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**(1) ISSUE OF NOTES
AND
(2) PROPOSED ISSUE OF UNLISTED WARRANTS
UNDER SPECIFIC MANDATE**

On 28 September 2016 (after trading hours), the Company entered into the Subscription Agreement with, among others, the Investors pursuant to which the Company conditionally agreed to issue, and the Investors conditionally agreed to subscribe for, the Notes in the aggregate principal amount of not more than US\$180,000,000 (equivalent to approximately HK\$1,395,000,000). The Notes constitute direct, unsubordinated, unconditional, secured and guaranteed obligations of the Company and shall have an initial term of two years from the date of issue, which may be extended for a further term of one year by the Company with the consent of the Noteholders.

Pursuant to the Subscription Agreement, in consideration of the subscription of the Notes by the Investors, the Company conditionally agreed to grant to the Investors the Warrants. The Warrants will entitle the holders thereof to subscribe for up to 279,000,000 Shares at an initial Warrant Shares Subscription Price of HK\$1.0 per Warrant Share during the Warrants Subscription Period. The Warrant Shares Subscription Price is subject to adjustment according to the terms and conditions of the Warrants Instrument. If a Noteholder is also a Warrantholder, such Noteholder shall have the option to elect to use all or part of the outstanding principal amount of the Notes held by such Noteholder to set-off the relevant exercise moneys payable upon the exercise of the Warrants held by such Noteholder.

No listing of the Notes or the Warrants will be sought on the Stock Exchange or any other stock exchanges. An application will be made with the Stock Exchange for the listing of, and permission to deal in, the Warrant Shares issuable upon exercise of the Warrants.

The issue of the Notes is not subject to Shareholders' approval and is not conditional upon the completion of the issue of the Warrants, but the Notes may be early redeemed in accordance with their terms at the election of the Noteholders in the event of no grant of the Warrants. The issue of the Warrants is conditional upon, among other matters, completion of the issue of the Notes and will be subject to the specific mandate to be sought from the Shareholders.

As at the date of this announcement, the issued share capital of the Company comprises 1,501,092,436 Shares and the Company does not have any outstanding options, warrants or convertible securities in issue. Assuming there will not be any other changes in the issued share capital of the Company, upon exercise of the subscription rights attaching to the Warrants in full at the initial Warrant Shares Subscription Price of HK\$1.0 per Warrant Share and an aggregate amount of the exercise moneys of HK\$279,000,000, up to 279,000,000 Warrant Shares will be issued, which represent (i) about 18.59% of the issued share capital of the Company as at the date of this announcement and (ii) about 15.67% of the issued share capital of the Company as enlarged by the issue and allotment of the Warrant Shares pursuant to the exercise of the Warrants.

As the Notes Closing and the Warrants Closing are subject to the fulfilment of certain conditions precedent and may or may not proceed, Shareholders and potential investors should exercise caution when dealing in the securities of the Company.

LISTING RULES IMPLICATIONS

Pursuant to Rule 13.36(1)(a) of the Listing Rules, the issue of the Warrants carrying the right to subscribe for the Warrant Shares is subject to approval by the Shareholders. The Company will convene the SGM to seek for the Shareholders' approval on the issue of the Warrants.

Mr. Chua is required under the Subscription Agreement and other Transaction Documents to maintain prescribed holding in the Company and such specific performance by Mr. Chua is required to be disclosed under Rule 13.18 of the Listing Rules by way of this announcement.

INTRODUCTION

On 28 September 2016 (after trading hours), the Company entered into the Subscription Agreement with, among others, the Investors pursuant to which the Company conditionally agreed to issue, and the Investors conditionally agreed to subscribe for, the Notes in the aggregate principal amount of not more than US\$180,000,000 (equivalent to approximately HK\$1,395,000,000). The issue of the Notes is not subject to Shareholders' approval.

Pursuant to the Subscription Agreement, in consideration of the subscription of the Notes by the Investors, the Company also conditionally agreed to grant to the Investors the Warrants. The Warrants will entitle the holders thereof to subscribe for up to 279,000,000 Shares at an initial Warrant Shares Subscription Price of HK\$1.0 per Warrant Share during the Warrants Subscription Period. The issue of the Warrants will be subject to the specific mandate to be sought from the Shareholders.

Details of the Subscription Agreement and the transactions contemplated thereunder are set out below.

THE SUBSCRIPTION AGREEMENT

Date

28 September 2016

Parties

- (1) The Company, as issuer
- (2) Mr. Chua, as one of the Guarantors
- (3) Tai He Financial, as one of the Guarantors
- (4) Tai Infinite, as one of the Guarantors
- (5) Cheer Hope, as one of the Investors
- (6) Haitong, as one of the Investors
- (7) Songhua, as one of the Investors and acting in its capacity as the Security Agent for and on behalf of the Noteholders and the Warrantholders

Mr. Chua is solely and beneficially interested in the entire issued share capital of each of Tai He Financial and Tai Infinite, and is the ultimate controlling shareholder of the Company.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, each of the Investors and their respective ultimate beneficial owners are independent of and not connected with the Company and the connected persons (as defined in the Listing Rules) of the Company.

THE NOTES

Principal terms of the Notes

The terms of the Notes have been negotiated on an arm's length basis, the principal terms of which are summarised below:

Issuer	:	The Company
Guarantors	:	Mr. Chua, Tai He Financial and Tai Infinite
Original Noteholders	:	The Investors, whose obligations to subscribe for the Notes are several.
Principal amount	:	Not more than US\$180,000,000 (equivalent to approximately HK\$1,395,000,000) in aggregate.

The principal amount of the Notes to be issued to Cheer Hope, Haitong and Songhua shall not be more than US\$100,000,000 (equivalent to approximately HK\$775,000,000), US\$30,000,000 (equivalent to approximately HK\$232,500,000) and US\$50,000,000 (equivalent to approximately HK\$387,500,000), respectively.

Maturity date	:	The date falling on the last day of the Initial Term or, where applicable, the last day of the Extended Term if the term of the Notes is extended by the Company subject to the consent of the relevant Noteholder(s) (the “ Maturity Date ”).
Interest	:	5% per annum on the principal amount of the Notes, payable in arrears every six calendar months after the Issue Date, subject to a default interest rate of 15% per annum from the date of occurrence of an event of default up to and including the date on which such event of default has been fully remedied by the Company to the satisfaction of the Majority Noteholder(s) or waived by the Majority Noteholder(s).

- Administrative fee : The Company shall pay to each Investor an annual administrative fee which equals to 1% of the total subscription price paid by such Investor upon subscription of its portion of the Notes at the respective Notes Closing (the “**Administrative Fee**”). The Administrative Fee shall be payable every twelve calendar months from the first Notes Closing Date until the respective Maturity Date of the Notes or the date when the respective Notes are fully redeemed (whichever is earlier).
- Status of the Notes : The Notes constitute direct, unsubordinated, unconditional, secured and guaranteed obligations of the Company and shall at all times rank pari passu in all respects and without any preference or priority among themselves and other notes issued by the Company. The payment obligations of the Company under the Notes shall at all times rank in priority to the Subordinated Debts, and shall at all times rank at least equally with all the other present and future direct, unsubordinated and unsecured obligations of the Company.
- Security : As collateral security for the Notes, the following security will be created in favour of the Security Agent (for itself and on behalf of the Noteholders and the Warrantholders):
- (i) the Best Future Share Charge to be executed by the Company in respect of the entire issued share capital in Best Future Investments Limited (佳將投資有限公司), a wholly-owned subsidiary of the Company incorporated in the British Virgin Islands; and

- (ii) the Hongrong Share Charge to be executed by Giant Silver in respect of 100% of the equity interest in 宏融投資控股(深圳)有限公司 (for identification only, Hongrong Financial Holding (Shenzhen) Co., Ltd.), a wholly-owned subsidiary of the Company established in the PRC.

