

Hong Kong Exchanges and Clearing Limited and the Stock Exchange 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.

This announcement appears for information only and does not constitute an invitation or offer to accept, purchase or subscribe for any securities of the Company.

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)

ISSUE OF FEE SHARES UNDER GENERAL MANDATE

ISSUE OF FEE SHARES UNDER GENERAL MANDATE FOR SETTLEMENT OF THE SERVICE FEE OF CORPORATE SERVICES

On 22 November 2024 (after trading hours), the Company and MDK entered into the Agreement, pursuant to which the Company has conditionally agreed to allot and issue, and MDK has conditionally agreed to subscribe for, 6,700,000 Fee Shares at the Issue Price of HK\$0.12 per Fee Share, which shall be satisfied by MDK by way of set-off against the Service Fee.

On the basis that the issued share capital of the Company comprises 1,306,767,000 Shares as at the date of this announcement, the Fee Shares represent (i) approximately 0.513% of the total number of Shares in issue as at the date of this announcement; and (ii) approximately 0.510% of the total number of Shares in issue as enlarged by the allotment and issue of the Fee Shares immediately after the Completion (assuming there will be no other change in the total number of Shares in issue from the date of this announcement and up to the Completion). The aggregate nominal value of the Fee Shares amounts to HK\$670,000.

The Issue Price of HK\$0.12 per Fee Share represents: (i) a premium of approximately 29.032% to the closing price of HK\$0.093 per Share as quoted on the Stock Exchange on the date of the Agreement; and (ii) a premium of approximately 26.850% to the average closing price of approximately HK\$0.0946 per Share as quoted on the Stock Exchange for the last five trading days immediately before the date of the Agreement.

Having taken into account the estimated expenses for the issue of the Fee Shares, the net issue price per Fee Share is approximately HK\$0.118. As the proceeds from the issue of the Fee Shares under the Agreement will be set off against the Service Fee, there will be no cash proceeds arising from the issue of the Fee Shares.

The Fee Shares shall rank *pari passu* in all respects among themselves and with the Shares then in issue as at the date of the issue of the Fee Shares. An application will be made by the Company to the Listing Committee for the listing of, and permission to deal in, the Fee Shares on the Stock Exchange.

The Fee Shares will be issued under the General Mandate granted to the Directors by a resolution of the Shareholders passed at the AGM, pursuant to which the Directors are authorised to allot, issue and otherwise deal with up to 261,353,400 new Shares, representing 20% of the number of Shares in issue as at the date of the AGM.

As at the date of this announcement, the General Mandate will be utilised as to 155,642,023 Shares which are the conversion shares to be allotted and issued upon the full conversion of the Convertible Bonds. Accordingly, 105,711,377 Shares remain available for allotment and issue under the General Mandate which is sufficient for the allotment and issue of all the Fee Shares. As such, no further shareholders' approval is required for the allotment and issue of the Fee Shares.

Completion of the issue of the Fee Shares is conditional upon the listing of, and permission to deal in the Fee Shares being granted by the Listing Committee. Accordingly, the issue of the Fee Shares may or may not proceed. Shareholders and investors are advised to exercise caution when dealing in the securities of the Company.

BACKGROUND

References are made to the announcements of the Company (collectively, the “**Announcements**”) dated (i) 2 April 2024 in relation to, among others, the delay in the publication of the 2023 Annual Results and the commencement of the suspension of trading in the Shares from 9:00 a.m. on 2 April 2024; (ii) 30 April 2024 in relation to, among others, the further delay in the publication of the 2023 Annual Results and the delay in despatch of the 2023 Annual Report; (iii) 31 May 2024 in relation to, among others, the further delay in the publication of the 2023 Annual Results and the 2023 Annual Report; (iv) 28 June 2024 in relation to, among others, the further delay in the publication of the 2023 Annual Results and the 2023 Annual Report and the Resumption Guidance; and (v) dated 27 September 2024 in relation to the fulfilment of Resumption Guidance and resumption of trading.

