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TIAN YUAN GROUP HOLDINGS LIMITED
天源集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 6119)

DISCLOSEABLE TRANSACTION
DISPOSAL OF EQUITY INTEREST IN A JOINT VENTURE COMPANY

THE DISPOSAL

The Board is pleased to announce that on 18 March 2025, the Company (as vendor) and H-Xin (as purchaser) entered into the Equity Transfer Agreement, pursuant to which the Company agreed to sell and H-Xin agreed to purchase the Target Shares at a consideration of HK$19,000,000. Upon completion of the Disposal, the Company will cease to have any equity interest in the JV Company.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio in respect of the Disposal exceeds 5% but is less than 25%, the Disposal constitutes a discloseable transaction of the Company and is therefore subject to the notification and announcement requirements but exempt from the circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

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PRINCIPAL TERMS OF THE EQUITY TRANSFER AGREEMENT

Date:	18 March 2025
Parties:	the Company (as vendor); and H-Xin (as purchaser)
Subject matter:	The Company agreed to sell and H-Xin agreed to purchase the Target Shares. The Target Shares represent approximately 6.37% of the total issued shares of the JV Company.
Consideration:	The consideration of the Disposal is HK$19,000,000, which will be paid by H-Xin by bank transfer on the completion date.
Conditions precedent:	Completion shall take place on or before 30 June 2025 or such other date agreed by the parties in writing subject to fulfilment of the following conditions precedent:

(a) The Company has complied with the requirements of the Listing Rules or other applicable laws and regulations;

(b) Each party has obtained all necessary authorizations, approvals, consents, licenses, filings, or registration procedures required for the execution and performance of the Equity Transfer Agreement from the relevant government authorities or other concerned third parties (including but not limited to the Stock Exchange and the Securities and Futures Commission of Hong Kong);

(c) The board of directors of the JV Company has approved the Disposal;

(d) Fortune Oil PRC, the 93.63% shareholder of the JV Company, has given written consent to the Disposal and agreed not to exercise its right of first refusal and co-sale rights;

(e) H-Xin agreed to sign a new joint venture deed in respect of the JV Company with the terms and conditions agreed by Fortune Oil PRC; and

(f) The representations and warranties made by the parties in the Equity Transfer Agreement remain true, accurate, and complete in all respects at completion.

Completion: Upon completion of the Disposal, the JV Company will be owned as to approximately 93.63% and 6.37% by Fortune Oil PRC and H-Xin, respectively. The Company will cease to have any equity interest in the JV Company.

Basis of the Consideration

The consideration of HK$19,000,000 of the Target Shares was arrived at after arm's length negotiations between the Company and H-Xin on normal commercial terms. In arriving the consideration, the Company has considered, among others, the Company's investment costs of approximately HK$18,636,000 in the JV Company as detailed in the Company's announcements dated 9 October 2020 and 20 March 2023.

INFORMATION OF THE JV COMPANY

The JV Company is a limited liability company incorporated in Hong Kong. As at the date of this announcement, it is owned as to approximately 93.63% and 6.37% by Fortune Oil PRC and the Company, respectively. Fortune Oil PRC is a limited liability company incorporated in Hong Kong, principally engages in investment and trading of energy resources related to oil and natural gas in the PRC. To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, each of Fortune Oil PRC and its ultimate beneficial owner is an Independent Third Party.

The JV Company is an investment holding company which owns 60% equity interest in China National Aviation Fuel Group Southern Storage and Transportation Company Limited (中國航油集團南方儲運有限責任公司) ("**Southern Storage**"), a company incorporated in the PRC which principally engages in the investment and construction and operation of an oil depot project in Zhanjiang, Guangdong Province, the PRC, which is currently under development.

The financial information of the JV Company for the two years ended 31 March 2023 and 2024 and nine months ended 31 December 2024 is as follows:

JV Company

	For the year ended 31 March		For the nine months ended 31 December
	2023	**2024**	**2024**
	(audited)	**(audited)**	**(unaudited)**
	US$	*US$*	*US$*
Net Loss (before tax)	(219,935)	(6,731)	(143)
Net Loss (after tax)	(219,935)	(6,731)	(143)

The financial information of Southern Storage for the two years ended 31 December 2023 and 2024 is as follows:

Southern Storage

	For the year ended 31 December	
	2023	**2024**
	(audited)	**(audited)**
	RMB	*RMB*
Net Loss (before tax)	(58,642)	(798,428)
Net Loss (after tax)	(58,642)	(798,428)

As at 31 December 2024, the audited net asset of Southern Storage amounted to approximately RMB313,395,772.

