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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)

**DISCLOSEABLE TRANSACTION
DISPOSAL OF A SUBSIDIARY**

DISPOSAL OF A SUBSIDIARY

On 20 November 2024, WTS 2020 Limited, a subsidiary of the Group (the “**Seller**”), and New Vision International Ltd (the “**Purchaser**”) entered into the Share Purchase Agreement, pursuant to which the Seller agreed to sell, and the Purchaser agreed to purchase, the Sale Shares, representing 60% of the issued share capital of the Target Company, at the Consideration of £313,415 (approximately HK\$3.15 million).

Upon completion of the Disposal, the Group ceased to have any equity interest in the Target Company and the Target Company ceased to be a subsidiary of the Group. Accordingly, the financial results of the Target Group were no longer consolidated into the consolidated financial statements of the Group.

LISTING RULES IMPLICATIONS AND BREACH OF THE LISTING RULES

As one or more of the applicable percentage ratios as calculated under Rule 14.07 of the Listing Rules in respect of the Disposal exceeds 5% but are below 25%, the Disposal constitutes a discloseable transaction of the Company and is therefore subject to the reporting and announcement requirements but exempt from the circular and shareholders’ approval requirements pursuant to Chapter 14 of the Listing Rules.

Due to an inadvertent error, the Company failed to make timely disclosure of the entering into of the Share Purchase Agreement and the Disposal. Such failure was unintentional and was due to a mis-referencing of the relevant balance sheet line items by the management of the Company when calculating the relevant size test, which resulted in wrongly categorizing that the entering into of the Share Purchase Agreement and the Disposal would not constitute a notifiable transaction under the Listing Rules. The error was subsequently identified by the management of the Company after receiving queries from Stock Exchange in relation to the Company's disclosure of the Disposal in its annual report, which prompted the Company to re-conduct the size test and discover the error.

The Company would like to express deep regrets for its inadvertent and unintentional error. The Company had no intention to withhold any information relating to the Share Purchase Agreement and the Disposal.

INTRODUCTION

On 20 November 2024, the Seller and the Purchaser entered into the Share Purchase Agreement, pursuant to which the Seller has agreed to sell and the Purchaser has agreed to purchase the Sale Shares for a consideration of £313,415 (approximately HK\$3.15 million). Details of the Share Purchase Agreement are set out in this announcement below.

THE SHARE PURCHASE AGREEMENT

Date : 20 November 2024

Parties : (1) WTS 2020 Limited (as Seller); and
(2) New Vision International Ltd (as Purchaser).

Subject matter : Pursuant to the Share Purchase Agreement, the Seller agreed to sell, and the Purchaser agreed to purchase, the Sale Shares, representing 60% of the issued share capital of the Target Company.

Consideration : £313,415 (approximately HK\$3.15 million), and 100% ownership of one retail store.

Basis of the Consideration

The Consideration was determined after arm's length negotiations between the Seller and the Purchaser with reference to, among others, (i) the operational and financial performance of the Target Company; (ii) the business prospect of the Target Company; (iii) the unaudited management account of the Target Group for the 10 months ended 31 October 2024; (iv) the prevailing market conditions; and (v) the reasons and benefits of the Disposal as stated under the section headed "REASONS FOR AND BENEFITS OF THE DISPOSAL" below.

Completion of the Disposal took place immediately after signing of the Share Purchase Agreement.

INFORMATION OF THE TARGET GROUP

The Target Company is a company incorporated in the United Kingdom with limited liability which was indirectly owned as to 60% by the Company as at the date of the Share Purchase Agreement and the Disposal. It is principally engaged in retail business in the United Kingdom.

As at 31 October 2024, the unaudited net asset value of the Target Group was approximately HK\$13,397,000.

The audited financial results of the Target Group for the two years ended 31 December 2022 and 2023 and the unaudited financial results for the 10 months ended 31 October 2024 are as follows:

	For the year ended		For the
	31 December		10 months ended
	2022	2023	31 October
			2024
			(Unaudited)
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	<i>(Approximately)</i>	<i>(Approximately)</i>	<i>(Approximately)</i>
Net (loss)/profit before tax	(5,420)	(9,901)	7,510
Net (loss)/profit after tax	(5,420)	(9,901)	7,510

FINANCIAL EFFECT OF THE DISPOSAL AND USE OF PROCEEDS

Upon completion of the Disposal, the Group ceased to hold any equity interest in the Target Company, and the Target Company ceased to be a subsidiary of the Group. Accordingly, the financial results of the Target Group will no longer be consolidated into the financial statements of the Group.

The Company recognized an audited loss on disposal of the Target Group of HK\$6.1 million for the year ended 31 December 2024, which was calculated based on (i) the Consideration received and receivable; (ii) less the net assets disposed of; (iii) add the non-controlling interests; and (iv) add the cumulative exchange reserve of the subsidiaries reclassified from profit or loss on lost on control of the subsidiaries.

The proceeds from the Disposal have been fully used by the Group for general working capital.

