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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 DISCLOSEABLE AND CONNECTED TRANSACTION IN RELATION TO DISPOSAL OF A SUBSIDIARY AND CONNECTED TRANSACTION IN RELATION TO ACQUISITION OF A SUBSIDIARY

Reference is made to the announcement of Ta Yang Group Holdings Limited (the "**Company**") dated 7 November 2025 (the "**DT Announcement**") in relation to the disposal of the Target Company. On 20 November 2024, WTS 2020 Limited, a subsidiary of the Group (the "**Seller**"), and New Vision International Ltd (the "**Purchaser**") entered into the Share Purchase Agreement, pursuant to which the Seller agreed to sell, and the Purchaser agreed to purchase, the Sale Shares, representing 60% of the issued share capital of the Target Company, at the total consideration of £1.8 million (approximately HK$18.1 million). Unless otherwise stated, capitalised terms used in this announcement shall have the same meanings as those defined in the DT Announcement.

1. DISPOSAL OF A SUBSIDIARY

Further Information on the Target Company and the Purchaser

The Target Company

The Target Company is a company incorporated in the United Kingdom with limited liability. It is principally engaged in retail business in the United Kingdom. As at the date of the Share Purchase Agreement and the Disposal, it was a non-wholly owned subsidiary of the Company and the equity interests of the Target Company were held by the Seller and the Purchaser as to 60% and 40%, respectively.

The Purchaser

The Purchaser is a company incorporated in the United Kingdom and is principally engaged in food & beverage and education services. The ultimate beneficial owner of the Purchaser is Yiqun Xin. As at the date of the Share Purchase Agreement and the Disposal, the Purchaser held 40% interest in the Target Company. Accordingly, the Purchaser was a connected person of the Company at the subsidiary level.

Reasons for and Benefits of the Disposal

The Target Company has recorded continuous losses and faced operational challenges over the past few years. For the years ended 31 December 2022 and 2023, it had net losses of approximately HK$5.42 million and HK$9.90 million, respectively. For the ten months ended 31 October 2024, it continued to incur losses and only recorded an unaudited profit of approximately HK$7.51 million after capitalising approximately HK$11.06 million of new-store development costs as fixed assets. The underperformance was mainly attributable to the increasingly competitive environment in the United Kingdom Asian supermarket sector during the period leading up to the Disposal.

In view of the Target Company's continuing losses and significant capital requirements for store expansion, the Purchaser and the Group held differing views on the Target Company's business plans and financial strategy. Following unsuccessful attempts to reach a constructive resolution and in light of ongoing disputes concerning operational and funding matters, the Group determined that it would not be in the best interests of the Group to provide further shareholder loans to the Target Company. The Group therefore decided to realise its investment in order to limit any additional financial exposure. Accordingly, the Group pursued an exit strategy to dispose of its shares in the Target Company and commenced legal proceedings to recover its shareholder loan.

Following subsequent negotiations, the parties reached a settlement and agreed on the fixed sum of approximately £1.8 million (approximately HK$18.1 million), comprising the Group's original equity investment of £318,000 (approximately HK$3.2 million) and the shareholder loans (including principal and interest) of approximately £1.5 million (approximately HK$15.1 million).

Due to the Purchaser's limited cash availability and in light of the Group's intention to retain a retail presence in the United Kingdom, the Group recovered its contribution in the Target Company of approximately £1.8 million (approximately HK$18.1 million) through the following arrangements:

(i) the Purchaser transferred to the Group the entire issued share capital of Yohome H.B. Ltd ("**Yohome**"), a company wholly owned by the Purchaser that holds a retail store located in Holborn, United Kingdom ("**Yohome Supermarket**"), valued at approximately £1.5 million (approximately HK$15.1 million) (the "**Acquisition**"); and

(ii) the Purchaser paid an aggregate amount of £323,415 (approximately HK$3.3 million), comprising (a) the cash consideration of £313,415 (approximately HK$3.2 million); and (b) the transfer of inventories valued at approximately £10,000 (approximately HK$0.1 million) to the Yohome Supermarket. The total amount was broadly aligned with the original acquisition cost of the shares of £318,000 (approximately HK$3.2 million) in 2021.

