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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)

**(1) RESIGNATION OF AUDITOR;
(2) APPOINTMENT OF AUDITOR; AND
(3) CONTINUED SUSPENSION OF TRADING**

This announcement is published by Ta Yang Group Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to the Inside Information Provisions (as defined in the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), and Rule 13.09 and Rule 13.51(4) of the Listing Rules.

Reference is made to the announcement of the Company dated 13 June 2024 in relation to amongst other things, the proposed removal of auditor (the “**Announcement**”). Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Announcement.

RESIGNATION OF AUDITOR

Pursuant to the Announcement, the Board announced that, subject to the passing of the relevant resolutions at the EGM to be convened and held, Elite Partners shall be removed as the auditors of the Group (the “**Proposed Removal**”) and a new auditor shall be appointed as the new auditor of the Group to fill the casual vacancy arising from the Proposed Removal and hold office until the conclusion of the next annual general meeting of the Company.

The Board hereby announces that the Company has received a resignation letter dated 17 June 2024 from Elite Partners in respect of its resignation as the auditor of the Company (the “**Resignation Letter**”).

In the Resignation Letter, Elite Partners pointed out that the Company was not able to explain and provide sufficient audit evidence to support the appropriateness of adopting the accounting treatment in relation to the revenue recognition of the newly acquired subsidiary of the Group engaged in digital marketing business (“**New Subsidiary**”) as a principal but not an agent, pursuant to Hong Kong Financial Reporting Standards 15 Revenue from Contracts with Customers issued by the Hong Kong Institute of Certified Public Accountants, an inappropriate accounting treatment for revenue recognition would result in material misstatement of revenue which is a major item presented in the consolidated statement of profit or loss of the Company, and was not able to complete the audit for the year ended 31 December 2023. Elite Partners also stated in the letter that the professional fee for auditing the consolidated financial statements of the Group for the year ended 31 December 2023 is outstanding. Elite Partners has confirmed in its Resignation Letter, there are no other matters in relation to its resignation that need to be brought to the attention of holders of securities or creditors of the Company.

Save as disclosed above, the Board and the Audit Committee confirm that there is no disagreement or other matters in connection with the resignation of Elite Partners as the auditor of the Company that needs to be brought to the attention of the Shareholders.

APPOINTMENT OF AUDITOR

Following the resignation of Elite Partners, the Company is required to appoint a new auditor to fill the casual vacancy and to continue the audit of the consolidated financial statements of the Company for the year ended 31 December 2023 (“**FY2023**”) as well as expediting the publication of the Annual Results and the Annual Report, and thus approached CL Partners to consider the appointment of CL Partners to act as the auditor of the Company to carry out the audit of the consolidated financial statements of the Company for FY2023.

The Audit Committee has assessed and considered that CL Partners is eligible and suitable to act as the new auditor of the Company. The Audit Committee has obtained from CL Partners their audit proposal (the “**Proposal**”) which sets out, among others, their audit service approach, audit service scope, key audit team members’ profiles, qualifications, related experience and fee schedule. In the course of the pre-acceptance procedures performed by CL Partners, CL Partners interviewed the management of the Company, communicated with Elite Partners and referred to the list of documents requested by Elite Partners, in particular to those giving rise to adopting the accounting treatment in relation to the revenue recognition of the New Subsidiary. To expedite the completion of the audit, CL Partners has experience in the business of the New Subsidiary (i.e. digital marketing business services) and conducted interviews with the management of the Company so to understand the operations of the New Subsidiary and examined related accounting records of the New Subsidiary to assess any remaining outstanding audit issues. Based on the assessment, there are no abnormal issues identified during the pre-acceptance stage of CL Partners. The Audit Committee has reviewed the Proposal and having discussed with the representatives of CL Partners, the Audit Committee is satisfied that CL Partners is independent and has sufficient resources during the proposed period of engagement, including appropriate technical competence, and that sufficient staff and time will be allocated to perform quality audits on the Group.

THE EGM

Following the resignation of Elite Partners, the Proposed Removal shall not proceed, and the EGM will not be convened.

EXPECTED DATE OF PUBLICATION OF THE ANNUAL RESULTS

Based on the current audit plan proposed by CL Partners, it is expected that the Company would be able to publish the Annual Results on or before 31 August 2024.

CONTINUED SUSPENSION OF TRADING

At the request of the Company, trading in the shares of the Company on the Stock Exchange has been suspended with effect from 9:00 a.m. on 2 April 2024, and will remain suspended pending the release of an announcement for the 2023 Annual Results. The Company will keep the public informed of the latest developments by making further announcement(s) as and when appropriate.

Shareholders and potential investors of the Company are advised to exercise due caution when dealing in the securities of the Company. When in doubt, Shareholders and potential investors of the Company are advised to seek advice from professional or financial advisers.

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

Hong Kong, 18 June 2024

As at the date of this announcement, the Board comprises three executive Directors, namely Ms. Shi Qi, Mr. Li Jihua 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.