The Best Future Share Charge and the Hongrong Share Charge shall be released and shall not be enforceable by the Security Agent (for itself and on behalf of the Noteholders and the Warrantholders) if (a) the consolidated net asset value of the Company (as defined in the Transaction Documents) is HK\$3 billion or above or (b) if the gearing ratio of the Company (as defined in the Transaction Documents) is less than 200%.

In addition, the following collateral security will also be created in favour of the Investors (and any Noteholder(s) and Warrantholder(s) who accedes to such security documents):

- (a) the Deed of Subordination to be executed by Tai He Financial in respect of the subordination of the Subordinated Debts so that the Subordinated Debts will be ranked after the payment obligations of the Company under the Transaction Documents; and
- (b) the Guarantee to be executed by Mr. Chua, Tai He Financial and Tai Infinite with respect to the obligations of the Company under the Transaction Documents.

Transferability of the Notes : The Notes are transferrable in integral multiples of US\$1,000,000 (or the entire outstanding principal amount of the Notes) by the Noteholders to their respective affiliates or any third party without the prior consent of the Company.

Redemption : *Redemption on maturity*

Unless previously redeemed, purchased and cancelled, the Company shall pay to the Noteholders on the Maturity Date an aggregate price (the “**Maturity Price**”) of (i) the outstanding principal amount of the Notes on the Maturity Date, (ii) all accrued but unpaid interest under the Notes, (iii) all unpaid default interest (if any) accrued on the Notes, and (iv) all other outstanding amounts payable by the Company to the Noteholders under the Transaction Documents.

Redemption for event of default

Upon the Majority Noteholder(s)’ decision to exercise the redemption rights under the Notes if any event of default as specified under the Notes Instrument occurs, a Noteholder may give written notice of redemption to the Company that all or any of the Notes held by such Noteholder are immediately due and repayable at a redemption price (the “**EOD Redemption Price**”).

The EOD Redemption Price shall be the amount equivalent to the sum of (i) the outstanding principal amount of the Notes to be redeemed by such Noteholder, (ii) unpaid interest accrued on the Notes from the Issue Date up to (and including) the date of full payment of the EOD Redemption Price, (iii) unpaid default interest (if any) accrued on the Notes, (iv) such amount as would result in an internal rate of return (as defined in the Notes Instrument) of 9% per annum on the outstanding principal amount of the Notes to be redeemed from the Issue Date up to (and including) the date of full payment of the EOD Redemption Price, and (v) all other outstanding amounts payable by the Company to the Noteholders under the Transaction Documents.

All such amounts shall be payable immediately after the date of delivery of the said written notice of redemption and shall be paid by the Company into such Noteholder's bank account with such return calculated on the basis of the actual number of days elapsed in a year of 360 days.

Warrants exercise moneys set-off redemption

Any of the Noteholders may elect to use all or part of the outstanding principal amount of the Notes to settle the exercise moneys payable upon exercise of the subscription rights attaching to its Warrants by giving a written notice of redemption to the Company.

Upon application of the principal amount of the relevant Notes to settle the relevant exercise moneys for the relevant Warrants, such principal amount shall no longer be repayable to such Noteholder.

Early redemption for no grant of Warrant

A Noteholder may give written notice of redemption to the Company that all or any of the Notes held by such Noteholder are immediately due and repayable at a redemption price (the “**No Warrant Early Redemption Price**”) if (i) the grant of the Warrants is not duly approved by the Shareholders and any relevant governmental authority; or (ii) the Company fails to grant any Warrants pursuant to the Warrants Instrument and other Transaction Documents, in each case by the Warrants Long Stop Date.

The No Warrant Early Redemption Price shall be the amount equivalent to the sum of (i) the outstanding principal amount of the Notes to be redeemed by such Noteholder, (ii) unpaid interest accrued on the Notes from the Issue Date up to (and including) the date of full payment of the No Warrant Early Redemption Price, (iii) unpaid default interest (if any) accrued on the Notes, (iv) such amount as would result in an internal rate of return (as defined in the Notes Instrument) of 9% per annum on the outstanding principal amount of the Notes to be redeemed from the Issue Date up to (and including) the date of full payment of the No Warrant Early Redemption Price, and (v) all other outstanding amounts payable by the Company to the Noteholders under the Transaction Documents.

All such amounts shall be payable immediately after the date of delivery of the said written notice of redemption and shall be paid by the Company into such Noteholder's bank account with such return calculated on the basis of the actual number of days elapsed in a year of 360 days.

- Events of default : The events of default specified in the Notes Instrument include:
- (a) the Company fails to pay any amount which falls due in accordance with the Transaction Documents (including but not limited to the interest payment);

- (b) any representation or warranty given by any Obligor in any of the Transaction Documents or in any other documents delivered by or on behalf of any Obligor under or in connection with any of the Transaction Document is inaccurate, misleading or untrue in any respect and is not remedied within the applicable grace period;
- (c) any member of the Group which is party to the Transaction Documents or any Obligor or any other party to the Transaction Documents (other than an Investor, a Noteholder, a Warrantholder or the Security Agent) does not perform or comply with any of their respective covenants, undertakings or obligations under any Transaction Document and is not remedied within the applicable grace period;
- (d) any member of the Group (except certain Group companies specified in the Notes Instrument) or any Obligor (i) is (or is, or could be, deemed by law or a court to be) insolvent or bankrupt (as the case may be) or unable to pay its/his debts, (ii) stops, suspends, or threatens to stop or suspend, payment of all or a part of its/his debts due to financial difficulties, (iii) proposes or makes any agreement for the deferral, rescheduling or other readjustment of all of its/his debts (or of any part which it/he will or might otherwise be unable to pay when due) or (iv) proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any of such debts or a moratorium is agreed or declared in respect of or affecting all or any part of the debts of the Group (except certain Group companies specified in the Notes Instrument) or any Obligor;

- (e) (i) any other present or future financial debt (whether actual or contingent) of the Company or any of its subsidiaries for or in respect of moneys borrowed or raised is not paid when due or, as the case may be, within any applicable grace period, or (ii) the Company or any other member of the Group fails to pay when due any amount payable by it under any present or future guarantee for, or indemnity in respect of, any financial debt provided that no event of default will occur under this paragraph (v) if the aggregate amount of financial debt falling within paragraphs (i) to (ii) is less than US\$10,000,000 (or its equivalent in any other currency or currencies);
- (f) a distress, attachment, execution, seizure before judgment or other legal process is levied, enforced or sued out on or against any part of the properties, assets or turnover of the Group; or an encumbrancer takes possession or a receiver, manager, administrator, liquidator or other similar officer is appointed, of the whole or any part of the properties, assets or turnover of the Group;
- (g) an order is made, petition is filed or an effective resolution passed for the winding-up or dissolution or administration or liquidation of any member of the Group (except for a members' voluntary solvent winding-up) or an order is made, petition is filed for the bankruptcy of Mr. Chua;

