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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)

MAJOR TRANSACTIONS –

(1) DISPOSAL OF 51% INTEREST IN THE TARGET;

(2) THE PUT OPTION; AND

(3) PROVISION OF FINANCIAL ASSISTANCE TO THE TARGET GROUP

THE DISPOSAL

On 7 July 2023, the Vendor, an indirect wholly-owned subsidiary of the Company, and the Company entered into the SP Agreement with the Purchaser pursuant to which the Purchaser conditionally agreed to purchase, and the Vendor conditionally agreed to sell, the Sale Shares at an aggregate Consideration of HK\$130,000,000. The Sale Shares represent 51% of the issued shares of the Target, the holding company of the Target Group. The Target Group is principally engaged in e-commerce business and distribution business of healthcare and wellbeing related products in the PRC.

Upon Completion, the Vendor will hold 49% equity interest in the Target and each member of the Target Group will cease to be a subsidiary of the Company and their financial results will not be consolidated into the Group's financial statements.

THE PUT OPTION

Pursuant to the SP Agreement, the Vendor granted to the Purchaser the Put Option, pursuant to which the Purchaser is entitled to sell at its discretion all (and not part) of the Sale Shares held by it to the Vendor and/or other party(ies) procured by the Vendor upon the occurrence of the Put Option Triggering Events at the Exercise Price.

Subject to Completion, the performance of the Put Option by the Vendor is guaranteed by the Company and a share charge over the remaining 49% equity interests in the Target held by the Vendor.

THE PROVISION OF FINANCIAL ASSISTANCE TO THE TARGET GROUP

In order to avoid unnecessary disruption to the operations of the Target Group, the Transitional Financial Assistance are expected to continue to exist for a certain time after Completion subject to release/change under the terms of the SP Agreement and such arrangement therefore, will constitute provision of financial assistance by the Remaining Group to the Target Group under the Listing Rules.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio (as defined under the Listing Rules) in respect of each of the Disposal and the Provision of Financial Assistance is more than 25% but less than 75%, each of the Disposal and the Provision of Financial Assistance constitutes a major transaction of the Company under the Listing Rules and is subject to the notification, announcement and shareholders' approval requirements under the Listing Rules.

The Put Option is exercisable at the discretion of the Purchaser upon satisfaction of certain specified events, with the Exercise Price for the Put Option to be determined in accordance with the terms of the SP Agreement. Based on the currently available information, the grant of the Put Option shall also constitute a major transaction for the Company. The grant of the Put Option is therefore also subject to the notification, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

So far as the Company is aware having made all reasonable enquiries, no Shareholder is required to abstain from voting at the extraordinary general meeting of the Company for approving the Disposal, the Put Option, and the Provision of Financial Assistance if one is to be convened. The Company will seek to obtain an approval in writing from Tycoon Empire Investment Limited, which holds 448,096,326 Shares, representing approximately 56.01% of the issued share capital of the Company as at the date of this announcement, in lieu of an approval from the Shareholders at the extraordinary general meeting of the Company pursuant to Rule 14.44 of the Listing Rules. A circular containing, among other things, details of the SP Agreement and the transactions contemplated thereunder and other information as required to be disclosed under the Listing Rules, will be despatched to the Shareholders on or before 28 July 2023 for their information.

The Board announces that after trading hours on 7 July 2023, the Vendor, an indirect wholly-owned subsidiary of the Company, the Company and the Purchaser entered into the SP Agreement, pursuant to which the Purchaser conditionally agreed to purchase, and the Vendor conditionally agreed to sell, the Sale Shares at an aggregate Consideration of HK\$130,000,000. The principal terms of the SP Agreement, among other things, are summarised as follows:

(1) THE SP AGREEMENT

Date: 7 July 2023

Parties:

- (1) The Vendor
- (2) The Company
- (3) The Purchaser

Assets to be disposed of

The Purchaser has conditionally agreed to purchase, and the Vendor has conditionally agreed to sell, the Sale Shares. The Sale Shares represents 51% of the issued shares of the Target held by the Group. Further particulars of the Target and the Target Group are set out in section headed “Information on the Target” below.

