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**(1) DISCLOSEABLE TRANSACTION  
IN RELATION TO INVESTMENT IN A FUND  
AND  
PROVISION OF GUARANTEE  
AND  
(2) ADVANCE TO AN ENTITY**

## **THE INVESTMENT**

On 15 December 2016, the Investor has entered into the Subscription Agreement with the Fund Portfolio Company, pursuant to which the Investor has agreed to subscribe for 50,000 Class R Participating Shares at a total consideration of US\$50,000,000 in the Segregated Portfolio of the Fund Portfolio Company. The Fund Portfolio Company is a segregated portfolio company managed by the Manager. The investment objective of the Segregated Portfolio is set out in the section headed "Investment Objective" in this announcement.

## **THE GUARANTEE**

On 15 December 2016, the Company has entered into the Deed of Guarantee pursuant to which the Company has agreed to provide the Guarantee in favour of the Class P Participating Shareholders for the performance of the Guaranteed Obligations.

## **LISTING RULES IMPLICATION**

### **Discloseable Transaction**

As certain applicable percentage ratios stipulated under Rule 14.07 of the Listing Rules in respect of the Investment and the Guarantee, when aggregated, exceed 5% but all percentage ratios are less than 25%, the Investment and the Guarantee constitute a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

### **Advance to an Entity**

The provision of the Guarantee constitutes an advance to an entity under Rule 13.13 of the Listing Rules and exceeds 8% under the assets ratio as defined under Rule 14.07 of the Listing Rules. The provision of the Guarantee is subject to the general disclosure obligation under Rule 13.15 of the Listing Rules.

**Shareholders and potential investors of the Company should be aware that completion of the Investment is subject to the acceptance of the Fund Portfolio Company and the Investment and the provision of the Guarantee may or may not proceed. The Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the securities of the Company.**

## **THE INVESTMENT**

On 15 December 2016, the Investor and the Fund Portfolio Company, for the account of the Segregated Portfolio, entered into the Subscription Agreement. The principal terms of the Investment are set out below.

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, the Fund Portfolio Company, the Manager and their respective ultimate beneficial owners are Independent Third Parties.

### **Investment and Principal Amount**

There are two classes of non-voting shares in the capital of the Fund Portfolio Company in respect of the Segregated Portfolio, namely Class P Participating Shares and Class R Participating Shares.

The Investor has agreed to subscribe for 50,000 Class R Participating Shares at a total consideration of US\$50,000,000. The Investor is not entitled to appoint any directors to the board of the Fund Portfolio Company.

### **Source of funds**

The amount of the Investment has been determined upon commercial negotiation between the parties of the Subscription Agreement. The Investment will be satisfied by the internal resources of the Company.

### **Investment Strategy**

The power to make investment relating to the Segregated Portfolio rests with the Manager. The Manager intends to procure the Segregated Portfolio to invest in a range of listed or unlisted fixed income instruments including but not limited to, fixed income securities such as government, corporate or convertible bonds, private placement debt, notes linked to fixed income instruments or preferred shares, other bond funds, money market funds or cash. The portfolio can be concentrated in order to achieve the investment objective of the Segregated Portfolio.

## **Investment Objective**

The investment objective of the Segregated Portfolio is to achieve capital appreciation and/or interest income in the medium to long term.

## **Distribution of Investment Returns**

The directors of the Fund Portfolio Company may declare a dividend at any time if they consider it appropriate to do so.

## **Lock-Up Period**

There is no lock-up period for the Investment.

## **Fees**

There is no performance fee.

Management fee for the Class R Participating Shares will be payable by the Investor to the Manager at a rate of 1.5% per annum with respect to the total principal amount of the Investment on a monthly basis.

A subscription fee equals to an amount of 0.5% of the total principal amount of the Investment will be payable by the Investor to the Manager upon completion of the Subscription Agreement.

## **THE GUARANTEE**

On 15 December 2016, the Company has entered into the Deed of Guarantee pursuant to which the Company has agreed to provide the Guarantee in favour of the Class P Participating Shareholders for the performance of the Guaranteed Obligations. The maximum liability of the Company under the Guarantee is US\$103,000,000.

## **INFORMATION OF THE FUND PORTFOLIO COMPANY**

The Fund Portfolio Company is a segregated portfolio company incorporated under the laws of the Cayman Islands with limited liability. The Fund Portfolio Company is registered as a “segregated portfolio company” with the Registrar of Companies of the Cayman Islands. The Fund Portfolio Company has appointed the Manager as its investment manager. The Fund Portfolio Company was incorporated on 9 May 2016, and does not have historical financial results.

## **INFORMATION OF THE MANAGER**

The Manager is licensed by the SFC to conduct Type 4 (advising on securities), Type 5 (advising on futures contract) and Type 9 (asset management) regulated activities as defined in the SFO in Hong Kong. The Manager is also the holder of all the management shares of the Fund Portfolio Company that carry voting rights.

