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*This joint announcement appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities of the Company.*

**SONGBIRD SG PTE. LTD.**

*(Incorporated in the Republic of Singapore with  
limited liability)*



*(Incorporated in Bermuda with limited liability)  
(Stock Code: 718)*

**JOINT ANNOUNCEMENT**

**(1) ACQUISITION OF SHARES IN TAI HE FINANCIAL GROUP  
LIMITED AND TAI UNITED HOLDINGS LIMITED  
BY SONGBIRD SG PTE. LTD.;**

**(2) MANDATORY UNCONDITIONAL CASH OFFER BY  
HAITONG INTERNATIONAL SECURITIES COMPANY LIMITED  
FOR AND ON BEHALF OF SONGBIRD SG PTE. LTD. TO ACQUIRE  
ALL THE ISSUED SHARES OF  
TAI UNITED HOLDINGS LIMITED  
(OTHER THAN THOSE ALREADY OWNED OR AGREED TO BE  
ACQUIRED BY SONGBIRD SG PTE. LTD. AND PARTIES ACTING  
IN CONCERT WITH IT);**

**AND**

**(3) RESUMPTION OF TRADING**

**Financial Adviser to the Offeror**



**Haitong International Capital Limited**

**THE SALE AND PURCHASE AGREEMENTS**

On 19 January 2018 (after the trading hours of the Stock Exchange), the Offeror as purchaser entered into the following two Sale and Purchase Agreements:

- (1) the 1st Sale and Purchase Agreement, pursuant to which TAI Capital agreed to sell and the Offeror agreed to purchase the Sale Shares, being 1,228,349,064 Shares, representing approximately 23.40% of the entire issued share capital of the Company, free from all Encumbrances and together with all rights and benefits attaching to them at Completion and thereafter, at the consideration of HK\$1,130,081,138.88; and

- (2) the 2nd Sale and Purchase Agreement, pursuant to which Chua Lee Holdings agreed to sell and the Offeror agreed to purchase the Tai He Shares, being 100 shares of Tai He and representing 100% of the entire issued share capital of Tai He, which in turn holds 2,655,429,222 Shares, representing approximately 50.58% of the entire issued share capital of the Company, free from all Encumbrances and together with all rights and benefits attaching to them at Completion and thereafter, at the consideration of HK\$2,442,994,884.24.

Tai He is an investment holding company. Other than the 2,655,429,222 Shares held by Tai He and a cash amount in bank accounts of approximately HK\$3,982,000 (which belongs to Chua Lee Holdings and shall be transferred to Chua Lee Holdings pursuant to the terms of the 2nd Sale and Purchase Agreement), Tai He does not have any other asset as at the date of this joint announcement.

The Sale Shares and the Shares held by Tai He represent approximately 73.98% of the entire issued share capital of the Company as at the date of this joint announcement.

All conditions precedent to the Sale and Purchase Agreements were satisfied and the Completion of the Sale and Purchase Agreements took place on 25 January 2018.

#### **MANDATORY UNCONDITIONAL GENERAL OFFER**

Upon Completion and as at the date of this joint announcement, the Offeror and parties acting in concert with it are interested in a total of 3,883,778,286 Shares, representing approximately 73.98% of the entire issued share capital of the Company.

Pursuant to Rule 26.1 of the Takeovers Code, upon Completion, the Offeror and the parties acting in concert with it are required to make a mandatory unconditional general offer in cash for all the issued Shares other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with it.

#### **Principal terms of the Offer**

Haitong International Securities will make the Offer, which will be unconditional in all respects pursuant to Note 1 to Rule 26.2 of the Takeovers Code, for and on behalf of the Offeror, on the terms to be set out in the Composite Document in compliance with the Takeovers Code on the following basis:

**For every Offer Share . . . . . HK\$0.92 in cash**

The Offer Price is the same as the price payable by the Offeror for each Share under the Sale and Purchase Agreements.

The Offer Shares to be acquired under the Offer shall be fully paid and shall be acquired free from all Encumbrances and together with all rights attaching to them as at the date on which the Offer is made or subsequently becoming attached to them, including the right to receive in full all dividends and other distributions, if any, declared, made or paid on or after the date on which the Offer is made.