In view of the operating environment and the financial performance of the Target Company, the management of the Group believes that the Disposal provides a certain and immediate exit opportunity from a non-core and underperforming asset. Despite recording an audited loss on disposal of the Target Company of approximately HK$6.1 million, primarily attributable to foreign exchange losses, as well as impairment of inventories and right-of-use assets, the Disposal enables the Group to refocus its resources on other existing businesses with established scale and growth potential. Given the Target Company's continued loss-making position, maintaining such business would not be cost effective in generating optimal returns and does not align with the Company's long-term development strategy.

In light of the above, the Board has approved the Share Purchase Agreement and the Disposal and considers it to be fair and reasonable, on normal commercial terms and in the interests of the Company and its shareholders as a whole.

2. ACQUISITION OF A SUBSIDIARY

The Acquisition

Date	:	20 November 2024
Parties	:	(1) New Vision International Ltd (the "**Transferor**"); and (2) WTS 2020 Limited (the "**Transferee**").
Subject matter	:	As part of the Consideration under the Disposal, the Transferor agreed to transfer the entire issued share capital of Yohome to the Transferee.
Valuation	:	Approximately £1.5 million (approximately HK$15.1 million), as part of the Consideration under the Disposal.

Basis of Valuation

The valuation of Yohome (the "**Yohome Valuation**") regarding the Acquisition were determined after arm's length negotiations between the Transferee and the Transferor with reference to:

(i) the total asset of Yohome (approximately £1.54 million (approximately HK$15.5) million) according to the management account as at 31 October 2024;

(ii) the business prospect of Yohome; and

(iii) the reasons for and benefits of the Acquisition as stated under the section headed "REASONS FOR AND BENEFITS OF THE ACQUISITION" below.

Up to the date of the Disposal and the Acquisition, the Group had provided shareholder loans in aggregate of approximately £1.5 million (approximately HK$15.1 million) to the Target Company. A substantial portion of such shareholder loans (approximately £1.43 million (approximately HK$14.4 million)) had been further advanced by the Target Company to Yohome by way of inter-company loans for the establishment and operation of the Yohome Supermarket (the "**Yohome Loan**").

As a result of the inter-company loans between Yohome and the Target Company, the total assets of approximately £1.54 million (approximately HK$15.5) million) were substantially offset by the total liabilities of approximately £1.50 million (approximately HK$15.1 million), which primarily comprised the Yohome Loan. Accordingly, the net asset value of Yohome was approximately £45,000 (approximately HK$453,000) as at 31 October 2024.

By accepting the Acquisition as part of the overall settlement arrangement, the Group has effectively recovered the economic value of its shareholder loans previously advanced to the Target Company through the acquisition of Yohome, the business and principal assets of which were substantially funded by such inter-company loans. Furthermore, the Directors also noted that Yohome has recorded profit and has demonstrated positive operating performance, with an unaudited profit after tax of approximately HK$7.19 million for the ten months ended 31 October 2024. Accordingly, the Board considers that the Yohome Valuation and the Acquisition are fair and reasonable, on normal commercial terms, and in the interests of the Company and its Shareholders as a whole.

Information on Yohome, the Transferor and the Transferee

Yohome

Yohome is a company incorporated in the United Kingdom and is principally engaged in the operation of supermarket business in the United Kingdom. As at the date of the Acquisition, Yohome was operating the Yohome Supermarket located in Holborn, United Kingdom. Prior to the Acquisition, Yohome was 100% owned by the Transferor, whose ultimate beneficial owner is Yiqun Xin.

As part of the Consideration under the Disposal, the Transferee acquired the entire issued share capital of Yohome upon completion. Yohome became a wholly owned subsidiary of the Group and accordingly, the financial results of Yohome will be consolidated into the consolidated financial statements of the Group.

The Transferor (New Vision International Ltd)

The Transferor is a company incorporated in the United Kingdom and is principally engaged in food & beverage and education services. The ultimate beneficial owner of the Transferor is Yiqun Xin. As at the date of the Acquisition, the Transferor held 100% interest in Yohome and 40% interest in the Target Company (of which 60% of the issued shares were held by the Transferee). Accordingly, the Transferor was a connected person of the Company at the subsidiary level.

The Transferee (WTS 2020 Limited)

WTS 2020 Limited is an indirect wholly-owned subsidiary of the Company incorporated in the United Kingdom and is principally engaged in the trading of silicone rubber.

