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**(I) PROPOSED RIGHTS ISSUE ON THE BASIS OF
TWO (2) RIGHTS SHARES FOR
EVERY ONE (1) EXISTING SHARE
HELD ON THE RECORD DATE AT
HK\$1.00 PER RIGHTS SHARE; AND
(II) CLOSURE OF REGISTER OF MEMBERS**

Underwriters to the Rights Issue



TAI Capital LLC

RIGHTS ISSUE

The Company proposed to raise approximately HK\$3,002 million (before expenses) by way of the Rights Issue. The Company will allot and issue 3,002,184,872 Rights Shares at the Subscription Price of HK\$1.00 per Rights Share on the basis of two Rights Shares for every one existing Share held on the Record Date.

As at the date of this announcement, Tai He, the controlling shareholder of the Company, holds 871,643,074 Shares, representing approximately 58.07% of the existing issued share capital of the Company. Tai He irrevocably undertakes to the Company and to the Underwriters to accept or procure the acceptance of 1,743,286,148 Rights Shares which will be provisionally allotted to it. Pursuant to the Underwriting Agreement, the total Subscription Price of HK\$1,743,286,148 payable by Tai He will be subject to the Set-Off.

The estimated net proceeds from the Rights Issue (after deducting the estimated expenses) will be approximately HK\$2,988 million. The net Subscription Price per Rights Share after deducting the related expenses of the Rights Issue (disregarding the Set-Off) is expected to be approximately HK\$0.99.

Assuming the Hua Lien Acquisition and the London Property Acquisition are financed by the Facilities and are completed before the Completion, the net cash proceeds of the Rights Issue (after the Set-Off) is expected to be approximately HK\$1,245 million. The Company intends to apply (i) as to approximately HK\$659 million for the repayment of the outstanding loan amount of the Facilities (after the Set-Off); and (ii) as to approximately HK\$586 million for the development of the distressed assets investment business through acquisition of further distressed assets in public tenders. In the event that the Hua Lien Acquisition and the London Property Acquisition are lapsed before the Completion, the net cash proceeds of the Rights Issue, after the Set-Off, is expected to be approximately HK\$1,778 million. The Company intends to apply (i) as to approximately HK\$586 million for the development of the distressed assets investment business through acquisition of further distressed assets; (ii) as to approximately HK\$600 million for the potential acquisition of properties should the Company identify the targets; and (iii) as to approximately HK\$592 million for other possible acquisition should the opportunities arise. Before the Company identifies the acquisition targets, the proceeds will be used for securities trading business as an interim strategy.

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Rights Shares in both nil-paid and fully-paid forms. The nil-paid Rights Shares are expected to be traded in board lots of 5,000 (as the Shares are currently traded on the Stock Exchange in board lots of 5,000). No part of the securities of the Company in issue or for which listing or permission to deal is being or is proposed to be sought is listed or dealt in or on any other stock exchange.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Tai He (a company wholly owned by Mr. Chua) is the controlling shareholder of the Company which holds 871,643,074 Shares, representing approximately 58.07% of the existing issued share capital of the Company. As TAI Capital is also wholly owned by Mr. Chua, TAI Capital is therefore a connected person of the Company under Chapter 14A of the Listing Rules. As Rule 7.21 of the Listing Rules will be complied with and no underwriting commission will be payable to TAI Capital pursuant to the Underwriting Agreement, the transaction contemplated under the Underwriting Agreement constitutes a connected transaction of the Company under the Listing Rules which is exempted from the reporting, announcement and independent shareholders' approval requirements pursuant to Rule 14A.92(2)(b) of the Listing Rules.

As the Rights Issue will increase the number of issued Shares by more than 50%, pursuant to Rule 7.19(6)(a) of the Listing Rules, the Rights Issue is subject to the approval from the Independent Shareholders at the SGM.

In compliance with Rule 7.19(6)(a) of the Listing Rules, the Rights Issue must be made conditional on approval of the Independent Shareholders by way of poll at the SGM and any controlling shareholders and their associates or where there is no controlling shareholder, the Directors (other than the independent non-executive Directors), the chief executive of the Company and their respective associates shall abstain from voting in favour of the resolution relating to the Rights Issue. As at the date of this announcement, Tai He (a company wholly owned by Mr. Chua) is the controlling shareholder of the Company which holds 871,643,074 Shares, representing approximately 58.07% of the existing issued share capital of the Company. Tai He and its associates (including Mr. Chua and TAI Capital) shall abstain from voting in respect of the resolution relating to the Rights Issue at the SGM. Haitong does not hold any Shares as at the date of this announcement.

GENERAL

The Independent Board Committee, comprising all three independent non-executive Directors, namely Mr. Mao Kangfu, Dr. Gao Bin and Ms. Liu Yan, has been established to make recommendations to the Independent Shareholders as to whether the terms of the Rights Issue are fair and reasonable and in the interests of the Company and the Shareholders as a whole and to advise the Independent Shareholders on how to vote at the SGM.

The Independent Financial Adviser will be appointed by the Company with the approval by the Independent Board Committee to advise the Independent Board Committee and the Independent Shareholders in relation to the terms of the Rights Issue.

The SGM will be convened and held to consider, and, if thought fit, to approve, the Rights Issue. The circular containing, among other things, (i) further details of the Rights Issue; (ii) letters of recommendation from the Independent Board Committee to the Independent Shareholders in relation to the Rights Issue; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the Rights Issue; and (iv) a notice of the SGM is expected to be despatched to the Shareholders on or about 23 September 2016 as additional time is required for the Company to prepare relevant information required to be included in the circular. Upon the approval of the Rights Issue by the Independent Shareholders at the SGM, the Prospectus Documents will be despatched to the Qualifying Shareholders as soon as practicable and the Prospectus, without the PAL and the EAF, will be despatched to the Non-qualifying Shareholders (if any) for their information only.

Warning of the risks of dealing in the Shares and the nil-paid Rights Shares

The Rights Issue is conditional on the Underwriting Agreement having become unconditional and not terminated (see the section headed “Underwriting Arrangement – Termination of the Underwriting Agreement” in this announcement). The conditions of the Underwriting Agreement are set out in the section headed “Underwriting Arrangement – Conditions of the Underwriting Agreement” in this announcement. In particular, it is subject to the approval of the Rights Issue and the Underwriting Agreement by the Independent Shareholders at the SGM. It is expected that Shares will be dealt with on an ex-rights basis from 13 October 2016. The Rights Shares will be dealt with in their nil-paid form from 9:00 a.m. on 26 October 2016 to 4:00 p.m. on 2 November 2016. If Haitong (for itself and on behalf of the Underwriters) terminates the Underwriting Agreement pursuant to the terms thereto, the Rights Issue will not proceed.

ANY SHAREHOLDER OR OTHER PERSON CONTEMPLATING TRANSFERRING, SELLING OR PURCHASING SHARES AND/OR THE RIGHTS SHARES IN THEIR NIL-PAID FORM IS ADVISED TO EXERCISE CAUTION WHEN DEALING IN THE SHARES AND/OR THE RIGHTS SHARES. ANY PERSON WHO IS IN ANY DOUBT ABOUT HIS/HER/ITS POSITION OR ANY ACTION TO BE TAKEN IS RECOMMENDED TO CONSULT HIS/HER/ITS OWN PROFESSIONAL ADVISER(S). ANY SHAREHOLDER OR OTHER PERSON DEALING IN THE SHARES OR IN THE NIL-PAID RIGHTS SHARES UP TO THE DATE ON WHICH ALL THE CONDITIONS TO WHICH THE RIGHTS ISSUE IS SUBJECT ARE FULFILLED (INCLUDING THE DATE ON WHICH THE UNDERWRITERS’ RIGHT OF TERMINATION OF THE UNDERWRITING AGREEMENT CEASES) WILL ACCORDINGLY BEAR THE RISK THAT THE RIGHTS ISSUE MAY NOT BECOME UNCONDITIONAL OR MAY NOT PROCEED.