### **Value of the Offer**

As at the date of this joint announcement, there are 5,250,019,852 Shares in issue, of which 3,883,778,286 Shares (representing approximately 73.98% of the issued share capital of the Company) are held by the Offeror and parties acting in concert with it upon Completion. There are no outstanding warrants, options, derivatives or other securities convertible into Shares and the Company has not entered into any agreement for the issue of such warrants, options, derivatives or other securities convertible into Shares as at the date of this joint announcement.

On the basis of the Offer Price of HK\$0.92 per Offer Share and 5,250,019,852 Shares in issue as at the date of this joint announcement, the entire issued share capital of the Company would be valued at HK\$4,830,018,263.84. On the assumption that the Offer is accepted in full by the holders of the Offer Shares and on the basis that there will be 1,366,241,566 Offer Shares, the value of the Offer is HK\$1,256,942,240.72.

### **Confirmation of financial resources available for the Offer**

The total consideration payable under the Offer shall be payable in cash. The Offeror intends to finance the total consideration payable under the Offer by the facilities provided by Haitong International Securities which is secured by a charge over the Shares that were or will be acquired by the Offeror under the Sale and Purchase Agreements and the Offer respectively.

Haitong International Capital has been appointed as the financial adviser to the Offeror in respect of the Offer and is satisfied that sufficient financial resources are available to the Offeror to satisfy its maximum payment obligations upon full acceptance of the Offer.

## **INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER**

Under Rule 2.1 of the Takeovers Code, a board which receives an offer or which is approached with a view to an offer being made, must, in the interests of shareholders, establish an independent committee of the board to make a recommendation: (i) as to whether the offer is, or is not, fair and reasonable; and (ii) as to acceptance. The Independent Board Committee, comprising all three independent non-executive Directors who have no direct or indirect interest in the Offer, has been formed to advise the Independent Shareholders as to whether the terms of the Offer are fair and reasonable and as to acceptance of the Offer. Further announcement(s) will be made by the Company upon the appointment of the independent financial adviser to the Independent Board Committee to advise the Independent Board Committee and the Independent Shareholders in respect of the Offer and in particular as to whether the Offer is fair and reasonable and as to acceptance of the Offer. Independent Shareholders are encouraged to read the Composite Document carefully, including the advice of the independent financial adviser to the Independent Board Committee and the Independent Shareholders and the recommendation of the Independent Board Committee to the Independent Shareholders in respect of the Offer, before deciding whether or not to accept the Offer.

## **COMPOSITE DOCUMENT**

Pursuant to Rule 8.2 of the Takeovers Code, the Offeror is required to despatch the Composite Document containing, among others, the terms and conditions of the Offer and the form of acceptance to the Shareholders within twenty-one (21) days of the date of this joint announcement or such later date as the Executive may approve.

It is the intention of the Offeror and the Board to combine the offer document and the offeree board circular into the Composite Document. Accordingly, the Composite Document (accompanied by the form of acceptance) in connection with the Offer setting out, *inter alia*, (i) details of the Offer (including the expected timetable); (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders; and (iii) a letter of advice from the independent financial adviser (to be appointed) to the Independent Board Committee and the Independent Shareholders in respect of the Offer, will be despatched jointly by the Offeror and the Company to the Shareholders in accordance with the Takeovers Code.

## **RESUMPTION OF TRADING**

At the request of the Company, trading in the Shares on the Stock Exchange was halted with effect from 9:00 a.m. on 22 January 2018 pending release of this joint announcement. Application has been made by the Company for resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 26 January 2018.

## **THE SALE AND PURCHASE AGREEMENTS**

On 19 January 2018 (after the trading hours of the Stock Exchange), the Offeror as purchaser entered into the following two Sale and Purchase Agreements:

- (1) the 1st Sale and Purchase Agreement, pursuant to which TAI Capital agreed to sell and the Offeror agreed to purchase the Sale Shares, being 1,228,349,064 Shares, representing approximately 23.40% of the entire issued share capital of the Company, free from all Encumbrances and together with all rights and benefits attaching to them at Completion and thereafter, at the consideration of HK\$1,130,081,138.88; and
- (2) the 2nd Sale and Purchase Agreement, pursuant to which Chua Lee Holdings agreed to sell and the Offeror agreed to purchase the Tai He Shares, being 100 shares of Tai He and representing 100% of the entire issued share capital of Tai He, which in turn holds 2,655,429,222 Shares, representing approximately 50.58% of the entire issued share capital of the Company, free from all Encumbrances and together with all rights and benefits attaching to them at Completion and thereafter, at the consideration of HK\$2,442,994,884.24.

