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PROFIT WARNING

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 on 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 (“**Shareholders**”) and potential investors of the Company that, based on the preliminary assessment of the unaudited consolidated management accounts of the Group for the year ended 31 December 2020 (“**FY2020**”) and the information currently available to the Board, the Group expects to record, for FY2020, (i) a decrease in revenue by around 20% to 30%; and (ii) a substantial decrease in loss before tax by around 80%, compared to that for the year ended 31 December 2019 (“**FY2019**”), in which the audited revenue and the audited loss before tax of the Group were approximately HK\$26.5 million and HK\$199.2 million respectively.

The decrease in revenue of the Group was mainly attributable to the substantial decrease in rental income from the property investment segment due to the adverse impact on tourism in Central London of the United Kingdom and of the local lockdown measures resulting from the outbreak of COVID-19 pandemic, partially set off by the increase in revenue in the medical equipment trading segment which benefited from the steadily rising market demand in the People’s Republic of China (“**PRC**”). For FY2019, the segment revenue of property investment and medical equipment trading were approximately HK\$6.5 million and HK\$20.0 million respectively.

The Board attributes the substantial decrease in loss before tax to the combined effect of among others, (i) an increase in other income due to the increase in interest income from disposal receivable of a subsidiary, which held an investment property in Hangzhou, PRC (FY2019: approximately HK\$51.4 million); (ii) reversal of impairment losses under expected credit loss model due to an improvement of the receipt of other receivables (FY2019: recognition of impairment losses under excepted credit loss model of approximately HK\$39.6 million); (iii) a decrease in other gains mainly due to the absence of gains on disposal of

subsidiaries (FY2019: approximately HK\$151.0 million); (iv) decreases in employee benefits expenses and other operating expenses (FY2019: approximately HK\$43.9 million and HK\$55.5 million respectively); (v) an absence of the changes in fair value of assets classified as held-for-sale in FY2020 (FY2019: a loss of approximately HK\$17.4 million); (vi) a decrease of the changes in fair value of investment properties (FY2019: changes in fair value of investment properties of approximately HK\$72.5 million); (vii) a decrease in impairment loss on mining rights (FY2019: approximately HK\$170.8 million); and (viii) a decrease in finance costs (FY2019: approximately HK\$15.3 million).

The Company is in the process of finalizing its consolidated financial results for FY2020. The information contained in this announcement is only based on the preliminary assessment made by the Board with reference to the unaudited consolidated management accounts of the Group and currently available information of the Group, which is subject to further review by the Board and the audit or review by the auditors of the Company. The Shareholders and potential investors are advised to refer to the final results announcement of the Company for FY2020 for details, which will be released by the end of March 2021.

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

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

Hong Kong, 12 March 2021

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
Mr. Wang Hongfang

Independent non-executive Directors:

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