According to the expected timetable, the last day of dealings in the Shares on a cum-rights basis is Wednesday, 12 October 2016 and the Shares will be dealt with on an ex-rights basis from 13 October 2016. The Rights Shares are expected to be dealt with in the nil-paid form from 9:00 a.m. on 26 October 2016 to 4:00 p.m. on 2 November 2016 (both dates inclusive). In order to be registered as a member of the Company on the Record Date, Shareholders must lodge any transfers of the Shares (together with the relevant share certificate(s) or indemnities thereof) with the Registrar at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong, by no later than 4:30 p.m. on 14 October 2016. The latest time for acceptance is expected to be 4:00 p.m. on 7 November 2016.

THE RIGHTS ISSUE

The Board proposed the Rights Issue, details of which are summarised below:

Issue statistics

Basis of the Rights Issue:	:	Two Rights Shares for every one existing Share held by the Qualifying Shareholders on the Record Date
The Subscription Price:	:	HK\$1.00 per Rights Share
Number of Shares in issue as at the date of this announcement:	:	1,501,092,436 Shares
Number of the Rights Shares:	:	3,002,184,872 Rights Shares
Number of the Shares as enlarged upon Completion	:	4,503,277,308 Shares
Aggregate nominal value of the Rights Shares:	:	HK\$150,109,243.6

As at the date of this announcement, the Company has no outstanding warrants, options, derivatives or securities convertible into or exchangeable for Shares. Assuming no new Shares are issued and no repurchase of the Shares on or before the Record Date, the 3,002,184,872 Rights Shares to be issued pursuant to the terms of the Rights Issue represents 200% of the existing number of issued Shares as at the date of this announcement and approximately 66.67% of the number of issued Shares as enlarged immediately upon Completion.

The Subscription Price

The subscription price of HK\$1.00 per Rights Share is payable in full by a Qualifying Shareholder upon acceptance of the relevant provisional allotment of the Rights Shares under the Rights Issue or when a transferee of the nil-paid Rights Shares subscribes for the Rights Shares.

The Subscription Price represents:

- (i) a discount of approximately 4.76% to the closing price of HK\$1.050 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 4.21% to the average of the closing prices per Share as quoted on the Stock Exchange for the five previous consecutive trading days up to and including the Last Trading Day of approximately HK\$1.044;
- (iii) a discount of approximately 4.85% to the average of the closing prices per Share as quoted on the Stock Exchange for the ten previous consecutive trading days up to and including the Last Trading Day of approximately HK\$1.051;

- (iv) a discount of approximately 3.18% to the theoretical ex-rights price of approximately HK\$1.017 per Share based on the closing price of HK\$1.05 per Share as quoted on the Stock Exchange and the existing total number of issued Shares on the Last Trading Day; and
- (v) a premium of approximately 74.83% over the audited consolidated net asset value per Share of approximately HK\$0.572 based on the audited consolidated net asset value of the Company and the number of issued Shares as at 31 March 2016.

The Subscription Price was determined after arm's length negotiation between the Company and the Underwriters with reference to the market price of the Shares prior to and including the Last Trading Day and the capital need of the Group as detailed in the sections headed "Reasons for the Rights Issue" and "Proposed use of proceeds" below.

Given (i) each Qualifying Shareholder will be entitled to subscribe for the Rights Shares at the same Subscription Price in proportion to his/her/its shareholding held on the Record Date; (ii) the Subscription Price has been set at a discount to the recent closing prices of the Shares with a view to encouraging existing Shareholders to participate in the potential growth of the Company; and (iii) the proceeds fulfilled the funding needs of the Group's coming business development, the Directors (excluding the independent non-executive Directors who will form their views after considering the opinion of the Independent Financial Adviser) consider the terms of the Rights Issue are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Conditions of the Rights Issue

The Rights Issue is conditional upon the Underwriting Agreement becoming unconditional and not being terminated in accordance with the terms of the Underwriting Agreement. The conditions to the Underwriting Agreement are set out in the paragraph headed "Conditions of the Underwriting Agreement" under the section headed "Underwriting Arrangement" below.

The Set-Off

As disclosed in the announcements of the Company dated 3 March 2016 and 5 May 2016, Tai He granted the Company the Facilities of up to a total of HK\$3,000 million. Each drawdown under the Facilities carries interest at 4.5% per annum and is repayable within 18 calendar months since the date of the drawdown. As at 30 June 2016, the outstanding loan amount of the Facilities was approximately HK\$1,210 million, which is expected to increase to approximately HK\$2,402 million due to the additional loan amount to be drawn down to finance the Hua Lien Acquisition of approximately HK\$592 million and the London Property Acquisition of approximately HK\$600 million.

As at the date of this announcement, Tai He holds 871,643,074 Shares, representing approximately 58.07% of the existing issued share capital of the Company. The provisional entitlement to be allotted to Tai He would be 1,743,286,148 Rights Shares. Pursuant to the Underwriting Agreement, the total Subscription Price of HK\$1,743,286,148 payable by Tai He will be set off by the then outstanding loan amount of the Facilities.

Basis of provisional allotments

The basis of the provisional allotment shall be two (2) Rights Shares (in nil-paid form) for every one (1) existing Share held by the Qualifying Shareholders as at the close of business on the Record Date.

Application for all or any part of a Qualifying Shareholder's provisional allotment should be made by completing a PAL and lodging the same with a remittance for the Rights Shares being applied for with the Registrar on or before the Latest Acceptance Date.

Status of the Rights Shares

The Rights Shares, when allotted, issued and fully paid, will rank *pari passu* in all respects with the existing Shares then in issue. Holders of the fully-paid Rights Shares will be entitled to receive all future dividends and distributions which may be declared, made or paid with a record date falling after the date of allotment and issue of the Rights Shares in their fully-paid form.

Qualifying Shareholders

To qualify for the Rights Issue, a Qualifying Shareholder must be registered as a member of the Company on the Record Date. In order to be registered as members of the Company on the Record Date, all transfers of the Shares (together with the relevant share certificate(s) or indemnities thereof) must be lodged with the Registrar, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong by not later than 4:30 p.m. on 14 October 2016. It is expected that the last day of dealings in the Shares on a cum-rights basis is 12 October 2016 and the Shares will be dealt with on an ex-rights basis from 13 October 2016.

The Company will despatch the Prospectus Documents to the Qualifying Shareholders on the Prospectus Date.

Rights of the Overseas Shareholders (if any)

The Prospectus Documents will not be registered or filed under the applicable securities law of any jurisdiction other than Hong Kong. Overseas Shareholders may not be eligible to take part in the Rights Issue as explained below.

The Board will make enquiry regarding the legal restrictions under the laws of the relevant overseas places and the requirements of the relevant regulatory body or stock exchange pursuant to Rule 13.36(2)(a) of the Listing Rules. If, after making such enquiry, the Board is of the opinion that it would be necessary or expedient not to offer the Rights Shares to any Overseas Shareholders, no offer of the Rights Shares will be made to such Overseas Shareholders. Accordingly, the Rights Issue will not be extended to the Non-qualifying Shareholders.