Under the SP Agreement, the Company has undertaken to guarantee the due performance by the Vendor of all and any of its obligations under the SP Agreement.

Consideration

The Consideration for the sale and purchase of the Sale Shares shall be HK\$130,000,000 and payable to the Vendor in cash in the following manner:

- (1) as to HK\$10,000,000 to be paid within 10 Business Days upon the signing of the SP Agreement plus HK\$5,000,000 to be paid on or before 7 August 2023, and collectively as refundable deposit (“**Deposit**”);
- (2) as to HK\$55,000,000 to be paid upon Completion; and
- (3) as to HK\$60,000,000 (“**Remaining Consideration**”) to be paid on or before 31 December 2024.

The Consideration of the Disposal was determined after arm’s length negotiations between the parties to the SP Agreement on normal commercial terms taking into account various factors including (i) the historical financial performance of the Target Group; (ii) a valuation of the market value of approximately HK\$254 million of the Target Group performed by an independent valuer using discounted cash flow approach; and (iii) the reasons set out in the section headed “Reasons for and benefits of the Disposal” in this announcement below.

Conditions precedent

Completion is conditional upon the fulfilment or, if applicable, waiver of the following conditions prior to the Long Stop Date:

- (1) the Shareholders (or as the case may be, the independent Shareholders) of the Company having approved the transactions contemplated under the SP Agreement at an extraordinary general meeting to be held by the Company or by way of a written shareholders' approval in lieu of holding a general meeting in accordance with the Listing Rules;
- (2) (where applicable) all requisite consents, clearances, authorisations and approvals (or, as the case may be, the relevant waivers) in connection with the entering into and performance of the terms of the SP Agreement having been obtained by the Vendor and remaining in full force and effect;
- (3) the Purchaser having carried out and completed the due diligence review of the Target Group (whether legal, accounting, financial, operational or other aspects that the Purchaser considers necessary) and being satisfied with the results of the due diligence review of the Target Group;
- (4) (where applicable) all requisite consents, clearances, authorisations and approvals (or, as the case may be, the relevant waivers) in connection with the entering into and performance of the terms of the SP Agreement having been obtained by the Purchaser and remaining in full force and effect;
- (5) during the period from the date of the SP Agreement to the Completion Date, no action, legal proceeding, lawsuit or public inquiry has been taken or initiated by any relevant government agency, or no request or decree or judgment (whether temporary, preliminary or permanent), making the transfer of the Sale Shares or any transaction under the SP Agreement unlawful, void, unenforceable or otherwise prohibited or restricted;
- (6) during the period from the date of the SP Agreement to the Completion Date, there is no matter that caused or could reasonably be expected to cause a material adverse effect on the Target Group; and
- (7) the representations, warranties and undertakings given by the Vendor to the Purchaser under the SP Agreement remaining true and accurate in all material respects and not misleading in any material respect up to Completion.

The Purchaser may waive the conditions precedent (3), (6) and (7) above by written notice to the Vendor either in whole or in part and such waiver may be made subject to such terms and conditions as the Purchaser may require. The conditions precedent (1), (2), (4) and (5) above are not capable of being waived by the parties

If any of the conditions precedent (other than those which can only be fulfilled at Completion) shall not have been fulfilled or waived (as the case may be) at or before the Long Stop Date, the Deposit, without interest, shall be refunded by the Vendor to the Purchaser forthwith and all rights and obligations of the parties under the SP Agreement shall cease and terminate (save and except for certain provisions, including confidentiality and announcements, notices and governing law) and no party shall have any claim against the other party with respect to any matter referred to in the SP Agreement save for claim (if any) in respect of such continuing provisions or any antecedent breaches of the SP Agreement.

Completion

Subject to the fulfilment or waiver (if applicable) of all the conditions precedent set out above, Completion shall take place on the Completion Date.