INFORMATION OF THE PARTIES TO THE EQUITY TRANSFER AGREEMENT

The Group is principally engaged in the provision of bulk and general cargo uploading and unloading services and related ancillary value-added services through operating terminals situated in the Shuidong port area of the Port of Maoming as well as supply and sales of oil products in the PRC.

H-Xin is a limited liability company incorporated in Hong Kong and is principally engaged in trading of energy commodities , such as crude oil, fuel oil, asphalt mixture, coal and grain, etc. internationally. It is ultimately owned by Mr. Yang Ya Jian, a PRC citizen and a merchant. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of H-Xin and its ultimate beneficial owner is an Independent Third Party.

REASONS AND BENEFITS OF THE DISPOSAL

Although there is demand for storage services in Zhanjiang, Guangdong, the Group's shareholding in the JV Company was significantly diluted since it did not make proportional capital contribution in the JV Company (details are set out in the Company's announcement dated 20 March 2023). The Board believes by divesting from the JV Company, the Company can consolidate resources and apply its capital with a focus on its principal businesses, and provide the Group with greater financial flexibility, allowing us to focus on our core competencies.

In light of the above, the Board is of the view that the transactions under the Equity Transfer Agreement are on normal commercial terms, the terms and conditions of the Equity Transfer Agreement are fair and reasonable and the Disposal contemplated thereunder is in the interests of the Company and the Shareholders as a whole.

FINANCIAL IMPACT OF THE DISPOSAL AND THE INTENDED USE OF PROCEEDS

As at the date of this announcement, the Company holds approximately 6.37% equity interest in the JV Company, which is accounted for as financial assets at fair value through other comprehensive income (FVOCI). Upon completion of the Disposal, the Group will cease to hold any equity interest in the JV Company.

It is expected that the Group will recognize an unaudited net gain of approximately HK4.9 million from the Disposal, which is calculated by reference to the total consideration for the Disposal less the carrying amount of the net assets of the equity interest as at 28 February 2025 and estimated expenses and tax. The related balance within the FVOCI reserve, including the expected unaudited net gain, will be transferred to retained earning on the Disposal. The actual gain or loss resulting from the Disposal will be further adjusted subject to the audits of the Company.

The Board intends to apply the net proceeds from the Disposal towards the general working capital of the Group.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio in respect of the Disposal exceeds 5% but is less than 25%, the Disposal constitutes a discloseable transaction of the Company and is therefore subject to the notification and announcement requirements but exempt from the circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

"Board"	the board of Directors
"China" or "PRC"	The People's Republic of China, for the purpose of this announcement only, excluding Hong Kong and Macau Special Administrative Region
"Company"	Tian Yuan Group Holdings Limited (天源集團控股有限公司),an exempted company with limited liability incorporated under the laws of the Cayman Islands, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 6119)
"Director(s)"	the director(s) of the Company
"Disposal"	the Company's disposal of the Target Shares to H-Xin pursuant to the Equity Transfer Agreement
"Equity Transfer Agreement"	the equity transfer agreement entered into between the Company and H-Xin on 18 March 2025 in relation to the Disposal
"Fortune Oil PRC"	Fortune Oil PRC Holdings Limited (富地中國投資有限公司), a company incorporated in Hong Kong with limited liability
"Group"	the Company and its subsidiaries from time to time
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China

"H-Xin"	H-Xin Energy Company Limited (合新能源有限公司), a company incorporated in Hong Kong with limited liability
"Independent Third Party"	third party independent of the Company and its connected persons (having the meaning ascribed to it under the Listing Rules)
"JV Company"	Fortune Tian Yuan Petrochemical Limited (富地天源石化有限公司), a company incorporated in Hong Kong with limited liability
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"percentage ratios"	has the meaning ascribed to it in the Listing Rules
"RMB"	Renminbi, the lawful currency of China
"Shareholder(s)"	holder(s) of shares in the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subsidiary"	has the meaning ascribed to it in the Listing Rules
"Target Shares"	19,130,441 shares in the JV Company owned by the Company as at the date of this announcement, representing approximately 6.37% of the issued shares of the JV Company
"%"	per cent

By order of the Board
Tian Yuan Group Holdings Limited
Yang Jinming
Chairman and Chief Executive Officer

Hong Kong, 18 March 2025

As at the date of this announcement, the executive Directors are Mr. Yang Jinming, Ms. Tong Wai Man and Mr. Su Baihan, the non-executive Director is Mr. Yang Fan, and the independent non-executive Directors are Mr. Pang Hon Chung, Professor Wu Jinwen and Mr. Huang Yaohui.