Financial effect of the Acquisition

The audited financial results of Yohome for the two years ended 31 December 2022 and 2023 and the unaudited financial results for the 10 months ended 31 October 2024 are as follows:

	For the year ended 31 December		**For the 10 months ended 31 October**
	2022	**2023**	**2024**
	HK$'000 (Approximately)	*HK$'000 (Approximately)*	*HK$'000 (Approximately)* (Unaudited)
Net (loss)/profit before tax	–[1]	308.54	7,758.89
Net (loss)/profit after tax	–[1]	(71.22)	7,191.95

Note:

(1) Yohome was incorporated on 13 December 2022.

As at 31 October 2024, the unaudited consolidated net assets of Yohome was approximately £45,000 (approximately HK$453,000).

Reasons for and Benefits of the Acquisition

Considering the Transferor's limited financial resources, the significant cost and time required to establish a comparable store in the prime location of Holborn, the business prospects of Yohome given its profit-making performance immediately prior to the Acquisition, and the Group's intention to retain a retail presence in the United Kingdom, the Board considered it appropriate for the Group to accept the Acquisition as part of the overall consideration for the Disposal.

Based on the above, the Directors (including independent non-executive Directors) have approved the Acquisition and are of the view that the Acquisition has been made on normal commercial terms and that the Yohome Valuation and the Acquisition were fair and reasonable and in the interests of the Company and the Shareholders as a whole.

3. LISTING RULES IMPLICATIONS

Disposal of a Subsidiary

As the Purchaser is considered a connected person of the Company at the subsidiary level by virtue of being a substantial shareholder of the Target Company, the Disposal constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. Pursuant to Rule 14A.101 of the Listing Rules, since (i) the Purchaser is a connected person of the Company at the subsidiary level; (ii) the transactions contemplated under the Disposal and the Share Purchase Agreement are entered into on normal commercial terms; and (iii) the Board (including independent non-executive Directors) has approved the Disposal, the Share Purchase Agreement and the transactions contemplated thereunder, and confirmed that such transactions are entered into on normal commercial terms, are fair and reasonable and are in the interest of the Company and Shareholders as a whole, the transactions contemplated under the Share Purchase Agreement and the Disposal are subject to the reporting and announcement requirements but are exempt from the circular, independent financial advice and shareholders' approval requirements under Chapter 14A of the Listing Rules.

None of the Directors had any material interest in the Disposal nor was required to abstain from voting on the Board resolution(s) approving the Disposal.

Acquisition of a Subsidiary

As the Transferor is considered a connected person of the Company at the subsidiary level by virtue of being a substantial shareholder of the Target Company, the Acquisition constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio of the transaction contemplated under the Acquisition exceeds 0.1% but is less than 5%, pursuant to Rule 14A.76(2) of the Listing Rules, the Acquisition is subject to the reporting and announcement requirements but is exempted from the circular, independent financial advice and shareholders' approval requirements under Chapter 14A of the Listing Rules.

None of the Directors had any material interest in the Acquisition nor was required to abstain from voting on the Board resolution(s) approving the Acquisition.

4. REMEDIAL ACTIONS

The Company would like to express deep regrets for its unintentional error on failure to disclose the Disposal and Acquisition as connected transactions and confirms that it had no intention to withhold any information relating to the Share Purchase Agreement, the Disposal and the Acquisition.

To prevent similar non-compliance in the future, the Company will review its list of "connected persons" to ensure that all parties deemed to be connected persons under the Listing Rules are properly identified and included. The updated list of connected persons will be re-circulated to each subsidiary of the Company to assist each member of the Group in identifying whether a counterparty constitutes a connected person of the Group and such list will be updated on a quarterly basis. Each subsidiary of the Company should check the party of the transaction to the list of connected persons to determine whether the transaction involves a connected person of the Company. In cases of doubt regarding the identity of a counterparty, the transaction will be referred to the Company's compliance department for further review and assessment.

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

Hong Kong, 15 May 2026

For the purpose of this announcement and for illustration purpose only, conversion of £ to HK$ is based on the exchange rate of £1 to HK$10.07.

As at the date of this announcement, the Board comprises two executive Directors, namely Ms. Shi Qi and Mr. Li Jiuhua; four non-executive Directors, namely, Mr. Law Wai Ip Vincent, Mr. Gu Shixiang, Mr. Han Lei and Mr. Wang Dongzhu; and three independent non-executive Directors, namely Ms. Zhang Li, Mr. Zhang Li and Dr. Xie Jun.