- (h) any step is taken by any governmental authority which is likely to result in the seizure, compulsory acquisition, expropriation or nationalisation of all or a part of the assets of any member of the Group or Mr. Chua; or any member of the Group or Mr. Chua is prevented from exercising normal control over all or any part of its/his properties, assets and turnover and such step would be likely to have a Material Adverse Effect;
- (i) subject to certain legal reservations, any action, condition or thing at any time required to be taken, fulfilled or done in order (a) to enable the Company lawfully to enter into, exercise its rights and perform and comply with its obligations under the Notes, (b) to ensure that those obligations are legally binding and enforceable, and (c) to make the Notes admissible in evidence in the courts of Bermuda or Hong Kong is not taken, fulfilled or done; it is unlawful for any Obligor to perform or comply with any one or more of its/his obligations under the Transaction Documents;
- (j) any event occurs which has the effect of a change of control in the Company (within the meaning of the Takeovers Codes);
- (k) the Group fails to comply with or pay any sum due from it under any final judgment or any final order made or given by any court or arbitration institute of competent jurisdiction;
- (l) there is happening of any event which may have a Material Adverse Effect;

- (m) unless otherwise permitted under the Transaction Documents, there is (i) any suspension of the trading of the Shares on the Stock Exchange for any reason for more than five consecutive trading days, or (ii) a delisting of the Shares on the Stock Exchange for any reason;
- (n) the Shares cease to be listed or admitted to trading on the Stock Exchange;
- (o) there is, or is agreed to be, any transfer or disposal of all or substantially all of the properties/assets of the Group as a whole;
- (p) the auditors of the Company are unable to prepare the audited accounts of the Company or issue an opinion other than an unqualified opinion in respect of such audited accounts which will adversely affect the operation of the Group as a whole;
- (q) other than the acquisitions and disposals as permitted under the Notes Instrument, any member of the Group enters into or expands any business outside the existing scope of its principal business, changes the scope of the existing principal business or ceases carrying on the principal business;

- (r) within twelve months from the date of the Notes Instrument, any member of the Group carries out any equity or debt financing whereby the rate of return of such other party being 9% or more per annum on the amount of such equity or debt financing, unless the rate of return under the Notes Instrument shall be amended accordingly to reflect the same rate of return, subject to the discretion of the Majority Noteholder (s) to accept such amendments or any other amendments or to retain the existing terms of the Notes;
- (s) any member of the Group provides any guarantees, financial commitments or indemnity in respect of financial debt of third parties involving amounts individually or in the aggregate in excess of a value of HK\$100,000,000 (or its equivalent in any other currency), other than pursuant to the Transaction Documents;
- (t) Mr. Chua (i) disposes any of the Shares indirectly held by him through Tai He Financial as at the date of the Subscription Agreement, representing approximately 58.07% of the entire issued share capital of the Company as at the date of the Subscription Agreement, and (ii) holds less than, directly or indirectly, such numbers of Shares representing at least 51% of the Shares then outstanding which are free from any encumbrance, except for encumbrances which may be created by Mr. Chua over any of such 51% of the Shares in connection with any loans and the proceeds of such loans are or will be used by the Group in the manner not in conflict with the terms of the Transaction Documents and to the extent as permitted under the Applicable Laws;

- (u) the consolidated net asset value of the Company (as defined in the Notes Instrument) is less than HK\$700,000,000 (or its equivalent in any other currency); and
- (v) any event occurs which under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in any of the foregoing paragraphs except (m), (n) and (u).

Undertakings : Pursuant to the Notes Instrument, each of the Company and the Guarantors will give certain undertakings to the Noteholders for so long as any part of the Notes is outstanding, including but not limited to:

- (i) the Group shall carry on its principal business as at the date of the Subscription Agreement as a going concern in its ordinary course of business save for the acquisitions and disposes as permitted under the Notes Instrument;
- (ii) the consolidated net asset value of the Company (as defined in the Notes Instrument) shall be not less than HK\$700,000,000 (or its equivalent in any other currency);
- (iii) no member of the Group shall provide any guarantees, financial commitments or indemnity in respect of financial debt of third parties involving amounts individually or in the aggregate in excess of a value of HK\$100,000,000 (or its equivalent in any other currency), other than pursuant to the Transaction Documents;

- (iv) the Company shall not declare, make or pay any dividend or other distribution, except for a dividend payout ratio of not more than 50% of the distributable profit for a financial year or period as determined based on the Company's consolidated financial statements of the relevant dates, as audited or reviewed by the auditors of the Company and prepared in accordance with the Hong Kong Financial Reporting Standards; and
- (v) within twelve months from the date of the Notes Instrument, other than the rights issue as set out in the Company's announcement dated 2 September 2016, the Group shall not carry out any equity or debt financing whereby the rate of return of such other party being 9% or more per annum on the amount of such equity or debt financing, unless the rate of return under the Notes Instrument shall be amended accordingly to reflect the same rate of return, subject to the discretion of the Majority Noteholders to accept such amendments or any other amendments or to retain the existing terms of the Notes.

Exchange rate : Pursuant to the Subscription Agreement, where required, the principal amount of the Notes shall be translated into HK\$ at the exchange rate of US\$1.00 to HK\$7.75.

Mandate to issue the Notes

The issue of the Notes is not subject to approval by the Shareholders.

Application for listing

No application will be made by the Company for the listing of the Notes on the Stock Exchange or any other stock exchanges.

Conditions Precedent for the Notes Closing

The closings for the subscription of the Notes by each of the Investors shall take place on the Notes Closing Date when all the Notes Conditions Precedent (as defined below) have been satisfied or waived (as the case may be) or such other date as may be agreed in writing by the Company and the respective Investors.

The obligations of the Investors to subscribe for the Notes shall be several and subject to the fulfilment (or waiver) of all of the following conditions (the “**Notes Conditions Precedent**”) in respect of such Investor’s portion of the Notes:

- (a) the execution of the relevant documents specified in the Subscription Agreement required to be executed on the first Notes Closing Date by each of the Obligors;
- (b) all the warranties in the Subscription Agreement being true, complete and accurate in all respects and not misleading in any respect, and the Obligors having performed all its/his obligations under the Subscription Agreement to be performed on or before the Notes Closing Date;
- (c) the relevant Investor(s) being satisfied with (i) the business (including future projects, prospects, business strategy, development and investment scope and business plan), technical, legal, financial, accounting and tax due diligence investigations with respect to the Group, and (ii) all “Know Your Client” and anti-money laundering checks and all other customer due diligence requirements with respect to the Group, and the entering into of the transactions contemplated under the Transaction Documents;
- (d) the relevant Investor(s) having obtained all necessary internal approvals, including but not limited to the approval from its investment committee or the investment committee of its holding company (if applicable) in respect of the subscription of its portion of the Notes as set forth in the Subscription Agreement;

- (e) the Company having (i) duly complied with all requirements under Applicable Laws and its constitutional documents necessary for the validity and enforceability of the Transaction Documents (other than the Warrants Instrument) and the issuance of Notes thereunder; (ii) duly completed all procedural requirements (including without limitation, notification, filing, registration, disclosure, and/or announcement requirements) required by any relevant governmental authority and its constitutional documents in connection with the signing of the Transaction Documents (other than the Warrants Instrument) and the proposed issuance of the Notes thereunder that is capable of being completed prior to the Notes Closing; and (iii) obtained all consents and approvals by the relevant governmental authority and under its constitutional documents in connection with the signing of the Transaction Documents (other than the Warrants Instrument) and the proposed issuance of the Notes thereunder that is capable of being completed prior to the Notes Closing;
- (f) there being no governmental authority or other person that has:
 - (i) requested any information in connection with or instituted or threatened any action or investigation to restrain, prohibit or otherwise challenge the subscription for the Notes by the relevant Investor(s) and/or its nominees, or the other transactions contemplated by the Transaction Documents to which the relevant Investor(s) is a party;
 - (ii) threatened to take any action as a result of or in anticipation of the subscription for the Notes by the relevant Investor(s) and/or its nominees, or the other transactions contemplated by the Transaction Documents to which the relevant Investor(s) is a party; or
 - (iii) proposed or enacted any Applicable Laws which would prohibit, restrict or delay the subscription for the Notes by the relevant Investor(s) and/or its nominees, or the other transactions contemplated by the Transaction Documents to which the relevant Investor(s) is a party and/or the operation of any member of the Group after the Notes Closing;
- (g) the announcement to be issued by the Company in relation to the issuance of the Notes (on the terms set out in the Subscription Agreement) shall have been made in accordance with the Applicable Laws, if applicable;