REASONS FOR AND BENEFITS OF THE DISPOSAL

Considering the financial performance of the Target Group after reviewing its business and operation status, and in light of strategic differences in operational philosophy and management style with the other shareholder of the Target Group, the Board considers it appropriate for the Group to restructure its retail business segment and proceed with the Disposal. The Disposal will allow the Group to reallocate its resources to other existing opportunities.

Based on the above, the Directors (including the independent non-executive Directors) are of the view that the Disposal has been made on normal commercial terms and that the terms of the Share Purchase Agreement and the Disposal are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

INFORMATION ON THE PARTIES

Information about the Vendor and the Purchaser:

The Seller

WTS 2020 Limited is an indirect wholly-owned subsidiary of the Company incorporated in the United Kingdom and is principally engaged in the trading of silicone rubber.

The Purchaser

The Purchaser is a company incorporated in the United Kingdom and is principally engaged in food & beverage and education services. The ultimate beneficial owner of the Purchaser is Yiqun Xin.

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, the Purchaser and its ultimate beneficial owner are Independent Third Parties as at the date of this announcement.

Information on the Target Company

The Target Company is a company incorporated in the United Kingdom and is principally engaged in retail business in the United Kingdom. It was indirectly owned as to 60% by the Company as at the date of the Share Purchase Agreement and the Disposal.

IMPLICATIONS UNDER THE LISTING RULES AND THE BREACH OF THE LISTING RULES

As one or more of the applicable percentage ratios as calculated under Rule 14.07 of the Listing Rules in respect of the Disposal exceeds 5% but are below 25%, the Disposal constitutes a discloseable transaction of the Company and is therefore subject to the reporting and announcement requirements but exempt from the circular and shareholders' approval requirements pursuant to Chapter 14 of the Listing Rules.

Due to an inadvertent error, the Company failed to make timely disclosure of the entering into of the Share Purchase Agreement and the Disposal. Such failure was unintentional and was due to a mis-referencing of the relevant balance sheet line items by the management of the Company when calculating the relevant size test, which resulted in wrongly categorizing that the entering into of the Share Purchase Agreement and the Disposal would not constitute a notifiable transaction under the Listing Rules. The error was subsequently identified by the management of the Company after receiving queries from Stock Exchange in relation to the Company's disclosure of the Disposal in its annual report, which prompted the Company to re-conduct the size test and discover the error.

REMEDIAL ACTIONS

The Company would like to express deep regrets for its inadvertent and unintentional error due to the miscalculation of the size test. The Company had no intention to withhold any information relating to the Share Purchase Agreement and the Disposal.

The Directors (including the independent non-executive Directors) considered that the Share Purchase Agreement and the Disposal were made on normal commercial terms, and terms of the Share Purchase Agreement and the Disposal were fair and reasonable and in the interests of the Shareholders of the Company as a whole.

To prevent similar non-compliance from occurring in the future, the Company will take the following remedial measures and actions:

Remedial Action	Implementation Timeline
(i) the Company will mandate an independent review of the size test calculations by a qualified person (e.g., from the finance or compliance team) who is not a member of the transaction team and is not involved in the initial preparation of the size test;	Ongoing
(ii) the Company will implement standardized templates and checklists for size test computations, incorporating automated cross-references to the latest audited/unaudited financial statements via spreadsheet controls; and	Within 2 months from the date of this announcement
(iii) the Company will maintain closer cooperation with its professional advisers in relation to regulatory compliance on all potential notifiable transactions.	Ongoing

DEFINITIONS

Terms used in this announcement have the following meanings unless the context otherwise requires:

“Board”	the board of Directors
“Company”	Ta Yang Group Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the issued shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 1991)
“Consideration”	£313,415 (approximately HK\$3.15 million) to be paid by the Purchaser to the Seller
“Director(s)”	the director(s) of the Company for the time being
“Disposal”	the sale of the Sale Shares by the Seller to the Purchaser
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong

“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	a person or a company which is a third party, independent of the Company and its connected person(s) ascribed to it in the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Purchaser”	New Vision International Ltd, a company incorporated in the United Kingdom and an Independent Third Party
“Sale Shares”	60% of the issued share capital of the Target Company
“Seller”	WTS 2020 Limited, an indirect wholly-owned subsidiary of the Company incorporated in the United Kingdom
“Share Purchase Agreement”	the share purchase agreement dated 20 November 2024 entered into between the Seller and the Purchaser in relation to the Disposal
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	East Shack Limited, a company incorporated in the United Kingdom which was indirectly owned as to 60% by the Company
“Target Group”	the Target Company and its subsidiaries
“%”	per cent

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

Hong Kong, 7 November 2025

As at the date of this announcement, the Board comprises three executive Directors, namely Ms. Shi Qi, Mr. Li Jihua and Mr. Gao Feng; three non-executive Directors, namely, Mr. Chan Tsun Hong Philip, Mr. Gu Shixiang and Mr. Han Lei; and two independent non-executive Directors, namely Mr. Chan Siu Tat and Dr. Feng Xin.