Arrangements will be made for the Rights Shares, which would otherwise have been provisionally allotted to the Non-qualifying Shareholders in nil-paid form, to be sold as soon as practicable after dealings in the nil-paid Rights Shares commence, if a premium (net of expenses) can be obtained. The proceeds of such sale, less expenses, of HK\$100 or more will be paid pro rata (but rounded down to the nearest cent) to the relevant Non-qualifying Shareholders in Hong Kong dollars. The Company will retain individual amounts of less than HK\$100 for its own benefit.

Fractional entitlement to the Rights Shares

The Company will not provisionally allot fractions of the Rights Shares. All fractions of the Rights Shares will be aggregated and sold in the market and, if a premium (net of expenses) can be achieved, the Company will keep the net proceeds for its own benefit.

Application for the excess Rights Shares

Qualifying Shareholders shall be entitled to apply for (i) the Rights Shares representing the entitlement of the Non-qualifying Shareholders and which cannot be sold at a net premium; and (ii) any Rights Shares provisionally allotted but not validly accepted by the Qualifying Shareholders. Application may be made by completing the EAF for the excess Rights Shares and lodging the same with a separate remittance for the excess Rights Shares being applied for. The Board will allocate the excess Rights Shares at its discretion, but on a fair and equitable basis as far as practicable on the following principles:

- (i) no preference will be given to applications for topping-up odd-lot holdings to whole-lot holdings as the giving of such preference may potentially be abused by certain investors by splitting their Shares and thereby receiving more Rights Shares than they would receive if such preference is not given, which is an unintended and undesirable result; and
- (ii) subject to availability of the excess Rights Shares, the excess Rights Shares will be allocated to the Qualifying Shareholders who have applied for excess application on a pro rata basis based on the excess Rights Shares applied for by them.

Shareholders with their Shares held by a nominee company should note that the Board will regard the nominee company as a single Shareholder according to the register of members of the Company. Accordingly, the Shareholders should note that the aforesaid arrangement in relation to the allocation of the excess Rights Shares will not be extended to beneficial owners individually. Investors with their Shares held by a nominee company are advised to consider whether they would like to arrange for the registration of the relevant Shares in the name of the beneficial owner(s) prior to the Record Date.

Investors whose Shares are held by their nominee(s) and who would like to have their names registered on the register of members of the Company must lodge all necessary documents with the Registrar, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for completion of the relevant registration by 4:30 p.m. (Hong Kong time) on 14 October 2016.

Closure of register of members

The register of members of the Company will be closed from 6 October 2016 to 11 October 2016 (both days inclusive) for determining the identity of the Shareholders entitled to attend and vote at the SGM.

The register of members of the Company will be closed from 17 October 2016 to 21 October 2016 (both days inclusive) for determining the entitlements to the Rights Issue.

No transfer of the Shares will be registered during the above book closure periods.

Application for listing

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Rights Shares in both nil-paid and fully-paid forms. The nil-paid Rights Shares are expected to be traded in board lots of 5,000 (as the Shares are currently traded on the Stock Exchange in board lots of 5,000). No part of the securities of the Company in issue or for which listing or permission to deal is being or is proposed to be sought is listed or dealt in or on any other stock exchange.

Dealings in the Rights Shares (in both nil-paid and fully-paid forms) will be subject to the payment of stamp duty, Stock Exchange trading fee, SFC transaction levy and other applicable fees and charges in Hong Kong.

Share certificates and refund cheques for the Rights Shares

Subject to the fulfilment of the conditions of the Rights Issue as set out below, certificates for all fully-paid Rights Shares are expected to be sent by ordinary post on or before 17 November 2016 to those persons who have validly accepted and, where applicable, applied for, and paid for the Rights Shares, at their own risk.

Rights Shares will be eligible for admission into CCASS

Subject to the granting of listing of, and permission to deal in, the Rights Shares in both nil-paid and fully-paid forms on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares in both their nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Rights Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter.

All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. Shareholders should seek advice from their licensed securities dealer(s) or other professional adviser(s) for details of those settlement arrangements and how such arrangements will affect their rights and interests.

The Irrevocable Undertaking

Tai He irrevocably undertakes to the Company and to the Underwriters to accept or procure the acceptance of 1,743,286,148 Rights Shares to be provisionally allotted to Tai He (or its nominee) in respect of the 871,643,074 Shares which are registered in the name of Tai He (and which Tai He undertakes to the Company and to the Underwriters will remain registered in the same name as at 5:00 p.m. on the Record Date). Tai He shall procure that all its PALs shall be lodged with the Registrar with payment therefor in accordance with the terms of the Prospectus Documents on or before the latest time for acceptance or such later date as agreed between Tai He and Haitong (for itself and on behalf of the Underwriters).

The total Subscription Price payable by Tai He will be subject to the Set-Off as set out in the sub-section headed “The Set-Off” above.

UNDERWRITING ARRANGEMENT

Underwriting Agreement

- Date** : 1 September 2016 (after trading hours)
- Parties** : (i) the Company;
- (ii) Tai He, the controlling shareholder of the Company, the sole shareholder of which is Mr. Chua; and
- (iii) the Underwriters:
- a) TAI Capital, a company incorporated in the Cayman Islands with limited liability, the sole shareholder of which is Mr. Chua. TAI Capital is an investment holding company and is not engaged in the business of underwriting; and
- b) Haitong.
- Number of underwritten Shares** : The Underwriters have conditionally agreed to underwrite up to 1,258,898,741 Rights Shares, being the total number of the Rights Shares under the Rights Issue excluding 1,743,286,148 Rights Shares undertaken to be subscribed by Tai He under the paragraph headed “The Irrevocable undertaking” above. The Rights Issue is therefore fully underwritten.
- The Underwriters will subscribe or procure subscribers for the Untaken Shares on the following basis:
- (i) TAI Capital shall subscribe for up to 711,703,759 Untaken Shares on the terms of the Prospectus Documents (so far as the same are applicable); and

- (ii) Haitong shall subscribe or procure subscription on the terms of the Prospectus Documents (so far as the same are applicable) for the remaining Untaken Shares up to 547,194,965 Rights Shares.

Underwriting Commission : 2% of a sum equal to the Subscription Price multiplied by the number of Rights Shares underwritten by Haitong is payable to Haitong as commission, representing an amount up to approximately HK\$11.0 million. TAI Capital shall not be entitled to any commission.

The commission rate of 2% was determined after arm's length negotiation between the Company and Haitong by reference to, among other things, the size of the Rights Issue, the current market condition and the prevailing market rate for the underwriting commission of comparable transactions. The Directors (excluding the independent non-executive Directors who will form their views after considering the advice from the Independent Financial Adviser) consider the terms of the Underwriting Agreement including the commission rate are fair and reasonable so far as the Company and the Shareholders are concerned.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, Haitong and its ultimate holding company are third parties independent of the Company and its connected persons.