Tai He is an investment holding company. Other than the 2,655,429,222 Shares held by Tai He and a cash amount in bank accounts of approximately HK\$3,982,000 (which belongs to Chua Lee Holdings and shall be transferred to Chua Lee Holdings pursuant to the terms of the 2nd Sale and Purchase Agreement), Tai He does not have any other asset as at the date of this joint announcement.

The Sale Shares and the Shares held by Tai He represent approximately 73.98% of the entire issued share capital of the Company as at the date of this joint announcement.

The consideration for the Sale Shares and the Tai He Shares, is HK\$1,130,081,138.88 and HK\$2,442,994,884.24 respectively, equivalent to HK\$0.92 per Share, which was determined following arm's length negotiations between the Offeror, TAI Capital and Chua Lee Holdings taking into account of, among others, (i) historical trading prices of the Shares and the trading volume of the Company; and (ii) the prevailing market prices of the Shares. The consideration was paid in cash by the Offeror to TAI Capital and Chua Lee Holdings on Completion.

All conditions precedent to the Sale and Purchase Agreements were satisfied and the Completion of the Sale and Purchase Agreements took place on 25 January 2018.

## **MANDATORY UNCONDITIONAL GENERAL OFFER**

Upon Completion and as at the date of this joint announcement, the Offeror and parties acting in concert with it are interested in a total of 3,883,778,286 Shares, representing approximately 73.98% of the entire issued share capital of the Company.

Pursuant to Rule 26.1 of the Takeovers Code, upon Completion, the Offeror and the parties acting in concert with it are required to make a mandatory unconditional general offer in cash for all the issued Shares other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with it.

### **Principal terms of the Offer**

Haitong International Securities will make the Offer, which will be unconditional in all respects pursuant to Note 1 to Rule 26.2 of the Takeovers Code, for and on behalf of the Offeror, on the terms to be set out in the Composite Document in compliance with the Takeovers Code on the following basis:

**For every Offer Share . . . . . HK\$0.92 in cash**

The Offer Price is the same as the price payable by the Offeror for each Share under the Sale and Purchase Agreements.

The Offer Shares to be acquired under the Offer shall be fully paid and shall be acquired free from all Encumbrances and together with all rights attaching to them as at the date on which the Offer is made or subsequently becoming attached to them, including the right to receive in full all dividends and other distributions, if any, declared, made or paid on or after the date on which the Offer is made.

### **Comparison of value**

The Offer Price of HK\$0.92 per Offer Share represents:

- (i) a discount of approximately 9.80% to the closing price of HK\$1.02 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 8.00% to the average of the closing prices of the Shares as quoted on the Stock Exchange for the five (5) consecutive trading days up to and including the Last Trading Day of approximately HK\$1.00 per Share;
- (iii) a discount of approximately 8.00% to the average of the closing prices of the Shares as quoted on the Stock Exchange for the ten (10) consecutive trading days up to and including the Last Trading Day of approximately HK\$1.00 per Share;
- (iv) a discount of approximately 9.80% to the average of the closing prices of the Shares as quoted on the Stock Exchange for the thirty (30) consecutive trading days up to and including the Last Trading Day of approximately HK\$1.02 per Share; and
- (v) a discount of approximately 11.71% to the unaudited consolidated net asset value attributable to shareholders per Share as at 30 June 2017 of approximately HK\$1.042 per Share based on 5,250,019,852 Shares in issue as at the date of this joint announcement.

## **Highest and lowest Share prices**

During the six-month period preceding the date of this joint announcement, the highest closing price per Share as quoted on the Stock Exchange was HK\$1.37 on 22 September 2017 and the lowest closing price per Share as quoted on the Stock Exchange was HK\$0.94 on 8 January 2018.

## **Value of the Offer**

As at the date of this joint announcement, there are 5,250,019,852 Shares in issue, of which 3,883,778,286 Shares (representing approximately 73.98% of the issued share capital of the Company) are held by the Offeror and parties acting in concert with it upon Completion. There are no outstanding warrants, options, derivatives or other securities convertible into Shares and the Company has not entered into any agreement for the issue of such warrants, options, derivatives or other securities convertible into Shares as at the date of this joint announcement.