(2) THE PUT OPTION

Pursuant to the SP Agreement, the Vendor has granted to the Purchaser the Put Option which subject to Completion, may be exercised by the Purchaser at its discretion, pursuant to which the Purchaser is entitled to sell, during the period (“**Put Option Period**”) commencing from the date of Completion and within two years after Completion, and require the Vendor to purchase or to procure the purchase, either by itself and/or other third party(ies), all (and not part only) of the Sale Shares held by it (“**Option Shares**”) upon the occurrence of any of the following triggering events (“**Put Option Triggering Events**”):

- (1) there exists any event in relation to the Target Group, including but not limited to fraud, financial fraud, off-the-books expenses which should be disclosed but not disclosed, liabilities, external guarantees, tax liabilities, litigation and arbitration, administrative penalties, major defects in internal control and other matters and circumstances which have material adverse impact on the Target Group or the Vendor is in breach of any laws and regulations which have material adverse impact on the Target Group;
- (2) the Vendor having breached the representations and warranties as set out in the SP Agreement and failed to take remedial actions within 10 Business Days after the Purchaser has requested remedial actions in writing; and
- (3) the Target Group failing to meet any one of the following performance targets:
 - (a) the total consolidated profit after tax attributable to the owners of the Target for the financial year ending 31 December 2023 (“**FY2023**”) and the financial year ending 31 December 2024 (“**FY2024**”) being no less than HK\$74,000,000; and/or
 - (b) the total consolidated turnover of the Target for FY2023 and FY2024 being no less than HK\$1,640,000,000,

and in the event the unaudited consolidated financial statements of the Target for FY2023 or FY2024 is unavailable by the end of the Put Option Period, the performance targets would be deemed not having been met.

The Exercise Price payable by the Vendor to the Purchaser for all the Option Shares sold to the Vendor shall be in cash and equal to the amount of the lower of (i) HK\$162,000,000 or (ii) 51% of the valuation of the Target Group reported on by an independent valuer, jointly appointed by the Vendor and the Purchaser, as the fair value of the Target Group as at a date which is not more than 30 days before the date on which the Put Option is exercised and on a valuation methodology jointly approved by the Vendor and the Purchaser. In the event that the Put Option has not been exercised by the end of the Put Option Period, the Put Option shall lapse automatically on the day falling on the second anniversary of the Completion Date.

Under the terms of the Put Option, the parties acknowledge that completion of the sale and purchase of the Put Option Shares pursuant to the exercise of the Put Option may be subject to the requisite consents, licences and approvals (or, as the case may be, the relevant waiver) in connection with the sale and purchase of the Option Shares and the transactions contemplated thereunder having been obtained by the Vendor, including those required to be obtained by the Company under the Listing Rules (“**Put Option Conditions Precedent**”).

Completion of the sale and purchase of the Option Shares pursuant to the exercise of the Put Option shall take place on the 5th Business Day after all (if any) of the Put Option Conditions Precedent having been fulfilled (or such other time and date as the Vendor and the Purchaser may agree). The Exercise Price shall be settled in cash at completion of the sale and purchase of the Option Shares.

Under the SP Agreement, the Purchaser has undertaken to the Vendor that save as provided for under the SP Agreement or unless with the prior consent in writing of the Vendor, at any time after the Completion but before the earlier of (i) the completion of the sale and purchase of the Option Shares; or (ii) the last day of the Put Option Period, the Purchaser shall not offer, pledge, charge, sell, contract to sell, or otherwise transfer or dispose of (nor enter into any agreement to transfer or dispose of or otherwise create any options, rights, interests or encumbrances in respect of), either directly or indirectly, conditionally or unconditionally, the Option Shares or any part of them. A breach of the foregoing undertaking by the Purchaser shall entitle the Vendor to cancel the Put Option in its entirety.

Under the SP Agreement, the Vendor shall provide a share charge of its remaining 49% shares in the Target in favour of the Purchaser as security for the performance by the Vendor of its obligations under the Put Option in the event that the Put Option was exercised, and in the event that completion of the sale and purchase of the Option Shares pursuant to the exercise of the Put Option did not occur as stipulated under terms of the Put Option, the Purchaser may by written notice to the Company to require the Company to assume the obligations of the Vendor under the Put Option and purchase all the Option Shares from the Purchaser at the Exercise Price.

