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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)**

**SUPPLEMENTAL ANNOUNCEMENT**  
**AND**  
**RESUMPTION OF TRADING**

Reference is made to the announcement of the Company dated 3 April 2023 in relation to the issue of the Convertible Bonds under General Mandate by the Company (the “**Announcement**”). Unless defined otherwise, capitalized terms used herein shall have the same meanings as those defined in the Announcement.

**BACKGROUND**

As disclosed in the Announcement, the Company entered into the Subscription Agreements with the Subscribers pursuant to which the Company conditionally agreed to issue, and the Subscribers have conditionally agreed to subscribe for the Convertible Bonds in the aggregate principal amount of HK\$39,200,000.

On 4 April 2023, the Company and the Subscribers entered into the supplemental agreements (the “**Supplemental Agreements**”). Pursuant to the Supplemental Agreements, the Company and the Subscribers have agreed to amend and clarify certain terms and conditions of the Convertible Bonds:

- (I) the original aggregate principal amount of HK\$39,200,000 has been increased to HK\$40,000,000, with Subscriber A and Subscriber B each subscribing for HK\$20,000,000 principal amount of the Convertible Bonds;
- (II) the Conversion Price has been amended to be HK\$0.185, which is (i) same as the closing price per Share on the date of the Subscription Agreement and the Supplemental Agreement; and (ii) at a premium of approximately 5.95% to the average closing prices per Share for the five consecutive trading days immediately preceding the dates of the Subscription Agreements and the Supplemental Agreements;
- (III) the paragraph (h) “*if the Company otherwise determines that an adjustment should be made to the Conversion Price*” under the Adjustment of Conversion Price in the Announcement shall be deleted; and

(IV) supplemented the event when the issuance of the Conversion Shares pursuant to the Conversion Notice exceed the maximum limit of allotment and issuance of shares under the General Mandate.

## **SUPPLEMENTAL AGREEMENT**

On 4 April 2023, the Company and the Subscribers entered into the Supplemental Agreements, pursuant to which certain terms and conditions of the Subscription Agreements are amended with effect from the date of signing of the Supplemental Agreements as follows:

- Principal Amount:
- (a) Subscriber A: HK\$20,000,000
  - (b) Subscriber B: HK\$20,000,000
- Conversion Price:
- The Conversion Price has been amended to HK\$0.185 per Conversion Share which represents:
- (i) same as the closing price of HK\$0.185 per Share as quoted on the Stock Exchange on the date of the Subscription Agreements and the Supplemental Agreements; and
  - (ii) a premium of approximately 5.95% to the average closing price of approximately HK\$0.174 per Share as quoted on the Stock Exchange for the five consecutive trading days immediately preceding the dates of the Subscription Agreements and the Supplemental Agreements.
- Conversion Shares:
- Based on the amended initial Conversion Price of HK\$0.185 per Conversion Share, an aggregate of 216,216,216 Conversion Shares will be allotted and issued by the Company upon the exercise in full of the Conversion Rights attaching to the Convertible Bonds, representing:
- (a) approximately 16.55% of the existing issued share capital of the Company; and
  - (b) approximately 14.20% of the issued share capital of the Company as enlarged by the issue of the Conversion Shares, assuming there is no other change in the issued share capital of the Company between the date of this announcement and the full conversion of the Convertible Bonds.

The Conversion Shares will be issued under General Mandate. If the number of Conversion Shares to be issued upon conversion by the Subscribers exceed the maximum limit on the allotment and issuance of shares under the General Mandate, the Company shall satisfy the request under the Conversion Notice on a pro rata basis (as applicable) between the Subscribers. Any outstanding principal amount of the Convertible Bonds under the Conversion Notice which exceeded the maximum limit on the allotment and issuance of shares under the General Mandate, shall be repaid, together with the sum equivalent to the interest accrued up to the date of such Conversion Notice by the Company to the Subscribers.

Adjustment of Conversion Price:

The following paragraph regarding the Adjustment of Conversion Price shall be removed: *“if the Company otherwise determines that an adjustment should be made to the Conversion Price”*.

Save as disclosed above, there is no material change to the terms of the Subscription Agreements and all terms and conditions of the Subscription Agreements remain unchanged and in full force and effect.

The terms of the Supplemental Agreements were arrived at after arm’s length negotiations between the Company and the Subscribers. The Board considers that the terms of the Supplemental Agreements are fair and reasonable and are in the interests of the Company and its Shareholders as a whole.

