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Tycoon Group Holdings Limited

滿貫集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3390)

CONTINUING CONNECTED TRANSACTIONS – RENEWAL OF DISTRIBUTION AGREEMENT

RENEWAL OF DISTRIBUTION AGREEMENT

Reference is made to the announcements of the Company dated 28 March 2025 and 19 May 2025 in respect of the entering into of the 2025 Distribution Agreement with DEEJ in relation to the distribution of the DEEJ Products in Hong Kong for a term of one year from 1 January 2025 to 31 December 2025.

As the 2025 Distribution Agreement has expired, Tycoon Global, an indirect wholly-owned subsidiary of the Company, entered into the 2026 Distribution Agreement with DEEJ International on 15 January 2026, pursuant to which DEEJ International agrees to appoint Tycoon Global as a distributor for distribution of the DEEJ Products in Hong Kong for a term of one year from 1 January 2026 to 31 December 2026.

As DEEJ International is a subsidiary of CR Pharmaceutical, a substantial shareholder of the Company, DEEJ International is considered as a connected person of the Company for the purpose of Chapter 14A of the Listing Rules. The transactions contemplated under the 2026 Distribution Agreement thus constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio calculated based on the Annual Cap for the continuing connected transactions contemplated under the 2026 Distribution Agreement exceeds 0.1% but is less than 5%, and the Annual Cap exceeds HK\$3 million, the continuing connected transactions thereunder are subject to the reporting, announcement and annual review requirements but exempt from circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

CONTINUING CONNECTED TRANSACTIONS – RENEWAL OF DISTRIBUTION AGREEMENT

A. INTRODUCTION

Reference is made to the announcements of the Company dated 28 March 2025 and 19 May 2025 in respect of the entering into of the 2025 Distribution Agreement with DEEJ in relation to the distribution of the DEEJ Products in Hong Kong for a term of one year from 1 January 2025 to 31 December 2025.

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B. DISTRIBUTION AGREEMENT

Date

15 January 2026

Parties

1. DEEJ International; and
2. Tycoon Global

Duration

From 1 January 2026 to 31 December 2026

Nature of transactions

Pursuant to the 2026 Distribution Agreement, DEEJ International agrees to appoint Tycoon Global as a distributor for distribution of the DEEJ Products in Hong Kong. DEEJ International, may by itself or through any member of the DEEJ Group, sell the DEEJ Products to Tycoon Global.

Tycoon Global may, at its discretion, appoint any other member(s) of the Group or such other independent entity or entities where it deems fit to be an agent or a sub-distributor for the purpose of distribution of the DEEJ Products in Hong Kong.

Termination

During the term of the 2026 Distribution Agreement, either party has the right to terminate by giving an advance 30-day notice in writing to the other party.

Pricing and payment terms

Pursuant to the 2026 Distribution Agreement, the prices, payment terms, quantities and detailed terms with respect to the DEEJ Products shall be determined in accordance with the specific purchase orders to be agreed between the parties and shall be on normal commercial terms negotiated on an arm's length basis. Prices and terms (including the payment terms) of DEEJ Products shall be no less favourable to the Group than prices and terms (including the payment terms) of sale of such products by DEEJ International to its other independent customers.

Regarding the payment terms of the 2026 Distribution Agreement, as all DEEJ Products to be purchased by the Group under the 2026 Distribution Agreement are products distributed by DEEJ International which is the sole ultimate supplier of such products outside of the PRC, there have not been any comparable products purchased by the Group from the independent third parties. Based on the latest negotiations between the parties and the past practice under the 2025 Distribution Agreement, the Group understands that a credit period from 30 days to 60 days will be offered to the Group under for each purchase of the DEEJ Products while DEEJ International usually requires its new customers to make payment in advance for purchase of products.

Historical transactions amounts and Annual Cap

The transaction amount for the purchase of the DEEJ Products for FY2025 was approximately HK\$2.5 million. No purchase of the DEEJ Products has been made in January 2026 up to the date of this announcement.

The Group expects that the amount of purchases to be made by the Group from time to time during FY2026 under the 2026 Distribution Agreement will not exceed HK\$9.0 million (i.e. the Annual Cap), which is estimated and determined with reference to (i) the historical sales of the DEEJ Products in Hong Kong; and (ii) the expected sales of and demand for such DEEJ Products from the market. Such estimated amount does not represent any commitment for purchase or sale.

Products details and pricing policies

The Board wishes to emphasise that the procurement process as contemplated under the 2026 Distribution Agreement is the same with those processes which the Group has adopted for dealing with independent third parties.

