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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)

PROFIT WARNING

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions under Part XIVA of the SFO.

The Board wishes to inform the Shareholders and potential investors that, based on the preliminary review of the unaudited management accounts of the Group for the Period and information currently available, the Group's results are expected to record a significant increase in loss by at least 50% as compared with that for the corresponding period in 2013 of HK\$131.9 million.

Shareholders of the Company and potential investors are advised to exercise caution in dealing in the securities of the Company.

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

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) and the potential investors that, based on the preliminary review of the unaudited management accounts of the Group for the year ended 31st July 2014 (the “**Period**”), the Group's results are expected to record a significant increase in loss by at least 50% as compared with that for the corresponding period in 2013 of HK\$131.9 million.

The Board considers that the significant increase in loss for the Period was primarily attributable to:

- (i) the impairment loss on the existing property, plant and equipment;
- (ii) lower turnover records than anticipated due to the sluggish global economy and sharply decrease in demand for keypads for traditional computers as a result of the popularity of tablet computers;
- (iii) decrease in gross profit margin resulted from increase in operation costs and increase in average fixed overhead due to decline in turnover; and
- (iv) loss on change in fair value of derivative financial instruments.

The Company is still in the progress of finalizing the audited consolidated results of the Group for the Period, the information contained in this announcement is only based on the preliminary assessment by the management of the Company on the unaudited management accounts for the Period and the information currently available, which are still being audited by the Company's auditor. Therefore the actual results to be reported in the Group's annual results announcement and annual report may be different from what is disclosed in this announcement. The annual results announcement of the Company for the Period is expected to be released before 31st October 2014.

The Board considers that the financial position of the Group remains solid.

Shareholders of the Company and potential investors are advised to exercise caution in dealing in securities of the Company.

By Order of the Board
Huang Sheng-Shun
Chairman

Hong Kong, 30th September 2014

As at the date hereof, the Board of the Company has four executive directors, namely Mr. Huang Sheng-Shun, Mr. Huang Te-Wei, Mr. Wong Tak Leung and Mr. Kwok Yiu Kai, one non-executive director, namely Mr. Wu Ih Chen, and four independent non-executive directors, namely Mr. Hsieh Yu, Professor Jou Yow-Jen, Mr. Yeung Chi Tat and Mr. Kirk Yang.