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## **DISCLOSEABLE TRANSACTION REGARDING DISPOSAL OF A PROPERTY HOLDING COMPANY**

### **THE PROVISIONAL SP AGREEMENT**

The Board wishes to announce that after trading hours on 21 September 2017, the Vendor, a wholly-owned subsidiary of the Company, and the Company (as the Vendor's guarantor) entered into the Provisional SP Agreement with the Purchaser, pursuant to which the Vendor has conditionally agreed to sell, and the Purchaser has conditionally agreed to acquire, (i) the Sale Share, representing the entire issued share capital of the Target, and (ii) the Sale Debts, representing the entire shareholder's loan owing by the Target to the Vendor as at Completion Date, at an aggregate cash consideration of HK\$738 million.

The Target is a property holding company and its principal asset is the Property, i.e. the entire 79th floor of The Center, a high rise office tower in Central, Hong Kong.

Upon Completion, the Target will cease to be an indirect wholly-owned subsidiary of the Company and the Company will cease to have any interest in the Target.

### **IMPLICATIONS UNDER THE LISTING RULES**

To the best knowledge, information and belief of the Directors having made all reasonable enquiry, each of the Purchaser and its ultimate beneficial owners is an Independent Third Party.

As the highest applicable percentage ratio in respect of the Disposal is more than 5% but is less than 25%, the Disposal constitutes a discloseable transaction for the Company under the Listing Rules and is subject to notification and announcement requirements under Chapter 14 of the Listing Rules.

The Board wishes to announce that after trading hours on 21 September 2017, the Vendor, a wholly-owned subsidiary of the Company, and the Company (as the Vendor's guarantor) entered into the Provisional SP Agreement with the Purchaser in respect of the Disposal.

The principal terms of the Provisional SP Agreement are set out below:

## **THE PROVISIONAL SP AGREEMENT**

### **Date**

21 September 2017

### **Parties**

Vendor: Tai Infinite Holdings Group Limited, a wholly-owned subsidiary of the Company

Guarantor: the Company

Purchaser: Profit Gate International Limited

To the best knowledge, information and belief of the Directors having made all reasonable enquiry, each of the Purchaser and its ultimate beneficial owners is an Independent Third Party. The Purchaser is a company incorporated in Hong Kong with limited liability and is principally engaged in investment holding.

### **Assets to be disposed of**

The Vendor has conditionally agreed to sell, and the Purchaser has conditionally agreed to acquire, (i) the Sale Share; and (ii) the Sale Debts, at the Consideration of HK\$738 million.

The Sale Share represents the entire issued share capital of the Target and is owned by the Vendor. The Sale Debts represent the entire shareholder's loan owing by the Target to the Vendor as at Completion Date and as at 31 August 2017, such sum amounted to approximately HK\$359.8 million.

### **Consideration and Payment Term**

The Consideration for the Disposal payable by the Purchaser to the Vendor is HK\$738 million and shall be payable by the Purchaser to the Vendor in the following manner:

- (1) HK\$50 million was paid by the Purchaser to the Vendor upon signing of the Provisional SP Agreement as an initial deposit;
- (2) as to HK\$60.7 million within three calendar days from the date of the Provisional SP Agreement as a further deposit; and
- (3) as to the remaining balance of HK\$627.3 million upon Completion.

The Consideration shall be settled by the Purchaser in cash.

The Consideration was arrived at after arm's length negotiations between the Vendor and the Purchaser on normal commercial terms principally with reference to the fair value of the Property of HK\$600 million as at 30 June 2017.

## **Conditions Precedent**

Completion shall be conditional upon the following Conditions Precedent:

- (1) the Purchaser having completed his due diligence investigation on the business, financial, legal and all other aspects of the Target and reasonably satisfied with results thereof;
- (2) the Vendor, shall at the Vendor's own cost, procure the Target to prove and give a good title to the Property in accordance with Sections 13 and 13A of the Conveyancing and Property Ordinance (Cap. 219 of the Laws of Hong Kong); and
- (3) all the representations, undertakings and warranties given by the Vendor under the Provisional SP Agreement and the Formal Agreement are and shall remain true, accurate, correct and complete and not misleading in all respects up to the Completion.

The Purchaser shall confirm in writing to the Vendor on or before 30 November 2017 whether the Purchaser is reasonably satisfied with conditions (1) and (2) above and shall not raise any requisitions or objections after 30 November 2017. If the Purchaser has not delivered a confirmation in writing confirming that it is satisfied with conditions (1) and (2) above to the Vendor on or before 30 November 2017 or if condition (3) above is not fulfilled (or waived by the Purchaser) on or before the Completion Date, each party shall be entitled to cancel the transaction under the Provisional SP Agreement whereupon the Vendor shall return all the deposits paid to the Purchaser forthwith but without interest, costs or compensation and the Vendor and the Purchaser shall at their own costs enter into a cancellation agreement and neither party shall be entitled to claim against other party for any reliefs.

## **Formal Agreement**

Pursuant to the Provisional SP Agreement, a formal agreement for sale and purchase in relation to the Disposal shall be signed on or before 23 October 2017.

## **Completion**

Subject to the fulfillment or waiver (as the case may be) of all the above Conditions Precedents, Completion shall take place on 28 March 2018.

## **INFORMATION ON THE TARGET**

The Target is a company incorporated in the British Virgin Islands with limited liability and is registered as a non-Hong Kong company. It is an indirectly wholly-owned subsidiary of the Company. The principal business of the Target is property holding and its principal asset is the Property, i.e. the entire 79th floor of The Center, Central, Hong Kong. Currently, the Property is vacant.

The Target was acquired by the Company (through the acquisition of the Vendor) in March 2017.