On the basis of the Offer Price of HK\$0.92 per Offer Share and 5,250,019,852 Shares in issue as at the date of this joint announcement, the entire issued share capital of the Company would be valued at HK\$4,830,018,263.84. On the assumption that the Offer is accepted in full by the holders of the Offer Shares and on the basis that there will be 1,366,241,566 Offer Shares, the value of the Offer is HK\$1,256,942,240.72.

## **Confirmation of financial resources available for the Offer**

The total consideration payable under the Offer shall be payable in cash. The Offeror intends to finance the total consideration payable under the Offer by facilities provided by Haitong International Securities which is secured by a charge over the Shares that were or will be acquired by the Offeror under the Sale and Purchase Agreements and the Offer respectively (the “**Facilities**”).

Haitong International Capital has been appointed as the financial adviser to the Offeror in respect of the Offer and is satisfied that sufficient financial resources are available to the Offeror to satisfy its maximum payment obligations upon full acceptance of the Offer.

## **Effects of accepting the Offer**

The Offer will be unconditional in all respects.

By accepting the Offer, the Shareholders will sell their Shares free from all Encumbrances and together with all rights attaching to them as at the date on which the Offer is made or subsequently becoming attached to them, including the right to receive in full all dividends and other distributions, if any, declared, made or paid on or after the date on which the Offer is made.



Acceptance of the Offer by any Shareholder will be deemed to constitute a warranty by such person that all Offer Shares sold by such person under the Offer are free from all Encumbrances and together with all rights attaching to them as at the date on which the Offer is made or subsequently becoming attached to them, including the right to receive in full all dividends and other distributions, if any, declared, made or paid on or after the date on which the Offer is made.

Acceptances of the Offer shall be irrevocable and not capable of being withdrawn, subject to the provisions of the Takeovers Code.

### **Hong Kong stamp duty**

Seller's ad valorem stamp duty at a rate of 0.1% of the market value of the Offer Shares or consideration payable by the Offeror in respect of the relevant acceptances of the Offer, whichever is higher, will be deducted from the amount payable to the relevant Shareholder on acceptance of the Offer. The Offeror will arrange for payment of the sellers' ad valorem stamp duty on behalf of the accepting Shareholders and pay the buyer's ad valorem stamp duty in connection with the acceptance of the Offer and the transfer of the Offer Shares.

### **Payment**

Payment in cash in respect of acceptances of the Offer will be made as soon as possible but in any event within seven (7) business days (as defined under the Takeovers Code) of the date on which the duly completed acceptance of the Offer and the relevant documents of title of the Offer Shares in respect of such acceptance are received by the Offeror (or its agent) to render each such acceptance complete and valid.

### **Taxation advice**

Shareholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of accepting or rejecting the Offer. None of the Offeror and parties acting in concert with it and its ultimate beneficial owners, directors, officers, agents or associates or any other person involved in the Offer accepts any responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Offer.

### **Overseas Shareholders**

The availability of the Offer to persons who are not resident in Hong Kong may be affected by the laws of the relevant overseas jurisdictions. The making of the Offer to the Independent Shareholders whose registered addresses are in jurisdictions outside Hong Kong may be prohibited or affected by the laws or regulations of the relevant jurisdictions. Such Independent Shareholders who are citizens, residents or nationals of a jurisdiction outside Hong Kong should observe relevant applicable legal or regulatory requirements and, where necessary, seek legal advice. It is the responsibility of the individual Independent



Shareholders who wish to accept the Offer to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection with the acceptance of the Offer (including the obtaining of any regulatory or other consent which may be required or the compliance with other necessary formalities and the payment of any transfer or other taxes due in respect of such jurisdictions).

**Any acceptance by any Independent Shareholder who is not resident in Hong Kong will be deemed to constitute a representation and warranty from such Independent Shareholder to the Offeror that the local laws and requirements have been complied with. All such Independent Shareholders should consult their professional advisers if in doubt.**

### **Other information**

Save for the transaction contemplated under the Sale and Purchase Agreements, none of the Offeror or parties acting in concert with it has dealt in any Shares or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company during the six-month period prior to and up to the date of this joint announcement, being the commencement date of the Offer period.