- (h) there shall not have been (i) any suspension of the trading of the Shares on the Stock Exchange for any reason during the period between the date of the Subscription Agreement and the Notes Closing Date for more than five consecutive trading days, or (ii) a delisting of the Shares on Kong Stock Exchange for any reason;
- (i) other than the permitted acquisitions and disposals as specified in the Subscription Agreement, from the date of the Subscription Agreement to the Notes Closing Date, there being no change in the principal business, operations, properties, conditions (financial or otherwise), key personnel or prospects of the Group, nor the happening of any events which may have a Material Adverse Effect;
- (j) there shall not have occurred (i) any change, or any development involving a prospective change, in national or international monetary, financial, political or economic conditions or currency exchange rates or foreign exchange controls, (ii) a general moratorium on commercial banking activities in Bermuda, Hong Kong, or the PRC by any governmental authority, (iii) an outbreak or escalation of hostilities or act of terrorism, and which, with respect to any of (i) to (iii) above, individually or in aggregate, is or is likely to have a Material Adverse Effect, or (iv) a suspension or limitation of trading in securities generally on the Stock Exchange;
- (k) the consolidated net asset value of the Company (as defined in the Subscription Agreement) is not less than HK\$700,000,000 (or its equivalent in any other currency);
- (l) Mr. Chua (i) not having disposed any of the Shares indirectly held by him through Tai He Financial as at the date of the Subscription Agreement, representing approximately 58.07% of the entire issued share capital of the Company as at the date of the Subscription Agreement, and (ii) holding, directly or indirectly, such number of Shares representing at least 51% of the Shares then outstanding which are free from any encumbrance, except for any encumbrance which may be created by Mr. Chua over any of such 51% of the Shares in connection with any loans and the proceeds of such loans are or will be used by the Group in the manner not in conflict with the terms of the Transaction Documents and to the extent as permitted under the Applicable Laws; and

- (m) Tai He Financial having entered into the Master Facility Agreements, the Company having made a drawdown of US\$150,000,000 (or its equivalent in any other currency) under the Master Facility Agreements, and the Company having provided evidence showing the actual drawdown of US\$150,000,000 (or its equivalent in any other currency) by the Company under the Master Facility Agreements to the satisfaction of the Investors.

Any Investor may, at its absolute discretion, waive compliance with any or all of the above conditions precedent as such Investor may deem fit with respect to closing of its subscription of the Notes.

Notes Closing

Subject to the Notes Conditions Precedent being fulfilled (if not waived), the closing for subscription of the Notes by the Investors shall take place on the Notes Closing Date.

Termination

The Investors may, by notice in writing to the other parties to the Subscription Agreement, terminate the subscription of its portion of the Notes at any time before the Notes Closing Date:

- (a) if any of the Notes Conditions Precedent has not been fulfilled or waived by the Investors on or before the Notes Long Stop Date;
- (b) if there shall have come to the notice of the Investors any breach of, or any event rendering untrue, incomplete, inaccurate or misleading in any respect, any of the warranties in the Subscription Agreement;
- (c) if there is any breach of any covenant or agreement in the Transaction Documents, including, without limitation, any undertakings in the Subscription Agreement;

- (d) if there is (i) any change, or any development involving a prospective change, in national or international monetary, financial, political or economic conditions or currency exchange rates or foreign exchange controls, (ii) a general moratorium on commercial banking activities in Bermuda, Hong Kong, the PRC, or by any governmental authority, (iii) an outbreak or escalation of hostilities or act of terrorism, and which, with respect to any of (i) to (iii) above, individually or in aggregate, is or is likely to have a material adverse effect, or (iv) a suspension or limitation of trading in securities generally on the Stock Exchange; or
- (e) other than the permitted acquisitions and disposals as specified in the Subscription Agreement, if there is a change in the principal business, operations, properties, conditions (financial or otherwise) or prospects of the Group taken as a whole or the happening of any events, which may have a Material Adverse Effect.

THE WARRANTS

Pursuant to the Subscription Agreement, in consideration of the subscription of the Notes by the Investors, the Company conditionally agreed to grant to the Investors the Warrants. The Warrants will entitle the holders thereof to subscribe for up to 279,000,000 Shares at an initial Warrant Shares Subscription Price of HK\$1.0 per Warrant Share (subject to adjustments) during the Warrants Subscription Period. No additional monetary amount is payable by the Investors to the Company for the grant of the Warrants.

Principal terms of the Warrants

The terms of the Warrants have been negotiated on an arm's length basis, the principal terms of which are summarised below:

Issuer	:	The Company
Guarantors	:	Mr. Chua, Tai He Financial and Tai Infinite
Original Warrantholders	:	The Investors

Subscription right : For Cheer Hope: up to 155,000,000 Shares

For Haitong: up to 46,500,000 Shares

For Songhua: up to 77,500,000 Shares

Each Warrantholder may subscribe for the Warrant Shares in HK\$ at the Warrant Shares Subscription Price per Share.

On the basis of the exercise of the subscription rights attaching to the Warrants by all the Warrantholders in full at the initial Warrant Shares Subscription Price of HK\$1.0 per Warrant Share (subject to adjustment in accordance with the Warrants Instrument) and an aggregate amount of exercise moneys of HK\$279,000,000, the Warrantholders are entitled to subscribe for up to 279,000,000 Warrant Shares (which are fully-paid ordinary Shares upon issue).

The 279,000,000 Warrant Shares, having an aggregate nominal value of HK\$13,950,000, represent (i) about 18.59% of the issued share capital of the Company as at the date of this announcement and (ii) about 15.67% of the issued share capital of the Company as enlarged by the issue and allotment of the Warrant Shares (assuming that there will not be any other changes in the issued share capital of the Company).

The net price of each Warrant Share to the Company, based on the estimated proceeds of about HK\$279,000,000 and 279,000,000 Warrant Shares, is estimated to be about HK\$1.0.

Subscription period : Commencing from the date falling the 7th month from the first Notes Closing Date and ending on the last date of the Initial Term or (where applicable) the last date of the Extended Term.

Subscription price : HK\$1.0 per Share (subject to adjustment in accordance with the Warrants Instrument), which represents:

- (i) a discount of about 6.54% to the closing price of HK\$1.07 per Share as quoted on the Stock Exchange on 28 September 2016, being the date of the Subscription Agreement;
- (ii) a discount of about 7.92% to the average closing price of HK\$1.086 per Share as quoted on the Stock Exchange for the five consecutive trading days up to and including the Last Trading Day; and
- (iii) a discount of about 9.17% to the average closing price of HK\$1.101 per Share as quoted on the Stock Exchange for the ten consecutive trading days up to and including the Last Trading Day.

Basis of determination

The Warrant Shares Subscription Price has been determined after arm's length negotiations between the Company and the Investors taking into account the trading prices of the Shares, the financial condition of the Group and current market condition.

