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## UPDATE ON FINANCIAL PERFORMANCE

This announcement is made by Tai United Holdings Limited (“**Company**”, together with its subsidiaries, “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities of The Stock Exchange of Hong Kong Limited (“**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules).

The board (“**Board**”) of directors (“**Directors**”) of the Company wishes to inform the shareholders of the Company (“**Shareholders**”) and the potential investors of the Company that, based on the preliminary assessment of the unaudited consolidated management accounts of the Group for the five months ended 31 May 2019 and the information currently available, the Group is expected to record, for the six months ending 30 June 2019 (“**6M2019 Period**”), (i) a substantial decrease in revenue; and (ii) a substantial decrease in loss or even a profit. For the corresponding period in the year 2018 (“**6M2018 Period**”), the unaudited consolidated revenue and the consolidated loss of the Company was approximately HK\$4,009.5 million and approximately HK\$92.3 million.

The Board attributed the substantial decrease in revenue to (i) the absence of effective interest income during the 6M2019 Period as a result of the full redemption of the loan note by a fund, which, for accounting purpose, had been consolidated into the Group’s financial statements during the year ended 31 December 2018 (for 6M2018 Period, such effective interest income amounted to approximately HK\$109 million); (ii) the management’s more cautious attitude in identifying investment opportunities in securities investment and distressed debt asset management businesses in light of the prevailing unstable economy during the 6M2019 Period (for 6M2018 Period, the Group recorded a loss of approximately HK\$94.9 million in the change in fair value of financial assets held-for-trading in its securities investment business and revenue of approximately HK\$49.6 million in its distressed debt asset management business); and (iii) a substantial decrease in revenue in the commodity and medical equipment trading segment as the management of the Group has adopted a highly prudent approach in this business segment in light of the global economy environment, in particular, the potential drop in energy demand as a result of the US-China trade dispute since 2018 and the extreme volatility of the oil market since late 2018 and the first half of 2019 has made analysts and market participants virtually impossible to confidently forecast the price of oil (for 6M2018 Period, the Group recorded a segment revenue of approximately HK\$3,894.0 million).

Based on the information currently available, the Group is expected to record a substantial decrease in loss or may even record a profit for the 6M2019 Period (6M2018 Period: loss of approximately HK\$92.3 million). The Board attributed such improvement to (i) the absence of disposal loss from subsidiaries in the 6M2019 Period (6M2018 Period: approximately HK\$8.9 million); (ii) the record of an expected net foreign exchange gain in the 6M2019 Period instead of a net foreign exchange loss (6M2018 Period: net foreign exchange loss of approximately HK\$31.8 million); (iii) a substantial decrease in finance costs (6M2018 Period: approximately HK\$61.1 million); and (iv) a substantial decrease in other operating expenses (6M2018 Period: approximately HK\$58.2 million).

The Company is still in the process of finalising its consolidated financial results for the 6M2019 Period. The information contained in this announcement is only based on the preliminary assessment made by the Board with reference to the currently available information and may be subject to adjustments and amendments. Finalised results of the Group and other details will be disclosed in the results announcement for 6M2019 Period to be published by the Company.

**Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.**

By Order of the Board  
**Tai United Holdings Limited**  
**Chen Weisong**  
*Chief executive officer*

Hong Kong, 28 June 2019

As at the date of this announcement, the Board comprises the following Directors:

*Executive Directors:*

Mr. Chen Weisong (*Chief Executive Officer*)  
Dr. Kwong Kai Sing Benny

*Independent non-executive Directors:*

Dr. Gao Bin  
Ms. Liu Yan  
Mr. Tang King Shing