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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)

ISSUE OF SHARES UNDER GENERAL MANDATE

On 1 April 2025 (after trading hours), the Company entered into the Subscription Agreements with the Subscribers, pursuant to which the Subscribers have conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue an aggregate of 120,000,000 Subscription Shares at the Subscription Price of HK\$0.1 per Subscription Share. The obligations of each of the Subscribers under the Subscription Agreements are several (not joint or joint and several) and their rights are separate and independent. No placing agent has been appointed for the Subscriptions.

Assuming that there will be no change in the number of issued Shares between the date of this announcement and the Completion Date, the 120,000,000 Subscription Shares represent (i) approximately 9.14% of the existing issued Shares of the Company as at the date of this announcement; and (ii) approximately 8.37% of the issued Shares of the Company as enlarged by the allotment and issue of the Subscription Shares.

The Subscription Shares will be allotted and issued under the General Mandate, and therefore the allotment and issue of the Subscription Shares is not subject to the approval of the Shareholders. The Company will apply to the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares.

The net proceeds will be approximately HK\$12 million. The net proceeds are intended to be used as general working capital of the Group to support the Group's further business development, including, but not limited to, its digital marketing business.

Shareholders and potential investors of the Company should note that Completion is subject to the fulfilment of the conditions set out in the Subscription Agreements. The Subscriptions may or may not proceed. Shareholders and potential investors of the Company are therefore urged to exercise caution when dealing in the Shares or other securities of the Company.

INTRODUCTION

On 1 April 2025 (after trading hours), the Company entered into the Subscription Agreements with the Subscribers, pursuant to which the Subscribers have conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue an aggregate of 120,000,000 Subscription Shares at the Subscription Price of HK\$0.1 per Subscription Share. The number of Shares to be subscribed by Subscriber I is 25,000,000 Shares, Subscriber II is 25,000,000 Shares and Subscriber III is 70,000,000. The obligations of each of the Subscribers under the Subscription Agreements are several (not joint or joint and several) and their rights are separate and independent. No placing agent has been appointed for the Subscriptions.

THE SUBSCRIPTION AGREEMENTS

The principal terms of the Subscription Agreements are set out as follows:

Date

1 April 2025

Parties

- (1) The Company (as the issuer); and
- (2) Mr. Gai Bo Tao (being Subscriber I), Ms. Zhang Li (being Subscriber II), Ms. Qie Jing (being Subscriber III) as the subscribers

Background Information of the Subscribers

(1) Subscriber I

Subscriber I, Mr. Gai Bo Tao, is a Hong Kong citizen and a businessman.

(2) Subscriber II

Subscriber II, Ms. Zhang Li, is a Hong Kong citizen and a businesswoman.

(3) Subscriber III

Subscriber III, Ms. Qie Jing, is a Chinese citizen and a businesswoman.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of the Subscribers is an Independent Third Party. Upon completion of the Subscriptions, none of the Subscribers will become a substantial Shareholder (as defined in the Listing Rules).

Subscription Shares

Subject to the fulfilment of the conditions set out below, the Subscribers shall subscribe an aggregate of 120,000,000 Subscription Shares. The aggregate nominal value of the Subscription Shares will be HK\$12,000,000.

As at the date of this announcement, the Company has 1,313,467,000 Shares in issue. Assuming there will be no change in the number of issued Shares between the date of this announcement and the Completion Date, the 120,000,000 Subscription Shares represent: (i) approximately 9.14% of the existing issued Shares of the Company as at the date of this announcement; and (ii) approximately 8.37% of the issued Shares of the Company as enlarged by the allotment and issuance of the Subscription Shares.

Subscription Price

The Subscription Price represents:

- (i) a premium of approximately 21.95% to the closing price of HK\$0.082 per Share as quoted on the Stock Exchange on 1 April 2025, being the closing price on the date of the Subscription Agreements; and
- (ii) a premium of approximately 19.05% to the average closing price of approximately HK\$0.084 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of the Subscription Agreements.

The Subscription Price was arrived at after arm's length negotiations between the Company and each of the Subscribers with reference to the prevailing market price, the recent trading performance of the Shares and the current challenging operating environment and economic uncertainties. The Directors consider that the Subscription Price and the terms of the Subscription Agreements are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

Conditions of the Subscriptions

Completion of the Subscription Agreements shall be subject to and conditional upon the following:

- (a) the Listing Committee of the Stock Exchange granting the approval for the listing of, and the permission to deal in, the Subscription Shares;
- (b) all other necessary consents, approvals, reports and filings pursuant to the Listing Rules and applicable laws for the consummation of the transactions contemplated in the Agreement having been obtained by the Company and the Subscribers;

- (c) all Company's representations, warranties and undertakings remaining true and accurate in all material respects and not misleading in any material respect; and
- (d) all Subscribers' representations, warranties and undertakings remaining true and accurate in all material respects and not misleading in any material respect.

The above condition precedent (c) and (d) can be fully or partly waived by the Company and the Subscribers, respectively. However, the above condition precedent (a) and (b) cannot be waived by the Subscribers and the Company.