Adjustments to the Warrant Shares Subscription Price : Pursuant to the Warrants Instrument, the Warrant Shares Subscription Price is subject to adjustment(s) from time to time if and whenever any of the following occurs:

- (a) an alteration of the nominal amount of the Shares by reason of any consolidation or sub-division;
- (b) an issue (other than in lieu of a cash dividend) by the Company of Shares, credited as fully paid, by way of capitalisation of profits or reserves (including any share premium account or capital redemption reserve fund);

- (c) a capital distribution being made by the Company to holders (in their capacity as such) of Shares (whether on a reduction of capital or otherwise) or a grant by the Company to the holders of Shares of rights to acquire for cash any assets of the Company or any of its subsidiaries;
- (d) an offer of new Shares to the Shareholders as a class for subscription by way of rights, or a grant to the Shareholders as a class any options or warrants or other rights to subscribe for new Shares and in each case (i) at a consideration per Share which is less than 95% of the Market Price on the last trading day (excluding any trading day in respect of which no closing price per Share is reported) preceding the date of announcement of such issue or grant and (ii) at a consideration per Share which is less than the Warrant Shares Subscription Price in force under the Warrants Instrument;
- (e) other than (d) above, an issue wholly for cash being made by the Company of securities convertible into or exchangeable for or carrying rights to acquire or subscribe for new Shares and in each case at a consideration per Share which is less than 95% of the Market Price on the last trading day (excluding any trading day in respect of which no closing price per Share is reported) preceding the date of announcement of such issue or grant;

- (f) if the rights of conversion or exchange or acquisition or subscription as are mentioned under (e) above are modified so that the consideration per Share is less than 95% of the Market Price on the last trading day (excluding any trading day in respect of which no closing price per Share is reported) preceding the date of announcement of the proposal for modification;
- (g) an issue being made wholly for cash of Shares at a consideration per Share which is less than 95% of the Market Price on the last trading day (excluding any trading day in respect of which no closing price per Share is reported) preceding the date of the announcement of such issue;
- (h) the purchase by the Company of Shares (other than any purchase made on the Stock Exchange or any other stock exchange recognized for this purpose by the Securities and Futures Commission of Hong Kong or equivalent authority and the Stock Exchange); and
- (i) the purchase by the Company of securities convertible into or exchangeable for Shares or any rights to acquire Shares (other than any purchase made on the Stock Exchange or any other stock exchange recognized for this purpose by the Securities and Futures Commission of Hong Kong or equivalent authority and the Stock Exchange) in circumstances where the Directors consider that it may be appropriate to make an adjustment to the Warrant Shares Subscription Price.

For the above purpose, “Market Price” means the average closing price per Share as quoted on the Stock Exchange for each of the last twenty (20) consecutive trading days on which dealings in the Shares on the Stock Exchange took place ending on the last such trading day preceding the day on or as of which the Market Price is to be ascertained.

No adjustment as is referred to above will be made in respect of:

- (i) an issue of fully paid Shares upon the exercise of any conversion, exchange, acquisition or subscription rights attached to securities convertible into or exchangeable for Shares or upon exercise of any rights (including the subscription rights under the Warrants) to acquire or subscribe for Shares, provided that, in the case of any such securities which were issued after the date of the Warrants Instrument, the adjustment (if any) which is required to be made under Warrants Instrument has been made in respect of the issue of such securities or granting of such rights (as the case may be);
- (ii) an issue of Shares or other securities of the Company or any subsidiary, wholly or partly convertible into, or rights to acquire Shares, to eligible persons pursuant to any share option scheme of the Company;
- (iii) an issue of Shares pursuant to a scrip dividend scheme in lieu of a cash dividend where an amount of not less than the nominal amount of the Shares so issued is capitalized;

- (iv) an adjustment in the subscription or conversion price for Shares under rights attaching to any other warrants, options or securities convertible into Shares when such adjustment arises from an event which also and already results in an adjustment to the Warrant Shares Subscription Price; or
- (v) an issue of Shares pursuant to the exercise of the Subscription Rights attaching to the Warrant.

No adjustment shall involve an increase in the Warrant Shares Subscription Price otherwise than upon the consolidation of Shares into a larger nominal amount (pursuant to adjustment event (a) above).

Any adjustment to the Warrant Shares Subscription Price shall be certified to be fair and appropriate by the auditors of the Company for the time being or an approved merchant bank in Hong Kong selected by the Directors.

If any event that may give rise to any adjustment to the Warrant Shares Subscription Price occurs at any time on or after the date of the Subscription Agreement but before the issue of the Warrants, the Company and the Guarantors shall adjust the Warrant Shares Subscription Price according to the conditions of the Warrants Instrument (as if the Warrants Instrument has been executed on the date of the Subscription Agreement).

Redemption : Each Warrant outstanding as at the last day of its Warrants Subscription Period shall be redeemed by the Company on the last day of its Warrants Subscription Period at the redemption price which shall be an amount that will yield a 15% return on the initial subscription price paid for the Notes per annum calculated from the Notes Closing Date.

The Warrants so redeemed shall be cancelled and may not be re-issued.

In the event that a Noteholder exercises the redemption rights in respect of any events of default (as defined in the Notes Instrument) pursuant to the Notes Instrument, after the full payment by the Company of the EOD Redemption Price, the Warrantholder shall surrender and deliver to the Company for cancellation the certificates for the Warrants with respect to the redeemed portion of the Notes, provided that the Warrantholder or its affiliate still holds such Notes at the time of such redemption, provided further that the Warrants denoted by the Warrants certificates with respect to the redeemed portion of the Notes shall be deemed to be cancelled regardless of whether the Warrants certificates are surrendered for cancellation.

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| Transferability of
the Warrants | : | The Warrant shall be transferable by the Warrantholder in whole amounts or integral multiples of the Warrant Shares Subscription Price, provided that any transfer of the Warrant to any connected person of the Company shall be subject to the requirements that the Stock Exchange may impose from time to time. |
| Voting rights of
the Warrants | : | The Warrants will not entitle its holder to attend or vote at any general meetings of the Company by reason of it being a holder of any Warrants. |
| Ranking of
the Warrant Shares | : | The Warrant Shares, when allotted and issued, shall rank pari passu with the Shares in issue on the Business Day on which the subscription rights represented by such Warrants is duly exercised before the close of business on such day (the “ Warrant Shares Subscription Date ”), including the right to all dividends or other distributions declared, paid or made, the record date for which falls on or before the Warrant Shares Subscription Date. |

- Undertakings : Pursuant to the Warrants Instrument, each of the Company and the Guarantors will give certain undertakings to the Warrantholders (which are the substantially same as those given by them under the Notes Instrument to the Noteholders) for so long as any part of the Warrants is outstanding.
- Security : The collateral securities as required under the Notes will also cover the obligations of the Company under the Warrants.

Mandate to grant the Warrants and issue the Warrant Shares under the Warrants

The grant of the Warrants carrying the right to subscribe for the Warrant Shares and the issue of the Warrant Shares upon any exercise of the subscription rights attaching to the Warrants will be made pursuant to the specific mandate to be sought at the SGM.

Application for listing

No application will be made by the Company for the listing of the Warrants on the Stock Exchange or any other stock exchanges. Application will be made by the Company to the Listing Committee for the listing of, and permission to deal in, the Warrant Shares issuable upon exercise of the Warrants.

