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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  
IN RELATION TO  
ISSUE OF NEW CONVERTIBLE BOND UNDER  
GENERAL MANDATE**

Reference is made to the announcement of the Company dated 3 July 2023 relating to the issuance of the Convertible Bond under General Mandate (the “**Announcement**”). Unless otherwise defined, the capitalised terms used herein shall have the same meanings as defined in the Announcement.

**USE OF PROCEEDS**

The Company wishes to provide further information relating to the intended use of proceeds from the Subscription. As disclosed in the Announcement, the net proceeds from the Subscription amount to approximately HK\$40,000,000 and the Company intends to use the net proceeds from the Subscription for business development and the general working capital of the Group in the following manner:

- (a) approximately HK\$15,000,000 (approximately 37.5% of the net proceeds from the Subscription) is intended to be used for developing its principal new eco-friendly silicone materials business, the amount of which is expected to be fully utilized on or before 31 December 2023. The Group is one of the world’s largest manufacturers of new eco-friendly silicone materials. The Group provides highly customised and integrated services including silicone production and processing, design, mold making and production of finished goods, as well as technical support. The Group is principally engaged in the design, research and development, and manufacturing of new eco-friendly silicone products, and its product categories cover, amongst others, new energy vehicles, photovoltaic components, aerospace materials, medical devices, consumer electronics, and beauty products;

- (b) approximately HK\$10,000,000 (approximately 25% of the net proceeds from the Subscription) is intended to be used for developing and expanding its existing retail business in the United Kingdom (“UK”), the amount of which is expected to be fully utilized on or before 31 March 2024. The proposed investment plan for the retail business is to open nine Asian food supermarkets in the UK. As of the date of this announcement, five supermarkets have successfully opened, with four more planned for the second half of 2023. The supermarkets are strategically located in the busy areas of North London (Zone 2), Central London, Southeast London, and West London (Zone 2), which were selected based on the strong presence of Asian communities and the high consumer demand from local residents;
- (c) approximately HK\$5,000,000 (approximately 12.5% of the net proceeds from the Subscription) is intended to be used for developing an international digital marketing business, the amount of which is expected to be fully utilized on or before 31 December 2024;
- (d) approximately HK\$5,000,000 (approximately 12.5% of the net proceeds from the Subscription) is intended to be used for the partial repayment of a commercial loan (the “Loan”) obtained by a subsidiary of the Company (the “Subsidiary”) for the Group’s healthcare and hotel business segment, the amount of which is expected to be fully utilized on or before 31 July 2023. The Loan was originally due in the third quarter of 2023. Based on the negotiations made between the Subsidiary and the creditor, the Subsidiary shall repay part of the outstanding principal amount of the Loan in the third quarter of 2023 and an extension agreement is expected to be entered into for the payment of the remaining amount; and
- (e) the remaining amount of the proceeds is intended to be used for the general working capital of the Group, which is expected to be fully utilized on or before 31 December 2023.

The Group will continue to optimize the existing business structure and actively seek for new potential business opportunities to improve performance and maximize returns.

The additional information as disclosed above does not affect any other information contained in the Announcement.

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

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

Hong Kong, 10 July 2023

*As at the date hereof, the Board comprises three executive Directors, namely Ms. Shi Qi, Mr. Li Jiuhua and Mr. Gao Feng; three non-executive Directors, namely, Mr. Chan Tsun Hong Philip, Mr. Gu Shixiang and Mr. Han Lei; and four independent non-executive Directors, namely Mr. Chan Siu Tat, Mr. Hu Jiangbing, Ms. Wang Lina and Mr. Zheng Changxing.*