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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  
PROPOSED FORMATION OF A JOINT VENTURE COMPANY  
IN RELATION TO COMMERCIAL BATTERY CHARGING AND  
STORAGE BUSINESS**

This announcement is made on a voluntary basis by Ta Yang Group Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) to provide the shareholders of the Company (the “**Shareholders**”) and potential investors an update on the latest business development of the Group.

**PROPOSED FORMATION OF JOINT VENTURE COMPANY**

The board (the “**Board**”) of directors (the “**Director(s)**”) of the Company is pleased to announce that on 31 October 2023, the Company, Contemporary Intelligence Technology (Fujian) Ltd. (時代智慧實業(福建)有限公司) (“**CITL**”) and Shenzhen Zhonghong Investment Development Limited\* (深圳市中竝投資發展有限公司) (“**Shenzhen Zhonghong**”) entered into a joint venture cooperation agreement (the “**JV Agreement**”), pursuant to which the parties to the JV Agreement intends to establish a joint venture company named Ta Yang Contemporary New Energy Services Limited\* (大洋時代新能源服務有限公司) (the “**JV Company**”), which will be held as to 51% by the Company, 40% by CITL and 9% by Shenzhen Zhonghong respectively.

To the best of the Company’s knowledge, information and belief of the Directors, having made all reasonable enquiry, as at the date of this announcement, CITL and Shenzhen Zhonghong, and the ultimate beneficial owners of CITL and Shenzhen Zhonghong are third parties independent of the Company and its connected persons (as defined in the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”)).

## THE JOINT VENTURE AGREEMENT

### Principal business of the JV Company

The JV Company will be engaged in the operation of new energy integrated service stations and related business in the People's Republic of China (the "PRC"). The main business of the JV Company includes new energy vehicle and battery leasing and sales, battery maintenance and testing services, charging and switching construction and operation services, battery re-purposing and re-manufacturing services, battery commercial recycling services, and new energy Internet of Things operation platform and other services.

### Capital contribution

Pursuant to the terms of the JV Agreement, the registered capital of the JV Company shall be RMB10,000,000 (equivalent to approximately HK\$11,000,000). The shareholding structure of the JV Company upon its establishment are set out as follows:

Shareholder	Capital Contribution (RMB)	Shareholding Percentage (%)
The Company	5,100,000	51
CITL	4,000,000	40
Shenzhen Zhonghong	900,000	9
Total	<u>10,000,000</u>	<u>100</u>

The JV Company will be consolidated into the financial statements of the Group upon its establishment.

Within 10 business days from the date of establishment of the JV Company, the Company shall provide its capital contribution in full to the JV Company, and each of CITL and Shenzhen Zhonghong shall provide 10% of their respective capital contribution to the JV Company, with the remaining 90% of the capital contribution to be provided within 5 years after the establishment of the JV Company.

The amount of capital contribution was determined after arm's length negotiations among the parties having taken into account the estimated initial working capital required for the operation of the JV Company. The Company intends to finance its capital contribution to the JV Company from its internal resources.

### Rights and obligations of the Company

The Company shall be entitled to nominate (1) the general manager of the JV Company, who shall also act as the legal representative of the JV Company; and (2) the supervisor of the JV Company.

The Company shall be principally responsible for the investment, construction, and operation of the battery assembly plant of the JV Company and shall be jointly responsible with CITL and Shenzhen Zhonghong in obtaining customer orders for battery assembly.

## **INFORMATION OF THE PARTIES**

### **The Company**

The Company is an investment holding company. 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 Company is also engaged in the provision of healthcare and hotel services, and is engaged in retail services in the United Kingdom.

### **CITL**

CITL is a limited liability company established in the PRC. It is principally engaged in the provision of services in the new energy vehicle industry. As at the date of this announcement, CITL is indirectly owned as to approximately 35%, 25%, 25% and 15% by Sun Kangsheng (孫康升), Xiamen C&D Automobile Co., Ltd\* (廈門建發汽車有限公司) (“**Xiamen C&D Automobile**”), Ningbo Meishan Baoshuigang District Wending Investment Company Limited\* (寧波梅山保稅港區問鼎投資有限公司) (“**Ningbo Meishan**”) and Fujian Chedian Investment Company Limited\* (福建車電投資有限公司) respectively.

Ningbo Meishan is 100% owned by Contemporary Amperex Technology Company Limited\* (寧德時代新能源科技股份有限公司) (“**CATL**”), a company listed on Shenzhen Stock Exchange (stock code: 300750), one of the Fortune Global 500 companies in 2023. CATL specializes in the manufacturing of lithium-ion batteries for electric vehicles and energy storage systems, as well as battery management systems.

Xiamen C&D Automobile is owned as to 95% by Xiamen C&D Incorporation\* (廈門建發股份有限公司), which is a company listed on the Shanghai Stock Exchange (stock code: 600153) and its controlling shareholder is Xiamen C&D Group Company Limited\* (廈門建發集團有限公司) (“**Xiamen C&D**”), one of the Fortune Global 500 companies in 2023. Xiamen C&D is committed to becoming a modern service-oriented enterprise that operates in both supply chain operations and real estate development.

### **Shenzhen Zhonghong**

Shenzhen Zhonghong is a limited liability company established in the PRC. It is principally engaged in business investment and investment management. As at the date of this announcement, Shenzhen Zhonghong is owned as to 95% and 5% by Li Shaojuan (李少娟) and Li Shaoxiong (李少雄).

## REASONS FOR AND BENEFITS OF ENTERING INTO THE JV AGREEMENT

The establishment of the JV Company with CITL and Shenzhen Zhonghong under the JV Agreement (the “**Joint Venture**”) is another important strategic move by the Group in the new energy industry. With the growing global demand for clean energy, the new energy vehicle market is presented with unprecedented development opportunities. By integrating the resources and strengths of the parties to the JV Agreement, the Company aims to promote the development of the new energy vehicle industry and provide comprehensive solutions and services. The Joint Venture will optimise the Group’s strategic position in the energy storage sector of the new energy industry, strengthen the Group’s market position in the new energy storage battery sector, improve the Group’s operation and management capabilities in new energy projects, and enhance the Group’s core competitiveness and profitability.

The Group has full confidence in the Joint Venture and believes that the JV Company will achieve good performance in the future. The Board has given unanimous approval to the proposed formation of the Joint Venture and will provide full support to the operation and development of the JV Company. The Company also extends its sincere gratitude to its shareholders, investors, and friends for their longstanding support and trust in the Group.

## LISTING RULES IMPLICATIONS

As the applicable percentage ratios under Chapter 14 of Listing Rules in relation to the establishment of the JV Company are all below 5%, the proposed establishment of the JV Company does not constitute a notifiable transaction for the Company under Chapter 14 of the Listing Rules.

The Company has sought the necessary approvals from the relevant parties to the JV Agreement on the disclosure of the Joint Venture, the approvals of which was obtained by the Company on 8 December 2023.

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

Hong Kong, 15 December 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*