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PLACING OF NEW SHARES UNDER GENERAL MANDATE

Placing Agent



On 15 December 2016 (after trading hours), the Company and the Placing Agent entered into the Placing Agreement.

An application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Placing Shares on the Stock Exchange.

The issue of the Placing Shares is not subject to Shareholders' approval. The Placing Shares will be issued pursuant to the General Mandate.

PLACING AGREEMENT

On 15 December 2016 (after trading hours), the Company and the Placing Agent entered into the Placing Agreement. The principal terms of the Placing Agreement are set out below.

Date: 15 December 2016

Parties:

- (1) the Company; and
- (2) the Placing Agent, being Haitong International.

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, Haitong International and its ultimate beneficial owners is independent of the Company and its connected persons (as defined in the Listing Rules).

Placing Agent

The Company has appointed the Placing Agent for the Placing. The Placing Agent has conditionally agreed with the Company, subject to the terms and conditions of the Placing Agreement, to act as agent for the Company during the Placing Period to procure, either by themselves or through their sub-Placing Agent(s), the Placees to subscribe for the Placing Shares at the Placing Price.

The Placing Shares will be placed to not less than six Placees.

The Placing Agent has agreed to use its best endeavours to ensure that the Placees will be third parties independent of and not acting in concert with the Company or its connected persons (as defined in the Listing Rules) and that none of the Placees will, immediately upon Completion, become a substantial shareholder (as defined in the Listing Rules) of the Company.

Placing Shares

The Placing Shares represent:

- i. 6.66% of the existing issued share capital of the Company (consisting of 4,503,277,308 Shares in issue as at the date of this announcement); and
- ii. approximately 6.25% of the Company's issued share capital as enlarged by the Placing.

The aggregate normal value of the Placing Shares is HK\$15,000,000 as at the date of this announcement.

Ranking

The Placing Shares, when issued and fully paid, will rank pari passu in all respects among themselves and with the existing Shares and in particular will have the right to receive all dividends or other distributions hereafter declared, paid or made on such Shares with reference to a record date occurring on or after the Completion.

Placing Price

The Placing Price of HK\$1.20 represents:

- i. a premium of approximately 1.69% to the closing price of HK\$1.18 per Share as quoted on the Stock Exchange on 15 December 2016 (being the last trading day prior to the release of this announcement); and
- ii. a premium of approximately 7.72% to the average closing price of approximately HK\$1.114 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including 15 December 2016.

The net placing price under the Placing is approximately HK\$1.193 per Placing Share.

The Placing Price was negotiated on an arm's length basis between the Company and the Placing Agent with reference to the prevailing market price of the Shares. The Directors consider that the Placing Price is fair and reasonable based on the current market conditions and is in the interests of the Company and the Shareholders as a whole.

Placing Commission

The Placing Agent will be entitled to receive a placing commission of 0.5 per cent. of the aggregate Placing Price of the number of Placing Shares actually placed by the Placing Agent.

The commission was negotiated on an arm's length basis among the Company and the Placing Agent and determined with reference to, amongst other things, the prevailing commission rate charged by other placing agent. The Directors (including the independent non-executive Directors) are of the view that the placing commission is fair and reasonable.

Conditions

Completion will take place on the Completion Date and is conditional upon the satisfaction of the following conditions (which cannot be waived) by not later than 30 December 2016 (or such later date as may be agreed between the Placing Agent and the Company):

- i. the Stock Exchange granting the listing of, and the permission to deal in the Placing Shares;
- ii. no relevant government, governmental, quasi-governmental, statutory or regulatory body, court or agency having granted any order or made any decision that would make the Placing void, unenforceable or illegal, or restrict or prohibit the implementation of, or impose any additional material conditions or obligations with respect to the Placing (other than such orders or decisions as would not have a material adverse effect on the legal ability of the Company to proceed with the Placing); and
- iii. the Placing Agreement not being rescinded by the Placing Agent under the circumstances described in the paragraph headed "Termination of the Placing" below.

Termination of the Placing

If at any time on or prior to 8:00 a.m. on the Completion Date:-

- (a) there has come to the notice of the Placing Agent:-
 - (i) any material breach of the undertakings, warranties and representations of the Company in the Placing Agreement; or
 - (ii) any material breach of any of the obligations imposed upon the Company; or
 - (iii) any material adverse change in the business or in the financial or trading position or prospects of any member of the Group taken as a whole which is material in the context of the Placing; or
- (b) there develops, occurs, or comes into effect:-
 - (i) any significant event, development or change (whether or not local, national or international or forming part of a series of events, developments or changes occurring or continuing before, on and/or after the date hereof) and including an event or change in relation to or a development of an existing state of affairs of a political, military, industrial, financial, economic, fiscal, regulatory or other nature,

whether or not sui generis with any of the foregoing, resulting in a material adverse change in, or which might be expected to result in a material adverse change in, political, economic, fiscal, financial, regulatory or stock market conditions and which in the sole and absolute opinion of the Placing Agent would materially prejudice the success of the Placing; or

