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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)

VOLUNTARY ANNOUNCEMENT – STRATEGIC COOPERATION FRAMEWORK AGREEMENT AND POSSIBLE CONNECTED TRANSACTION

This is a voluntary announcement made by Tycoon Group Holdings Limited (“**Company**”, together with its subsidiaries, the “**Group**”).

STRATEGIC COOPERATION FRAMEWORK AGREEMENT

The board (“**Board**”) of directors (“**Directors**”) of the Company is pleased to announce that on 22 November 2021, Tycoon Asia Pacific Group Limited, an indirectly wholly-owned subsidiary of the Company (“**Tycoon Asia Pacific**”), entered into a strategic cooperation framework agreement (“**Framework Agreement**”) with Hong Kong Guobiao Inspection and Testing Co., Ltd (“**Guobiao**”) and China Resources Guangdong Pharmaceutical Co., Ltd (“**CR Guangdong**”), which represents a preliminary understanding between the parties in relation to the extensive cooperation in various areas including provision of integrated services for research and development and full commercial scale production of medicines in Guangdong-Hong Kong-Macau and the Greater Bay Area (“**Business Cooperation**”). The completion of the Business Cooperation is subject to the entering into of further formal cooperation agreements between the parties (“**Formal Agreements**”).

PRINCIPAL TERMS OF THE FRAMEWORK AGREEMENT

According to the Framework Agreement, Tycoon Asia Pacific, Guobiao and CR Guangdong agreed to promote comprehensive cooperation between the parties so as to achieve resources sharing and to complement each other’s advantages. The principal terms of the Framework Agreement are summarised as follows:

- (i) To promote extensive cooperation among the parties, regular meetings will be held to facilitate cooperation and execution of the Formal Agreements; and

- (ii) To facilitate cooperation in research and development, testing and registration and cross-border trade of pharmaceutical and health products in Guangdong-Hong Kong-Macau and the Greater Bay Area, each of the parties will fully leverage its technological, market and other available resources and advantages in their respective fields as follows:
- a. Tycoon Asia Pacific will arrange and ensure the sale channels of pharmaceutical and health products and coordinate cooperation with third parties in Hong Kong and Macau;
 - b. Guobiao will provide a one-step service for quality standard research, registration and testing, including but not limited to safety testing, quality and stability tests, and methodological investigation and evaluation of traditional Chinese medicine, chemical drugs, supplements and health food; and coordinate cooperation with third parties in the People's Republic of China (“PRC”); and provide consultation services for the Company in entry of the pharmaceutical and health product market in Guangdong-Hong Kong-Macau and the Greater Bay Area; and
 - c. CR Guangdong will leverage its advantage as a pharmaceutical import platform for the Greater Bay Area to extend its international supply chain services, exploring innovative supply chain service models with pharmaceutical enterprises and medical diagnostic device companies and coordinate cooperation with third parties in Guangdong, the PRC.

INFORMATION ON GUOBIAO

Guobiao is a subsidiary of Guangzhou Guobiao Inspection and Testing Co. Limited* which is a company incorporated and continuously operating in the PRC. It is originated from “The 12th Five-Year Plan” National Science and Technology Support Programme, with the principal business in provision of a one-step service for quality standard research, registration and testing, including but not limited to safety testing, quality and stability tests, and methodological investigation and evaluation of traditional Chinese medicine, chemical drugs, supplements and health food. It also actively provides consultation services for companies in entry of the pharmaceutical and health product markets in Hong Kong, Macau and the Belt and Road countries. As the “National Key Laboratory of Innovative Medicines and Energy-Efficient and Cost-Reducing Pharmaceutical Equipment – Analytical Testing and Sub-centre”*, Guobiao is accredited by China Inspection Body and Laboratory Mandatory Approval (中國計量認證) and China National Accreditation Service for Conformity Assessment (中國合格評定國家認可委員會) (ISO 17025).

INFORMATION ON CR GUANGDONG

CR Guangdong is a non-wholly-owned subsidiary of China Resources Pharmaceutical Group Limited, the shares of which are listed in The Stock Exchange of Hong Kong Limited (stock code: 3320) and a substantial shareholder of the Company. Its principal business is sale of pharmaceutical products. CR Guangdong also actively engages in supplying medical equipment and the cross-border trade of pharmaceutical products.