To facilitate the resumption of trading in the Shares, on 4 June 2024, the Company has appointed MDK to provide the Corporate Services to assist the Company in fulfilling the Resumption Guidance at a service fee of HK\$800,000. Considering the Group's operating expenditures and the expected cash level to be maintained in the foreseeable future, and in order to reduce the Group's burden of cash payments in near future, upon arm's length negotiation, the Company and MDK agreed that the Service Fee shall be settled by way of the issue of the Fee Shares.

ISSUE OF FEE SHARES UNDER GENERAL MANDATE FOR SETTLEMENT OF THE SERVICE FEE OF CORPORATE SERVICES

On 22 November 2024 (after trading hours), the Company and MDK entered into the Agreement, pursuant to which the Company has conditionally agreed to allot and issue, and MDK has conditionally agreed to subscribe, 6,700,000 Fee Shares at the Issue Price of HK\$0.12 per Fee Share, which shall be satisfied by MDK by way of set-off against the Service Fee.

The number of Fee Shares to be allotted and issued to MDK is fixed and is not subject to any adjustment. The Service Fee is non-refundable.

Fee Shares

On the basis that the issued share capital of the Company comprises 1,306,767,000 Shares as at the date of this announcement, the Fee Shares represent (i) approximately 0.513% of the total number of Shares in issue as at the date of this announcement; and (ii) approximately 0.510% of the total number of Shares in issue as enlarged by the allotment and issue of the Fee Shares immediately after the Completion (assuming there will be no other change in the total number of Shares in issue from the date of this announcement and up to the Completion). The aggregate nominal value of the Fee Shares amounts to HK\$670,000.

Issue Price

The Issue Price of HK\$0.12 per Fee Share represents: (i) a premium of approximately 29.032% to the closing price of HK\$0.093 per Share as quoted on the Stock Exchange on the date of the Agreement; and (ii) a premium of approximately 26.850% to the average closing price of approximately HK\$0.0946 per Share as quoted on the Stock Exchange for the last five trading days immediately before the date of the Agreement.

The Issue Price was arrived after arm's length negotiation between the Company and MDK with reference to the market condition and the recent trading prices of the Shares. The Directors consider that the Issue Price is fair and reasonable.

Completion

Completion is conditional upon the Listing Committee granting and not having withdrawn or revoked its approval for the listing of, and permission to deal in, the Fee Shares. Completion shall complete within five (5) Business Days after the day on which the aforesaid condition is fulfilled (or such other date as may be agreed between the Company and MDK in writing).

Information of MDK

MDK is a company incorporated in Hong Kong with limited liability and principally engages in the provision of various management and consultancy services. MDK is wholly owned by Mr. Chiu Chun Tak (“**Mr. Chiu**”).

To the best of the knowledge, information and belief of the Directors, having made all reasonable inquiries, as at the date of this announcement, MDK and Mr. Chiu are Independent Third Parties and they do not hold any Shares as at the date of this announcement.

Ranking and Application for listing

The Fee Shares shall rank *pari passu* in all respects among themselves and with the Shares then in issue as at the date of the issue of the Fee Shares. An application will be made by the Company to the Listing Committee for the listing of, and permission to deal in, the Fee Shares on the Stock Exchange.

General Mandate to issue the Fee Shares

The Fee Shares will be issued under the General Mandate granted to the Directors by a resolution of the Shareholders passed at the AGM, pursuant to which the Directors are authorised to allot, issue and otherwise deal with up to 261,353,400 new Shares, representing 20% of the number of Shares in issue as at the date of the AGM.

As at the date of this announcement, the General Mandate will be utilised as to 155,642,023 Shares which are the conversion shares to be allotted and issued upon the full conversion of the Convertible Bonds issued by the Company on 21 July 2023 (details of which are set out in the announcements of the Company dated 3 July 2023, 10 July 2023 and 21 July 2023). Accordingly, 105,711,377 Shares remain available for allotment and issue under the General Mandate which is sufficient for the allotment and issue of all the Fee Shares. As such, no further shareholders' approval is required for the allotment and issue of the Fee Shares.