The Offeror confirms that, as at the date of this joint announcement, save for the Sale Shares and Tai He Shares held by the Offeror upon Completion:

- (a) none of the Offeror or parties acting in concert with it owns or has control or direction over any voting rights or rights over the Shares, options, derivatives, warrants or other securities convertible into Shares;
- (b) none of the Offeror or parties acting in concert with it has received any irrevocable commitment to accept the Offer;
- (c) save for the Sale and Purchase Agreements, the Facilities and the Placing Agreement (as defined below), there is no arrangement (whether by way of option, indemnity or otherwise) of any kind referred to in Note 8 to Rule 22 of the Takeovers Code in relation to the shares of the Offeror or the Company and which might be material to the Offer;
- (d) there is no agreement or arrangements to which the Offeror or parties acting in concert with it is a party which relates to the circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the Offer;
- (e) none of the Offeror or parties acting in concert with it has entered into any arrangements or contracts in relation to any outstanding derivative in respect of the securities in the Company;
- (f) none of the Offeror or parties acting in concert with it has borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company;

- (g) there is no agreement or arrangement between (i) the Sellers and the parties acting in concert with them and (ii) the Offeror and the parties acting in concert with it which constitutes a special deal under Rule 25 of the Takeovers Code; and
- (h) save for the aggregate consideration of HK\$3,573,076,023.12 and the transfer of cash amount held by Tai He to Chua Lee Holdings as disclosed in this joint announcement, the Sellers and the parties acting in concert with them have not and will not receive any other consideration or benefits in whatever form from the Offeror and the parties acting in concert with it.

## SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below is the shareholding structure of the Company (i) immediately before Completion; and (ii) immediately after Completion and as at the date of this joint announcement and before the Offer (assuming there will be no other changes to the shareholding structure of the Company from the Completion Date and before the Offer):

	Immediately before Completion		Immediately after Completion and as at the date of this joint announcement and before the Offer	
	<i>Number of Shares</i>	<i>%</i>	<i>Number of Shares</i>	<i>%</i>
Chua Lee Holdings ( <i>Note 1</i> )	3,883,778,286	73.98%	–	–
The Offeror and parties acting in concert with it ( <i>Note 2</i> )	–	–	3,883,778,286	73.98%
Mr. Ye Fei	280,000	0.01%	280,000	0.01%
Public Shareholders	1,365,961,566	26.02%	1,365,961,566	26.02%
Total	<u>5,250,019,852</u>	<u>100.00%</u>	<u>5,250,019,852</u>	<u>100.00%</u>

*Notes:*

1. Immediately before Completion, each of Tai He and TAI Capital were wholly owned by Chua Lee Holdings. As such, Chua Lee Holdings was interested in the 2,655,429,222 Shares and the 1,228,349,064 Sale Shares respectively held by Tai He and TAI Capital.
2. Immediately after Completion and before the Offer, Tai He is wholly owned by the Offeror. As such, the Offeror is interested in the 1,228,349,064 Sale Shares and the 2,655,429,222 Shares held by Tai He.

## INFORMATION ON THE GROUP

The Company was incorporated in Bermuda with limited liability and its Shares are listed on the Main Board of the Stock Exchange (stock code: 718).

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

## **INFORMATION ON THE OFFEROR**

The Offeror is an investment holding company incorporated in the Republic of Singapore with limited liability on 28 December 2017 and is a special purpose vehicle organised for the specific purpose of investing in the Company. The Offeror is indirectly wholly-owned by Yellowbird Special Opportunities Fund, L.P. (“**Yellowbird Fund**”) with Yellowbird Capital Management (GP) Limited (“**Yellowbird Capital**”) acting as its general partner holding it on Yellowbird Fund’s behalf.

Yellowbird Fund is a limited liability partnership established under the laws of the Cayman Islands and is a private equity fund managed by Yellowbird Capital that makes global investments on a deal by deal basis with special purpose vehicles. Each of the special purpose vehicle companies in Yellowbird Fund’s investment portfolio is independently managed and financed with different investor bases. The Yellowbird Fund has raised capital from a number of anchor investors for the Offeror’s investment. Yellowbird Capital was incorporated as a limited liability company in the Cayman Islands, which is in turn indirectly wholly-owned by Satinu Resources Group Limited, a company incorporated on in the British Virgin Islands with limited liability.