Conditions Precedent for the grant of the Warrants

The grant of the Warrants to the Investors from the Company are subject to the fulfilment (or waiver) of all of the following conditions precedent (the “**Warrants Conditions Precedent**”) on or before the Warrants Closing Date:

- (a) the Notes Closing with respect to the relevant Investor(s) being duly completed on the Notes Closing Date in all respects in accordance with the Subscription Agreement;
- (b) the Shareholders having duly approved the grant of the Warrants;

- (c) all the warranties in the Subscription Agreement being true, complete and accurate in all material respects and not misleading in any respect, and the Obligors having performed all its/his obligations under the Subscription Agreement to be performed on or before the Warrants Closing Date;
- (d) the relevant Investor(s) being satisfied with (i) the business (including future projects, prospects, business strategy, development and investment scope and business plan), technical, legal, financial, accounting and tax due diligence investigations with respect to the Group, and (ii) all “Know Your Client” and anti-money laundering checks and all other customer due diligence requirements with respect to the Group, and the entering into of the transactions contemplated under the Transaction Documents;
- (e) the relevant Investor(s) having obtained all necessary internal approvals, including but not limited to the approval from its investment committee or the investment committee of its holding company (if applicable) in respect of the grant of the Warrants as set forth in the Subscription Agreement;
- (f) other than as provided in (b) and (l), the Company having (i) duly complied with all requirements under Applicable Laws and its constitutional documents necessary for the validity and enforceability of the Transaction Documents and the grant of Warrants thereunder; (ii) duly completed all procedural requirements (including without limitation, notification, filing, registration, disclosure, and/or announcement requirements) required by any relevant governmental authority and its constitutional documents in connection with the signing of the Transaction Documents and the proposed grant of the Warrants thereunder that is capable of being completed prior to the Warrants Closing; and (iii) obtained all consents and approvals by the relevant governmental authority and under its constitutional documents in connection with the signing of the Transaction Documents and the proposed grant of the Warrants thereunder that is capable of being completed prior to the Warrants Closing;
- (g) there being no governmental authority or other person that has:
 - (i) requested any information in connection with or instituted or threatened any action or investigation to restrain, prohibit or otherwise challenge the grant of the Warrants involving the relevant Investor(s) and/or its nominees, or the other transactions contemplated by the Transaction Documents to which the relevant Investor(s) is a party;

- (ii) threatened to take any action as a result of or in anticipation of the grant of the Warrants involving the relevant Investor(s) and/or its nominees, or the other transactions contemplated by the Transaction Documents to which the relevant Investor(s) is a party; or
 - (iii) proposed or enacted any Applicable Laws which would prohibit, restrict or delay the grant of the Warrants involving the relevant Investor(s) and/or its nominees, or the other transactions contemplated by the Transaction Documents to which the relevant Investor(s) is a party and/or the operation of any Group company after the Warrants Closing;
- (h) the announcement to be issued by the Company in relation to the grant of the Warrants (on the terms set out in the Subscription Agreement) shall have been made in accordance with the Applicable Laws, if applicable;
- (i) there shall not have been any (i) suspension of the trading of the Shares on the Stock Exchange for any reason during the period between the date of this Agreement and the Warrants Closing Date for more than five consecutive trading days, or (ii) a delisting of the Shares on the Stock Exchange for any reason;
- (j) other than the permitted acquisitions and disposals as specified in the Subscription Agreement, from the date of the Subscription Agreement to the Warrants Closing Date, there being no event (including any change in the operations, properties, conditions (financial or otherwise) or key personnel of the Group or any other events) which may have a Material Adverse Effect;
- (k) there shall not have occurred (i) any change, or any development involving a prospective change, in national or international monetary, financial, political or economic conditions or currency exchange rates or foreign exchange controls, (ii) a general moratorium on commercial banking activities in Bermuda, Hong Kong, or the PRC by any governmental authority, (iii) an outbreak or escalation of hostilities or act of terrorism, and which, with respect to any of (i) to (iii) above, individually or in aggregate, is or is likely to have a Material Adverse Effect, or (iv) a suspension or limitation of trading in securities generally on the Stock Exchange;
- (l) the approval for the listing of and the permission to deal in the new Shares issuable upon the exercise of the subscription right under the Warrants on the Stock Exchange shall have been obtained;

- (m) the consolidated net asset value of the Company (as defined in the Subscription Agreement) is not less than HK\$700,000,000 (or its equivalent in any other currency); and
- (n) Mr. Chua (i) not having disposed any of the Shares indirectly held by him through Tai He Financial as at the date of the Subscription Agreement, representing approximately 58.07% of the entire issued share capital of the Company as at the date of the Subscription Agreement, and (ii) holding, directly or indirectly, such number of Shares representing at least 51% of the Shares then outstanding which are free from any encumbrance, except for any encumbrance which may be created by Mr. Chua over any of such 51% of the Shares in connection with any loans and the proceeds of such loans are or will be used by the Group in the manner not in conflict with the terms of the Transaction Documents and to the extent as permitted under the Applicable Laws.

Any Investor may, at its absolute discretion, waive compliance with any or all of the above conditions precedent (other than (a), (b) and (l) above) as such Investor may deem fit.

Warrants Closing

Subject to the Warrants Conditions Precedent being fulfilled or waived (as the case may be), the Warrants Closing shall take place on the Warrants Closing Date.

INTENDED USE OF PROCEEDS

The aggregate principal amount of the Notes, up to US\$180 million, and any proceeds from the exercise of the Warrants, after deducting the related costs and expenses will be used as general working capital of the Company and for potential acquisitions of the Group. The Company currently intends to apply the net proceeds from the Notes for securities investments, as working capital to enhance the other businesses of the Group such as capital injection into subsidiaries for development of financial services business of the Group and/or for potential acquisitions of assets and/or businesses when suitable opportunities arise.

FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

Save as mentioned below and the proposed rights issue of the Company as set out in the Company's announcement dated 2 September 2016, the Company had not conducted any equity fund raising activities in the past 12 months immediately preceding the date of this announcement.

Date of announcement	Event	Gross proceeds (approximate)	Net proceeds (approximate)
12 November 2015	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 net proceeds of approximately HK\$164.32 million as disclosed in the announcement of the Company dated 29 January 2016 and the actual usage up to the date of this announcement:

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 the commodities 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 its cash position 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 the proposed acquisition of Hui Kai Asset Management Limited, subject to its cash position 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

Intended use of net proceeds**Actual use of net proceeds**

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| <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 its cash position 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)• HK\$4 million will be reallocated as working capital for the operation of Easy Winning International Limited• HK\$4 million will be applied as general working capital for trading of medical equipment | <p>Not yet completed</p> <p>Not yet completed</p> <p>Used as intended</p> |
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EFFECT ON SHAREHOLDING STRUCTURE OF THE COMPANY

As at the date of this announcement, the issued share capital of the Company comprises 1,501,092,436 Shares and the Company does not have any outstanding options, warrants or convertible securities in issue.

Set out below is the shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately after the allotment and issue of the Warrant Shares upon the exercise of subscription rights attaching to the Warrants in full, and assuming that there will not be any other changes in the issued share capital and shareholding structure of the Company from the date of this announcement. The analysis under scenario (ii) is shown for illustration purpose only.

