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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 ON USE OF PROCEEDS

Reference is made to the supplemental announcement (the "**Supplemental Announcement**") of the Company dated 10 July 2023 relating to the issuance of convertible bond under general mandate (the "**CB Issuance**"), the annual results announcement of the Company for the year ended 31 December 2023 dated 27 September 2024 (the "**2023 Annual Results**") and the 2023 annual report of the Company dated 24 October 2024 (the "**2023 Annual Report**").

CHANGE IN USE OF PROCEEDS

As disclosed in the Supplemental Announcement, the net proceeds from the CB Issuance amount to approximately HK$40,000,000 (the "**Proceeds**") and the Company intended to use the net proceeds for business development and the general working capital of the Group, of which approximately HK$10,000,000 (the "**UK Funding**") was intended to be used for developing and expanding the retail business in the United Kingdom (the "**Retail Business**"). It was further disclosed in the 2023 Annual Results and 2023 Annual Report that the Proceeds had been fully utilized, as intended.

The Company wishes to inform shareholders and potential investors of the Company that after careful consideration and detailed evaluation of the Group's operations and business strategy in respect of the Retail Business, the board ("**Board**") of directors ("**Directors**") of the Company had resolved to adjust the use of the UK Funding and the Company had subsequently utilized the UK Funding as follows:

	Proposed use of the UK Funding as disclosed in Supplemental Announcement *HK$ million*	**Revised use of the UK funding** *HK$ million*	**Utilised amount of the UK Funding as of 31 December 2023** *HK$ million*
Development and expansion of the Retail Business	10	4.6	4.6
Business development of the Group	–	3.8	3.8
Payment of professional fees of the Group	–	1	1
Payment of operational expenses of the Group	–	0.6	0.6

REASONS FOR THE CHANGE

The Board conducted a thorough assessment of the performance of the Retail Business subsequent to the publication of the Supplemental Announcement and resolved to conduct a strategic restructuring of the operation and management of the Retail Business in order for the Retail Business to better align with the Group's expectations, particularly in terms of business philosophy and management strategy. In light of the strategic restructuring plan, which is still on-going as of the date of this announcement, the Board has resolved to reduce the funding allocated to the development and expansion of the Retail Business as a precautionary measure with the aim of prioritizing sustainable growth instead of immediate returns. Such measure also allows the Group to reallocate resources more effectively, focusing on areas that align with the long-term strategic goals of the organization. The Board will closely monitor the performance of the Retail Business and evaluate opportunities for reinvestment once the desired business conditions are met. The Board considers that the change of use of the Proceeds is in the interests of the Company and its shareholders as a whole and will not have any material adverse effect on the existing business and operations of the Group.

The additional information as disclosed above does not affect any other information contained in the Supplemental Announcement, the 2023 Annual Results and the 2023 Annual Report. Save as disclosed in this announcement, the contents of the Supplemental Announcement, the 2023 Annual Results and the 2023 Annual Report remain unchanged.

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

Hong Kong, 6 November 2024

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.