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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)

VOLUNTARY ANNOUNCEMENT
ACQUISITION OF 40% EQUITY INTERESTS
IN THE TARGET COMPANY

This is a voluntary announcement made by Ta Yang Group Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) to inform its shareholders of the latest business development of the Group.

ACQUISITION OF EQUITY INTEREST IN THE TARGET COMPANY

The board (the “**Board**”) of directors (the “**Directors**”) of the Company hereby announce that, on 16 January 2023 (after trading hours), Huarong Venture Capital Fund Management (Beijing) Company Limited* 華融創基金管理(北京)有限公司, an indirect wholly owned subsidiary of the Company (the “**Investor**”), Beijing Jusheng Technology Company Limited (北京巨省科技有限公司) (the “**Target Company**”), and the Target Company’s existing shareholders, entered into an investment agreement (the “**Agreement**”) and pursuant to the terms of the Agreement, the Investor agreed to acquire 40% equity interests in the Target Company (the “**Acquisition**”) at a consideration of RMB14,000,000 (the “**Consideration**”). The Acquisition was subsequently completed on 1 April 2023.

Pursuant to the terms of the Agreement, the Target Company shall maintain a board composition of five directors and the Investor has the right to appoint three members to the board of directors of the Target Company. Following the completion of the Acquisition, the Investor has appointed three members to the board of directors of the Target Company and controls the composition of a majority of the board of directors of the Target Company. As such, the Target Company’s results will be consolidated into the financial statements of the Group.

INFORMATION OF THE TARGET COMPANY

The Target Company is a limited liability company established under the laws of the People's Republic of China (the "PRC"). Founded in September 2017, the Target Company is a professional digital marketing service company and principally engages in advertising and media business in the PRC. It focuses on providing brand owners with consumer insights and services such as content creation, event management, media placement, context marketing that help promote product sales. As one of Douyin (抖音)'s partner, the Target Company has accumulated solid market experiences and sharp insights on emerging technology trends, thereby allowing it to provide clients with comprehensive digital marketing services.

Other services provided by the Target Company include Douyin account management, content planning, video creation, social media fan interaction, data analysis, e-commerce operations, influencer matching, brand advertising and other comprehensive and detailed solutions.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquires, the Target Company and each of the parties to the Agreement is independent of and not connected with the Company and its connected persons.

INFORMATION OF THE GROUP

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. In addition to the aforesaid principal business, the Group is also engaged in the provision of healthcare and hotel services and retail services in the United Kingdom.

REASONS FOR AND BENEFITS OF THE ACQUISITION

As disclosed in the 2022 annual report of the Group for the year ended 31 December 2022, the Group will focus on optimizing the existing business structure and actively seek for new potential businesses to improve its performance and maximize returns. The Group has been proactively seeking ways to expand the scale of its digital marketing business segment through its own expansion, investment, mergers and acquisitions, and joint investment and cooperation. To this end, the Company has identified the Target Company as an appropriate acquisition target to the Group and is of the view that the Acquisition would allow the Group to further expand the scale of its digital marketing business segment.

The Directors believe that the Acquisition represents a good opportunity to further expand the Group's digital marketing business segment into the PRC and enable the Group to provide services that are complementary to its digital marketing business segment. The Directors further believe that the Acquisition will facilitate rapid and healthy growth of its digital marketing business and create strong synergies with such business by providing more resources and support. Looking forward, in-store e-commerce business will continue to empower merchants and bring more favorable, convenient and higher-quality services to consumers. The Acquisition therefore provides a good opportunity for the Group to strengthen one of its core business segments and enhance its revenue sources.

The terms of the Agreement (including the Consideration) were arrived at after arm's length negotiations between the parties to the Agreement. Having considered the foregoing, the Board is of the view that the terms of the Agreement (including the Consideration) are on normal commercial terms, which are fair and reasonable and are in the best interests of the Company and its shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

As all of the applicable ratios under Rule 14.07 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong (the "**Listing Rules**") Limited in respect of the Acquisition are less than 5%, the Acquisition did not constitute a notifiable transaction for the Company under Chapter 14 of the Listing Rules.

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

Hong Kong, 24 August 2023

As at the date of this announcement, 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.

* *For identification purpose only*