	As at the date of this announcement		Immediately after allotment and issue of the Warrant Shares upon the exercise of subscription rights attaching to the Warrants in full	
	<i>No. of Shares</i>	<i>Approximate %</i>	<i>No. of Shares</i>	<i>Approximate %</i>
Tai He Financial (<i>Note 1</i>)	871,643,074	58.07	871,643,074	48.97
Dr. Liu Hua	50,000,000	3.33	50,000,000	2.81
Mr. Sang Kangqiao (<i>Note 2</i>)	825,000	0.05	825,000	0.05
Cheer Hope (<i>Note 3</i>)	—	—	155,000,000	8.71
Haitong (<i>Note 3</i>)	—	—	46,500,000	2.61
Songhua (<i>Note 3</i>)	—	—	77,500,000	4.35
	—	—	279,000,000	15.67
Other public Shareholders	578,624,362	38.55	578,624,362	32.51
Total	1,501,092,436	100	1,780,092,436	100

Notes:

1. The entire issued share capital of Tai He Financial is legally and beneficially owned by Mr. Chua. Mr. Chua is deemed to be interested in all the Shares held by Tai He Financial by virtue of the SFO.
2. Mr. Sang Kangqiao is the legal representative and director of a PRC non-wholly owned subsidiary of the Company.
3. Assuming that the subscription of the Notes and grant of the Warrants to each of the Investors are completed pursuant to the Subscription Agreement.

INFORMATION ON THE PARTIES TO THE SUBSCRIPTION AGREEMENT

The Company is a company incorporated in the Cayman Islands with limited liability and is principally engaged in investment holding. As at the date of this announcement, the activities of its principal operating subsidiaries include (i) trading of medical equipment, commodities and securities; (ii) mining of tungsten in Mongolia; and (iii) distressed assets investment and management business.

Tai He Financial is a company incorporated in the Cayman Islands with limited liability and is principally engaged in investment holding.

Tai Infinite is a company incorporated in the Cayman Islands with limited liability and is principally engaged in investment holding.

Cheer Hope is incorporated under the laws of British Virgin Islands whose principal business is investment holding. Cheer Hope is indirectly wholly-owned by CCB International (Holdings) Limited, which is in turn indirectly wholly-owned by China Construction Bank Corporation, a listed company on the Stock Exchange (stock code: 939).

Haitong is an open-ended exempted segregated portfolio company incorporated with limited liability in the Cayman Islands and is principally engaged in investment activities. Haitong is managed by Harveston Asset Management Pte. Ltd., a company incorporated with limited liability in Singapore.

Songhua is a limited liability company incorporated in the British Virgin Islands and is principally engaged in investment activities. Songhua is wholly-owned by China Huarong International Holdings Limited.

REASONS FOR THE ISSUE OF THE NOTES AND WARRANTS

The Board considers that the issue of the Notes and the Warrants pursuant to the Subscription Agreement can broaden the investor base of the Company with the introduction of reputable financial institutions as investors of the Company. The proceeds to be raised from the issuance of the Notes and the Warrants will better position the Group to take up potential business opportunities that may arise in the future, thereby enabling the Group to expand its revenue base.

The Directors (including the independent non-executive Directors) have approved the entering into of the Subscription Agreement and the transactions contemplated thereunder and are of the view that the respective terms of the Subscription Agreement, the Notes and the Warrants and other Transaction Documents to which the Company is a party are normal commercial terms and fair and reasonable and in the interest of the Company and the Shareholders as a whole.

None of the Directors is regarded as having a material interest in, and therefore none of them is required to abstain from voting on, the relevant Board resolutions for approving the Subscription Agreement and the transactions contemplated thereunder.

DISCLOSURE PURSUANT TO RULE 13.18 OF THE LISTING RULES

Pursuant to the Subscription Agreement, Mr. Chua has undertaken (and is required to repeat this undertaking in other Transaction Documents) that he shall not dispose of any of the Shares indirectly held by him through Tai He Financial as at the date of the Subscription Agreement and shall at all times hold, directly or indirectly, such number of Shares representing at least 51% of the Shares then outstanding free from any encumbrances, except for encumbrances which may be created by Mr. Chua over any of such 51% of the Shares in connection with any loans and the proceeds of such loans are or will be used by the Group in the manner not in conflict with the terms of the Transaction Documents and to the extent as permitted under the Applicable Laws. Any breach of the above specific performance obligation by Mr. Chua will be a breach of the Subscription Agreement and the relevant Transaction Documents.

LISTING RULES IMPLICATIONS

Pursuant to Rule 13.36(1)(a) of the Listing Rules, the issue of the Warrants carrying the right to subscribe for the Warrant Shares is subject to approval by the Shareholders. The Company will convene the SGM to seek for the Shareholders' approval on the issue of the Warrants.

TERMS USED IN THIS ANNOUNCEMENT

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“Applicable Laws”	with respect to any person, any laws, regulations, rules, notices, guidelines, treaties, orders, and other legislative, executive decisions, judicial decisions or pronouncements of any governmental authority, including the Stock Exchange, that is applicable to such person
“Board”	the board of Directors
“Best Future Share Charge”	the charge of all rights, entitlements, interests and benefits in the entire issued share capital of Best Future Investments Limited (佳將投資有限公司), a wholly-owned subsidiary of the Company incorporated in the British Virgin Islands, to be made by the Company as chargor in favour of the Security Agent on behalf of all the Noteholders and the Warrantholders as security for all sums due and payable to the Investors under the Subscription Agreement and other Transaction Documents
“Business Day”	a day (other than a Saturday, Sunday or public holiday or days on which a tropical cyclone warning No. 8 or above or a “black rainstorm warning signal” is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.) on which commercial banks are generally opened for banking business in Hong Kong
“Cheer Hope”	Cheer Hope Holdings Limited, a company incorporated in the British Virgin Islands with limited liability
“Company”	Tai United Holdings Limited, a company incorporated in Bermuda with limited liability, whose issued Shares are listed on the Main Board of the Stock Exchange (Stock code: 718)

“connected person(s)”	has the meaning ascribed to it in the Listing Rules
“controlling shareholder(s)”	has the meaning ascribed to it in the Listing Rules
“Deed of Subordination”	the deed to be entered into among the Company, Mr. Chua, Tai He Financial and the relevant Noteholders(s) in relation to the subordination of any payment obligations in respect of the Subordinated Debts by the Company to Tai He Financial being ranked after the payment obligations of the Company to the Investors under the Transaction Documents
“Director(s)”	director(s) of the Company
“Extended Term”	the extended term of the Notes, being one calendar year from the last day of the Initial Term
“Giant Silver”	Giant Silver Limited, a wholly-owned subsidiary of the Company incorporated in Hong Kong
“Group”	the Company and its subsidiaries
“Guarantee”	the deed of guarantee to be executed by the Guarantors and the relevant Noteholder(s) (and any Noteholder(s) and Warrantholder(s) who accedes to such deed) in respect of all sums due and payable to the Noteholders and the Warrantholders under the Subscription Agreement and other Transaction Documents
“Guarantors”	Mr. Chua, Tai He Financial and Tai Infinite

“Haitong”	Haitong International Investment Fund SPC (acting on behalf of and for the account of Haitong International Investment Fund SPC – Fund I SP), an open-ended exempted segregated portfolio company incorporated with limited liability in the Cayman Islands
“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
“Hongrong Share Charge”	the charge of all rights, entitlements, interests and benefits in 100% of the equity interest in 宏融投資控股 (深圳) 有限公司 (for identification only, Hongrong Financial Holding (Shenzhen) Co., Ltd.), a wholly-owned subsidiary of the Company established in the PRC, to be made by Giant Silver as chargor in favour of the Security Agent on behalf of all the Noteholders and the Warrantholders as security for all sums due and payable to the Investors under the Subscription Agreement and other Transaction Documents
“Initial Term”	the initial term of the Notes, commencing on the Issue Date and ending on the second anniversary thereof
“Issue Date(s)”	the respective date(s) of issue of the Notes
“Last Trading Day”	27 September 2016, being the last trading day of Shares immediately prior to the date of the Subscription Agreement
“Listing Committee”	the listing sub-committee of the board of directors of the Stock Exchange