- (ii) the imposition of any moratorium, suspension or material restriction on trading in securities generally on the Stock Exchange occurring due to exceptional financial circumstances or otherwise and which, in the sole and absolute opinion of the Placing Agent, would materially prejudice the success of the Placing; or
- (iii) any new law or regulation or change in existing laws or regulations or any change in the interpretation or application thereof by any court or other competent authority in Hong Kong or the PRC and if in the sole and absolute opinion of the Placing Agent any such new law or change would materially and adversely affect the business or financial prospects of the Group and/or materially prejudice the success of the Placing; or
- (iv) a change or development occurs involving a prospective change of taxation or exchange control (or the implementation of exchange control) in Hong Kong or the PRC which would, in the sole and absolute opinion of the Placing Agent, materially prejudice the success of the Placing; or
- (v) any litigation or claim of material importance of any third party being instigated against any member of the Group, which has or may have a material adverse effect on the business or financial prospects of the Group and which in the sole and absolute opinion of the Placing Agent would materially prejudice the success of the Placing,

the Placing Agent may, by giving a written notice to the Company signed by the Placing Agent, at any time prior to Completion, rescind the Placing Agreement without liability to the other parties to the Placing Agreement, the Placing Agreement shall thereupon cease to have effect, all obligations of each of the parties under the Placing Agreement shall cease and none of the parties to the Placing Agreement shall have any rights or claims by reason thereof except for any antecedent breach of any obligation under the Placing Agreement.

Application for listing

An application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Placing Shares on the Stock Exchange.

General Mandate to issue the Placing Shares

The issue of the Placing Shares is not subject to Shareholders' approval. The Placing Shares will be issued pursuant to the General Mandate.

As at the date of this announcement, the General Mandate has not been utilised. The Placing Shares to be allotted and issued will fully utilise the General Mandate.

REASONS FOR THE PLACING AND USE OF PROCEEDS FROM THE PLACING

The Group is principally engaged in (i) trading of medical equipment, commodities and securities; (ii) distressed assets investment and management business; (iii) property investment; and (iv) mining of tungsten in Mongolia.

The gross proceeds from the Placing are expected to be approximately HK\$360,000,000. The net proceeds from the Placing, after the deduction of all related costs, fees, expenses and commission, are estimated to be approximately HK\$358,000,000. The Company intends to utilise the net proceeds to as general working capital of the Group and for financing future acquisitions should such investment opportunities arise.

The Placing provides a good opportunity to enlarge the shareholder and capital base of the Company and enhance its existing balance sheet strength. The Directors consider that the Placing is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

CHANGES IN THE SHAREHOLDING STRUCTURE OF THE COMPANY

The shareholding structure of the Company as at the date of this announcement and upon Completion (assuming the all Placing Shares are placed), on the assumption that (a) there will be no other change to the share capital of the Company between the date of this announcement and the Completion; and (b) the Placees do not and will not hold any Shares other than the Placing Shares, is summarised as follows:

Shareholders/directors	As at the date of this announcement		Immediately upon Completion assuming all the Placing Shares have been placed out	
	Number of Shares	Approximate percentage	Number of Shares	Approximate percentage
Dr. Liu Hua (<i>Note 1</i>)	50,000,000	1.11%	50,000,000	1.04%
Mr. Sang Kangqiao (<i>Note 2</i>)	1,080,000	0.02%	1,080,000	0.02%
Tai He Financial Group Limited (<i>Note 3</i>)	2,614,929,222	58.07%	2,614,929,222	54.44%
TAI Capital LLC (<i>Note 4</i>)	597,951,520	13.28%	597,951,520	12.45%
Sub-total	3,263,960,742	72.48%	3,263,960,742	67.95%
Public-Placees	–	0%	300,000,000	6.25%
Public-other Shareholders	1,239,316,566	27.52%	1,239,316,566	25.80%
Total	4,503,277,308	100.00%	4,803,277,308	100.00%

Note:

1. Dr. Liu Hua is an executive Director of the Company.
2. Mr. Sang Kangqiao is the legal representative and director of a PRC subsidiary of the Company.
3. Tai He Financial Group Limited is wholly-owned by Mr. Chua Hwa Por.
4. TAI Capital LLC is a company incorporated in the Cayman Islands with limited liability, the sole shareholder of which is Mr. Chua Hwa Por.