Subject to the completion of the Subscriptions, the aggregate gross proceeds and net proceeds from the issue of the Convertible Bonds are expected to be HK\$40,000,000. The Company intends to use the net proceeds from the Subscriptions for business development and the general working capital of the Group.

#### **GENERAL MANDATE TO ALLOT AND ISSUE THE CONVERSION SHARES UPON CONVERSION OF THE CONVERTIBLE BONDS**

At the AGM of the Company held on 29 June 2022, an ordinary resolution was passed by the Shareholders granting the General Mandate to the Directors, pursuant to which the Directors are authorised to allot, issue and otherwise deal with such Shares not exceeding 20% of the number of Shares in issue as at the date of the AGM. The Company is authorized to allot and issue a maximum of 261,353,400 Shares under the General Mandate.

Based on the amended initial Conversion Price of HK\$0.185 per Conversion Share, a maximum number of 216,216,216 Conversion Shares will be allotted and issued upon exercise of the Conversion Rights attached to the Convertible Bonds in full, which represent: (i) approximately 16.55% of the issued share capital of the Company as at the date of this announcement; and (ii) approximately 14.20% of the issued share capital of the Company as

enlarged by the allotment and issue of the Conversion Shares upon full conversion of the Convertible Bonds, assuming there being no other change in the share capital of the Company after the date of this announcement.

## EFFECT ON SHAREHOLDING STRUCTURE OF THE COMPANY

The table below illustrates the shareholding structures of the Company: (i) as at the date of this announcement; and (ii) assuming the full conversion of the Convertible Bonds but with no other changes in the share capital of the Company since the date of this announcement:

Shareholders	Existing shareholding structure as at the date of this announcement		Shareholding structure immediately upon full conversion of the Convertible Bond	
	No. of Shares	%	No. of Shares	%
Ms. Shi Qi ( <i>Note 1</i> )	796,875,490	60.98	796,875,490	52.32
Mr. Hu Jianbing ( <i>Note 2</i> )	850,000	0.07	850,000	0.06
Subscriber A	—	—	108,108,108	7.10
Subscriber B	—	—	108,108,108	7.10
Other Public Shareholders	<u>509,041,510</u>	<u>38.95</u>	<u>509,041,510</u>	<u>33.42</u>
<b>Total</b>	<b><u>1,306,767,000</u></b>	<b><u>100.00</u></b>	<b><u>1,522,983,216</u></b>	<b><u>100.00</u></b>

*Notes:*

- (1) Ms. Shi Qi is an executive Director.
- (2) Mr. Hu Jianbing is an independent non-executive Director.

## BACKGROUND INFORMATION OF THE SUBSCRIBERS

Subscriber A, China Xinhai Group Limited (中國心海集團有限公司), is a company incorporated with limited liability in Hong Kong. It is wholly-owned by Xinhai Group Co., Limited\* (心海集團有限責任公司), a company incorporated in the People's Republic of China, which is committed to the education, science and technology industry, project incubation, local industrial planning, big health industry and agricultural industry. It is a high-tech enterprise that focuses on “promoting industrial upgrade and value maximization through the concept of integrated linkage of culture, education and technology” and provides comprehensive management services for diversified businesses. It is ultimately and beneficially owned by Mr. Bao Shichao (鮑世超), who is an entrepreneur and has investments across a wide range of industries.

Subscriber B, Beijing Xingxiang Technology Co., Limited\* (北京星想科技有限公司), is a company established in the People's Republic of China with limited liability. It is a professional research and consulting institution, which primarily provides investment research, due diligence, investment and post-investment management services for institutional investors and enterprises. It is wholly-owned by Mr. Fan Pi (范圻), who is a merchant.

## **RESUMPTION OF TRADING**

At the request of the Company, trading in the securities of the Company on the Stock Exchange was halted from 9:00 a.m. on 4 April 2023. Application has been made by the Company to the Stock Exchange for the resumption of trading of the securities of the Company on the Stock Exchange with effect from 9:00 a.m. on 6 April 2023.

## **GENERAL**

**Completion of the Subscriptions is subject to the satisfaction and/or waiver of the conditions precedent contained in the Subscription Agreements and the Supplemental Agreements. Accordingly, the issue of the Convertible Bonds may or may not proceed. Shareholders and investors are advised to exercise caution when dealing in the securities of the Company.**

*\* For identification purposes only*

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

Hong Kong, 4 April 2023

*As at the date 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, Mr. Hu Jiangbing and Ms. Wang Lina.*