## **INFORMATION OF THE CLASS P PARTICIPATING SHAREHOLDERS**

Any Class P Participating Shareholder shall be a subsidiary, holding company, affiliate of Haitong International Securities or any fund controlled or managed by any subsidiary of Haitong International Securities which are Independent Third Parties.

## **INFORMATION OF THE GROUP**

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

## **REASONS FOR AND BENEFITS**

The Company considers that the Manager has a reputable investment track record and some of the potential investment targets in its pipeline have promising financial returns. The combined benefit of the Investment and the Guarantee is that the Company's leverage is increased and the Company will be able to receive the residual value from the Segregated Portfolio after paying the principal and target return for the Class P Participating Shares. The Board believes that the terms of the Investment under the Subscription Agreement and the Deed of Guarantee are normal commercial terms, fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

## **LISTING RULES IMPLICATION**

### **Discloseable Transaction**

Certain applicable percentage ratios stipulated under Rule 14.07 of the Listing Rules in respect of the Investment and the Guarantee, when aggregated pursuant to Rule 14.22 of the Listing Rules, exceed 5% but all percentage ratios are less than 25%. The Investment and the Guarantee constitute a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

### **Advance to an Entity**

The provision of the Guarantee constitutes an advance to an entity under Rule 13.13 of the Listing Rules and exceeds 8% under the assets ratio as defined under Rule 14.07 of the Listing Rules. The provision of the Guarantee is subject to the general disclosure obligation under Rule 13.15 of the Listing Rules.

**Shareholders and potential investors of the Company should be aware that completion of the Investment is subject to the acceptance of the Fund Portfolio Company and the Investment and the provision of the Guarantee may or may not proceed. The Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the securities of the Company.**

## **DEFINITIONS**

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

“associate”	has the meanings ascribed to it under the Listing Rules
“Board”	the board of directors of the Company
“Business Day”	a day (other than a Saturday or Sunday or public holiday) on which commercial banks are open for business in Hong Kong
“Class P Participating Shares”	non-voting participating redeemable shares in the capital of the Fund Portfolio Company designated as Class P Participating Shares in the Segregated Portfolio
“Class P Participating Shareholders”	holders of the Class P Participating Shares
“Class R Participating Shares”	non-voting participating redeemable shares in the capital of the Fund Portfolio Company designated as Class R Participating Shares in the Segregated Portfolio
“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)
“connected person”	has the meaning ascribed to it under the Listing Rules
“Deed of Guarantee”	the deed of guarantee and indemnity dated 15 December 2016 executed by the Company by way of deed poll
“Fund Portfolio Company”	Haitong Global Investment SPC III, a segregated portfolio company incorporated under the laws of the Cayman Islands with limited liability, the share capital of which is divided into management shares and the Participating Shares
“Group”	the Company and its subsidiaries
“Guarantee”	the guarantee provided by the Company in favour of the Class P Participating Shareholder pursuant to the Deed of Guarantee

“Guaranteed Obligations”	all present and future moneys, payouts, recoveries, obligations and liabilities due, owing or incurred by the Fund Portfolio Company to the Class P Participating Shareholders (whether actually or contingently and whether as principal, surety or otherwise) including all monies undertaken or covenanted to be paid by the Company to the Class P Participating Shareholders under the Deed of Guarantee
“Haitong International Securities”	Haitong International Securities Group Limited (海通國際證券集團有限公司), a company incorporated under the laws of Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code 665)
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Parties”	individuals or companies not connected with (within the meaning of the Listing Rules) any directors, chief executive or substantial shareholders of the Company or any of its subsidiaries or any of their respective associates
“Investor”	Tai United Investments Limited, a company incorporated in the British Virgin Islands with limited liability and is a direct wholly-owned subsidiary of the Company
“Investment”	the investment of US\$50,000,000 in the form of Class R Participating Shares
“Listing Rules”	the Rules Governing the Listing of Securities of the Stock Exchange
“Manager”	Hai Tong Asset Management (HK) Limited
“PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region and Taiwan
“Segregated Portfolio”	Haitong Dynamic Multi-Tranche Investment Fund IV S.P., a segregated portfolio created by the Fund Portfolio Company
“SFC”	the Securities and Futures Commission
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	the ordinary share(s) of the Company
“Shareholder(s)”	the holder(s) of the Shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Subscription Agreement”

the agreement dated 15 December 2016 entered into between  
the Investor and the Fund Portfolio Company in relation to  
the Investment

“US\$”

United States dollar, the lawful currency of United States

“%”

per cent

On behalf of the Board  
**Tai United Holdings Limited**  
**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.*