THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your securities in Tai United Holdings Limited, you should at once hand this circular to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

太和控股有限公司

TAI UNITED HOLDINGS LIMITED

(incorporated in Bermuda with limited liability)

(Stock code: 718)

(I) MAJOR TRANSACTION IN RELATION TO THE ACQUISITION OF THE ENTIRE EQUITY INTERESTS IN RCBG RESIDENTIAL (UK) LIMITED AND MRB RESIDENTIAL HOLDINGS LIMITED; AND (II) NOTICE OF SPECIAL GENERAL MEETING

Capitalised terms used on this cover page shall have the same meanings as those defined in the section headed "Definitions" in this circular, unless the context requires otherwise.

A letter from the Board is set out on pages 7 to 14 of this circular. A notice convening the SGM to be held at Unit 810, L8, Core F, Cyberport 3, 100 Cyberport Road, Hong Kong, on 3 November 2016 at 11:00 a.m. is set out on pages SGM-1 to SGM-2 of this circular. A proxy form for use at the SGM is enclosed with this circular. Whether or not you are able to attend the SGM, you are requested to complete the enclosed proxy form in accordance with the instructions printed thereon and return the same to the branch share registrar and transfer office of the Company in Hong Kong, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the SGM or any adjournment thereof (as the case maybe). Completion and return of the proxy form shall not preclude you from attending and voting in person at the SGM or any adjournment thereof (as the case maybe) should you so wish and in such event, the instrument appointing a proxy shall be deemed to be revoked.

18 October 2016

CONTENTS

In this circular, unless the context otherwise requires, the following terms have the following meanings:

"Acquisition"	the acquisition of the Sale Shares and the Sale Loans by the Purchaser from the Vendors pursuant to the terms and condition of the Acquisition Agreement
"Acquisition Agreement"	the sale and purchase agreement dated 24 September 2016 entered into among the Purchaser and the Vendors in relation to the Acquisition
"Announcement"	the announcement of the Company dated 25 September 2016 in relation to the Acquisition
"Board"	the board of the Directors
"BREXIT"	the proposed withdrawal of the United Kingdom from the European Union
"Business Day"	a day (other than a Saturday or Sunday or public holiday in England, Hong Kong, Jersey or Guernsey) on which the clearing banks in the City of London, Hong Kong, Jersey and Guernsey are open for business
"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)
"Completion"	completion of the Acquisition in accordance with the terms and conditions of the Acquisition Agreement
"Completion Balance Sheets"	the consolidated balance sheets of RCBG and the MRB Group as at the Completion Date and prepared in accordance with the terms of the Acquisition Agreement
"Completion Date"	4 November 2016 (or such earlier date as the Purchaser shall nominate and notify in writing to the Vendors (provided that any such notification shall be served on the Vendors not less than five Business Days prior to the date nominated by the Purchaser))
"connected person(s)"	has the meaning ascribed thereto under the Listing Rules

"Consideration"	the consideration for the Sale Shares and the Sale Loans under the Acquisition Agreement
"controlling shareholder"	has the meaning ascribed thereto under the Listing Rules
"Director(s)"	the director(s) of the Company
"Easy Winning"	Easy Winning International Limited (怡峰國際有限公司), a company incorporated under the laws of Hong Kong
"Enlarged Group"	the Group as enlarged by RCBG and the MRB Group immediately upon Completion
"Exclusivity Agreement"	an exclusivity agreement dated 11 August 2016 (London time) (as amended) entered into between Wide Flourish Investments Limited, the Vendors and the solicitors of the Vendors in respect of the Acquisition
"Facilities"	two unsecured and revolving loan facilities of up to HK$1,000 million and HK$2,000 million granted by Tai He to the Company, details of which were disclosed in the Company's announcements dated 3 March 2016 and 5 May 2016, respectively
"Group"	the Company and its subsidiaries
"HKFRSs"	Hong Kong Financial Reporting Standards
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Hua Lien"	Hua Lien International (Holding) Company Limited
"Hua Lien Acquisition"	the subscription of 3,700,000,000 shares of Hua Lien, which represents 55.30% of the enlarged share capital of Hua Lien International (Holding) Company Limited, by a subsidiary of the Company pursuant to the subscription agreement dated 18 July 2016
"Hui Kai Acquisition"	the proposed acquisition of entire equity interest in Hui Kai Futures, Hui Kai Asset Management, Easy Winning and Hui Kai Securities by the Company pursuant to the agreement dated 18 January 2016

"Hui Kai Asset Management"	Hui Kai Asset Management Limited (滙凱資產管理有限公司), a company incorporated under the laws of Hong Kong
"Hui Kai Futures"	Hui Kai Future Limited (滙凱期貨有限公司), a company incorporated under the laws of Hong Kong
"Hui Kai Securities"	Hui Kai Securities Limited (滙凱證券有限公司), a company incorporated under the laws of Hong Kong
"IFRSs"	the International Financial Reporting Standards
"Independent Valuer"	GVA Grimley Limited, the independent valuer of the Properties
"Latest Practicable Date"	14 October 2016, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining information contained herein
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Mr. Chua"	Mr. Chua Hwa Por
"MRB"	MRB Residential Holdings Limited, a private company with limited liability incorporated in Jersey
"MRB Group"	MRB and its subsidiaries
"MRB Loans"	all amounts owing by MRB to any one of the MRB Vendors as at Completion, being amounts due in connection with shareholder loans and loan notes as at Completion
"MRB Residential Partners"	MRB Residential Partners LLP, a limited liability partnership incorporated in England and Wales
"MRB Shares"	the issued shares of one pence each of MRB, comprising the 26,208 shares held by MRB Vendor A, the 49,392 shares held by MRB Vendor B, and the 14,400 shares held by MRB Vendor C
"MRB Vendor A"	RCBG Residential (Jersey) Limited, a private company incorporated in Jersey with limited liability

"MRB Vendor B"	MoREOF BG Residential Holdings Limited, a private company incorporated in Jersey with limited liability
"MRB Vendor C"	Brockton Capital I (Tenenbaum) Limited, a private company incorporated in Guernsey with limited liability
"MRB Vendors"	MRB Vendor A, MRB Vendor B and MRB Vendor C
"NAV"	the aggregate net asset value of RCBG and the MRB Group calculated in accordance with the terms of the Acquisition Agreement
"PRC"	the People's Republic of China, which for the purpose of this circular, shall exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
"Properties"	means each of: (i) the freehold property known as 6 Buckingham Gate, London, SW1E 6JP with title number NGL886423; (ii) the freehold property known as 7 Buckingham Gate, London, SW1E 6JP with title number NGL852473; and (iii) the freehold property known as 8-9 Buckingham Gate, London, SW1E 6JP with title number NGL852477
"Purchaser"	BG Residential Holdings Limited, a company incorporated in Jersey with limited liability
"RCBG"	RCBG Residential (UK) Limited, a private company incorporated in England and Wales with limited liability
"RCBG Loans"	all amounts owing by RCBG to any one of the RCBG Vendors as at Completion
"RCBG Shares"	the issued shares of one pence each of RCBG, comprising the 80 shares held by RCBG Vendor A and the 320 shares held by RCBG Vendor B