In connection with the purchase of DEEJ Products, the Group shall send a written request for quotation ("**Quotation Request**") to DEEJ International, which shall contain relevant details of the products. After the receipt of the Quotation Request, DEEJ International shall, in response to such Quotation Request send a written quotation ("**Written Quotation**") to the Group to list out (i) the ability to supply products in accordance with the product description stated in the Quotation Request; and (ii) the overall terms and conditions including but not limited to price, payment terms and credit terms offered by DEEJ International. The details of pricing policy in respect of the DEEJ Products under the 2026 Distribution Agreement are as follows:

As all DEEJ Products to be purchased by the Group under the 2026 Distribution Agreement are products distributed by DEEJ International which is the sole ultimate supplier of such products outside of the PRC, the Group will take into account (i) the potential profit margin for selling such products; (ii) the prices of other similar products (taking into account the factors including but not limited to their origin, technique and knowledge of the manufacture of such PCM and ingredients) in the market; and (iii) the popularity of such products among the end customers in assessing whether the price of such products as offered by DEEJ International is reasonable and whether to source such products from DEEJ International for distribution. To ensure that each purchase transaction of the DEEJ Products under the 2026 Distribution Agreement will be conducted under normal commercial terms or better and fairly and reasonably and the terms and pricing policies will be strictly followed, upon receipt of the Written Quotation, the price of the DEEJ Products will only be accepted if the Group is able to make a reasonable gross profit of not less than 13% for its onward distribution of such products to its customers.

The Procurement Team of the Group will also ensure the price of the DEEJ Products to be purchased by the Group will not be higher than that of similar products distributed by the Group (to the extent comparable is available for comparison purpose). Given that the Group is entitled to select which DEEJ Products that it wishes to place order for, the Group may elect not to place any order if the overall commercial terms are not commercially attractive to the Group.

Internal control policies

To determine whether to proceed with the transactions under the 2026 Distribution Agreement, the Group's internal control policies and flow are as follows:

1. the Procurement Team of the Group will first review the qualification of relevant suppliers, including but not limited to the particulars of the brands supplied;
2. the Sales Department of the Group will then prepare monthly sales forecast, estimated gross profit and costs and expenses in relation to the products;
3. the Head of the Procurement Team of the Group will review the purchase price and payment terms of each relevant purchase order; and
4. the Finance Department of the Group will review the six-month sales forecast and profit forecast of the products to ensure the transactions under the 2026 Distribution Agreement will be conducted under normal commercial terms or better and fairly and reasonably and in the interests of the Company as a whole.

Each of the departments above will make assessment, review various aspects of the transactions and determine if the transactions will be conducted under normal commercial terms or better and fairly and reasonably and in the interests of the Company as a whole and the terms and pricing policies will be strictly followed.

The relevant personnel of the Group will keep track of the transaction record on the sale of the relevant products. The Group will have designated personnel from the relevant departments to monitor the actual transaction amounts and report to the management team on a monthly basis in relation to the transactions to ensure that the Annual Cap is not exceeded. The Finance Department of the Group will revisit the underlying transactions on a monthly basis (including timely monitoring the utilisation of the Annual Cap) and will timely comply with the requirements of Chapter 14A of the Listing Rules (if applicable).

In respect of the relevant workflow in IT system, an automatic notice will be sent to the designated personnel of the Finance Department of the Group alerting whenever the accumulated amounts of the completed transaction of the continuing connected transactions reach 75% of the relevant annual caps.

The Board wishes to emphasise that the procurement process as contemplated under the 2026 Distribution Agreement is the same with those processes which the Group has adopted for dealing with independent third parties.

C. REASONS FOR AND BENEFITS OF ENTERING INTO THE CONTINUING CONNECTED TRANSACTIONS

The Directors consider that the renewal of the 2025 Distribution Agreement will allow the Group to continue to maintain a long-term and steady relationship with its supplier, thereby ensuring stability in supply to the Group and avoiding unnecessary disruption to the Group's business and operations.

Pursuant to the 2026 Distribution Agreement, the prices of such DEEJ Products should be on normal commercial terms or better from the perspective of the Group. By continuing to leverage the Group's presence and established distribution network in Hong Kong, the Group can further promote and deepen the market penetration of the DEEJ Products in Hong Kong, thereby strengthening and broadening the Group's product portfolio.

The Directors (including the independent non-executive Directors) consider that the terms of the aforesaid continuing connected transactions arriving after arm's length negotiations between the parties, are fair and reasonable and the transactions contemplated thereunder (and the Annual Cap) are entered into in the ordinary and usual course of business of the Company on normal commercial terms or better and in the interests of the Company and the Shareholders as a whole.

D. INFORMATION ABOUT THE PARTIES

The Group is a reputable omnichannel brand marketing and management service integrator of health and well-being related products, specialises in providing one-stop services for brand of PCM, health supplement, skin care, personal care and other healthcare products, including brand agent, marketing, management, distribution, and sales through its diversified online and offline sales channels, through the operation of distributing products to chain retailers, non-chain retailers and traders, and operation of offline stores, online stores and e-commerce portals to consumers.

