND
(4) CONTINUED SUSPENSION OF TRADING**

This announcement is published by Ta Yang Group Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to the Inside Information Provisions (as defined in the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), and Rule 13.09 and Rule 13.51(4) of the Listing Rules.

The board (“**Board**”) of directors (“**Directors**”) of the Company announces that, subject to the passing of the relevant resolutions at an extraordinary general meeting of the Company (the “**EGM**”) to be convened and held, Elite Partners CPA Limited (“**Elite Partners**”) shall be removed as the auditors of the Group (the “**Proposed Removal**”) and a new auditor (the “**Replacement Candidate**”) shall be appointed as the new auditor of the Group (the “**Proposed Appointment**”) to fill the vacancy arising from the Proposed Removal and hold office until the conclusion of the next annual general meeting of the Company.

PROPOSED REMOVAL OF ELITE PARTNERS

Elite Partners was re-appointed as auditors of the Group at the last annual general meeting of the Company held on 29 June 2023 to hold office until the conclusion of the next annual general meeting of the Company. During the course of the audit process for the preparation of the annual results for the year ended 31 December 2023 (“**FY2023 Annual Results**”), the Company has been given the impression that Elite Partners is unable to issue an audit report in relation to the FY2023 Annual Results (the “**Audit Report**”). The Company has been given to understand that the inability of Elite Partners to issue the Audit Report was due largely to

the fact that Elite Partners and the Company (i) were unable to come to an agreement on the accounting treatment in relation to the gross revenue recognition of the financial statements of the newly acquired subsidiary of the Group, Beijing Jusheng Technology Company Limited (北京巨省科技有限公司); and (ii) were unable to reach consensus on the audit fee of the Company for the year ended 31 December 2023.

After an extended period of tolerance, the Board has come to a unanimous view that it may not be in the interest of the Company to continue accommodating Elite Partner's delay, which the Board considers unreasonable and may further prolong the finalization of the audit of the FY2023 Annual Results. After careful but reluctant consideration, taking into account of the interests of stakeholders and shareholders (“**Shareholders**”) of the Company, and the need to be able to publish the FY2023 Annual Results, the audit committee of the Board (the “**Audit Committee**”) recommended, and the Board agreed, to propose the Proposed Removal and the Proposed Appointment, subject to the passing of ordinary resolutions at the EGM pursuant to the articles of association of the Company (the “**Articles**”).

PROGRESS ON AUDIT

Under the Articles of the Company, the Directors are empowered to fill any casual vacancy in the office of auditor and to fix the remuneration of any auditor so appointed, and an auditor appointed to fill casual vacancy shall hold office until, and be subject to appointment by the Shareholders at, the next following annual general meeting of the Company.

As at the date of this announcement, the Company is in the process of selecting the Replacement Candidate. Once the Replacement Candidate is selected, an announcement will be made by the Company. The Company expects that the Replacement Candidate will be selected before the convening of the EGM. At present, the audit works in relation to the 2023 Annual Results are entirely put on hold. Once the Replacement Candidate is appointed, the Company will continue to do its best to complete the audit procedures as soon as possible.

The Proposed Appointment will be subject to the Proposed Removal becoming effective and the passing of an ordinary resolution for the Proposed Appointment at the EGM.

IMPLICATIONS UNDER THE LISTING RULES

Pursuant to the Article 152(2) of the Articles, the removal of an auditor before the expiration of his term of office shall require the approval by special resolution of the members at a general meeting of the Company, and an auditor shall by ordinary resolution at that meeting be appointed in his stead for the remainder of his term.

Pursuant to Rule 13.88 of the Listing Rules, (a) the Company must not remove its auditor before the end of the auditor's term of office without first obtaining Shareholders' approval at a general meeting; (b) the Company must send a circular proposing the removal of the auditor to the Shareholders with any written representations from the auditor not less than 10 business days before the general meeting; and (c) the Company must allow the auditor to attend the general meeting and make written and/or verbal representations to the Shareholders at the general meeting.

In compliance with the Articles and the Listing Rules, the Proposed Removal will be proposed at the EGM as a special resolution and the Proposed Appointment will be proposed at the EGM as an ordinary resolution.

Accordingly, the Company will, at the time of dispatch of the circular containing, among other matters, further information on the Proposed Removal and the Proposed Appointment, together with a notice convening the EGM, to the Shareholders and also dispatch a copy to Elite Partners to invite them to attend the EGM to make written or verbal representations to the Shareholders at the EGM, if any.

THE EGM

The EGM will be convened and held for the purposes of considering and, if thought fit, approving the Proposed Removal and the Proposed Appointment. A circular containing further information of the Proposed Removal and the Proposed Appointment, together with the notice of the EGM, is expected to be dispatched to the Shareholders on or before 28 June 2024.

FURTHER DELAY IN PUBLICATION OF 2023 ANNUAL RESULTS ANNOUNCEMENT AND DELAY IN DESPATCH OF 2023 ANNUAL REPORT

Given the Proposed Removal as discussed above, it is expected that the audit procedures will be further delayed and the expected date of the publication of the 2023 Annual Results can only be determined when the audit procedures are closer to completion.

Pursuant to Rule 13.49(1) of the Listing Rules, the Company is required to publish the 2023 Annual Results no later than three months after the end of the financial year (i.e. on or before 31 March 2024). Delay in publishing the 2023 Annual Results constitutes non-compliance with Rule 13.49(1) of the Listing Rules.

Pursuant to Rule 13.49(3) of the Listing Rules, if the Company is unable to publish the 2023 Annual Results within the prescribed timeframe, it must announce its results prepared based on the financial results which have yet been agreed upon with the auditors (so far as such information is available). The Board, after due and careful consideration, is of the view that it would not be appropriate for the Company to publish the 2023 Unaudited Management Accounts at this stage as it may not accurately reflect the financial performance and/or position of the Group and the publication of the 2023 Unaudited Management Accounts could cause confusion and may be misleading to the Shareholders and potential investors of the Company.

Pursuant to Rule 13.46(2) of the Listing Rules, the Company is required to despatch the annual report for the year ended 31 December 2023 (the “**2023 Annual Report**”) to the Shareholders no later than four months after the end of the financial year (i.e. on or before 30 April 2024). Due to the further delay in the publication of the 2023 Annual Results, it is expected that there will be a delay in the despatch of the 2023 Annual Report.

POSTPONEMENT OF BOARD MEETING

In light of the delay in the publication of the 2023 Annual Results, the meeting of the Board for approving the 2023 Annual Results will also be further delayed. Further announcement(s) will be made by the Company in accordance with the Listing Rules and the requirement under the SFO as and when it is appropriate.

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 9:00 a.m. on 2 April 2024, and will remain suspended pending the release of an announcement for the 2023 Annual Results. The Company will keep the public informed of the latest developments by making further announcement(s) as and when appropriate.

Shareholders and potential investors of the Company are advised to exercise due caution when dealing in the securities of the Company. When in doubt, Shareholders and potential investors of the Company are advised to seek advice from professional or financial advisers.

By order of the Board
Ta Yang Group Holdings Limited
Shi Qi
Chairlady

Hong Kong, 13 June 2024

As at the date of this announcement, the Board comprises three executive Directors, namely Ms. Shi Qi, Mr. Li Jiu Hua and Mr. Gao Feng; three non-executive Directors, namely, Mr. Chan Tsun Hong Philip, Mr. Gu Shixiang and Mr. Han Lei; and four independent non-executive Directors, namely Mr. Chan Siu Tat, Mr. Hu Jiangbing, Ms. Wang Lina and Mr. Zheng Changxing.