"RCBG Vendor A"	The Rothschild Foundation (Hanadiv) Europe, a private company limited by guarantee incorporated in England and Wales and which is registered as a charity with the Charity Commission for England and Wales
"RCBG Vendor B"	The Rothschild Foundation, a private company limited by guarantee incorporated in England and Wales and which is registered as a charity with the Charity Commission for England and Wales
"RCBG Vendors"	RCBG Vendor A and RCBG Vendor B
"Sale Loans"	the RCBG Loans and the MRB Loans
"Sale Shares"	the RCBG Shares and the MRB Shares
"SFC"	Securities and Futures Commission
"SGM"	the special general meeting of the Company to be convened to consider and, if thought fit, approve the Acquisition Agreement and the transactions contemplated thereunder
"Share(s)"	share(s) of HK$0.05 each in the share capital of the Company
"Shareholder(s)"	holder(s) of the Share(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Surviving Provisions"	provisions in the Acquisition Agreement relating to, among other things, announcements and confidentiality, and governing law and jurisdiction
"Tai He"	Tai He Financial Group Limited
"Tai Infinite"	Tai Infinite Holdings Group Limited, a company incorporated in the Cayman Islands with limited liability, which is wholly-owned by Mr. Chua
"Target Companies"	RCBG and MRB
"United Kingdom"	the United Kingdom of Great Britain and Northern Ireland
"Vendors"	the RCBG Vendors and the MRB Vendors

"GBP"	British Pound Sterling, the lawful currency of the United Kingdom
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"RMB"	Renminbi, the lawful currency of the PRC
"US$"	United States dollars, the lawful currency of the United States of America
"%"	per cent.

For ease of reference and unless otherwise specified in this circular, sums in HK$, GBP, RMB and US$ herein are translated at the rates GBP1.0 = HK$10.3, RMB1 = HK$1.20 and US$1 = HK$7.75. This does not mean that the said currencies could be converted into one another based on such exchange rates.

太和控股有限公司
TAI UNITED HOLDINGS LIMITED
(incorporated in Bermuda with limited liability)
(Stock code: 718)

Executive Directors
Dr. Meng Zhaoyi *(Chairman and Chief Executive Officer)*
Dr. Liu Hua
Mr. Hu Yebi
Mr. Chen Weisong
Mr. Xu Ke

Independent Non-executive Directors
Mr. Mao Kangfu
Dr. Gao Bin
Ms. Liu Yan

Registered Office:
Clarendon House
2 Church Street
Hamilton HM11
Bermuda

Principal Place of business in Hong Kong:
Suite 1206-1209
12th Floor,
Three Pacific Place,
1 Queen's Road East,
Hong Kong

18 October 2016

To the Shareholders

Dear Sir or Madam,

**MAJOR TRANSACTION
IN RELATION TO
THE ACQUISITION OF THE ENTIRE EQUITY INTERESTS
IN RCBG RESIDENTIAL (UK) LIMITED AND
MRB RESIDENTIAL HOLDINGS LIMITED**

INTRODUCTION

Reference is made to the Announcement. The Company announced that, on 24 September 2016 (Hong Kong time), the Purchaser (an indirect wholly-owned subsidiary of the Company) and the Vendors entered into the Acquisition Agreement, pursuant to which the Purchaser conditionally agreed to purchase the Sale Shares and accept the assignment of the Sale Loans, and the Vendors conditionally agreed to sell the Sale Shares and assign the Sale Loans. The aggregate Consideration for both the Sale Shares and the Sale Loans is estimated to be GBP112,202,150 (equivalent to approximately HK$1,155,682,145), subject to the adjustments to be made according to the finalised NAV on the Completion Balance Sheets, and shall be paid in cash.

The purpose of this circular is to provide you with (i) further details of the Acquisition Agreement; (ii) further information on both RCBG and the MRB Group; (iii) the information on the Properties; (iv) the respective financial information of RCBG and the MRB Group; (v) the unaudited pro forma financial information of the Enlarged Group; (vi) the valuation report of the Properties; (vii) other information as required under the Listing Rules; and (viii) a notice convening the SGM.

THE ACQUISITION

Set out below are the principal terms of the Agreement.

Date: 24 September 2016

Parties:

(i) the Purchaser, an indirect wholly-owned subsidiary of the Company, as the purchaser of the Sale Shares and the Sale Loans;

(ii) RCBG Vendor A, as one of the vendors for the RCBG Shares and the RCBG Loans;

(iii) RCBG Vendor B, as one of the vendors for the RCBG Shares and the RCBG Loans;

(iv) MRB Vendor A, as one of the vendors for the MRB Shares and the MRB Loans;

(v) MRB Vendor B, as one of the vendors for the MRB Shares and the MRB Loans; and

(vi) MRB Vendor C, as one of the vendors for the MRB Shares and the MRB Loans

Each of the RCBG Vendors is a charity organisation, whereas each of the MRB Vendors is an investment holding company.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of the Vendors and their respective ultimate beneficial owners is a third party independent of the Company and its connected persons.

Assets to be acquired

The assets to be acquired comprise (i) the Sale Shares; and (ii) the Sale Loans.

The Sale Shares comprise the entire issued share capital of (i) RCBG; and (ii) MRB, which shall be acquired free from all encumbrances with effect from Completion, and with all rights and benefits attaching or accruing thereto on Completion.

The principal assets of both RCBG and the MRB Group are the Properties, being the residential properties situated at 6 – 9 Buckingham Gate, London, SW1E 6JP, United Kingdom.

The Sale Loans represent all amounts owing by RCBG and MRB to the Vendors as at Completion, and shall be assigned to the Purchaser with all benefits and rights attaching thereto, including accrued interest, on Completion.

As at 31 August 2016, the outstanding principal amount and accrued interest of the Sale Loans totalled approximately GBP43,105,610 (equivalent to approximately HK$443,987,783), the details of which are set out below:

Outstanding balance as at 31 August 2016	**Principal amount**		**Accrued interest**	
	GBP	*HK$-equivalent*	*GBP*	*HK$-equivalent*
RCBG Loans owed to RCBG Vendor A	1,560,148	16,069,524	0	0
RCBG Loans owed to RCBG Vendor B	6,240,592	64,278,098	0	0
Total RCBG Loans	7,800,740	80,347,622	0	0
MRB Loans owed to MRB Vendor A	5,017,220	51,677,366	2,490,048	25,647,494
MRB Loans owed to MRB Vendor B	17,315,530	178,349,959	7,260,760	74,785,828
MRB Loans owed to MRB Vendor C	1,925,000	19,827,500	1,296,312	13,352,014
Total MRB Loans	24,257,750	249,854,825	11,047,120	113,785,336

As at 31 August 2016, RCBG did not have any borrowings other than the RCBG Loans. Apart from the MRB Loans, the MRB Group had loans due to RCBG of approximately GBP10,573,000 (equivalent to approximately HK$108,901,900) as at 31 August 2016, which will be eliminated in full on consolidation upon Completion. The MRB Group also had outstanding bank borrowings amounting to GBP48,548,000 (equivalent to approximately HK$500,044,400) secured by charges of all assets (including the Properties).