(3) THE PROVISION OF FINANCIAL ASSISTANCE TO THE TARGET GROUP

Since the listing of the Shares on the Stock Exchange in April 2020, members of the Group (including the Target Group) have been sharing certain bank facilities granted to the Group by banks and such banking facilities were/are mostly secured by guarantees and security provided by members of the Group.

As at 30 April 2023, the total loan amount granted/facility limit that can be utilised by members of the Target Group amounted to approximately HK\$308.5 million (“**Relevant Bank Facilities**”). Such Relevant Banking Facilities were provided by licensed banks in Hong Kong and were secured by corporate guarantees provided by certain members of the Remaining Group and charges over three properties held by a member of the Remaining Group. The terms for the grant of the Relevant Banking Facilities were on normal commercial terms and were negotiated on arms’ length basis.

In order to avoid unnecessary disruption to the operations of the Target Group, pursuant to the terms of the SP Agreement, upon Completion, the Vendor and the Purchaser shall cooperate and use their respective reasonable efforts to procure, as soon as practicable and within one year after Completion (or such other time as the Vendor and the Purchaser may agree), taking into account the then circumstances of the Target Group, the release of the all guarantees and security provided by the Vendor or any of other members of the Remaining Group to secure the obligations of any member of the Target Group in the Relevant Bank Facilities.

In addition, as at 30 April 2023, the Target Group owed to members of the Remaining Group an amount of approximately HK\$37.5 million. Such amount was resulted from inter-company advances, trading activities between members of the Group and/or certain payment/receipt for and on behalf one another (“**Relevant Inter-Company Balance**”). The Relevant Inter-Company Balance is interest free, repayable on demand and is expected to continue given that the Group would remain to be a 49% owner of the Target Group after Completion.

Given that upon Completion, the Relevant Inter-Company Balance will continue to exist and the Relevant Bank Facilities will continue to exist for a period of time in its current form pending the release/change of guarantees and security as mentioned above, the Relevant Inter-Company Balance and the Relevant Banking Facilities (together, the “**Transitional Financial Assistance**”) will constitute provision of financial assistance by the Remaining Group to the Target Group under the Listing Rules.

While the amount of the Transitional Financial Assistance is not expected to increase after Completion, the Company will comply with the applicable requirements under the Listing Rules in case there are any changes to amount of the Transitional Financial Assistance.

INFORMATION ON THE TARGET

The Target is a company incorporated in BVI with limited liability and principally engaged in investment holding and the Target Group is principally engaged in e-commerce business and distribution business of healthcare and wellbeing related products in the PRC. As at the date of the SP Agreement, the Target is wholly-owned by the Vendor and each member of the Target Group is a subsidiary of the Company.

Set out below is a summary of certain consolidated financial information of the Target Group for the years ended 31 December 2021 and 2022:

	For the year ended 31 December 2022	For the year ended 31 December 2021
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)	(unaudited)
Turnover	751,118	558,847
Profit before income tax	31,617	14,213
Profit after tax	<u>27,661</u>	<u>14,272</u>

The unaudited total assets and net assets of the Target Group as at 30 April 2023 were approximately HK\$485.7 million and HK\$49.6 million.

As at 30 April 2023, the Target Group owed to the Remaining Group of amount due to related parties in the form of current account of an aggregate amount of approximately HK\$37.5 million.

Upon Completion, the Target will be owned as to 51% by the Purchaser and 49% by the Vendor, and each member of the Target Group will cease to be a subsidiary of the Company and its financial results will not be consolidated into the Group's financial statements.

INFORMATION ON THE PARTIES

The Group and the Vendor

The Group is a reputable omnichannel marketing and management service integrator of healthcare and wellbeing related products in Hong Kong. The Group principally engages in the provision of a variety of Proprietary Chinese Medicine (PCM), health supplement 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 store, online stores and e-commerce portals to consumers.