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Majority Investor(s)”	one or more Investor(s) whose obligations to subscribe for the Notes represents more than 65% of the total subscription price for the Notes pursuant to the Subscription Agreement
“Majority Noteholder(s)”	one or more Noteholder(s) whose holdings of the Note(s) then outstanding the principal amount of which represents more than 65% of the aggregate principal amount of all the Notes then outstanding
“Majority Warrantholder(s)”	one or more Warrantholder(s) whose holdings of the Warrant(s) then outstanding the subscription amount of which represents more than 65% of the aggregate principal amount of all the Warrants then outstanding
“Master Facility Agreements”	collectively, (i) the master facility agreement dated 3 March 2016 entered into between the Company and Tai He Financial, pursuant to which Tai He Financial, amongst other matters, agreed to make available to the Company the loan facility in an aggregate principal amount no more than HK\$1,000,000,000 at 4.5% per annum, and (ii) the master facility agreement dated 28 April 2016 entered into between the Company and Tai He Financial, pursuant to which Tai He Financial, amongst other matters, agreed to make available to the Company the loan facility in an aggregate principal amount no more than HK\$2,000,000,000 at 4.5% per annum

“Material Adverse Effect”	(i) a material adverse effect, in the opinion of the Majority Investor(s) or the Majority Noteholder(s) or the Majority Warrantholder(s) (as the case may be), on (a) the assets, liabilities, financial condition, business, prospects, general affairs, results of operations or properties of the Group taken as a whole, (b) the ability of the Obligors or any member of the Group or any relevant party (other than the Investors, the Noteholders and the Warrantholders) (if applicable) to perform its/his obligations under any of the Transaction Documents, or (c) the validity or enforceability of any of the Transaction Documents; or (ii) an effect, in the opinion of the Majority Investor(s) or the Majority Noteholder(s) or the Majority Warrantholder(s) (as the case may be), which is otherwise material in the context of the transactions contemplated under the Transaction Documents;
“Mr. Chua”	Mr. Chua Hwa Por, the ultimate controlling shareholder of the Company
“Note(s)”	the 5% redeemable fixed coupon guaranteed, secured and unsubordinated notes, each in a minimum denomination of US\$1,000,000, to be issued by the Company to the Investors at the Notes Closing pursuant to the Subscription Agreement
“Notes Closing”	the respective closing of the subscription for the Notes by the respective Investors as set out in the Subscription Agreement
“Notes Closing Date”	the date on which the Notes Closing takes place, being the same Business Day when the Notes Conditions Precedent have been satisfied or waived (as the case may be) or such other date as may be agreed in writing between the Investors and the Company
“Notes Instrument”	the instrument by way of deed poll to be executed by the Company and the Guarantors creating and constituting the Notes

“Noteholder(s)”	holder(s) of the Notes
“Notes Long Stop Date”	the date falling two calendar months from the date of the Subscription Agreement, or any other date as agreed in writing between the Investors and the Company
“Obligor(s)”	collectively, the Company, Mr. Chua, Tai He Financial, Tai Infinite and Giant Silver
“PRC”	the People’s Republic of China
“Security Agency Deed”	the deed to be entered into on the first Notes Closing Date among the parties to the Subscription Agreement in relation to the appointment of the Security Agent
“Security Agent”	Songhua acting in its capacity as security agent for the Noteholders and the Warrantholders
“SFO”	Securities and Futures Ordinance, Cap 571 of the Laws of Hong Kong
“SGM”	the special general meeting of the Company to be convened to consider and, if thought fit, to approve the grant of the Warrants and the issuance of Warrant Shares upon the exercise of the subscription rights attaching to the Warrants
“Share(s)”	ordinary share(s) of HK\$0.05 each in the share capital of the Company
“Shareholder(s)”	the shareholder(s) of the Company
“Share Charges”	collectively, the Best Future Share Charge and the Hongrong Share Charge

“Songhua”	Songhua Investment Holding Limited, a company incorporated in the British Virgin Islands with limited liability
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subordinated Debts”	all present and future obligations and liabilities (whether actual or contingent, whether owed jointly, severally or in any other capacity whatsoever and whether) originally incurred by the Company to the Tai He Financial under any of the loans made available to the Company under the Master Facility Agreements
“Subscription Agreement”	the subscription agreement dated 28 September 2016 and entered into between the Company, Mr. Chua, Tai He Financial, Tai Infinite and the Investors in relation to the subscription of the Notes and the grant of the Warrants
“substantial shareholder(s)”	has the meaning ascribed to it in the Listing Rules
“Tai He Financial”	Tai He Financial Group Limited, a company incorporated in the Cayman Islands with limited liability, which is the controlling shareholder of the Company and is wholly-owned by Mr. Chua
“Tai Infinite”	Tai Infinite Holdings Group Limited, a company incorporated in the Cayman Islands with limited liability, which is wholly-owned by Mr. Chua
“Takeovers Code”	the Code on Takeovers and Mergers
“trading day(s)”	any day on which Shares are traded on the Main Board of the Stock Exchange

“Transaction Documents”	collectively, the Subscription Agreement, the Notes Instrument, the Warrants Instrument, the Guarantee, the Deed of Subordination, the Share Charges, the Security Agency Deed and any other documents relating to the transactions contemplated thereunder which may be entered into from time to time
“US\$”	United States dollar, the lawful currency of the United States of America
“Warrantholder(s)”	holder(s) of the Warrants
“Warrants”	up to 279,000,000 unlisted warrants in registered form constituted by the Warrants Instrument, each entitling the holder thereof to subscribe for one Share at the Warrant Shares Subscription Price at any time during the Warrants Subscription Period
“Warrants Closing”	the closing of the grant of the Warrants as set out in the Subscription Agreement
“Warrants Closing Date”	the date on which Warrants Closing shall take place, being the same Business Day when the Warrants Conditions Precedent have been satisfied or waived (as the case may be), provided that it shall occur within six calendar months from the first Notes Closing Date, but in any event before the Warrants Long Stop Date
“Warrants Instrument”	the instrument by way of deed poll to be executed by the Company and the Guarantors constituting the Warrants
“Warrants Long Stop Date”	the date falling six calendar months after the first Notes Closing Date, or any other date as agreed in writing between the Investors and the Company

“Warrant Share(s)”	new Shares to be allotted and issued upon exercise of the subscription rights attaching to the Warrants
“Warrant Shares Subscription Price”	the sum payable in respect of each Share to which the registered holder of the Warrants will be entitled upon exercise of the subscription rights under the Warrants represented thereby, such sum being HK\$1.0 per Share, or such adjusted price as may for the time being be applicable in accordance with the terms of the Warrants Instrument
“Warrants Subscription Period”	with respect to a Warrantholder, the period commencing from the date falling the 7th month from the first Notes Closing Date and ending on the same date as the last date of the Initial Term or the Extended Term (as the case may be), and so long as any part of its Notes remains outstanding
“%”	per cent.

For ease of reference, sums in US\$ and HK\$ in this announcement are translated at the rate of US\$1.0 = HK\$7.75. This does not mean that US\$ could be converted to HK\$, or vice versa, based on such exchange rate.

By order of the Board
Tai United Holdings Limited
Dr. Meng Zhaoyi
Chairman

Hong Kong, 28 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.