Under the Acquisition Agreement, all the outstanding bank borrowings of the MRB Group shall be settled in full by the MRB Vendors on Completion and the charges shall be released accordingly.

Consideration and payment terms

Pursuant to the Acquisition Agreement, (i) the Consideration for the Sale Shares shall be equivalent to the aggregate NAV of RCBG and the MRB Group (with the fair value of the Properties agreed at GBP112,202,150 (equivalent to approximately HK$1,155,682,145) with reference to the then preliminary valuation of the Properties prepared by the Independent Valuer) immediately prior to Completion; and (ii) the Consideration for the Sale Loans shall be equivalent to the aggregate outstanding principal amount and accrued interest of the Sale Loans, in each case immediately prior to Completion as shown on the Completion Balance Sheets. The aggregate Consideration for both the Sale Shares and the Sale Loans is estimated to be GBP112,202,150 (equivalent to approximately HK$1,155,682,145), subject to the adjustments to be made according to the finalised NAV on the Completion Balance Sheets. Upon agreement or determination of the Completion Balance Sheets, any amount paid at Completion which is in excess of the finalised NAV will be returned to the Purchaser while any shortfall in the amount paid at Completion will be paid by the Purchaser. The Consideration shall be payable in cash to the respective Vendors, based on the respective equity interests in RCBG and MRB and the respective outstanding amounts of the Sale Loans (including the accrued interest thereon).

The Company intends to finance the Consideration by way of a mortgage loan of GBP61,875,000 (equivalent to approximately HK$637,312,500) obtained from a bank in the United Kingdom, and the remaining balance of GBP50,327,150 (equivalent to approximately HK$518,369,645) by drawdown on the Facilities. On 21 September 2016, the Company has entered into the letter of intent with the bank in respect of the mortgage loan.

A deposit of GBP11,250,000 (equivalent to approximately HK$115,875,000) out of the total Consideration was paid upon signing of the Exclusivity Agreement. It is refundable to the Purchaser if the Acquisition Agreement is terminated by the Purchaser as a result of the Vendors' failure to comply with their material obligations on Completion under the Acquisition Agreement.

Condition precedent

Completion is conditional upon the Shareholders' resolution having been passed at a general meeting of the Company approving the purchase of the Sale Shares and the assignment of the Sale Loans.

If the said condition precedent is not satisfied on or before 4 November 2016, the Acquisition Agreement (other than the Surviving Provisions) shall terminate and no party shall have any claims under the Acquisition Agreement against any of the other parties except in respect of any of the Surviving Provisions.

Completion

Completion shall take place in Jersey on the Completion Date.

Upon Completion, the Target Companies will become indirect wholly-owned subsidiaries of the Company and their financial results will be consolidated into the financial statements of the Group.

INFORMATION ON THE TARGET COMPANIES

RCBG was incorporated on 13 September 2011 in England and Wales, whereas MRB was incorporated on 6 October 2011 in Jersey. As at the date of the Acquisition Agreement, RCBG is owned 20% by RCBG Vendor A and 80% by RCBG Vendor B, whereas MRB is owned 29.12% by MRB Vendor A, 54.88% by MRB Vendor B, and 16% by MRB Vendor C. The principal assets of both RCBG and the MRB Group are the Properties held indirectly through MRB Residential Partners, which is owned 21.875% directly by RCBG and 78.125% indirectly by MRB. MRB Residential Partners is the sole legal and beneficial owner of the Properties and is and will be at Completion entitled to exclusive and actual possession and occupation of the Properties. The Properties are fully furnished for residential use and are currently vacant. The Properties were held for sale by the Target Companies. Upon Completion, the Company intends to lease the Properties for rental income and hold it for investment purposes. The Company estimated that the costs of holding the Properties to be around HK$23 million per annum, which include property management fee, staff costs, financing costs and tax charges.

Set out below is the respective consolidated financial information of RCBG and the MRB Group prepared in accordance with the IFRSs:

RCBG	**For the year ended**				**For the six months ended**			
	28 February 2015 (audited)		**29 February 2016** (audited)		**31 August 2015** (unaudited)		**31 August 2016** (audited)	
In thousands	*GBP*	*HK$-equivalent*	*GBP*	*HK$-equivalent*	*GBP*	*HK$-equivalent*	*GBP*	*HK$-equivalent*
Profit/(Loss) before tax	672	6,922	834	8,590	394	4,058	462	4,759
Profit/(Loss) after tax	658	6,777	757	7,797	360	3,708	414	4,264

	As at 31 August 2016 (audited)	
In thousands	*GBP*	*HK$-equivalent*
Net assets	5,247	54,044

MRB Group	For the year ended				For the eleven months ended			
	30 September 2014 (audited)		30 September 2015 (audited)		31 August 2015 (unaudited)		31 August 2016 (audited)	
In thousands	*GBP*	*HK$-equivalent*	*GBP*	*HK$-equivalent*	*GBP*	*HK$-equivalent*	*GBP*	*HK$-equivalent*
Profit/(Loss) before tax	(2,205)	(22,712)	(3,395)	(34,969)	(3,096)	(31,889)	(7,349)	(75,695)
Profit/(Loss) after tax	(2,205)	(22,712)	(3,395)	(34,969)	(3,096)	(31,889)	(7,349)	(75,695)

	As at 31 August 2016 (audited)	
In thousands	*GBP*	*HK$-equivalent*
Net assets	2,057	21,187

Shareholders are advised to refer to the detailed financial information of the Target Companies as set out in Appendix II and Appendix III to this circular, in particular, Note 13 to the financial statements of RCBG and the auditors' view on it.

The valuation of the Properties, as determined by the Independent Valuer based on direct comparison approach, was GBP112,500,000 (equivalent to approximately HK$1,158,750,000) as at 31 August 2016.