The unaudited total asset value and net asset value of the Target as at 31 August 2017 were approximately HK\$600.1 million and HK\$239.3 million respectively.

For the year ended 31 March 2016, the audited net profit (before taxation and extraordinary items) and the audited net profit (after taxation and extraordinary items) of the Target were approximately HK\$6.5 million and HK\$6.5 million respectively. For the year ended 31 March 2017, the audited net profit (before taxation and extraordinary items) and the audited net profit (after taxation and extraordinary items) of the Target were approximately HK\$172.8 million and HK\$171.8 million respectively. Such profit was principally attributable to the fair value adjustment in respect of the Property of approximately HK\$170.0 million.

As at the date of this announcement, the Target has created a mortgage on the Property (“**Existing Security**”) in favour of Industrial and Commercial Bank of China (Asia) Limited for certain facilities granted to the Company. The Existing Security will be released prior to the Completion as required under the terms of the Disposal.

Upon Completion, the Target will cease to be an indirect wholly-owned subsidiary of the Company and the Company will cease to have any interest in the Target. The financial results of the Target will no longer be consolidated into the Group’s financial statements.

## **REASONS FOR AND BENEFITS OF THE DISPOSAL**

The Group is principally engaged in: (i) property investment; (ii) distressed debt assets management; (iii) financial services; (iv) commodity trading; (v) securities investment; (vi) mining and exploitation of natural resources; and (vii) sales of medical equipment and other general goods.

It is expected that the Group will record a net book gain of approximately HK\$131.0 million from the Disposal, which is calculated with reference to the difference between (i) the Consideration and (ii) the aggregate of (aa) the estimated unaudited net asset value of the Target as at 31 August 2017; (bb) the amount of the Sale Debts; and (cc) the estimated expenses in connection with the Disposal. The actual amount of gain or loss as a result of the Disposal to be recorded by the Company will be subject to the review and final audit by the auditors of the Company. It is expected that the net proceeds from the Disposal will be used for re-investment for other potential projects and/or business opportunities that may arise and as general working capital of the Group.

In light of the estimated gain that may be recorded by the Company from the Disposal, the Directors consider the Disposal, if materialises, represents an opportunity for the Group to realise its investment in the Target and in substance, the Property, so as to enable the Group to re-allocate more financial resources on future potential investment opportunities and/or working capital of the Group.

The terms of the Provisional SP Agreement were determined after arm’s length negotiations between the parties thereto and the Directors are of the view that the terms of the Provisional SP Agreement are on normal commercial terms and are fair and reasonable and in the interests of the Company and its shareholders as a whole.

## IMPLICATIONS UNDER THE LISTING RULES

As the highest applicable percentage ratio in respect of the Disposal is more than 5% but is less than 25%, the Disposal constitutes a discloseable transaction for the Company under the Listing Rules and is subject to notification and announcement requirements under Chapter 14 of the Listing Rules.

## DEFINITIONS

Unless otherwise specified, the following terms have the following meanings in this announcement:

“Board”	the board of Directors
“Company”	Tai United Holdings Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“Completion”	completion of the Disposal in accordance with the terms and conditions of the Provisional SP Agreement
“Completion Date”	28 March 2018
“Condition(s) Precedent”	the condition(s) precedent to the Completion as set out in the paragraph headed “Conditions Precedent” under the section headed “The Provisional SP Agreement” in this announcement
“Consideration”	the aggregate sum of HK\$738 million, being the purchase price payable to the Vendor for the Sale Share and Sale Debts under the Provisional SP Agreement
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of the Sale Share and the Sale Debts pursuant to the terms and conditions of the Provisional SP Agreement
“Group”	the Company and its subsidiaries
“Formal Agreement”	the formal agreement for sale and purchase in relation to the Disposal, to be signed on or before 23 October 2017 pursuant to the Provisional SP Agreement
“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)”	a party who is not a connected person (within the meaning of the Listing Rules) of the Company and associates (within the meaning of the Listing Rules) of such connected persons

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Property”	the property located at 79th Floor, The Center, No.99 Queen’s Road Central, Hong Kong
“Provisional SP Agreement”	the provisional sale and purchase agreement dated 21 September 2017 entered into between the Vendor, the Company and the Purchaser in relation to the Disposal
“Purchaser”	Profit Gate International Limited, a company incorporated in Hong Kong with limited liability
“Sale Debts”	an amount as equals the face value of entire sum owing by the Target to the Vendor as at Completion Date, and as at 31 August 2017, such sum amounts to approximately HK\$359.8 million
“Sale Share”	one issued share of US\$1.00 in, representing the entire issued share capital of, the Target
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target”	Excel Fine Holdings Limited, a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of the Company as at the date of the Provisional SP Agreement, being the subject matter of the Disposal
“Vendor”	Tai Infinite Holdings Group Limited, a company incorporated in the Cayman Islands with limited liability and a wholly-owned subsidiary of the Company as at the date of the Provisional SP Agreement, being the subject matter of the Disposal
“Warranties”	the representations, warranties and undertakings given by the Vendor under the Provisional SP Agreement
“%”	per cent.

By Order of the Board  
**Tai United Holdings Limited**  
**Meng Zhaoyi**  
*Acting Chairman and Chief Executive Officer*

Hong Kong, 21 September 2017

*As at the date of this announcement, the Board comprises Dr. Meng Zhaoyi, Mr. Xu Ke, Mr. Ye Fei, Dr. Liu Hua and Mr. Wang Qiang as executive Directors; and Mr. Mao Kangfu, Dr. Gao Bin, Ms. Liu Yan and Mr. Tang King Shing as independent non-executive Directors.*