EQUITY FUND RAISING ACTIVITIES OF THE COMPANY DURING THE PAST 12 MONTHS

As disclosed in the announcement of the Company dated 19 February 2024, the Company proposed to implement the rights issue (the “**Rights Issue**”) on the basis of one (1) rights share for every two (2) Shares held on the record date at the subscription price of HK\$0.120 per rights share, to raise up to (i) approximately HK\$78.4 million (before deducting professional fees and other related expenses) by issuing up to 653,383,500 rights shares (assuming no changes in the share capital of the Company on or before the record date); or (ii) approximately HK\$87.7 million (before deducting professional fees and other related expenses) by issuing up to 731,204,511 rights shares (assuming no changes in the share capital of the Company on or before the record date other than the conversion in full of the Convertible Bonds issued by the Company on 21 July 2023) to the qualifying Shareholders. As disclosed in the announcements of the Company dated 1 March 2024, 12 March 2024 and 3 April 2024, in view of the suspension of trading in the Shares, the despatch date of the prospectus documents in respect of the Rights Issue will be further postponed. The Rights Issue may not proceed subject to the fulfilment and/or waiver (where applicable) of conditions including, among other things, the Stock Exchange granting the listing of, and permission to deal in, the Rights Shares in their nil-paid and fully-paid forms. Further announcements will be made by the Company in this regard as and when appropriate.

Save as disclosed above, the Company has not conducted any equity fund raising activities in the past 12 months immediately preceding the date of this announcement.

REASONS FOR AND THE BENEFITS OF THE ISSUE OF THE FEE SHARES

The Company is an investment holding company and the Group is principally engaged in (i) the designing and manufacturing of silicone rubber products; (ii) the provision of healthcare and hotel services; (iii) the provision of retail services in the United Kingdom; and (iv) international digital marketing business.

As disclosed in the Announcements, the Company has delayed the publication of the 2023 Annual Results and the 2023 Annual Report. Therefore, trading in the Shares on the Stock Exchange has been suspended with effect from 9:00 a.m. on 2 April 2024, pending the fulfilment of the Resumption Guidance. In this connection, the Company has appointed MDK to provide the Corporate Services to assist the Company in fulfilling the Resumption Guidance and hopefully achieve resumption of trading in the Shares.

The arrangement to settle the Service Fee by way of the issue of the Fee Shares as set out in the Agreement in effect allows the Company to settle the Service Fee without deploying its cash reserves and provides more flexibility to the Company's working capital management. Having considered (i) the settlement arrangement would not result in significant cash outflow of the Company; and (ii) the Issue Price was arrived at after arm's length negotiation between the Company and MDK with reference to the market condition and the recent trading prices of the Shares, the Directors consider the Agreement is entered into upon normal commercial terms, and that the terms of the Agreement (including the Issue Price) are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Having taken into account the estimated expenses for the issue of the Fee Shares, the net issue price per Fee Share is approximately HK\$0.118. As the proceeds from the issue of the Fee Shares under the Agreement will be set off against the Service Fee, there will be no cash proceeds arising from the issue of the Fee Shares.

EFFECT ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

The shareholding structure of the Company (i) as at the date of this announcement; (ii) immediately upon the Completion pursuant to the Agreement; and (iii) immediately upon the Completion and assuming full conversion of the Convertible Bonds, assuming that there will be no other change to the share capital of and shareholding in the Company other than the allotment and issue of the Fee Shares and the conversion shares upon conversion of the Convertible Bonds, is:

	As at the date of this announcement		Immediately upon Completion		Immediately upon Completion and assuming full conversion of the Convertible Bonds	
	Number of shares	%	Number of shares	%	Number of shares	%
Lyton Maison Limited (Note 1)	796,875,490	60.98	796,875,490	60.67	796,875,490	54.24
Mr. Hu Jiangbing (Note 2)	850,000	0.07	850,000	0.06	850,000	0.06
MDK	–	–	6,700,000	0.51	6,700,000	0.46
Rising Jiarui Investment Management Co., Ltd. (Note 3)	–	–	–	–	155,642,023	10.59
Other public Shareholders	509,041,510	38.95	509,041,510	38.76	509,041,510	34.65
Total	<u>1,306,767,000</u>	<u>100.00</u>	<u>1,313,467,000</u>	<u>100.00</u>	<u>1,469,109,023</u>	<u>100.00</u>