REASONS FOR AND BENEFITS OF THE ACQUISITION

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

The Group has been looking for quality assets with capital gain appreciation potential. BREXIT and the recent depreciation of GBP provide the Company with opportunity to acquire quality assets in the United Kingdom at attractive price. The Properties are located in west London, a prime location for residential real estate. According to the government official data published by the Land Registry in the United Kingdom, the monthly average housing property price in London in general has been rising on a double-digit annual growth rate since late 2013, with slight fluctuations in mid-2015, during which period the annual growth rate was only marginally below 10%. The growth impetus has continued to be solid in 2016. Based on the latest available government official data, the annual growth rate in the average housing property price in London has consistently been above 12% from January to July 2016. The rental market has also been positively growing in London. According to the statistics published by the Valuation Office Agency, a government body in the United Kingdom, the 12-month average home rent reached GBP2,249 (equivalent to approximately HK$23,165) in the first quarter of 2016, compared to GBP2,194 (equivalent to approximately HK$22,598) and GBP1,958 (equivalent to approximately HK$20,167), recorded for the same quarter in 2015 and 2014, respectively. In view of the overall positive fundamental data, despite the short term volatility of the property market in London, the Directors are optimistic about the future prospects of the property market in London and believe that quality assets are able to withstand the short term volatility of the property market. The

Group intends to hold the Properties for investment purposes and intends to lease the Properties for rental income after Completion. In this respect, the Directors believe that the Acquisition provides a good opportunity for the Group to enlarge its asset portfolio and broaden its earnings base while the Group will benefit from the potential capital appreciation of the Properties, as well as the stable and recurring rental income generated from the leasing of the Properties. Taking into account the aforesaid, including the valuation of the Properties, the Board considers that the entering into of the Acquisition Agreement (including the transactions contemplated thereunder) is in the best interests of the Company and the Shareholders as a whole and that the terms of the Acquisition Agreement are fair and reasonable.

The Company's plan of the property investment segment is set out in the section headed "Financial and Trading Prospects" in Appendix I to the circular.

FINANCIAL EFFECTS ON THE GROUP

Assets and liabilities

Based on the unaudited pro forma financial information of the Enlarged Group as set out in Appendix IV to this circular (using an indicative exchange rate of GBP1 to HK$11.16), assuming Completion had taken place on 31 March 2016, (i) the consolidated total assets of the Enlarged Group would be increased from approximately HK$1,887 million to approximately HK$2,629 million; (ii) the consolidated total liabilities of the Enlarged Group would be increased from approximately HK$1,029 million to approximately HK$1,771 million, primarily due to the Consideration payable to the Vendors accounted for under current liabilities; and (iii) the consolidated net assets of the Enlarged Group would remain at approximately HK$858 million. Details of the assumptions in the computations of above-mentioned effects on the assets and liabilities are discussed in the notes to the unaudited pro forma financial information of the Enlarged Group on pages IV-6 to IV-8 of this circular.

Earnings

Upon Completion, each of the Target Companies will become an indirect wholly-owned subsidiary of the Company and the financial results of each of them will be consolidated in the consolidated financial statements of the Group. In light of the potential future prospects of the property market in London as illustrated in the section headed "Reasons for and Benefits of the Acquisition" above and the intention of the Group to hold the Properties through the Target Companies for investment purposes and lease the Properties for rental income, the Directors are of the view that the Group will likely benefit from the potential capital appreciation of the Properties and the stable and recurring rental income generated from the leasing, both of which could contribute positively to the earnings of the Enlarged Group. However, the actual effect on earnings will depend on the future financial performance of the Target Companies.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined under Chapter 14 of the Listing Rules) in respect of the Acquisition exceed 25% while all applicable percentage ratios are less than 100%, the Acquisition constitutes a major transaction for the Company under Chapter 14 of the Listing Rules and is subject to the Shareholders' approval requirement under the Listing Rules. The SGM will be convened and held for the purpose of considering and, if thought fit, approving the resolution in respect of the Acquisition Agreement and the transactions contemplated thereunder. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder has a material interest in the Acquisition and is required to abstain from voting on the relevant resolution to be proposed at the SGM.

RECOMMENDATIONS

The Board considers that the terms of the Acquisition Agreement are on normal commercial terms and are fair and reasonable, and that the entering into of the Acquisition Agreement is in the interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of the resolution(s) to be proposed at the SGM.

THE SGM

A notice convening the SGM to be held at Unit 810, L8, Core F, Cyberport 3, 100 Cyberport Road, Hong Kong, on 3 November 2016 at 11:00 a.m. is set out on pages SGM-1 to SGM-2 of this circular. A proxy form for use at the SGM is enclosed with this circular. Whether or not you are able to attend the SGM, you are requested to complete the enclosed proxy form in accordance with the instructions printed thereon and return the same to the branch share registrar and transfer office of the Company in Hong Kong, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the SGM or any adjournment thereof (as the case maybe). Completion and return of the proxy form shall not preclude you from attending and voting in person at the SGM or any adjournment thereof (as the case maybe) should you so wish and in such event, the instrument appointing a proxy shall be deemed to be revoked.

GENERAL INFORMATION

Your attention is drawn to the additional information as set out in the appendices to this circular.

Yours faithfully,
For and on behalf of
Tai United Holdings Limited
Dr. Meng Zhaoyi
Chairman

1. AUDITED CONSOLIDATED FINANCIAL INFORMATION OF THE GROUP

The audited financial information of the Group for each of the three years ended 31 March 2016 together with the relevant notes thereto are disclosed in the following documents, which have been published on the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (http://www.irasia.com/listco/hk/taiunited/index.htm):

(i) The annual report of the Company for the year ended 31 March 2014 published on 27 June 2014 (pages 45-116);

(ii) The annual report of the Company for the year ended 31 March 2015 published on 26 June 2015 (pages 44-104); and

(iii) The annual report of the Company for the year ended 31 March 2016 published on 3 June 2016 (pages 46-124).

2. STATEMENT OF INDEBTEDNESS

As at the close of business on 31 August 2016, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this circular, the Enlarged Group had indebtedness of approximately HK$2,338 million.

Securities margin borrowings and bank borrowing

The total carrying amounts of the Enlarged Group's outstanding secured securities margin borrowings and bank borrowing as at 31 August 2016 were approximately HK$184 million and HK$500 million, respectively. Securities margin borrowings and bank borrowing as at 31 August 2016 were unguaranteed and secured by listed equity securities investments, pledged deposits of the Group, the Properties, floating charges of all of the MRB Group's assets, charge over all of the MRB Group's bank accounts and charge over the insurance proceeds and other documents related to the Properties.

Shareholder loans of the Group, the MRB Group and RCBG

The total carrying amounts of the Group, the MRB Group and RCBG's outstanding shareholders loans as at 31 August 2016 were approximately HK$1,210 million, HK$364 million and HK$80 million, respectively, all of which were unsecured and unguaranteed.

As at the close of business on 31 August 2016, except as disclosed in this section and apart from intra-group liabilities, the Enlarged Group did not have any debt securities issued and outstanding, or authorised or otherwise created but unissued, term loans, other borrowings or indebtedness in the nature of borrowing including bank overdrafts, loans, liabilities under acceptances (other than normal trade bills), acceptance credits, hire purchase commitments, finance lease obligations, mortgages or charges, guarantees or other material contingent liabilities.

3. WORKING CAPITAL

The Directors are of the opinion that, after taking into account the Group's internal generated funds, the Acquisition, the presently available banking facilities and in the absence of unforeseen circumstances, the Group will have sufficient working capital to meet its present requirement for the next twelve months from the date of this circular.

4. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 March 2016, being the date to which the latest published audited financial statements of the Company were made up.