## **INTENTION OF THE OFFEROR IN RELATION TO THE GROUP**

Following the close of the Offer, the Offeror intends to continue the existing principal businesses of the Group. The existing principal businesses of the Group include (i) property investment; (ii) distressed debt assets management; (iii) commodity trading; (iv) securities investment; (v) mining and exploitation of natural resources; and (vi) sales of medical equipment and other general goods. The Offeror will conduct a review of the existing principal businesses and the financial position of the Group for the purpose of formulating business plans and strategies for the future business development of the Group. Subject to the results of the review, the Offeror may explore other business opportunities and consider whether any asset disposals, asset acquisitions, business rationalisation, business divestment, fund raising, restructuring of the business and/or business diversification will be appropriate in order to enhance the long-term growth potential of the Group. Should such corporate actions materialise, further announcement(s) will be made in accordance with the Listing Rules.

Save for the Offeror’s intention regarding the Group as set out above, as at the date of this joint announcement, no investment or business opportunity has been identified nor has the Offeror entered into any agreement, arrangements, understandings or negotiation in relation to the injection of any assets or business into the Group, and the Offeror has no intention to discontinue the employment of any employees of the Group (save for the proposed changes to the Board) or to redeploy the fixed assets of the Company other than those in its ordinary and usual course of business.

## PROPOSED CHANGE OF THE COMPOSITION OF THE BOARD

The Board is currently made up of seven Directors, comprising four executive Directors, being Mr. Chen Weisong, Mr. Xu Ke, Mr. Ye Fei and Mr. Wang Qiang, and three independent non-executive Directors, being Dr. Gao Bin, Ms. Liu Yan and Mr. Tang King Shing.

The Offeror intends to nominate directors to the Board for appointment with effect from a date which is no earlier than such date as permitted under Rule 26.4 of the Takeovers Code. As at the date of this joint announcement, the Offeror has not decided on the future composition of the Board. Any changes to the Board will be made in compliance with the Takeovers Code and the Listing Rules and further announcement will be made by the Company as and when appropriate.

## MAINTAINING THE LISTING STATUS OF THE COMPANY AND PUBLIC FLOAT

The Offeror has no intention to privatise the Group and intends to maintain the listing of the Shares on the Stock Exchange following the close of the Offer. The Offeror will undertake to the Stock Exchange to take appropriate steps to ensure that not less than 25% of the issued share capital of the Company will be held by the public at all times following closing of the Offer.

On 22 January 2018, the Offeror, Enhanced Securities Limited and Haitong International Securities have entered into a placing agreement (the “**Placing Agreement**”) pursuant to which Enhanced Securities Limited and Haitong International Securities have been appointed as joint placing agents for the reasonable efforts placing of such number of Shares to be held by the Offeror upon close of the Offer in excess of 3,937,514,889 Shares (being such number of Shares representing 75% of Shares in issue), at a placing price of HK\$0.92 per Share, within a period to be agreed by the Offeror, Enhanced Securities Limited and Haitong International Securities in writing, to independent third parties who are not Shareholders. Accordingly the placing arrangement contemplated under the Placing Agreement will not take effect prior to the close of the Offer.

Pursuant to the Listing Rules, if, at the closing of the Offer, less than the minimum prescribed percentage applicable to the Company, being 25% of the issued Shares, are held by the public or if the Stock Exchange believes that:

- (i) a false market exists or may exist in the trading of the Shares; or
- (ii) there are insufficient Shares in public hands to maintain an orderly market,

the Stock Exchange will consider exercising its discretion to suspend dealing in the Shares.

In this connection, it should be noted that following the close of the Offer, there might be insufficient public float of the Shares and therefore, trading in the Shares might be suspended until sufficient public float exists in the Shares.

## **INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER**

Under Rule 2.1 of the Takeovers Code, a board which receives an offer or which is approached with a view to an offer being made, must, in the interests of shareholders, establish an independent committee of the board to make a recommendation: (i) as to whether the offer is, or is not, fair and reasonable; and (ii) as to acceptance. The Independent Board Committee, comprising all three independent non-executive Directors who have no direct or indirect interest in the Offer, has been formed to advise the Independent Shareholders as to whether the terms of the Offer are fair and reasonable and as to acceptance of the Offer. Further announcement(s) will be made by the Company upon the appointment of the independent financial adviser to the Independent Board Committee to advise the Independent Board Committee and the Independent Shareholders in respect of the Offer and in particular as to whether the Offer is fair and reasonable and as to acceptance of the Offer. Independent Shareholders are encouraged to read the Composite Document carefully, including the advice of the independent financial adviser to the Independent Board Committee and the Independent Shareholders and the recommendation of the Independent Board Committee to the Independent Shareholders in respect of the Offer, before deciding whether or not to accept the Offer.