The Vendor is an investment holding company which is an indirect wholly-owned subsidiary of the Company.

The Purchaser

The Purchaser is an exempted company with limited liability incorporated in the Cayman Islands and registered with the Cayman Islands Monetary Authority as a mutual fund under the Mutual Funds Act of the Cayman Islands. The Purchaser's proposed investment objective is to invest in e-commerce and will appoint Kudos Summit Asset Management Limited, a corporation which has received approval-in-principle to carry out Type 9 (asset management) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as its investment manager. Based on the information provided by the Purchaser, the investors of the Purchaser will comprise of a company with limited liability incorporated in the Cayman Islands and registered with the Cayman Islands Monetary Authority as a mutual fund under the Mutual Funds Act of the Cayman Islands ("**Second Level Investor**") and Mr. Mak Kai Ming Maurice (an individual), who have committed to subscribe to 78.6% and 21.4% of the participating shares respectively. Based on the representations made by the Purchaser, the current investors of the Purchaser are initial investors of the Purchaser and the fund-raising exercise of the Purchaser will continue apart from the funds required for the Disposal.

The Second Level Investor is an open-end fund which has a total of four investors ("**SLI Investors**") which held equity interest of approximately 30.78%, 28.56%, 26.22% and 14.44% respectively of its net asset value as at 30 April 2023. To the best knowledge of the Directors after reasonable enquiry, the largest SLI Investor holding 30.78% interest of the Second Level Investor is Essence International Products and Solutions Limited. Among the ultimate beneficial owners of the remaining three SLI Investors (which are funds in nature), (i) there is one individual professional investor which held more than 10% interest in two SLI Investors, and based solely on the calculation made by the investment manager of the Second Level Investor and assuming such individual owns 100% of each of such two SLI Investors, such individual's percentage holding in the Second Level Investor is ascertained to be not more than 54.78% of the net asset value of the Second Level Investor as at 30 April 2023 and that would translate to not more than 43.06% of the participating shares of the Purchaser; and (ii) there is another one individual professional investor which held more than 10% interest in another SLI Investor, and based on the representation made by the investment manager of the relevant SLI Investor to the investment manager of the Second Level Investor at the time when it was going through its know-your-client procedures, such individual's percentage holding in the Second Level Investor was ascertained to be not more than 10.00% of the then net asset value of the Second Level Investor. Save as mentioned above, none of the ultimate beneficial owners of the SLI Investors hold 10% or more interest in the SLI Investors.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of the Purchaser, Kudos Summit Asset Management Limited and their respective ultimate beneficial owner(s) is an Independent Third Party.

Mr. Chung Siu Wah ("**Mr. Chung**"), an independent non-executive Director, is employed by the investment manager of the Second Level Investor, Top Ace Asset Management Limited, as a director and responsible officer of Top Ace Asset Management Limited and also serves as one of the directors

of the Second Level Investor. Other than the above, to the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, none of Mr. Chung or his associates was interested in the Purchaser or the Second Level Investor. As confirmed by Mr. Chung, other than the usual management fee and performance fee of the Second Level Investor under the terms of his employment with Top Ace Asset Management Limited, which is a normal and common business term for an investment manager, there is no additional share of fees or incentive or otherwise payable to him in respect of the Second Level Investor investing in the Purchaser or any aspects of the Disposal.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Group specialises in providing one-stop services for Proprietary Chinese Medicine (PCM) and health supplement products, including brand agent, marketing, management, distribution, and sales. Over the years, the Group has established a strong online and offline sales network in Hong Kong, Macau, the PRC and Southeast Asia. The Group mainly operates two major operating segments, namely e-commerce business and distribution business. The e-commerce business of the Group includes the operation of online stores and wholesale business to e-commerce clients, focusing on cross-border e-commerce sales to Mainland China. The distribution business of the Group mainly includes the distribution of consumer products to sizable chain retailers, non-chain retailers (mainly pharmacies) and traders mainly in Hong Kong, Macau, Mainland China and Southeast Asia.