5. FINANCIAL AND TRADING PROSPECTS

As at the Latest Practicable Date, the Group was principally engaged in (i) trading of commodities, securities and medical equipment; (ii) distressed assets investment and management; (iii) mining of tungsten in Mongolia. Following Completion, the Enlarged Group will also be engaged in property investment.

Set out below is the latest development of the Group's business:

Trading business

Commodities

For the year ended 31 March 2016, revenue generated from the trading of commodities amounted to approximately HK$1,036 million, representing approximately 92.4% of the Group's total revenue of the year, and the total transaction amount completed was approximately HK$2,148 million. For the three months ended 30 June 2016, the total transaction amount of the commodities trading completed by the Group is estimated to be approximately HK$906 million, and the average transaction amount of each trade was approximately HK$81 million.

Securities

The Company mainly carries out short-term investments in prime stocks with large market capitalisation and listed on the Stock Exchange, Shanghai Stock Exchange or Shenzhen Stock Exchange. For the year ended 31 March 2016, revenue generated from trading of securities amounted to approximately HK$72 million, with a profit of approximately HK$60 million. As at 30 June 2016, the financial assets held by the Group for trading amounted to approximately HK$910 million.

Medical equipment

The medical equipment trading sector picks up steadily since commencement of business in October 2015. For the year ended 31 March 2016, revenue generated from the trading of medical equipment amounted to approximately HK$12.9 million, increasing from approximately HK$6.7 million for the year ended 31 March 2015.

Distressed assets investment and management

The Group actively bids for acquisition of distressed bank loan portfolio with quality property collaterals through public tenders in the PRC, with a view to realising the potential upside of the investments by realisation of the underlying collaterals. As at 30 June 2016, the book value of the distressed loan investment portfolio held by the Group amounted to approximately RMB348 million (equivalent to approximately HK$418 million), with collaterals of a portfolio of residential, industrial and commercial buildings and land use rights in the Zhejiang Province, the PRC.

On 12 August 2016, the Group completed an acquisition through public tender from Zheyue Asset Management Company Limited ("**Zheyue**") of a distressed loan portfolio with residential, industrial and commercial properties located in Zhejiang Province as collaterals at a bidding price of approximately RMB170 million (equivalent to approximately HK$204 million), of which approximately RMB90 million (equivalent to approximately HK$108 million) has been paid by the Company (as financed by the Facilities) as at the Latest Practicable Date, and the remaining RMB80 million (equivalent to approximately HK$96 million) is payable within 12 months of the date of bidding and will be settled by part of the net proceeds raised from the rights issue as announced by the Company on 2 September 2016. Zheyue is a third party independent of the Company and the connected persons of the Company.

On 12 August 2016, the Company also entered into a cooperation agreement with Zheyue to lay down the framework for their cooperation in respect of sharing of market intelligence, valuation and due diligence results of target assets, and bidding of distressed assets of investment amount of up to RMB500 million (equivalent to approximately HK$600 million) by the end of 2016.

Mining of tungsten in Mongolia

The Group has engaged a mining professional to prepare an updated feasibility study report for the tungsten mines. The Directors are actively exploring the optimal way to commence the production of the mines. The Directors expect that the exploitation of the mines will take place no later than the end of 2018.

Property investment

As disclosed in the section headed "Reasons for and Benefits of the Acquisition" in the letter from the Board in this circular, the Directors consider that the recent referendum result on BREXIT and the recent depreciation of British Pound Sterling provide the Company with opportunity to acquire quality assets in the United Kingdom at attractive price. The Directors are optimistic about the prospect of the property market in London and believe that the Properties, which are located in the prime central district of London, are able to withstand the short term volatility of the property market. It is the intention of the Group to hold the Properties through the Target Companies for investment purposes and lease the Properties for rental income. The Directors are of the view that the Group may benefit from the potential capital appreciation of the Properties and the stable and recurring rental income generated from the leasing.

As at the Latest Practicable Date, the Company was in negotiation with potential investors in respect of certain proposals of investment in commercial properties in London, one of which is a landmark building in London with a consideration possibly above HK$1 billion. Further information is set out in announcement of the Company dated 13 October 2016. Should any of the acquisitions materialises, further announcement(s) will be made by the Company in accordance with the applicable requirements of the Listing Rules as and when appropriate.

In view of the promising prospects of the property market in the United Kingdom, the Company intends to develop the property investment business by establishing a portfolio of quality commercial (including hospitality) and residential properties located in the major cities of the United Kingdom or other countries with a target portfolio size of around GBP1 billion. The Board expects that the property investment business will generate rental income for the Group, which may benefit from capital appreciation as well. The Company currently has a team of four professionals with prior real estate investment and asset management experience ranging from 4 to 5 years obtained from established real estate companies listed on the Singapore Stock Exchange. The Company will continue to recruit additional staff to build up a strong investment and asset management team for the development of this segment.

Hui Kai Acquisition

In January 2016, the Company entered into an agreement to acquire the entire equity interest in (i) Hui Kai Futures, which is principally engaged in trading and brokerage of futures contracts with type 2 licence under the SFO; (ii) Hui Kai Asset Management, which is principally engaged in asset management with type 9 licence under the SFO; and (iii) Easy Winning, which is principally engaged in money lending business, for an aggregate consideration of up to HK$56 million (with HK$10 million paid upon signing of the agreement and HK$5 million paid upon signing of a supplemental agreement on 23 May 2016). The Company was also granted an option to further acquire the entire equity interest in Hui Kai Holdings Limited, which through Hui Kai Securities is principally engaged in brokerage of securities and margin financing with type 1 licence under the SFO for a consideration up to HK$120 million. The consideration will be settled by internal resources of the Group.

On 9 March 2016, the Company has submitted an application to the SFC for the approval of the change in substantial shareholder of Hui Kai Futures, Hui Kai Asset Management and Hui Kai Securities (the "**SFC Approval**"). Upon the receipt of the SFC Approval, the Company will serve the notice of exercise of the option to acquire Hui Kai Securities. On 29 September 2016, the Company was informed by the SFC that their application was approved.

Hua Lien Acquisition

In July 2016, the Company entered into an agreement with Hua Lien to subscribe for a total of 3,700,000,000 shares in Hua Lien (representing approximately 55.3% of the enlarged issued share capital of Hua Lien upon issue of the subscription shares and the placing shares to be issued therewith simultaneously) at the subscription price of HK$0.16 per share in Hua Lien. The Group intends to settle the total subscription monies of approximately HK$592 million by way of the Facilities. Details of the Hua Lien Acquisition are set out in the joint announcement of the Company and Hua Lien dated 21 July 2016 and the announcements of the Company dated 10 August 2016 and 29 September 2016, respectively.

