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REQUEST TO REVIEW DECISION OF THE STOCK EXCHANGE ON RULE 13.24

Reference is made to the announcement of Tai United Holdings Limited (“**Company**”) dated 21 September 2020 (“**Announcement**”), relating to the decision of The Stock Exchange of Hong Kong Limited (“**Stock Exchange**”) to suspend the trading of the shares of the Company under Rule 6.01(3) of the Rules Governing the Listing Securities on the Stock Exchange (“**Listing Rules**”) as the Company failed to maintain a sufficient level of operations as required under Rule 13.24 of the Listing Rules to warrant the continued listing of its shares (“**Decision**”) (effective from 30 September 2020 unless the Company applies for a review of the Decision). Unless otherwise stated, capitalised terms used in this announcement shall have the same meanings as in the Announcement.

On 23 September 2020, pursuant to Rules 2B.06(1) and 2B.08(1) of the Listing Rules, the Company has requested the Decision to be referred to the Listing Committee (as defined in the Listing Rules) for a review by the Listing Committee (“**Review**”). Shareholders of the Company (“**Shareholders**”) and potential investors are reminded that the outcome of the Review is uncertain. Pending the Review, the trading of the shares of the Company will continue.

Set out below is an extract of the considerations by the Stock Exchange in arriving at the Decision:

1. The Company’s shares have been listed on the Main Board of the Stock Exchange since 1995. The Company is principally engaged in the following businesses:
 - (i) **Trading Businesses** – including trading of (a) petrochemical products and metal related products (ceased in May 2020) and (b) medical equipment (since October 2014);
 - (ii) **Financial Services Business** – including (a) securities investments; (b) distressed debt asset management; and (c) other financial services (all since 2016);

(iii) **Property Investment** (since 2016); and

(iv) **Mining Business** (acquired in 2009).

2. There was a change in control in the Company in January 2018 and one year after such change in control, the Company's scale of operations had diminished significantly to a low level. It recorded minimal revenue of HK\$25.9 million in 2019 and HK\$5.3 million for the six months ended 30 June 2020, with a substantial loss of HK\$246.8 million and HK\$55.3 million recorded respectively. The Company ceased the trading of petrochemical products and metal related products which contributed over 90% of its revenue. For the other businesses of the Company, they were either substantially scaled down to a minimal level of operation or have no operation at all.

Trading Business

Trading of petrochemical products and metal related products

3. The Company had ceased this business in May 2020 in view of the unpredictability of oil price and decrease in demand for petroleum products.

Trading of medical equipment

4. The scale of operation of this business was small and its revenue had significantly dropped from HK\$40 million in 2018 to HK\$20 million in 2019 with loss recognised in both years. The revenue of the business for the six months ended 30 June 2020 further declined to a minimal level of HK\$6.4 million with segment loss of HK\$1.0 million.

Financial Services Business

Securities investment

5. Under Rule 13.24(2) of the Listing Rules, the securities investment business was excluded from the Rule 13.24 assessment as the Company is not a banking company, an insurance company or a securities house that is mainly engaged in regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Distressed debt asset management

6. The scale of operation of this business had been substantially scaled down. The revenue of the business was on a decreasing trend from HK\$150 million in 2016 to zero in 2019 and the six months ended 30 June 2020, with loss recognised in 2018, 2019 and the six months ended 30 June 2020. The Company had fully disposed of all its distressed debt assets as at 31 December 2019 and expected the scale of its distressed assets management business would remain at a low level.

Other financial services

7. In January 2018, the Company had ceased to carry out the brokerage and asset management services. Further, the Company had no longer engaged in any loan note investment since the full redemption of the previous loan notes in 2018.

Property Investment Business

8. The Company's revenue from this business segment had substantially decreased since 2017 when the Company began to dispose of its investment properties. Following completion of the disposal of the hotel properties in the People's Republic of China ("PRC") in 2019, the Company only held a small property portfolio comprising one townhouse and four residential units in the United Kingdom, which the Company intended to dispose of. The revenue from this business segment had significantly decreased from HK\$95 million in 2018 to HK\$7 million in 2019, which further decreased to a minimal level of HK\$47,000 for the six months ended 30 June 2020. The Company intended to acquire other premium properties in the PRC, Hong Kong and the United Kingdom but such plan remained preliminary and subject to uncertainty.

Mining Business

9. The mining projects had been in exploration phase since the Company's acquisition in 2009 because the Company intended to commence actual mining operations and productions only upon the revenue/cost having been proved to be commercially attractive. There had been no concrete plan on either the commencement of commercial production of the mining projects nor the introduction of potential investors and/or strategic mining partnerships.

Level of assets

10. As at 30 June 2020, the Company's total assets were approximately HK\$2,479 million, which mainly included other receivables, deposits and prepayments of HK\$879 million, investment properties of HK\$754 million, bank balances and cash of HK\$411 million, structured deposits of HK\$275 million and mining rights of HK\$121 million. These assets did not support a sufficient level of operations of the Company.

Should the Listing Committee of the Stock Exchange uphold the Decision after the Review, the trading in the shares of the Company may be suspended under Rule 6.01(3) of the Listing Rules. Pursuant to Rule 6.01A of the Listing Rules, the Company would have a remedial period of 18 months to demonstrate its re-compliance with Rule 13.24 of the Listing Rules, failing which the Stock Exchange may cancel the listing of the shares of the Company.

Further announcement(s) will be made by the Company as and when appropriate and in accordance with the requirements of the Listing Rules. Shareholders who have any queries about the implication of the Decision are advised to obtain appropriate professional advice.

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

By order of the Board
Tai United Holdings Limited
Kwong Kai Sing Benny
Chief Executive Officer

Hong Kong, 23 September 2020

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

Executive Directors:

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

Mr. Chen Weisong

Mr. Chow Chi Wah Vincent

Independent non-executive Directors:

Dr. Gao Bin

Ms. Liu Yan

Mr. Tang King Shing