The Target Group is principally engaged in the e-commerce business and distribution business of healthcare and wellbeing related products in the PRC. The Group views the Disposal as a strategic move to streamline its operations and access to additional capital for its core businesses of both e-commerce and distribution. As the trend of online shopping is expected to continue in the future, it is expected that the Group would require investing additional capital and resources to further expand its market share in the e-commerce business. After Completion, the Target Group will continue to be owned as to 49% by the Group and by bringing in the Purchaser as a strategic partner in the operation of the Target Group, the Group would be able to focus its resources on expanding its existing sales network and strengthening its relationships with its clients and suppliers.

In addition to streamlining its operations, the Consideration received from the Disposal will provide the Group with access to capital. It is expected that such additional capital will be reinvested in its core businesses to foster growth and expansion, invest in marketing and promotional activities, and improve its supply chain and logistics operations. As mentioned in the annual report 2022 of the Company, one of the Group's strategies had been the development of the omnichannel brand marketing and management business, which includes brand agent, promotion and marketing, management and distribution, providing onestop services for brands as well as upgrading the Group's business chain and diversifying the Group's product portfolio and businesses, and the Group is also actively developing its own brands in addition to its brand agency business. In this regard, it is also expected that the additional capital is required for developing the Group's own brands of healthcare products. This will enable the Group to compete more effectively in the highly competitive healthcare and wellbeing related products market in Hong Kong, Macau, the PRC and Southeast Asia, and strengthen its position as a leading omnichannel marketing and management service provider of healthcare and wellbeing related products in the region.

It is expected that the Company will recognise a gain of not less than HK\$170.0 million from the Disposal, mainly being the amount of the Consideration received and the fair value of 49% equity interest of the Target Group retained by the Group, offset by the net assets value of the Target Group. The above financial impacts are for illustrative purpose only based on the latest available financial and valuation of the Target Group. Shareholders should note that the final amount of gain/loss on the Disposal to be recorded by the Company will be based on the fair value of the 49% equity interest of the Target Group retained by the Group, and the net assets value of the Target Group as of the Completion Date and subject to audit by the auditor of the Company. It is expected that the proceeds from the Disposal will be used as to HK\$100 million for general working capital and as to HK\$30 million for future development of the Group which includes the development of the omnichannel brand marketing and management business and developing the Group's own brands of healthcare products as mentioned in the paragraph above.

The terms of the SP Agreement (including the Consideration) were determined after arm's length negotiations between the Vendor and the Purchaser. In light of the reasons above, the Directors (including the independent non-executive Directors (other than Mr. Chung Siu Wah)) are of the view that the terms of the Disposal, the Put Option and the Provision of Financial Assistance are fair and reasonable and are in the interests of the Company and its Shareholders as a whole.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio (as defined under the Listing Rules) in respect of each of the Disposal and the Provision of Financial Assistance is more than 25% but less than 75%, each of the Disposal and the Provision of Financial Assistance constitutes a major transaction of the Company under the Listing Rules and is subject to the notification, announcement and shareholders' approval requirements under the Listing Rules.

The Put Option is exercisable at the discretion of the Purchaser upon satisfaction of certain specified events, with the Exercise Price for the Put Option to be determined in accordance with the terms of the SP Agreement. As the monetary value of the Exercise Price is not known at the time of granting the Put Option, the grant of the Put Option shall be classified as at least a major transaction for the Company pursuant to Rule 14.76(1) of the Listing Rules. The grant of the Put Option is subject to the notification, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules. The Company will comply with the relevant requirements under the Listing Rules as and when appropriate should the Purchaser exercise the Put Option.

Pursuant to Rule 14.44 of the Listing Rules, written shareholders' approval may be accepted in lieu of holding a general meeting if (1) no Shareholder is required to abstain from voting if the Company were to convene a general meeting for the approval of the transaction; and (2) the written shareholders' approval has been obtained from a Shareholder or a closely allied group of Shareholders who together hold more than 50% of the voting rights at that general meeting to approve the transaction.

