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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)

**TERMINATION OF MAJOR TRANSACTION
IN RELATION TO DISPOSAL OF 71% INTEREST
IN TARGET COMPANY**

This announcement is made by Ta Yang Group Holdings Limited (the “**Company**”) pursuant to Rule 13.09 and Rule 14.36 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong).

References are made to (i) the announcements of the Company dated 5 July 2021 and 26 July 2021; and (ii) the circular of the Company dated 30 August 2021 (the “**Circular**”) in relation to the Disposal. Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the Circular.

As stipulated in the Agreement, the Consideration shall be fully paid within six months from the date of the Agreement in order for the completion of the Disposal to take place. However, the Consideration has not been fully paid as at the date of this announcement. The Company has maintained a communication with the Purchaser for possible measures to pay the Consideration, but the Purchaser has not been unable to form a concrete payment plan for the Consideration. In light of the existing situation, the Company is of the view that amending the terms of the Agreement in relation to the payment method of the Consideration may introduce much uncertainty and extending the long stop date for the completion is not in the best interest of the Company and the Shareholders as a whole.

On 28 January 2022, the Company, the Target Company, the Purchaser and Mr. Shi Junfeng (“**Mr. Shi**”, being the sole shareholder and controller of the Purchaser) entered into a termination agreement (the “**Termination Agreement**”) whereby the parties have agreed to terminate the Agreement immediately. The Purchaser and Mr. Shi shall restore all transaction arrangements which have occurred by cause of the Agreement to the position before entering into of the Agreement. Upon completion of such restoration, no party shall claim against each other on any breach(es) in connection with the Agreement and the Termination Agreement.

As at the date of the Termination Agreement, 25% interest in the Target Company has been transferred to the Purchaser. As the payment obligation of the Consideration has not been fully performed and as stipulated in the Termination Agreement, the Purchaser shall return the relevant interests in the Target Company to the Company. Given that the Disposal will not proceed, the Target Company continues to be a wholly-owned subsidiary of the Company. The Board considers that the termination of the Agreement will not have any material adverse impact on the financial position and operation of the Group.

The Board is of the view that the entering into of the Termination Agreement is in the best interest of the Company and its Shareholders as a whole and the Group will continue to seek other opportunities to realise the value in the Target Group.

On behalf of the Board
Ta Yang Group Holdings Limited
Shi Qi
Chairlady

Chengdu, 28 January 2022

As at the date this announcement, the Board comprises four executive Directors, namely Ms. Shi Qi, Mr. Liu Wengang, Mr. Cheng Hong and Mr. Gao Feng; two non-executive Directors, namely, Mr. Han Lei and Mr. Chan Tsun Hong Philip; and three independent non-executive Directors, namely Mr. Lin Bing, Mr. Hu Jiangbing and Ms. Wang Lina.