INFORMATION ON TYCOON ASIA PACIFIC AND THE GROUP

Tycoon Asia Pacific, an indirect wholly-owned subsidiary of the Company, is an omnichannel brand marketing and management service integrator of health and well-being related products. The Group principally engages in the provision of a variety of proprietary Chinese medicines, health supplements, skin care, personal care and other healthcare products through 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.

REASONS FOR AND BENEFITS OF THE FRAMEWORK AGREEMENT

The Directors consider that the Business Cooperation contemplated under the Framework Agreement integrates with the national development and takes advantages of the business opportunities brought by the development of Guangdong-Hong Kong-Macau and the Greater Bay Area, in light of the introduction of favourable government policies. The “Outline of the 14th Five-Year Plan for National Economic and Social Development of the People’s Republic of China and the Long-Range Objectives Through the Year 2035”* (十四五規劃綱要) (the “**14th Five-Year Plan**”), which was approved by the Chinese government in March 2021, progressively took forward the development of the Guangdong-Hong Kong-Macau Greater Bay Area. In line with the 14th Five-Year Plan, the “Outline Development Plan for Guangdong-Hong Kong-Macau Greater Bay Area”* (粵港澳大灣區發展規劃綱要) and the “Construction Plan for the Chinese Medicine Highlands in the Guangdong-Hong Kong-Macau Greater Bay Area (2020-2025)”* (粵港澳大灣區中醫藥高地建設方案(2020-2025年)) have introduced a series of policies, including but not limited to simplifying and expediting drug review, registration and approval procedures, in bridging the gap between Hong Kong and Shenzhen’s regulatory systems. The Directors consider that the Framework Agreement enables the parties to take advantages of all these policies with the immense government supports and business potentials of the development in the Chinese medicine industry across Guangdong-Hong Kong-Macau Greater Bay Area.

The Group is a provider of a number of PCM, health supplements, skin care, personal care and other healthcare products, predominately in Hong Kong, whereas Guobiao and CR Guangdong mainly engage in research and development and cross-border trade of pharmaceutical products respectively. The Directors believe that the Framework Agreement can fully utilise the resources of the parties in their respective fields and enhance cooperation with Guobiao and CR Guangdong will bring significant business opportunities to the Group’s business in Guangdong-Hong Kong-Macau and the Greater Bay Area.

The terms of the Framework Agreement were entered based on arm’s length negotiation between the parties. The Directors consider that the terms of the Framework Agreement are fair and reasonable and in the interests of the Company and its shareholders as a whole.

GENERAL

The Framework Agreement lays out the basic principles for subsequent cooperation only. The parties will further negotiate in good faith the terms and conditions of the Business Cooperation contemplated under the Framework Agreement. In the event that the terms of the Business Cooperation are more concrete and finalised and the Formal Agreements are entered into, the transactions as contemplated under the Formal Agreements may constitute connected transactions or continuing connected transactions of the Company under Chapter 14A of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**Listing Rules**”). In such case, the Company will comply with the applicable compliance requirements under the Listing Rules.

Shareholders and potential investors of the Company should note that this announcement is made on a voluntary disclosure basis to allow the public to understand the Company’s latest business development. Shareholders and potential investors should note that the proposed Business Cooperation may or may not materialise and are advised not to place undue reliance on the information disclosed herein and are advised to exercise caution when dealing in the securities of the Company. Any shareholder or potential investor who is in doubt is advised to seek advice from professional advisers.

On behalf of the Board
Tycoon Group Holdings Limited
Wong Ka Chun, Michael
*Chairman, Executive Director
and Chief Executive Officer*

Hong Kong, 22 November 2021

As at the date of this announcement, the executive Director is Mr. Wong Ka Chun Michael; the non-executive Directors are Mr. Yao Qingqi, Ms. Chong Yah Lien, Ms. Li Ka Wa Helen and Mr. Lau Ka On David; and the independent non-executive Directors are Mr. Wong Yuk Woo Louis, Mr. Chung Siu Wah and Ms. Chan Ka Lai Vanessa.

* *For identification purposes only*