## **COMPOSITE DOCUMENT**

Pursuant to Rule 8.2 of the Takeovers Code, the Offeror is required to despatch the Composite Document containing, among others, the terms and conditions of the Offer and the form of acceptance to the Shareholders within twenty-one (21) days of the date of this joint announcement or such later date as the Executive may approve.

It is the intention of the Offeror and the Board to combine the offer document and the offeree board circular into the Composite Document. Accordingly, the Composite Document (accompanied by the form of acceptance) in connection with the Offer setting out, inter alia, (i) details of the Offer (including the expected timetable); (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders; and (iii) a letter of advice from the independent financial adviser (to be appointed) to the Independent Board Committee and the Independent Shareholders in respect of the Offer, will be despatched jointly by the Offeror and the Company to the Shareholders in accordance with the Takeovers Code.

## **GENERAL**

### **Disclosure of dealings in the Shares**

In accordance with Rule 3.8 of the Takeovers Code, the associates (including any person holding 5% or more of a class of relevant securities (as defined under Note 4 to Rule 22 of the Takeovers Code)) of the Company and the Offeror are hereby reminded to disclose their dealings in the securities of the Company pursuant to the Takeovers Code.

In accordance with Rule 3.8 of the Takeovers Code, the full text of Note 11 to Rule 22 of the Takeovers Code is reproduced below:

***“Responsibilities of stockbrokers, banks and other intermediaries***

*Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates and other persons under Rule 22 and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than \$1 million.*

*This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.*

*Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”*

**RESUMPTION OF TRADING**

At the request of the Company, trading in the Shares on the Stock Exchange was halted with effect from 9:00 a.m. on 22 January 2018 pending release of this joint announcement. Application has been made by the Company for resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 26 January 2018.

**WARNING**

**IT IS STRONGLY RECOMMENDED THAT SHAREHOLDERS DO NOT FORM A VIEW ON THE OFFER UNLESS AND UNTIL THEY HAVE RECEIVED AND CAREFULLY READ THE COMPOSITE DOCUMENT, INCLUDING THE RECOMMENDATION OF THE INDEPENDENT BOARD COMMITTEE IN RESPECT OF THE OFFER AND THE LETTER OF ADVICE FROM THE INDEPENDENT FINANCIAL ADVISER TO THE INDEPENDENT BOARD COMMITTEE AND THE INDEPENDENT SHAREHOLDERS.**

## DEFINITIONS

In this joint announcement, unless the context otherwise requires, capitalised terms used shall have the following meanings:

“acting in concert”	has the meaning ascribed thereto in the Takeovers Code
“associate(s)”	has the meaning ascribed thereto in the Listing Rules or the Takeovers Code (as the case may be)
“Board”	the board of the Directors
“Chua Lee Holdings”	Chua Lee Holdings Limited, a company incorporated in New Zealand with limited liability. Chua Lee Holdings is the trustee of a trust set up in New Zealand by an individual who was previously chairman of the Company
“Company”	Tai United Holdings Limited, a company incorporated in Bermuda with limited liability and its Shares are listed on the Main Board of the Stock Exchange (stock code: 718)
“Completion”	completion of the sale and purchase of the Sale Shares and the Tai He Shares in accordance with the Sale and Purchase Agreements
“Completion Date”	25 January 2018, the date on which Completion took place
“Composite Document”	the composite document to be issued jointly by the Offeror and the Company in relation to the Offer in accordance with the Takeovers Code
“Director(s)”	the director(s) of the Company
“Encumbrance”	any mortgage, charge (fixed or floating), pledge, lien, option, right to acquire, assignment by way of security, trust arrangement for the purpose of providing security or any other security interest of any kind, including retention arrangements, any rights exercisable by third parties, and any agreement to create any of the foregoing
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any of his delegates
“Group”	the Company and its subsidiaries