The Subscribers and the Company undertake to use their reasonable endeavours to ensure that the conditions precedent are fulfilled as early as practicable. If any of the conditions precedent is not fulfilled by the relevant party or waived (as the case may be) on or before the Long Stop Date (or such other day as the Company and the Subscriber may agree), the Subscription Agreements shall terminate and neither the Company nor the Subscribers shall be liable to each other or have any claim against one another for damages, compensation or otherwise save and except any liability arising from antecedent breaches by either party.

Completion of the Subscriptions

Completion of the Subscriptions shall take place within seven Business Day after all the conditions are met or waived (as the case may be) (or such later date as may be agreed between the parties to the Subscription Agreements).

Ranking of the Subscription Shares

The Subscription Shares, when fully paid, will rank *pari passu* in all respects among themselves and with the Shares in issue or to be issued by the Company on or prior to the date of completion of the Subscriptions, including the rights to all dividends and other distributions declared, made or paid at any time after the date of allotment.

Application for Listing

An application will be made by the Company to the Stock Exchange for the granting of listing of, and permission to deal in, the Subscription Shares.

General Mandate to issue the Subscription Shares

The Subscription Shares will be allotted and issued pursuant to the General Mandate granted to the Directors at the AGM, pursuant to which the Directors are authorised to allot, issue and otherwise deal with up to 261,353,400 new Shares, representing 20% of the number of Shares in issue as at the date of the AGM.

As at the date of this announcement, the General Mandate have been utilised as to 6,700,000 Shares which consist of the Fee Shares issued by the Company on 10 December 2024 (details of which are set out in the announcements of the Company dated 22 November 2024 and 10 December 2024). Accordingly, 254,653,400 Shares remain available for allotment and issue under the General Mandate which is sufficient for the allotment and issue of all the Subscription Shares. As such, no further shareholders' approval is required for the allotment and issue of the Subscription Shares.

REASONS FOR AND BENEFITS OF THE SUBSCRIPTIONS AND USE OF PROCEEDS

The Directors consider that the business expansion plans of the Company, especially with the gradual growth of the of the Group's digital marketing business, requires the Company to increase its capital, with an aim to improving and enhancing its profitability. The issue of the Subscription Shares represents an opportunity to raise additional funds for the Group's general working capital needs. In particular, the Directors are of the view that (i) the Subscriptions will not result in interest costs or other expenses; (ii) the Subscriptions will ensure that the Company can obtain funds of a certain amount within a short time; and (iii) issuance of new Shares by the consideration of cash will improve the financial position of the Company, by increasing liquidity. The Directors believe that the Subscription Agreements are made on normal commercial terms, are fair and reasonable, and in the interests of the Company and the Shareholders as a whole. In addition, the Subscription Price and the quantity of the Subscriptions were made with a reference to the prevailing and recent market prices and trading volume of the Shares.

The net proceeds from the Subscription will be approximately HK\$12 million and the Company intends to utilize the net proceeds as general working capital of the Group to support the Group's further business development, including, but not limited to, its digital marketing business.

EQUITY FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

As disclosed in the announcement of the Company dated 19 February 2024, the Company proposed to implement a rights issue (the "Rights Issue") on the basis of one rights share for every two Shares held on the record date at the subscription price of HK\$0.120 per rights share, to raise up to (i) approximately HK\$78.4 million (before deducting professional fees and other related expenses) by issuing up to 653,383,500 rights shares (assuming no changes in the share capital of the Company on or before the record date); or (ii) approximately HK\$87.7 million (before deducting professional fees and other related expenses) by issuing up to 731,204,511 rights shares (assuming no changes in the share capital of the conversion in full of the Convertible Bonds issued by the Company on 21 July 2023) to the qualifying Shareholders. As disclosed in the announcements

of the Company dated 1 March 2024, 12 March 2024 and 3 April 2024, in view of the suspension of trading in the Shares, the despatch date of the prospectus documents in respect of the Rights Issue was postponed. The Right Issue was subsequently terminated on 1 April 2025, the details of which are disclosed in the announcement of the Company dated 1 April 2025.

Save as disclosed above, the Company has not conducted any equity fund raising activities in the past 12 months immediately preceding the date of this announcement.