Conditions of the Underwriting Agreement

The obligations of the Underwriters under the Underwriting Agreement are conditional upon:

- (i) permission to deal in and listing of all the Rights Shares (in their nil-paid and fully-paid forms) having been granted (subject only to allotment and despatch of the appropriate documents of title) by the Stock Exchange by no later than the business day prior to the commencement of trading of the Rights Shares (in their nil-paid and fully-paid forms respectively) and such permission not being withdrawn or revoked prior to the latest time for termination;
- (ii) the delivery to the Stock Exchange and the filing and registration with the Registrar of Companies in Hong Kong prior to the Prospectus Date of each of the Prospectus Documents and (where necessary) other documents in compliance with the Companies (Winding Up and Miscellaneous Provisions) Ordinance (and other documents required to be attached thereto) and otherwise complying with the requirements of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the Companies Ordinance and the Listing Rules;
- (iii) the despatch on the Prospectus Date of copies of the Prospectus Documents to the Qualifying Shareholders;

- (iv) all relevant consents and approvals having been obtained from the regulatory authorities, including the Stock Exchange and the SFC, as the case may require in connection with the Rights Issue, including but not limited to the approval of the Prospectus by the Stock Exchange;
- (v) compliance by the Company with all its obligations under the Underwriting Agreement having taken place by the times specified;
- (vi) compliance by Tai He with all its obligations under the Underwriting Agreement having taken place by the times specified;
- (vii) receipt by Haitong (for itself and on behalf of the Underwriters) (in a form and substance reasonably satisfactory to it) of all relevant documents to be provided by the Company by the times and dates specified in the Underwriting Agreement;
- (viii) (a) the Shares remaining listed on the Stock Exchange at all times prior to the latest time for termination and the current listing of the Shares not having been withdrawn or the trading of the Shares not having been suspended for a consecutive period of more than 5 trading days (or such longer period as the Company and Haitong (for itself and on behalf of the Underwriters) may agree); and (b) no indication being received before 4:00 p.m. on the date of the latest time for termination from the Stock Exchange to the effect that such listing may be withdrawn or objected to (or conditions will or may be attached thereto) including but not limited to as a result of the Rights Issue or in connection with the terms of the Underwriting Agreement or for any other reason;
- (ix) the approval by the Board on the Rights Issue, the Underwriting Agreement and the transactions contemplated thereunder;
- (x) the approval by Shareholders (or, as the case may be, the independent shareholders of the Company who are allowed to vote and are not required to abstain from voting) at a special general meeting of the Company on the Rights Issue, the Underwriting Agreement and the transactions contemplated thereunder;
- (xi) after the date of the Underwriting Agreement and up to and at the Closing Date, there not have occurred any material adverse change in the financial or business condition, results of operations or general affairs of the Company and the Group taken as a whole;
- (xii) all the warranties made by the Company in the Underwriting Agreement remaining true and correct in all material respects when made, and as of the Closing Date with the same force and effect as if they had been made on and as of such date; and
- (xiii) no material breach of any of the representations and warranties of the Company as set out in the Underwriting Agreement having come to the knowledge of any of the Underwriters by the latest time for termination.

Haitong (for itself and on behalf of the Underwriters) has the sole discretion to waive any of the conditions in (v) to (ix) and (xi) to (xiii) above. If (i) any of the conditions shall not have been fulfilled or waived in accordance with the terms of the Underwriting Agreement by the specified time and date; or (ii) the latest time for termination occurs, or will occur, after the Long Stop Date, the Underwriting Agreement shall terminate and none of the parties shall have any claim against any other parties (other than for antecedent breaches) for costs, damages compensation or otherwise provided that, among other things, the Company shall remain liable to pay the Underwriter's reasonable costs, fees and expenses in accordance with the Underwriting Agreement.

If the Underwriters terminate the Underwriting Agreement, the Rights Issue will not proceed.

Termination of the Underwriting Agreement

If at any time prior to the latest time for termination:

- (i) any material breach of any of the representations and warranties of the Company or the undertakings contained in the Underwriting Agreement comes to the knowledge of any of the Underwriters, or there has been a material breach on the part of the Company of any other provision of the Underwriting Agreement; or
- (ii) any event occurs or matter arises, which, if it had occurred before the date of the Underwriting Agreement or before any of the times on which the representations and warranties of the Company are deemed to be given pursuant to the Underwriting Agreement would have rendered any of those representations and warranties untrue, incorrect or misleading in any material respect; or
- (iii) any statement contained in the Prospectus has become or been discovered to be untrue, incorrect, incomplete or misleading in any material respect, or matters have arisen or have been discovered which would, if the Prospectus was to be issued at the time, constitute a material omission therefrom; or
- (iv) the Company is required to issue a supplemental Prospectus and in the reasonable opinion of Haitong (for itself and on behalf of the Underwriters) the disclosure in the supplemental Prospectus may have material adverse effect on the consummation of the Rights Issue or may render the Rights Issue inappropriate or unwise; or
- (v) there is any material adverse change or prospective material adverse change in the condition, results of operations, management, business, stockholders' equity or in the financial or trading position of any member of the Group which, in the reasonable opinion of Haitong (for itself and on behalf of the Underwriters), is or may be materially adverse in the context of the Rights Issue; or
- (vi) permission to deal in and listing of all the Rights Shares (in their nil-paid and fully-paid forms) has been withdrawn by the Stock Exchange; or
- (vii) any expert, who has given advice which is contained in the Prospectus, has withdrawn its respective consent to the issue of the Prospectus with the inclusion of its reports, letters, opinions or advices and references to its name included in the form and context in which it respectively appears prior to the issue of the Prospectus; or

- (viii) the Company withdraws the Prospectus; or
- (ix) there has occurred, happened, come into effect or become public knowledge any event, series of events or circumstances concerning or relating to (whether or not foreseeable):
- (a) any change (whether or not permanent) in the local, national or international financial, political, military, industrial, economic, legal, fiscal, regulatory or securities market matters or conditions or currency exchange rates or exchange controls in or affecting the PRC, Hong Kong, European Union (or any of its members) or the United States; or
 - (b) any event force majeure (including, without limitation, economic sanctions, strike or lock-out (whether or not covered by insurance), riot, fire, explosion, flooding, earthquake, civil commotion, act or declaration of war, outbreak or escalation of hostilities (whether or not war is or has been declared), act of terrorism (whether or not responsibility has been claimed), act of God, pandemic, epidemic, outbreak of infectious disease, declaration of a state of emergency or calamity or crisis), in or affecting the PRC, Hong Kong, European Union (or any of its members) or the United States; or
 - (c) the declaration of a banking moratorium by PRC, Hong Kong, European Union (or any of its members) or United States authorities occurring due to exceptional financial circumstances or otherwise; or
 - (d) any moratorium, suspension or restriction on trading in shares or securities generally, or the establishment of minimum prices, on the Stock Exchange, the London Stock Exchange, the New York Stock Exchange or Nasdaq or any major disruption of any securities settlement or clearing services in the above jurisdictions; or
 - (e) any suspension of dealings in the Shares (other than pending publication of announcements in respect of the Rights Issue or where such suspension is temporary or routine in nature for not more than three trading days); or
 - (f) any new law or regulation or any change, or any development involving a prospective change, in existing laws or regulations in Hong Kong or any other place in which any member of the Group conducts or carries on business, or
 - (g) any change or development occurs involving a prospective change in taxation in Hong Kong, the PRC or any other jurisdiction(s) to which any member of the Group is subject or the implementation of any exchange controls; or
 - (h) any litigation or claim of material importance to the business, financial or operations of the Group being threatened or instituted against any member of the Group; or
 - (i) the imposition of economic sanctions, in whatever form, directly or indirectly, in Hong Kong, the PRC or any other jurisdiction(s) relevant to the Company and its subsidiary; or

- (j) any governmental or regulatory commission, body, authority or agency, or any stock exchange, self-regulatory organisation or other non-government regulatory authority or any court, tribunal or arbitrator, whether national, central, federal, provincial, state, regional, municipal in any relevant jurisdiction commencing any investigation, or formally announcing to investigate or take other legal action, against the Group or any of the Directors in respect of any matter related to the Group's business, which investigation has or would have material adverse effect on the traded price of the Shares or the Group (taken as a whole); or
- (k) order or petition for the winding up of any members of the Group or any composition or arrangement made by any members of the Group with its creditors or a scheme of arrangement entered into by any members of the Group or any resolution for the winding up of any members of the Group or the appointment of a provisional liquidator, receiver or manager over all or part of the material assets or undertaking of any members of the Group or anything analogous thereto occurring in respect of any members of the Group;

the effect of which events or circumstances referred above, individually or in the aggregate (in the reasonable opinion of Haitong (for itself and on behalf of the Underwriters)): (1) is or will likely be materially adverse to the Group (taken as a whole), or materially and prejudicially affects or would materially and prejudicially affect, the Group (taken as a whole) or the Rights Issue; or (2) makes or will likely make it inadvisable or inexpedient to proceed with the Rights Issue, or (3) will make or is likely to make the Underwriting Agreement (including underwriting) incapable of performance in accordance with its terms or preventing the processing of applications and/or payments pursuant to the Rights Issue or pursuant to the underwriting thereof,

then in any such case Haitong (for itself and on behalf of the Underwriters) may by notice in writing to the Company, served prior to the latest time for termination, rescind or terminate the Underwriting Agreement.