Completion of the Placing is subject to the satisfaction of the condition precedent in the Placing Agreement. As the Placing may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

Except as disclosed below, the Company has not undertaken any fund raising activity or any issue of equity securities in the past 12 months before the date of this announcement:

Date of announcement	Fund raising activity	Gross proceeds (approximate)	Net proceeds (approximate)	Proposed use of the net proceeds	Actual use of the net proceeds
2 September 2016	Rights issue on the basis of two rights shares for every one existing Share	HK\$3,002 million <i>(Note (4))</i>	HK\$1,778 million	See note (1) below	See note (1) below
28 September 2016	Issue of 5% redeemable fixed coupon guaranteed, secured and unsubordinated notes	US\$180,000,000	HK\$1,379 million	See note (2) below	See note (2) below
28 September 2016	proposed issue of unlisted warrants (Note 5)	See notes (3) and (5) below	See notes (3) and (5) below	See notes (3) and (5) below	See notes (3) and (5) below

Notes:

(1):

Intended use of net proceeds	Actual use of net proceeds
<ul style="list-style-type: none"> HK\$586 million will be applied to the development of the distressed assets investment business through acquisition of further distressed assets, of which HK\$96 million will be reserved for the payment of the remaining consideration of the distressed assets acquired on 12 August 2016 as mentioned in the section headed “Business review of the Group” in the “Letter from the Board” of the prospectus of the Company dated 24 October 2016, while the remaining amount of HK\$490 million will be used for two to three acquisitions of distressed assets with bidding price ranging from HK\$100 million to HK\$300 million should the opportunities arise 	Used as intended
<ul style="list-style-type: none"> HK\$1,192 million will be applied to settle the consideration for the London Property Acquisition 	Used as intended

(2):

Intended use of net proceeds	Actual use of net proceeds
• approximately HK\$500 million to HK\$550 million for capital injection into the Hui Kai entities to be acquired by the Group upon completion of the Hui Kai acquisitions	Not yet utilized
• approximately HK\$200 million to HK\$250 million for development of financial services business in Hong Kong or other places	Not yet utilized
• approximately HK\$388 million for enhancement of the securities and commodities trading businesses of the Group	Used as intended
• approximately HK\$241 million for property investment	Used as intended
(3): As disclosed in the circular (the “Circular”) of the Company dated 15 December 2016, it is expected that no proceeds will be raised from the warrants as it will be set off the outstanding principal amount of the 5% redeemable fixed coupon guaranteed, secured and unsubordinated notes, issued by the Company. For further details, please refer to the paragraph headed “INTENDED USE OF PROCEEDS FROM THE WARRANTS” in the circular.	
(4): After taking into account the set off of the outstanding loan amount of HK\$1,210 million owed by the Company to Tai He Financial under the two unsecured and revolving loan facilities granted by Tai He Financial to the Company.	
(5): As disclosed in the announcement of the Company dated 28 September 2016, the proposed issue of warrants is conditional upon shareholders approving the specific mandate.	

DEFINITIONS

In this announcement, the following expressions shall, unless the context requires otherwise, have the following meanings:

“2016 AGM”	the annual general meeting of the Company held on 30 September 2016
“Board”	the board of the Directors
“Company”	Tai United Holdings Limited (formerly known as Bestway International 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)
“Completion Date”	the third Business Day after the day on which the conditions precedent have been fulfilled but in any event no later than the Long Stop Date
“Completion”	completion of the Placing
“Director(s)”	the director(s) of the Company

“General Mandate”	the general mandate granted to the Directors by a resolution of the Shareholders passed at the 2016 AGM to allot and Shares subject to the limit of up to 300,218,487 Shares (representing 20% of the issued share capital of the Company in issue on that date)
“Group”	the Company and its subsidiaries
“Haitong International” or “Placing Agent”	Haitong International Securities Company Limited, a licensed corporation permitted to carry out regulated activities Type 1 (dealing in securities), Type 3 (leveraged foreign exchange trading) and Type 4 (advising on securities) under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	party(ies) who is(are) independent of and not connected nor acting in concert with the Company or any member of the Group, their respective directors, chief executive or substantial shareholders, or any of their respective associates, and otherwise not connected persons of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“London Property Acquisition”	The proposed acquisition of two target companies which together hold a residential luxury property project in London details of which are disclosed in the announcement of the Company dated 13 October 2016
“Long Stop Date”	5 January 2017 (or such other date as the Company and the Placing Agent shall agree in writing)
“Placees”	professional, institutional and other investors selected and procured by or on behalf of the Placing Agent to subscribe for any of the Placing Shares

“Placing Agreement”	the placing agreement dated 15 December 2016 entered into between the Company and the Placing Agent in respect of the Placing
“Placing Period”	the period commencing upon the execution of the Placing Agreement and terminating on the Completion Date
“Placing Price”	HK\$1.20 per Placing Share
“Placing Shares”	up to 300,000,000 new Shares to be placed pursuant to the Placing Agreement
“Placing”	the placing of the Placing Shares by the Placing Agent
“PRC”	the People’s Republic of China, which for the purposes of this announcement, excludes Hong Kong, the Macau Special Administrative Region and Taiwan
“Share(s)”	share(s) of HK\$0.05 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

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

Hong Kong, 15 December 2016

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