EFFECT ON SHAREHOLDING STRUCTURE OF THE COMPANY

The table below illustrates the shareholding structures of the Company: (i) as at the date of this announcement; (ii) immediately upon the Completion pursuant to the Subscription Agreements; and (iii) immediately upon the Completion and assuming full conversion of the Convertible Bonds, assuming that there will be no other change to the share capital of and shareholding in the Company other than the allotment and issue of the Subscription Shares and the conversion shares upon conversion of the Convertible Bonds:

						itely after
	Immediately before Completion		Immediately after Completion		Completion and assuming full conversion of the Convertible Bonds	
		% of		% of		% of
	Number of	shareholdings	Number of	shareholdings	Number of	shareholdings
	Shares	(Approximately)	Shares	(Approximately)	Shares	(Approximately)
Lyton Maison Limited						
(Note 1)	796,875,490	60.67	796,875,490	55.59	796,875,490	50.19
Mr. Hu Jiangbing (Note 2)	850,000	0.06	850,000	0.06	850,000	0.05
MDK Corporate Services						
Limited	6,700,000	0.51	6,700,000	0.47	6,700,000	0.42
Rising Jiarui Investment						
Management Co., Ltd.						
(Note 3)	-	_	-	-	155,642,023	9.79
Subscriber I	-	_	25,000,000	1.74	25,000,000	1.57
Subscriber II	-	_	25,000,000	1.74	25,000,000	1.57
Subscriber III	-	-	70,000,000	4.88	70,000,000	4.40%
Other public Shareholders	509,041,510	38.76	509,041,510	35.51	509,041,510	32.03
Total	1,313,467,000	100.00	1,433,467,000	100.00	1,589,109,023	100.00

Notes:

- 1. Lyton Maison Limited is interested in 796,875,490 Shares and is solely owned by Ms. Shi Qi, the chairlady and an executive Director of the Company. Of the 796,875,479 shares held by Lyton Maison Limited, 654,810,600 shares were charged to Mason Resources Finance Limited, which was indirectly wholly-owned by Mason Group Holdings Limited.
- 2. Mr. Hu Jiangbing was an independent non-executive Director and retired on 18 November 2024.
- 3. Rising Jiarui Investment Management Co., Ltd. holds the Convertible Bonds and is ultimately and beneficially owned by Mr. Li Bing (李冰) and Mr. Zhang Baohui (張寶輝).

Shareholders and potential investors of the Company should note that the Completion of the Subscriptions is subject to the fulfilment of the conditions set out in the Subscription Agreements. The Subscriptions may or may not proceed. Shareholders and potential investors of the Company are therefore urged to exercise caution when dealing in the Shares or other securities of the Company.

DEFINITIONS

"AGM"	the annual general meeting of the Company held on 18 November 2024
"Board"	the board of Directors
"Business Day(s)"	any day (other than a public holiday, Saturday, Sunday or a day on which a typhoon signal no. 8 or above or black rainstorm signal is hoisted or the Extreme Conditions is announced in Hong Kong between 9:00 a.m. to 5:00 p.m.) on which banks are generally open for business in Hong Kong.
"Company"	Ta Yang Group Holdings Limited, a company incorporated in the Cayman Islands with limited liability and whose shares are listed on the Main Board of the Stock Exchange with stock code 1991
"Completion"	the completion of the Subscriptions
"Completion Date"	seven Business Days following the date on which the conditions precedent of the Subscription Agreements are fulfilled or waived as the case may be or such other date as may be agreed by the Company and the Subscribers in writing
"connected person(s)"	has the same meaning ascribed to it in the Listing Rules

"Convertible Bonds"	the 10% per annum, 3 years convertible bond in the principal amount of HK\$40,000,000 issued by the Company on 21 July 2023, details of which are set out in the announcements of the Company dated 3 July 2023, 10 July 2023 and 21 July 2023
"Director(s)"	the director(s) of the Company
"General Mandate"	the general mandate granted to the Directors at the AGM to allot, issue and otherwise deal with new Shares not exceeding 20% of the shares in issue as at the date of the AGM
"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
"Independent Third Party(ies)"	to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, any person or company and their respective ultimate beneficial owner(s) (if applicable) who are third parties independent of the Company and its connected persons
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Long Stop Date"	30 June 2025, or any other date as agreed in writing between the Subscribers and the Company under the Subscription Agreements
"Share(s)"	ordinary share(s) of par value of HK\$0.10 each in the existing share capital of the Company
"Shareholder(s)"	holder(s) of the Share(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Subscriber I"	Mr. Gai Bo Tao (蓋波濤), being the subscriber under the Subscription Agreements
"Subscriber II"	Ms. Zhang Li (張麗), being the subscriber under the Subscription Agreements

"Subscriber III"	Ms. Qie Jing (郄婧), being the subscriber under the Subscription Agreements
"Subscribers"	collectively, Subscriber I, Subscriber II and Subscriber III
"Subscription Agreements"	the subscription agreements dated 1 April 2025 and entered into between the Company and each of Subscriber I, Subscriber II and Subscriber III, in relation to the Subscriptions, collectively refer to the Subscription Agreements
"Subscription Price"	HK\$1.00 per Subscription Share
"Subscription Share(s)"	an aggregate of 120,000,000 Shares to be subscribed by the Subscribers pursuant to the Subscription Agreements
"Subscriptions"	the subscriptions for the Subscription Shares by the Subscribers pursuant to the Subscription Agreements
"%""	per cent.
	By order of the Board Ta Yang Group Holdings Limited Shi Qi

Chairlady

Hong Kong, 1 April 2025

As at the date 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 three independent non-executive Directors, namely Mr. Chan Siu Tat, Ms. Wang Lina and Dr. Feng Xin.