The Hua Lien Acquisition, which constitutes a major transaction of the Company under Chapter 14 of the Listing Rules, will be completed upon, among other things, approval of a whitewash waiver by the SFC and requisite listing approval in respect of the new shares in Hua Lien by the Stock Exchange. Compliance with relevant disclosure and approval requirements under the Listing Rules and the Code on Takeovers and Mergers will be made by the Company and Hua Lien respectively. Tai He will vote for the Hua Lien Acquisition at the special general meeting of the Company to be convened to approve the transaction.

Others

On 30 September 2016, the Company issued to the investors secured and unsubordinated notes in the principal amount of not more than US$180 million (equivalent to approximately HK$1,395 million) and also conditionally agreed to grant to them warrants to subscribe for up to 279,000,000 Shares at the initial subscription price of HK$1.0 per Share, with a view to securing additional funding to develop the financial services business in Hong Kong or other places, enhance the securities and commodities trading business, and finance certain potential acquisitions including but not limited to property investment. As at the Latest Practicable Date, the grant of the warrants was not yet completed and remained subject to Shareholders' approval. Details of the above are set out in the Company's announcements dated 28 September 2016 and 5 October 2016, respectively.

Material risk factors

Despite the optimistic outlook of the property market in the United Kingdom and the financial services industry in Hong Kong and the PRC, there are risk factors that may materially affect the businesses of the Group, in particular the property investment segment, including the market risks arising from the possible downturn of the major real estate market due to macroeconomic climate, and currency risks arising from a possible prolonged weakening of GBP which will affect the investment returns of the Group from the property investment segment. However, the Board believes that the high quality assets which are mainly located in the core area of London and the diversified business portfolio of the Company in different economies including the PRC, the United Kingdom and Hong Kong, will enable the Company to be resilient to external shocks.

1. ACCOUNTANTS' REPORT

The following is the text of an accountants' report, prepared for the sole purpose of inclusion in this circular, received from the independent reporting accountants, Grant Thornton Hong Kong Limited, Certified Public Accountants, Hong Kong.

Grant Thornton
致同

18 October 2016

The Directors
Tai United Holdings Limited

Dear Sirs,

INTRODUCTION

We set out below our report on the financial information of MRB Residential Holdings Limited ("Target Company") and its subsidiaries (together, the "Target Group") which comprises the consolidated statements of financial position at 30 September 2013, 2014 and 2015 and 31 August 2016, and the consolidated statements of profit or loss and other comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows of the Target Group for each of the years ended 30 September 2013, 2014 and 2015 and the eleven months ended 31 August 2016 (the "Relevant Periods"), and a summary of significant accounting policies and other explanatory information (the "Financial Information"), and the stub period comparative information which comprises the consolidated statements of profit or loss and other comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows of the Target Group for the eleven months ended 31 August 2015 and a summary of significant accounting policies and other explanatory information (the "Stub Period Comparative Information") for inclusion in the circular of Tai United Holdings Limited (the "Company") dated 18 October 2016 (the "Circular") in connection with its proposed acquisition of the 100% equity interest of the Target Company, which beneficially hold 100% interest in 6-9 Buckingham Gate, London SW1E 6JP, United Kingdom (the "Acquisition").

The Target Company was incorporated as a company with limited liability in Jersey on 6 October 2011 with limited liability under the Companies (Jersey) Law 1991.

The principal activity of Target Company is investment holding. The principal activity of the Target Group is property development in the United Kingdom. The principal activities of its subsidiaries are set out in Note 1 of Section II below. The statutory financial statements of the Target Company and each of its subsidiaries for the years ended 30 September 2013, 2014 and

2015, prepared in accordance with the relevant accounting principles and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), were audited by Grant Thornton UK LLP.

At the end of each reporting period and at the date of this report, the Target Company has direct and indirect interests in the subsidiaries as set out in Note 1 of Section II below. All companies comprising the Target Group have adopted 30 September as their financial year end date. For the purpose of this report, the directors of the Target Company are responsible for the preparation of the consolidated financial statements of the Target Group for the Relevant Periods that give a true and fair review in accordance with the International Financial Reporting Standards ("IFRSs") issued by International Accounting Standards Board ("the Underlying Financial Statements").

We have carried out an independent audit on the Underlying Financial Statements in accordance with International Standards on Auditing ("ISAs") issued by the International Auditing and Assurance Standards Board (the "IAASB").

The Financial Information has been prepared based on the Underlying Financial Statements, with no adjustment made thereon.

DIRECTORS' RESPONSBILITY

The directors of the Company are responsible for the preparation of the Financial Information that gives a true and fair view in accordance with IFRSs, and for such internal control as the directors determine is necessary to enable the preparation of Financial Information that is free from material misstatement, whether due to fraud or error. The directors of the Company are also responsible for the preparation and presentation of the Stub Period Comparative Information in accordance with the same basis adopted in respect of the Financial Information.

REPORTING ACCOUNTANTS' RESPONSIBILITY

Our responsibility is to express an opinion and a review conclusion on the Financial Information and Stub Period Comparative Information respectively, and to report our opinion and review conclusion to you.

We have carried out procedures on the Financial Information in accordance with Auditing Guideline 3.340 "Prospectuses and the Reporting Accountant" issued by the Hong Kong Institute of Certified Public Accountants.

We have also performed a review of the Stub Period Comparative Information in accordance with International Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the IAASB. A review consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical procedures and other review procedures. A review is substantially less in scope than an audit conducted in accordance with ISAs and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the Stub Period Comparative Information.

OPINION IN RESPECT OF THE FINANCIAL INFORMATION

In our opinion, for the purpose of this report, the Financial Information gives a true and fair view of the financial positions of the Target Group as at 30 September 2013, 2014 and 2015 and 31 August 2016 and of the financial performance and cash flows of the Target Group for the Relevant Periods then ended.

REVIEW CONCLUSION IN RESPECT OF STUB PERIOD COMPARATIVE INFORMATION

Based on our review which does not constitute an audit, for the purpose of this report, nothing has come to our attention that causes us to believe that the Stub Period Comparative Information is not prepared, in all material respects, in accordance with the same basis adopted in respect of the Financial Information.