EXPECTED TIMETABLE FOR THE RIGHTS ISSUE

2016

Announcement of the Rights Issue	Friday, 2 September
Expected despatch date of the Circular, proxy form and notice of the SGM	Friday, 23 September
Latest time for lodging transfers of Shares to attend and vote at the SGM	4:30 p.m. Wednesday, 5 October
Closure of register of members of the Company for determining the identity of the Shareholders entitled to attend and vote at the SGM	From Thursday, 6 October to Tuesday, 11 October
Latest time for lodging forms of proxy for the SGM.	10:00 a.m. on Sunday, 9 October
Expected time and date of the SGM	10:00 a.m. on Tuesday, 11 October
Announcement of the results of the SGM	Tuesday, 11 October
Last day of dealings in the Shares on a cum-rights basis.	Wednesday, 12 October
First day of dealings in the Shares on an ex-rights basis	Thursday, 13 October
Latest time for lodging transfers of Shares for the Rights Issue	4:30 p.m. Friday, 14 October
Closure of register of members of the Company for determining entitlements under the Rights Issue (both days inclusive)	From Monday, 17 October to Friday, 21 October

Record Date for determining entitlements to the Rights Issue.....	Friday, 21 October
Despatch of Prospectus Documents (in the case of the Non-qualifying Shareholders, the Prospectus only for their information).....	Monday, 24 October
First day of dealing in the nil-paid Rights Shares	9:00 a.m. on Wednesday, 26 October
Latest time for splitting the nil-paid Rights Shares	4:30 p.m. on Friday, 28 October
Last day of dealing in the nil-paid Rights Shares	4:00 p.m. on Wednesday, 2 November
Latest time for acceptance of and payment for the Rights Shares	4:00 p.m. on Monday, 7 November
Latest time for termination of the Underwriting Agreement	7:00 p.m. on Thursday, 10 November
Announcement of the results of the Rights Issue.....	Wednesday, 16 November
Despatch of certificates for the fully-paid Rights Shares.....	Thursday, 17 November
Despatch of refund cheques for wholly or partly unsuccessful applications for excess Rights Shares or if the Rights Issue is terminated	Thursday, 17 November
Expected first day of dealings in the fully-paid Rights Shares	9:00 a.m. on Friday, 18 November

EFFECT OF BAD WEATHER ON THE LATEST TIME FOR ACCEPTANCE OF AND PAYMENT FOR THE RIGHTS SHARES

The latest time for acceptance of and payment for the Rights Shares will not take place as shown if there is a tropical cyclone warning signal no. 8 or above, or a “black” rainstorm warning in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on 7 November 2016. Instead the latest time of acceptance of and payment for the Rights Shares will be rescheduled to 4:00 p.m. on the next following Business Day which does not have either of those warnings in force at any time between 12:00 noon and 4:00 p.m..

If the latest time for acceptance of and payment for the Rights Shares does not take place on 7 November 2016, the dates mentioned in the section headed “Expected timetable” above may be affected. The Company will notify the Shareholders by way of announcement(s) on any change to the expected timetable as soon as practicable.

EFFECT OF THE RIGHTS ISSUE ON SHAREHOLDING IN THE COMPANY

Shareholders/directors	As at the date of this announcement		Immediately upon Completion (assuming no shareholders (except Tai He) subscribed for the Rights Shares)	
	<i>Number of Shares</i>	<i>%</i>	<i>Number of Shares</i>	<i>%</i>
Dr. Liu Hua	50,000,000	3.33%	50,000,000	1.11%
Mr. Sang Kangqiao	825,000	0.05%	825,000	0.02%
Tai He	871,643,074	58.07%	2,614,929,222	58.07%
TAI Capital	—	—	711,703,759	15.80%
<i>Sub-total</i>	922,468,074	61.45%	3,377,457,981	75.00%
Existing public shareholders	578,624,362	38.55%	578,624,362	12.85%
Haitong and/or subscribers to be procured by it (<i>Note</i>)	—	—	547,194,965	12.15%
Public shareholders	578,624,362	38.55%	1,125,819,327	25.00%
Total	1,501,092,436	100.00%	4,503,277,308	100.00%

Note: Haitong undertakes that no subscriber procured by it to take up the Untaken Shares will be a connected person of the Company or will become interested in 10% or more of the enlarged issued share capital of the Company upon Completion.

BUSINESS PLANS OF THE GROUP

As at the date of this announcement, the Group is principally engaged in (i) trading of commodities, securities and medical equipment; (ii) distressed assets investment and management; (iii) mining of tungsten in Mongolia.

Having experienced loss-making in the past few years, the Group has endeavoured to turn around its business performance by engaging in trading of commodities and securities which are characterised by shorter trading cycle and larger transaction volume, and in distressed asset investments which will offer medium term upside gain in investment through unlocking the value of the collaterals attaching to the distressed assets. Set out below are the background facts and circumstances of the Company's business, operation and financial position:

Trading business

Commodities

For the year ended 31 March 2016, revenue generated from the trading of commodities amounted to approximately HK\$1,036 million, representing approximately 92.4% of the Group's total revenue of the year, and the total transaction amount completed was approximately HK\$2,148 million. For the three months ended 30 June 2016, the total transaction amount of the commodities trading completed by the Group is estimated to be approximately HK\$906 million, and the average transaction amount of each trade was approximately HK\$81 million.

Securities

The Company mainly carries out short-term investments in prime stocks with large market capitalisation and listed on the Stock Exchange, Shanghai Stock Exchange or Shenzhen Stock Exchange. For the year ended 31 March 2016, revenue generated from trading of securities amounted to approximately HK\$72 million, with a profit of approximately HK\$60 million. As at 30 June 2016, the financial assets held by the Group for trading amounted to approximately HK\$910 million.

Medical equipment

The medical equipment trading sector picks up steadily since commencement of business in October 2015. For the year ended 31 March 2016, revenue generated from the trading of medical equipment amounted to approximately HK\$12.9 million, increasing from approximately HK\$6.7 million for the year ended 31 March 2015.

Distressed assets investment and management

The Group actively bids for acquisition of distressed bank loan portfolio with quality property collaterals through public tenders in the PRC, with a view to realizing the potential upside of the investments by realization of the underlying collaterals. As at 30 June 2016, the book value of the distressed loan investment portfolio held by the Group amounted to approximately RMB348 million (equivalent to approximately HK\$417.6 million), with a portfolio of residential, industrial and commercial buildings and land use rights as collaterals located in the Zhejiang Province.