DEEJ is principally engaged in the research, development, production and sale of traditional Chinese medicines of Ejiao and Ejiao series products and the shares of which are listed on the Shenzhen Stock Exchange (stock code: 000423). According to the annual report of CR Pharmaceutical for the year ended 31 December 2024, DEEJ is consolidated as a non-wholly-owned subsidiary of CR Pharmaceutical.

DEEJ International, a wholly-owned subsidiary of DEEJ, is principally engaged in trading of pharmaceuticals and healthcare products.

E. LISTING RULES IMPLICATIONS

Given that (i) CR Pharmaceutical is a substantial shareholder of the Company and DEEJ International is a subsidiary of CR Pharmaceutical; (ii) Ms. Liang Yan is a director of the investment development department of CR Pharmaceutical; and (iii) Mr. Cao Ran is the deputy general manager of the operations management department of CR Holdings (a subsidiary of CR Pharmaceutical), Ms. Liang Yan and Mr. Cao Ran are considered to have material interests in the transactions, each of Ms. Liang Yan and Mr. Cao Ran had abstained from voting on the resolutions of the Board to approve the 2026 Distribution Agreement and the transactions contemplated thereunder. Save as disclosed above, no other Director has any material interests in the transactions contemplated under the 2026 Distribution Agreement.

As the highest applicable percentage ratio calculated based on the Annual Cap for the continuing connected transactions contemplated under the 2026 Distribution Agreement exceeds 0.1% but is less than 5%, and the Annual Cap exceeds HK\$3 million, the continuing connected transactions thereunder are subject to the reporting, announcement and annual review requirements but exempt from circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

DEFINITIONS

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

“2025 Distribution Agreement”	the distribution agreement dated 28 March 2025 entered into between Tycoon Global and DEEJ in relation to the distribution of DEEJ Products in Hong Kong for a term of one year from 1 January 2025 to 31 December 2025
“2026 Distribution Agreement”	the distribution agreement dated 15 January 2026 entered into between Tycoon Global and DEEJ International in relation to the distribution of DEEJ Products in Hong Kong for a term of one year commencing on 1 January 2026 and ending on 31 December 2026

“Annual Cap”	the annual cap for the year ending 31 December 2026 of HK\$9.0 million for transactions contemplated under the 2026 Distribution Agreement
“Board”	the board of Directors
“Company”	Tycoon Group Holdings Limited, a company incorporated under the laws of the Cayman Islands with limited liability whose shares are listed on the Main Board of the Stock Exchange
“connected person”	has the meaning ascribed to it under the Listing Rules
“Controlling Shareholder”	has the meaning ascribed to it under the Listing Rules
“CR Pharmaceutical”	China Resources Pharmaceutical Group Limited (華潤醫藥集團有限公司) (stock code: 3320), a company whose shares are listed on the Main Board of the Stock Exchange and a substantial shareholder of the Company
“CR Holdings”	China Resources Pharmaceutical Holdings Company Limited (華潤醫藥控股有限公司), a wholly-owned subsidiary of CR Pharmaceutical
“DEEJ”	Dong-E-E-Jiao Co., Ltd. (東阿阿膠股份有限公司), a company incorporated under the laws of the PRC, the shares of which are listed on the Shenzhen Stock Exchange (stock code: 000423) and is consolidated as a non-wholly-owned subsidiary of CR Pharmaceutical
“DEEJ Group”	collectively, DEEJ and its subsidiaries
“DEEJ International”	Dong-E-E-Jiao International Limited (東阿阿膠國際有限公司), a company incorporated under the laws of Hong Kong with limited liability and a wholly-owned subsidiary of DEEJ
“DEEJ Products”	certain PCM, health supplement and other healthcare products distributed by DEEJ
“Director(s)”	the director(s) of the Company
“FY”	the financial year ended or ending (as the case may be) 31 December
“Group”	the Company, its subsidiaries and consolidated affiliated entities

“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“independent third party”	a third party independent of the Company and the connected persons of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PCM”	“proprietary Chinese medicines” as defined in the Chinese Medicine Ordinance (Cap. 549 of the Laws of Hong Kong)
“PRC”	the People’s Republic of China, for the purpose of this announcement, excluding Hong Kong, the Macau Special Administrative Region and Taiwan
“Share(s)”	the ordinary share(s) in the capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tycoon Global”	Tycoon Global Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
%	per cent.

On behalf of the Board
Tycoon Group Holdings Limited
Wong Ka Chun Michael

Chairman, Executive Director and Chief Executive Officer

Hong Kong, 15 January 2026

As at the date of this announcement, the executive Director is Mr. Wong Ka Chun Michael; the non-executive Directors are Mr. Cao Ran, Ms. Liang Yan, Ms. Li Ka Wa Helen, Mr. Lau Ka On David and Mr. Ng Kwan Ho; and the independent non-executive Directors are Mr. Chung Siu Wah, Ms. Chan Ka Lai Vanessa and Mr. Mak Chung Hong (also known as Mak Tommy Chung Hong).