I. FINANCIAL INFORMATION OF THE TARGET GROUP

Consolidated statements of profit or loss and other comprehensive income

	Notes	Year ended 30 September 2013 GBP'000	2014 GBP'000	2015 GBP'000	Eleven months ended 31 August 2015 GBP'000 (Unaudited)	2016 GBP'000
Revenue	5	–	–	–	–	–
Other income	6	–	–	1	1	–
Administrative expenses		(345)	(382)	(315)	(297)	(1,038)
Finance costs	7	(1,522)	(1,823)	(3,081)	(2,800)	(6,311)
Loss before income tax	8	(1,867)	(2,205)	(3,395)	(3,096)	(7,349)
Income tax expense	9	–	–	–	–	–
Loss for the year/period and total comprehensive expenses for the year/period, attributable to owners of the Target Company		(1,867)	(2,205)	(3,395)	(3,096)	(7,349)
Loss for the year/period and total comprehensive expenses attributable to:						
Equity holders of the Target Company		(1,706)	(2,219)	(3,330)	(3,035)	(6,045)
Non-controlling interests		(161)	14	(65)	(61)	(1,304)
Total loss for the year/period and total comprehensive expenses for the year/period		(1,867)	(2,205)	(3,395)	(3,096)	(7,349)

Consolidated statements of financial position

	Notes	As at 30 September			As at 31 August
		2013	**2014**	**2015**	**2016**
		GBP'000	*GBP'000*	*GBP'000*	*GBP'000*
ASSETS AND LIABILITIES					
Current assets					
Properties held for sale	*11*	67,629	81,690	96,081	96,454
Other receivables	*12*	64	73	90	83
Bank balances and cash		170	99	46	610
		67,863	81,862	96,217	97,147
Current liabilities					
Trade and other payables	*13*	2,067	2,478	6,856	664
Partnership loan	*14*	7,820	7,820	7,820	7,820
Interest-bearing borrowings	*15*	27,969	41,939	45,099	48,548
Loans from related parties	*16*	–	–	–	22,232
		37,856	52,237	59,775	79,264
Net current assets		30,007	29,625	36,442	17,883
Non-current liabilities					
Loans from related parties	*16*	15,001	16,824	27,036	15,826
Net assets		15,006	12,801	9,406	2,057
CAPITAL AND RESERVES					
Share capital	*17*	1	1	1	1
Reserves		15,231	13,012	9,682	3,637
Equity attributable to:					
Owners of the Target Company		15,232	13,013	9,683	3,638
Non-controlling interest		(226)	(212)	(277)	(1,581)
Total equity		15,006	12,801	9,406	2,057

Consolidated statement of changes in equity

	Attributable to owners of the Target Company					
	Share capital	Share premium*	Retained earnings*	Sub-total	Non-controlling interests	Total
	GBP'000	*GBP'000*	*GBP'000*	*GBP'000*	*GBP'000*	*GBP'000*
As at 1 October 2012	1	671	16,266	16,938	(65)	16,873
Loss and total comprehensive expenses for the year	–	–	(1,706)	(1,706)	(161)	(1,867)
As at 30 September 2013 and 1 October 2013	1	671	14,560	15,232	(226)	15,006
Loss and total comprehensive expenses for the year	–	–	(2,219)	(2,219)	14	(2,205)
As at 30 September 2014 and 1 October 2014	1	671	12,341	13,013	(212)	12,801
Loss and total comprehensive expenses for the year	–	–	(3,330)	(3,330)	(65)	(3,395)
As at 30 September 2015 and 1 October 2015	1	671	9,011	9,683	(277)	9,406
Loss and total comprehensive expenses for the period	–	–	(6,045)	(6,045)	(1,304)	(7,349)
As at 31 August 2016	1	671	2,966	3,638	(1,581)	2,057
As at 1 October 2014	1	671	12,341	13,013	(212)	12,801
Loss and total comprehensive expenses for the period	–	–	(3,035)	(3,035)	(61)	(3,096)
As at 31 August 2015 (Unaudited)	1	671	9,306	9,978	(273)	9,705

* These balances comprise the consolidated reserves of GBP15,232,000, GBP13,031,000, GBP9,683,000 and GBP3,638,000 of the Target Group in the consolidated statement of financial position as at the end of each of the Relevant Periods, respectively.

Consolidated statements of cash flows

	Year ended 30 September			Eleven months ended 31 August	
	2013	**2014**	**2015**	**2015**	**2016**
	GBP'000	*GBP'000*	*GBP'000*	*GBP'000*	*GBP'000*
				(Unaudited)	
Cash flows from operating activities					
Loss before income tax	(1,867)	(2,205)	(3,395)	(3,096)	(7,349)
Adjustments for:					
Interest expenses	1,522	1,823	3,081	2,800	6,311
Interest income	–	–	(1)	(1)	–
Operating loss before working capital changes	(345)	(382)	(315)	(297)	(1,038)
Increase in properties held for sale	(12,597)	(12,213)	(14,107)	(13,813)	(373)
(Increase)/Decrease in trade and other receivables	25	(9)	(17)	27	7
Increase/(Decrease) in trade and other payables	1,106	411	4,378	4,646	(6,050)
Net cash used in operating activities	**(11,811)**	**(12,193)**	**(10,061)**	**(9,437)**	**(7,454)**
Cash flows from investing activities					
Interest received	–	–	1	1	–
Net cash from investing activities	–	–	1	1	–
Cash flows from financing activities					
New bank borrowings raised	9,108	12,122	9,487	5,832	49,479
Repayment of bank borrowings	–	–	(3,371)	–	(46,186)
New loans from related parties raised	2,600	–	6,847	6,847	6,835
Interest paid	–	–	(2,956)	(2,940)	(2,110)
Net cash from financing activities	**11,708**	**12,122**	**10,007**	**9,739**	**8,018**
Net increase/(decrease) in cash and cash equivalents	(103)	(71)	(53)	303	564
Cash and cash equivalents at beginning of year/period	273	170	99	99	46
Cash and cash equivalents at end of year, represented by bank balances and cash	**170**	**99**	**46**	**402**	**610**

II. NOTES TO THE FINANCIAL INFORMATION

1. General information

MRB Residential Holdings Limited ("Target Company") is a limited liability company incorporated and domiciled in Jersey. The address of its registered office and principal place of business is 1 Waverley Place, Union Street, St Helier, Jersey, JE1 1SG.

The Target Company is owned by three joint venture partners, Brockton Capital I (Tenenbaum) Limited (16%), a limited liability company incorporated in Guernsey, RCBG Residential (Jersey) Limited (29.12%), a limited liability company incorporated in Jersey and MoREOF BG Residential Holdings Limited (54.88%), a limited liability company incorporated in Jersey. In the opinion of the directors of the Target Company, the ultimate parent company of the Target Group is MoREOF Co-Investment LP, a limited liability partnership incorporated in the United Kingdom.

The Target Company is an investment holding company. The principal activity of the Target Group is property development in the United Kingdom. The property, 6-9 Buckingham Gate, London SW1E 6JP, United Kingdom, is owned by MRB Residential Partners LLP, a subsidiary entity acquired by the Target Company on 22 November 2011.

As at the end of each reporting period and the date of this report, the Target Company had direct and indirect interests in its subsidiaries, a private limited liability company and a limited liability partnership, the particulars of which are set out below:

Company name	Place and date of incorporation/ establishment	Registered/ Issued and paid up capital	Equity interest attributable to the Target Group: As at 30 September 2013	2014	2015	As at 31 August 2016	The date of this report	Principal activities
Directly held:								
MRB Residential Limited	The United Kingdom, 13 September 2011	GBP1	100%	100%	100%	100%	100%	Investment holding
Indirectly held:								
MRB Residential Partners LLP	The United Kingdom, 14 September 2011	GBP1,000	78.125%	78.125%	78.125%	78.125%	78.125%	Property development

Inter-company transactions, balances and unrealised gains/losses on transactions between the group companies are eliminated on consolidation. The financial year end of these subsidiaries is 30 September.