On 12 August 2016, the Group completed an acquisition through public tender from Zheyue Asset Management Company Limited (“**Zheyue**”) of a distressed loan portfolio with residential, industrial and commercial properties located in Zhejiang Province as collaterals at a bidding price of approximately RMB170 million (equivalent to approximately HK\$204 million), of which approximately RMB90 million (equivalent to approximately HK\$108 million) has been paid by the Company as at the date of this announcement, and the remaining RMB80 million (equivalent to approximately HK\$96 million) is payable within 12 months of the date of bidding. Zheyue is a third party independent of the Company and the connected persons of the Company.

On 12 August 2016, the Company has also entered into a cooperation agreement with Zheyue to lay down the framework for their cooperation in respect of sharing of market intelligence, valuation and due diligence results of target assets, and bidding of distressed assets of investment amount of up to RMB500 million (equivalent to approximately HK\$600 million) by the end of 2016.

Mining of tungsten in Mongolia

The Group has engaged a mining professional to prepare an updated feasibility study report for the tungsten mines. The Directors are actively exploring the optimal way to commence the production of the mines. The Directors expect that the exploitation of the mines will take place no later than the end of 2018.

Other business development

Hui Kai Acquisition

In January 2016, the Company entered into an agreement to acquire the entire equity interest in (i) Hui Kai Futures which is principally engaged in trading and brokerage of futures contracts with type 2 licence under the SFO; (ii) Hui Kai Asset Management, which is principally engaged in asset management with type 9 licence under the SFO; and (iii) Easy Winning, which is principally engaged in money lending business, for an aggregate consideration of up to HK\$56 million (with HK\$10 million paid upon signing of the agreement and HK\$5 million paid upon signing of a supplemental agreement on 23 May 2016). The Company was also granted an option to further acquire the entire equity interest in Hui Kai Holdings Limited which through Hui Kai Securities is principally engaged in brokerage of securities and margin financing with type 1 licence under the SFO for a consideration up to HK\$120 million.

On 9 March 2016, the Company has submitted an application to the SFC for the approval of the change in substantial shareholder of Hui Kai Futures, Hui Kai Asset Management and Hui Kai Securities (the “**SFC Approval**”). Upon the receipt of the SFC Approval, the Company will serve the notice of exercise of the option to acquire Hui Kai Securities. It is expected that acquisition of Hui Kai Holdings Limited will constitute a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

Completion of the Hui Kai Acquisition will take place once the SFC Approval has been obtained.

Hua Lien Acquisition

In July 2016, the Company entered into an agreement with Hua Lien to subscribe for a total of 3,700,000,000 shares in Hua Lien (representing approximately 55.3% of the enlarged issued share capital of Hua Lien upon issue of the subscription shares and the placing shares to be issued therewith simultaneously) at the subscription price of HK\$0.16 per share in Hua Lien. The Group intends to settle the total subscription monies of approximately HK\$592 million by way of the Facilities. Details of the Hua Lien Acquisition are set out in the joint announcement of the Company and Hua Lien dated 21 July 2016.

The Hua Lien Acquisition, which constitutes a major transaction of the Company under Chapter 14 of the Listing Rules, will be completed upon, among other things, approval of a whitewash waiver by the SFC and requisite listing approval in respect of the new shares in Hua Lien by the Stock Exchange. Compliance with relevant disclosure and approval requirements under the Listing Rules and the Code on Takeovers and Mergers will be made by the Company and Hua Lien respectively. Tai He will vote for the Hua Lien Acquisition at the special general meeting of the Company to be convened to approve the transaction. It is currently expected that the circular of the Company in respect of Hua Lien Acquisition will be despatched to the shareholders of the Company on or before 30 September 2016, and the completion of the Hua Lien Acquisition will take place by the end of October 2016.

London Property Acquisition

On 12 August 2016, the Company entered into an exclusivity agreement with the potential vendors which are independent of the Company and are held by a European real estate fund and a reputable charitable foundation established in the United Kingdom. Pursuant to the exclusivity agreement, the Company may commence due diligence review on the target companies which beneficially hold 100% interest in certain mid-sized luxury residential properties in the central district of London within the exclusivity period up to 16 September 2016.

The Company is required to enter into the formal agreement on or before 16 September 2016 to acquire the entire equity interest of the target companies. The consideration for the London Property Acquisition is expected to be at or about HK\$1,200 million. The Company has paid HK\$120 million to the potential vendors as at the date of this announcement as part of the refundable deposit. The London Property Acquisition will be financed by the Facilities.

The Directors consider that the recent referendum result on BREXIT and the recent depreciation of British Pound Sterling provide the Company with opportunity to acquire quality assets in the United Kingdom at attractive price. The Directors are optimistic about the prospect of the property market in London and believe that the Properties, which are located in the prime central district of London, are able to withstand the short term volatility of the property market.

Unless there is material adversity in the results of the due diligence being conducted by the Company on the target companies, the Company will proceed with the London Property Acquisition.

The London Property Acquisition is expected to constitute a major transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the requirements of announcement, reporting and shareholders' approval under Chapter 14 of the Listing Rules. The Company will request a written approval from Tai He, the controlling shareholder of the Company which holds approximately 58.07% of the existing issued share capital of the Company, in lieu of seeking Shareholders' approval by way of a general meeting pursuant to Rule 14.44 of the Listing Rules.

REASONS FOR THE RIGHTS ISSUE

Pursuant to the terms of the Facilities, each drawdown thereunder carries interest at 4.5% per annum and would be due for repayment in full 18 calendar months after the drawdown. As the Hua Lien Acquisition and the London Property Acquisition are expected to be financed by the Facilities, it is expected that the total outstanding loan amount of the Facilities as a result thereof would amount to approximately HK\$2,402 million with an annualized finance cost of approximately HK\$108 million.

The Directors consider that the Group's business would be best financed by equity rather than short-term debts that will adversely affect the net profit margin of the Group. Accordingly, the Directors consider that it will be in the interests of the Company and the Shareholders as a whole to conduct an equity fundraising by way of the Rights Issue with a view to alleviating the impact on the Company's cash flow position upon repayment of the loan and reducing the gearing ratio of the Group from approximately 83% to approximately 32%. The Rights Issue can strengthen the financial position of the Group for future development and provide all Qualifying Shareholders with the opportunity to maintain their respective pro rata shareholding interests in the Company and participate in the potential development of the Group.

PROPOSED USE OF PROCEEDS

The gross proceeds from the Rights Issue are expected to be approximately HK\$3,002 million. After deducting related expenses of approximately HK\$14 million, the net proceeds are estimated to be approximately HK\$2,988 million. The net Subscription Price per Rights Share calculated based thereon (disregarding the Set-Off) is expected to be approximately HK\$0.99.

Assuming the Hua Lien Acquisition and the London Property Acquisition were completed before the Completion and were financed by additional drawdown of the Facilities of approximately HK\$1,192 million, the total outstanding loan amount of the Facilities is expected to be HK\$2,402 million, which will be used to set-off the total subscription price payable by Tai He (i.e. HK\$1,743 million) pursuant to the Set-Off. In this case, the net cash proceeds of the Rights Issue (after the Set-Off) is expected to be approximately HK\$1,245 million. The Company intends to use it in the following way:

- (i) as to approximately HK\$659 million to be applied to the repayment of the outstanding loan amount of the Facilities; and
- (ii) as to approximately HK\$586 million to be applied to the development of the distressed assets investment business through acquisition of further distressed assets.

In the event that the Hua Lien Acquisition and the London Property Acquisition were lapsed before Completion, the Company would not draw down the additional loan amount of approximately HK\$1,192 million under the Facilities for those acquisitions. In this case, the amount of the Set-Off is estimated to be approximately HK\$1,210 million only. The net cash proceeds of the Rights Issue after the Set-Off therefore would be approximately HK\$1,778 million. The Company intends to use it in the following way:

- (i) as to approximately HK\$586 million to be applied to the development of the distressed assets investment business through acquisition of further distressed assets;
- (ii) as to approximately HK\$600 million to be applied to the potential acquisition of properties should the Company identify the targets; and
- (iii) as to approximately HK\$592 million to be applied to other possible acquisition should the opportunities arise.