“Haitong International Capital”	Haitong International Capital Limited, the financial adviser of the Offeror in respect of the Offer, and is a licensed corporation under the SFO to carry out Type 6 (advising on corporate finance) regulated activities
“Haitong International Securities”	Haitong International Securities Company Limited, a fellow subsidiary of Haitong International Capital, and is a licensed corporation under the SFO to carry out Type 1 (dealing in securities), Type 3 (leveraged foreign exchange trading) and Type 4 (advising on securities) regulated activities
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent board committee of the Company comprising all three independent non-executive Directors for the purpose of making a recommendation to the Independent Shareholders regarding the terms of the Offer
“Independent Shareholder(s)”	Shareholders, other than the Offeror and parties acting in concert with it (including Tai He)
“Last Trading Day”	19 January 2018, being the last trading day on which the Shares were traded on the Stock Exchange prior to the issue and publication of this joint announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Offer”	the mandatory unconditional general cash offer to be made by Haitong International Securities for and on behalf of the Offeror to acquire all of the Offer Shares in accordance with the terms and conditions set out in this joint announcement
“Offeror”	Songbird SG Pte. Ltd., an investment holding company incorporated in the Republic of Singapore with limited liability on 28 December 2017
“Offer Price”	the price at which the Offer will be made, being HK\$0.92 per Offer Share
“Offer Share(s)”	any and all of the issued Share(s) not already owned or agreed to be acquired by the Offeror and parties acting in concert with it

“PRC”	the People's Republic of China which, for the purpose of this joint announcement, shall exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Sale and Purchase Agreements”	the 1st Sale and Purchase Agreement and the 2nd Sale and Purchase Agreement
“Sale Shares”	1,228,349,064 Shares beneficially owned by TAI Capital and sold to the Offeror pursuant to the 1st Sale and Purchase Agreement
“Sellers”	Chua Lee Holdings and TAI Capital
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.05 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“TAI Capital”	TAI Capital LLC, a company incorporated in the Cayman Islands with limited liability. TAI Capital is the wholly-owned subsidiary of Chua Lee Holdings as at the date of this joint announcement
“Tai He”	Tai He Financial Group Limited, a company incorporated in the Cayman Islands with limited liability. Tai He was the wholly-owned subsidiary of Chua Lee Holdings prior to Completion and has become a wholly-owned subsidiary of the Offeror since Completion
“Tai He Shares”	100 issued shares of Tai He sold by Chua Lee Holdings to the Offeror pursuant to the 2nd Sale and Purchase Agreement
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“1st Sale and Purchase Agreement”	the sale and purchase agreement dated 19 January 2018 entered into between the Offeror and TAI Capital for the acquisition of the Sale Shares by the Offeror

“2nd Sale and Purchase Agreement”                      the sale and purchase agreement dated 19 January 2018 entered into between the Offeror and Chua Lee Holdings for the acquisition of the Tai He Shares by the Offeror

“%”    per cent.

By order of the board of  
**Songbird SG Pte. Ltd.**  
**Chan Yin David**  
*Director*

By order of the board of  
**Tai United Holdings Limited**  
**Chen Weisong**  
*Chief Executive Officer*

Hong Kong, 25 January 2018

*As at the date of this joint announcement, the directors of the Offeror are Mr. Chan Yin David and Mr. Lemuel Gabriel Chan.*

*All directors of the Offeror jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than the information relating to the Company and the Sellers), and confirm, having made all reasonable enquires, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by the Company and the Sellers) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement contained in this joint announcement misleading.*

*As at the date of this joint announcement, the directors of Yellowbird Capital are Mr. Chan Yin David and Mr. Pak William Eui Won.*

*All directors of Yellowbird Capital jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than the information relating to the Company and the Sellers), and confirm, having made all reasonable enquires, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by the Company and the Sellers) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement contained in this joint announcement misleading.*

*As at the date of this joint announcement, the Board is made up of seven Directors, comprising four executive Directors, being Mr. Chen Weisong, Mr. Xu Ke, Mr. Ye Fei and Mr. Wang Qiang, and three independent non-executive Directors, being Dr. Gao Bin, Ms. Liu Yan and Mr. Tang King Shing.*

*All directors of the Company jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than that relating to the*

*Offeror) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by the Offeror) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.*