Notes:

1. Lyton Maison Limited is interested in 796,875,490 Shares and is solely owned by Ms. Shi Qi, the chairlady and an executive Director of the Company. Of the 796,875,479 shares held by Lyton Maison Limited, 654,810,600 shares were charged to Mason Resources Finance Limited, which was indirectly wholly-owned by Mason Group Holdings Limited.
2. Mr. Hu Jiangbing was an independent non-executive Director and has retired on 18 November 2024.
3. Rising Jiarui Investment Management Co., Ltd. holds the Convertible Bonds and is ultimately and beneficially owned by Mr. Li Bing (李冰) and Mr. Zhang Baohui (張寶輝).

Completion of the issue of the Fee Shares is conditional upon the listing of, and permission to deal in the Fee Shares being granted by the Listing Committee. Accordingly, the issue of the Fee Shares may or may not proceed. Shareholders and 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:

“2023 Annual Report”	the annual report of the Group for the year ended 31 December 2023
“2023 Annual Results”	the annual results announcement of the Group for the year ended 31 December 2023
“AGM”	the annual general meeting of the Company held on 18 November 2024
“Agreement”	the agreement dated 22 November 2024 and entered into between the Company and MDK in relation to the settlement of the Service Fee by way of the issue of the Fee Shares
“Board”	the board of Directors
“Business Day(s)”	any day (other than a Saturday, a Sunday or a public holiday or a day on which a tropical cyclone warning No. 8 or above or a “black rainstorm” warning signal is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.) on which commercial banks are open for general banking business in Hong Kong
“Company”	Ta Yang Group Holdings Limited, a company incorporated in the Cayman Islands with limited liability and whose shares are listed on the Main Board of the Stock Exchange with stock code 1991
“Completion”	completion of the allotment and issue of the Fee Shares
“Convertible Bonds”	the 10% per annum, 3 years convertible bond in the principal amount of HK\$40,000,000 issued by the Company on 21 July 2023, details of which are set out in the announcements of the Company dated 3 July 2023, 10 July 2023 and 21 July 2023
“Corporate Services”	company secretarial and accounting services provided by MDK to assist the Company in fulfilling the Resumption Guidance

“Director(s)”	the director(s) of the Company
“Fee Share(s)”	6,700,000 new Shares to be allotted and issued by the Company to MDK to settle the Service Fee
“General Mandate”	the general mandate granted to the Directors at the AGM to allot, issue and otherwise deal with new Shares not exceeding 20% of the shares in issue as at the date of the AGM
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	independent third parties who are not connected person(s) of the Company (as defined under the Listing Rules) and are not acting in concert (as defined under the Codes on Takeovers and Mergers and Share Buy-back) and are independent of and not connected with the Company or the Directors, chief executive, or substantial Shareholders of the Company or any of its subsidiaries or their respective associates (as defined under the Listing Rules)
“Issue Price”	HK\$0.12 per Fee Share
“Listing Committee”	the Listing Committee of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time
“MDK”	MDK Corporate Services Limited, a company incorporated in the Hong Kong with limited liability
“Service Fee”	the service fee of HK\$800,000 payable by the Company to MDK for the Corporate Services

“Resumption Guidance”	the resumption guidance imposed by the Stock Exchange for the resumption of trading of the Shares by way of letter dated 24 June 2024, details of which are set out in the announcement of the Company dated 28 June 2024
“Share(s)”	ordinary share(s) of par value of HK\$0.10 each in the existing share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

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

Hong Kong, 22 November 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 three independent non-executive Directors, namely Mr. Chan Siu Tat, Ms. Wang Lina and Mr. Zheng Changxing.