Before the Company identifies the acquisition targets, the proceeds will be used for securities trading business as an interim strategy.

In view of the above, the Company considers that it is in the interests of the Company and the Shareholders to proceed with the Rights Issue.

FUND RAISING EXERCISE OF THE COMPANY IN THE PAST 12 MONTHS

Date of announcement	Event	Gross proceeds (approximate)	Net proceeds (approximate)
12 November 2016	Placing of 250,180,000 new shares completed on 30 November 2015	HK\$165.72 million	HK\$164.32 million

Set out below is the intended use of the net proceeds of approximately HK\$164.32 million as disclosed in the announcement of the Company dated 29 January 2016:

Intended use of net proceeds	Actual use of net proceeds
<ul style="list-style-type: none"> • HK\$100 million will be reallocated as working capital of commodity trading business 	Used as intended
<ul style="list-style-type: none"> • HK\$35 million will be applied to settle the consideration of the proposed acquisition of Hui Kai Futures Limited, subject to cash position of the target at completion and actual receivables having been collected (details of which are set out in the announcements of the Company dated 30 December 2015 and 18 January 2016) 	Not yet completed
<ul style="list-style-type: none"> • HK\$15 million will be applied to settle the consideration of proposed acquisition of Hui Kai Asset Management Limited, subject to cash position of the target at completion and actual receivables having been collected (details of which are set out in the announcements of the Company dated 30 December 2015 and 18 January 2016) 	Not yet completed
<ul style="list-style-type: none"> • HK\$6 million of proceeds will be applied to settle the acquisition of Easy Winning International Limited, subject to cash position of the target at completion and actual receivables having been collected (details of which are set out in the announcements of the Company dated 30 December 2015 and 18 January 2016) 	Not yet completed
<ul style="list-style-type: none"> • HK\$4 million will be reallocated as working capital for the operation of Easy Winning International Limited 	Not yet completed
<ul style="list-style-type: none"> • HK\$4 million will be applied as general working capital for trading of medical equipment. 	Used as intended

Save for the above, the Company had not conducted any other equity fund raising exercise in the past 12 months immediately preceding the date of this announcement.

LISTING RULES IMPLICATIONS

The Rights Issue

As at the date of this announcement, Tai He (a company wholly owned by Mr. Chua) is the controlling shareholder of the Company which holds 871,643,074 Shares, representing approximately 58.07% of the existing issued share capital of the Company. As TAI Capital is also wholly owned by Mr. Chua, TAI Capital is therefore a connected person of the Company under Chapter 14A of the Listing Rules. As Rule 7.21 of the Listing Rules will be complied with and no underwriting commission will be payable to TAI Capital pursuant to the Underwriting Agreement, the transaction contemplated under the Underwriting Agreement constitutes a connected transaction of the Company under the Listing Rules which is exempted from reporting, announcement and independent shareholders' approval requirements pursuant to Rule 14A.92(2)(b) of the Listing Rules.

As the Rights Issue will increase the number of issued Shares by more than 50%, pursuant to Rule 7.19(6)(a) of the Listing Rules, the Rights Issue is subject to the approval from the Independent Shareholders at the SGM.

In compliance with Rule 7.19(6)(a) of the Listing Rules, the Rights Issue must be made conditional on approval of the Independent Shareholders by way of poll at the SGM and any controlling shareholders and their associates or where there is no controlling shareholder, the Directors (other than the independent non-executive Directors), the chief executive of the Company and their respective associates shall abstain from voting in favour of the resolution relating to the Rights Issue. As at the date of this announcement, Tai He (a company wholly owned by Mr. Chua) is the controlling shareholder of the Company which holds 871,643,074 Shares, representing approximately 58.07% of the existing issued share capital of the Company. Tai He and its associates (including Mr. Chua and TAI Capital) shall abstain from voting in respect of the resolution relating to the Rights Issue at the SGM. Haitong does not hold any Shares as at the date of this announcement.

GENERAL

The Independent Board Committee, comprising all three independent non-executive Directors, namely Mr. Mao Kangfu, Dr. Gao Bin and Ms. Liu Yan, has been established to make recommendations to the Independent Shareholders as to whether the terms of the Rights Issue and the Underwriting Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole and to advise the Independent Shareholders on how to vote at the SGM.

The Independent Financial Adviser will be appointed by the Company with the approval by the Independent Board Committee to advise the Independent Board Committee and the Independent Shareholders in relation to the terms of the Rights Issue and the Underwriting Agreement.

The SGM will be convened and held to consider, and, if thought fit, to approve, the Rights Issue and the Underwriting Agreement. The circular containing, among other things, (i) further details of the Rights Issue and the Underwriting Agreement; (ii) letters of recommendation from the Independent Board Committee to the Independent Shareholders in relation to the Rights Issue and the Underwriting Agreement; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the Rights Issue and the Underwriting Agreement; and (iv) a notice of the SGM will be despatched to the Shareholders on 23 September 2016 as additional time is required for the Company to prepare relevant information to be included in the circular. Upon the approval of the Rights issue and the Underwriting Agreement by the Independent Shareholders at the SGM, the Prospectus Documents will be despatched to the Qualifying Shareholders as soon as practicable and the Prospectus, without the PAL and the EAF, will be despatched to the Non-qualifying Shareholders (if any) for their information only.

Warning of the risks of dealing in the shares and the nil-paid rights shares

The Rights Issue is conditional on the Underwriting Agreement having become unconditional and not terminated (see the section headed “Underwriting Arrangement – Termination of the Underwriting Agreement” in this announcement). The conditions of the Underwriting Agreement are set out in the section headed “Underwriting Arrangement – Conditions of the Underwriting Agreement” in this announcement. In particular, it is subject to the approval of the Rights Issue and the Underwriting Agreement by the Independent Shareholders at the SGM. It is expected that Shares will be dealt with on an ex-rights basis from 13 October 2016. The Rights Shares will be dealt with in their nil-paid form from 9:00 a.m. on 26 October 2016 to 4:00 p.m. on 2 November 2016. If Haitong (for itself and on behalf of the Underwriters) terminates the Underwriting Agreement pursuant to the terms thereto, the Rights Issue will not proceed.

ANY SHAREHOLDER OR OTHER PERSON CONTEMPLATING TRANSFERRING, SELLING OR PURCHASING SHARES AND/OR THE RIGHTS SHARES IN THEIR NIL-PAID FORM IS ADVISED TO EXERCISE CAUTION WHEN DEALING IN THE SHARES AND/OR THE RIGHTS SHARES. ANY PERSON WHO IS IN ANY DOUBT ABOUT HIS/HER/ITS POSITION OR ANY ACTION TO BE TAKEN IS RECOMMENDED TO CONSULT HIS/HER/ITS OWN PROFESSIONAL ADVISER(S). ANY SHAREHOLDER OR OTHER PERSON DEALING IN THE SHARES OR IN THE NIL-PAID RIGHTS SHARES UP TO THE DATE ON WHICH ALL THE CONDITIONS TO WHICH THE RIGHTS ISSUE IS SUBJECT ARE FULFILLED (INCLUDING THE DATE ON WHICH THE UNDERWRITERS’ RIGHT OF TERMINATION OF THE UNDERWRITING AGREEMENT CEASES) WILL ACCORDINGLY BEAR THE RISK THAT THE RIGHTS ISSUE MAY NOT BECOME UNCONDITIONAL OR MAY NOT PROCEED.