So far as the Company is aware having made all reasonable enquiries, no Shareholder is required to abstain from voting at the extraordinary general meeting of the Company for approving the Disposal, the Put Option, and the Provision of Financial Assistance if one is to be convened. The Company will seek to obtain an approval in writing from Tycoon Empire Investment Limited, which holds 448,096,326 Shares, representing approximately 56.01% of the issued share capital of the Company as at the date of this announcement, in lieu of an approval from the Shareholders at the extraordinary general meeting of the Company pursuant to Rule 14.44 of the Listing Rules. As a result, no extraordinary general meeting will be convened to consider the SP Agreement and the transactions contemplated thereunder.

A circular containing, among other things, details of the SP Agreement and the transactions contemplated thereunder and other information as required to be disclosed under the Listing Rules, will be despatched to the Shareholders for their information on or before 28 July 2023.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“Board”	the board of Directors
“Business Day”	any day(s) (except any Saturday, Sunday or public holiday) on which licensed banks in Hong Kong are open for business throughout their normal business hours
“BVI”	the British Virgin Islands
“Company”	Tycoon 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
“Completion”	the completion of the Disposal
“Completion Date”	subject to the fulfilment (or waiver, as the case may be) of all the conditions precedent (other than the conditions precedent which can only be fulfilled at Completion), a day within 5 Business Days (or such other date as the Vendor and the Purchaser may agree in writing) following the date of fulfilment (or waiver, as the case may be) of all the conditions precedent (other than the conditions precedent which can only be fulfilled at Completion) on which Completion is to take place
“connected person”	has the meaning ascribed to it in the Listing Rules
“Consideration”	HK\$130,000,000, the total consideration of the Disposal

“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of the Sale Shares by the Vendor to the Purchaser pursuant to the SP Agreement
“Exercise Price”	the exercise price for the Put Option pursuant to the SP Agreement
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“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
“Long Stop Date”	4:00 p.m. on 30 September 2023 (or such later time and date as the Vendor and the Purchaser may agree in writing)
“PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Provision of Financial Assistance”	the continuing arrangement regarding the provision of the Transitional Financial Assistance by the Remaining Group to the Target Group as more particularly described in the section headed “(3) The Provision of Financial Assistance to the Target Group” in this announcement
“Purchaser”	Eyolution Capital Fund, an exempted company with limited liability incorporated in the Cayman Islands, and registered with the Cayman Islands Monetary Authority as a mutual fund under the Mutual Funds Act of the Cayman Islands

“Put Option”	the put option granted by the Vendor to the Purchaser and exercisable by the Purchaser to require the Vendor to purchase or to procure the purchase, either by itself and/or other third party(ies), from it all (and not part only) of the Sale Shares held by the Purchaser pursuant to the terms and conditions in the SP Agreement
“Remaining Group”	the Group (other than members of the Target Group) and as the context may require, with effect from Completion, the Company and its subsidiaries collectively
“Sale Shares”	51% of the issued shares of the Target which as at the date of this announcement, is held by the Vendor
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	the shareholder(s) of the Company
“SP Agreement”	the agreement for the sale and purchase of shares dated 7 July 2023 entered into by and among the Vendor, the Company and the Purchaser in relation to the Disposal
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target”	Combo Win Asia Limited, a company incorporated in BVI with limited liability and as at the date of this announcement, wholly-owned by the Vendor
“Target Group”	the Target and its subsidiaries
“Transitional Financial Assistance”	collectively, the Relevant Inter-Company Balance and the Relevant Banking Facilities as more particularly described in the section headed “(3) The Provision of Financial Assistance to the Target Group” in this announcement
“Vendor”	Dynasty Garden Limited, a company incorporated in BVI 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, 7 July 2023

As at the date of this announcement, the executive Director is Mr. Wong Ka Chun Michael; four non-executive Directors are Mr. Cao Weiyong, Ms. Chong Yah Lien, Ms. Li Ka Wa Helen and Mr. Lau Ka On David; and three 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).