DEFINITIONS

Unless the context otherwise requires, terms used in this announcement shall have the following respective meanings:

“associate”	has the same meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Business Day”	any weekday (other than a Saturday or a day on which a tropical cyclone warning signal No.8 or above or a black rainstorm warning signal is hoisted in Hong Kong at any time between 9:00 a.m. and 4:00 p.m.) on which banks general are open for business in Hong Kong
“BVI”	British Virgin Islands
“CCASS”	Central Clearing and Settlement System established and operated by HKSCC
“Closing Date”	the date falling on the third Business Day after the latest time for acceptance or such later date the Company and the Underwriters may agree in writing
“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 (Stock code: 718)
“Completion”	completion of the Rights Issue
“connected person(s)”	has the same meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“EAF(s)”	the form(s) of application for use by the Qualifying Shareholders who wish to apply for the excess Rights Shares
“Easy Winning”	Easy Winning International Limited (怡峰國際有限公司), a company incorporated under the laws of Hong Kong
“Facilities”	two unsecured and revolving loan facilities of up to HK\$1,000 million and HK\$2,000 million granted by Tai He to the Company, details of which were disclosed in the Company’s announcements dated 3 March 2016 and 5 May 2016, respectively
“Group”	the Company and its subsidiaries

“Haitong”	Haitong International Securities Company Limited, a licensed corporation under the SFO to conduct Type 1 (Dealing in securities), Type 3 (Leveraged foreign exchange trading) and Type 4 (Advising on securities) regulated activities under the SFO
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hua Lien Acquisition”	the subscription of 3,700,000,000 shares of Hua Lien International (Holding) Company Limited, which represents 55.30% of the enlarged share capital of Hua Lien International (Holding) Company Limited, by a subsidiary of the Company pursuant to the subscription agreement dated 18 July 2016
“Hui Kai Acquisition”	the proposed acquisition of entire equity interest in Hui Kai Futures, Hui Kai Asset Management, Easy Winning and Hui Kai Securities by the Company pursuant to the agreement
“Hui Kai Asset Management”	Hui Kai Asset Management Limited (滙凱資產管理有限公司), a company incorporated under the laws of Hong Kong
“Hui Kai Futures”	Hui Kai Future Limited (滙凱期貨有限公司), a company incorporated under the laws of Hong Kong
“Hui Kai Securities”	Hui Kai Securities Limited (滙凱證券有限公司), a company incorporated under the laws of Hong Kong
“Independent Board Committee”	the independent committee of the Board, comprising all three independent non-executive Directors, namely Mr. Mao Kangfu, Dr. Gao Bin and Ms. Liu Yan, established to give a recommendation to the Independent Shareholders in respect of the Rights Issue and the Underwriting Agreement
“Independent Financial Adviser”	an independent financial adviser to be appointed by the Company with the approval of the Independent Board Committee for the purpose of advising the Independent Board Committee and the Independent Shareholders of the Company on the terms of the Rights Issue and the Underwriting Agreement
“Independent Shareholder(s)”	any Shareholder(s) who are not required to abstain from voting at the SGM under the Listing Rules

“Irrevocable Undertaking”	the irrevocable undertaking given by Tai He in favour of the Company and the Underwriters pursuant to the Underwriting Agreement
“Last Trading Day”	1 September 2016, being the last trading day of the Shares on the Stock Exchange immediately prior to the publication of this announcement
“Latest Acceptance Date”	7 November 2016, being the last day for acceptance and payment of the Rights Shares, or such other date as the Company may determine and notified to the Underwriters in writing
“latest time for acceptance”	4:00 p.m. on the Latest Acceptance Date
“Latest Time for Termination”	4:00 p.m. on the Closing Date or such late date as the Company and the Underwriting may agree in writing
“Listing Committee”	has the same meaning ascribed to it under the Listing Rules
“London Property Acquisition”	the possible acquisition of the entire equity interest in the target companies which beneficially hold 100% interest in certain mid-sized luxury residential properties in the central district of London, details of which were set out in the announcement of the Company dated 12 August 2016
“Long Stop Date”	5:00 p.m. on 30 November 2016, or such later date as the Underwriters may agree
“Mr. Chua”	Mr. Chua Hwa Por
“Non-qualifying Shareholder(s)”	Overseas Shareholder(s) whom the Directors, after making enquiry regarding the legal restrictions under the laws of the relevant place and the requirements of the relevant regulatory body or stock exchange, consider it necessary or expedient to exclude from the Rights Issue
“Overseas Shareholder(s)”	the Shareholder(s) whose name(s) appear(s) on the register of members of the Company as at 5:00 p.m. on the Record Date and whose address(es) as shown on such register is/are outside Hong Kong
“PAL”	the provisional allotment letter in respect of the Rights Issue in the agreed form
“PRC”	the People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region and Taiwan

“Prospectus”	the prospectus to be issued by the Company in relation to the Rights Issue
“Prospectus Date”	24 October 2016, or such other date as the Company may determine and notified to the Underwriters in writing for the despatch of the Prospectus Documents
“Prospectus Documents”	the Prospectus, the PAL and the EAF to be issued by the Company
“Qualifying Shareholders”	the Shareholders whose names appear on the register of members of the Company as at 5:00 p.m. on the Record Date, other than the Non-Qualifying Shareholders
“Record Date”	21 October 2016, being the record date to determine entitlements to the Rights Issue, or such later date as the Company may determine and notified to the Underwriters in writing
“Registrar”	Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong, the branch registrar of the Company in Hong Kong
“Rights Issue”	the issue of 3,002,184,872 Rights Shares at the Subscription Price on the basis of two Rights Shares for every one existing Share held on the Record Date payable in full on acceptance
“Rights Share(s)”	the new Share(s) to be allotted and issued in respect of the Rights Issue
“Set-Off”	the set-off of the outstanding loan amount of the Facilities owing by the Company to Tai He against the Subscription Price payable by Tai He to the Company upon acceptance of the Rights Shares by way of its PALs
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“SGM”	the special general meeting of the Company to be convened and held at which resolution(s) will be proposed to consider, and, if thought fit, to approve, among other things, the Rights Issue, the Underwriting Agreement

“Share(s)”	ordinary share(s) of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	the subscription price of HK\$1.00 per Rights Share
“TAI Capital”	TAI Capital LLC, a company incorporated in Cayman Islands with limited liability, the sole shareholder of which is Mr. Chua
“Tai He”	Tai He Financial Group Limited, a company incorporated in the Cayman Islands with limited liability, the sole shareholder of which is Mr. Chua
“Underwriters”	Haitong and TAI Capital
“Underwriting Agreement”	the underwriting agreement dated 1 September 2016 and entered into between the Company and the Underwriters in relation to the Rights Issue
“Underwritten Shares”	a total of 1,258,898,724 Rights Shares to be underwritten by the Underwriters subject to the terms and conditions of the Underwriting Agreement
“Untaken Shares”	any of the Rights Shares not taken up by the Qualifying Shareholders under the Rights Issue
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong

By order of the Board
Tai United Holdings Limited
Dr. Meng Zhaoyi
Chairman and chief executive officer

Hong Kong, 2 September 2016

As at the date of this announcement, the Board comprises Dr. Meng Zhaoyi, Dr. Liu Hua, Mr. Hu Yebi, Mr. Chen Weisong and Mr. Xu Ke as executive Directors, and Mr. Mao Kangfu, Dr. Gao Bin and Ms. Liu Yan as independent non-executive Directors.