2. Summary of significant accounting policies

2.1 Basis of preparation

The Financial Information has been prepared in accordance with Intentional Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board (the "IASB"). The Financial Information also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited. These policies have been consistently applied throughout the Relevant Periods.

The Financial Information is presented in pounds sterling, which is the same as the functional currency of the Target Company and its subsidiaries.

The Financial Information has been prepared on the historical cost basis. The measurement bases are fully described in the accounting policies below.

The significant accounting policies that have been used in the preparation of the Financial Information are summarised below. These policies have been consistently applied to all the years presented unless otherwise stated. The adoption of new or amended IFRSs and the impacts on the Target Group's Financial Information, if any, are disclosed in Note 3. It should be noted that accounting estimates and assumptions are used in preparation of the Financial Information. Although these estimates are based on management's best knowledge and judgement of current events and actions, actual results may ultimately differ from those estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Financial Information are disclosed in Note 4.

2.2 Basis of consolidation

The Financial Information incorporates the financial statements of the Target Company and its subsidiaries (together referred to as the "Target Group") for the Relevant Periods.

Subsidiaries are entities controlled by the Target Company. The Target Group controls an entity when the Target Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. When assessing whether the Target Group has power over the entity, only substantive rights relating to the entity (held by the Target Group and others) are considered.

The Target Group includes the income and expenses of a subsidiary in the Financial Information from the date it gains control until the date when the Target Group ceases to control the subsidiary.

Intra-group transactions, balances and unrealised gains and losses on transactions between group companies are eliminated in preparing the Financial Information. Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from the Target Group's perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Target Group.

Changes in the Target Group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions, whereby adjustments are made to the amounts of controlling interests within combined equity to reflect the change in relative interests, but no adjustments are made to goodwill and no gain or loss is recognised.

When the Target Group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income/(expense) in respect of that entity are accounted for as if the Target Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income/(expense) are reclassified to profit or loss.

2.3 Properties held for sale

Properties held for sale include completed properties for sale and properties under development for sale under current asset.

i) Completed properties for sale

Completed properties held for sale are stated at the lower of cost and net realisable value on an individual property basis. Cost includes the costs of the properties and other direct attributable expenses. Net realisable value is calculated at the actual or estimated selling price less the estimated selling expenses.

ii) Properties under development for sale

Properties under development for sale are properties held for future sale in the ordinary course of business and are stated at the lower of cost and net realisable value. Costs includes specifically identified cost, including the acquisition cost of land, aggregate cost of development, materials and supplies, wages and other direct expenses, an appropriate proportion of overheads and borrowing costs capitalised (note 2.10). Net realisable value represents the estimated selling price less estimated costs of completion and costs to be incurred in selling the property.

Upon completion, the properties are transferred to completed properties held for sale.

2.4 Financial assets

Financial assets of the Target Group are classified as loans and receivables.

Management determines the classification of its financial assets at initial recognition depending on the purpose for which the financial assets were acquired and where allowed and appropriate, re-evaluates this designation at every reporting date.

All financial assets are recognised when, and only when, the Target Group becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognised on trade date. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

Derecognition of financial assets occurs when the rights to receive cash flows from the investments expire or are transferred and substantially all of the risks and rewards of ownership have been transferred.

At each reporting date, financial assets are reviewed to assess whether there is objective evidence of impairment. If any such evidence exists, impairment loss is determined and recognised based on the classification of the financial asset.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are subsequently measured at amortised cost using the effective interest method less any impairment losses. Amortised cost is calculated taking into account any discount or premium on acquisition and includes fees that are an integral part of the effective interest rate and transaction cost.

Impairment of financial assets

At each reporting date, financial assets other than at fair value through profit or loss are reviewed to determine whether there is any objective evidence of impairment. Objective evidence of impairment of individual financial assets includes observable data that comes to the attention of the Target Group about one or more of the following loss events:

– Significant financial difficulty of the debtor;

– A breach of contract, such as a default or delinquency in interest or principal payments;

– It becoming probable that the debtor will enter bankruptcy or other financial re-organisation;

– Significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor; and

– A significant or prolonged decline in the fair value of an investment in an equity instrument below its cost.

Loss events in respect of a group of financial assets include observable data indicating that there is a measurable decrease in the estimated future cash flows from the group of financial assets. Such observable data includes but not limited to adverse changes in the payment status of debtors in the group and, national or local economic conditions that correlate with defaults on the assets in the group.

If any such evidence exists, the impairment loss is measured and recognised as follows:

Financial assets carried at amortised cost

If there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The amount of the loss is recognised in profit or loss of the period in which the impairment occurs.

If, in subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that it does not result in a carrying amount of the financial asset exceeding what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in profit or loss of the period in which the reversal occurs.

Impairment losses of financial assets are stated at amortised cost, are written off against the corresponding assets directly. Where the recovery of loan and receivables is considered doubtful but not remote, the impairment losses for doubtful receivables are recorded using an allowance account. When the Target Group is satisfied that recovery of loan and receivables is remote, the amount considered irrecoverable is written off against receivables directly and any amounts held in the allowance account in respect of that receivable are reversed. Subsequent recoveries of amounts previously charged to the allowance account are reversed against the allowance account. Other changes in the allowance account and subsequent recoveries of amounts previously written off directly are recognised in profit or loss.

2.5 Cash and cash equivalents

Cash and cash equivalents include cash at bank and in hand, demand deposits with banks and short term highly liquid investments with original maturities of three months or less that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

2.6 Financial liabilities

The Target Group's financial liabilities include interest-bearing borrowings, trade and other payables, partnership loan and loans from related parties.

Financial liabilities are recognised when the Target Group becomes a party to the contractual provisions of the instrument. All interest related charges are recognised in accordance with the Target Group's accounting policy for borrowing costs (note 2.10).

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amount is recognised in profit or loss.

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Target Group has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Trade and other payables, partnership loan and loans from related parties

Trade and other payables, partnership loan and loans from related parties are recognised initially at their fair value and subsequently measured at amortised cost, using the effective interest method.

2.7 Share capital

Ordinary shares are classified as equity. Share capital is determined using the nominal value of shares that have been issued.

Any transaction costs associated with the issuing of shares are deducted from share premium reserve (net of any related income tax benefit) to the extent they are incremental costs directly attributable to the equity transaction.

2.8 Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Target Group and the revenue and costs, if applicable, can be measured reliably and on the following bases.

Interest income is recognised on an accrual basis using the effective interest method.

2.9 Impairment of non-financial assets

Investment in subsidiaries is subject to impairment testing. All such assets are tested for impairment whenever there are indications that the asset's carrying amount may not be recoverable.

An impairment loss is recognised as an expense immediately for the amount by which the asset's carrying amount exceeds its recoverable amount. Recoverable amount is the higher of fair value, reflecting market conditions less costs to disposal, and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of time value of money and the risk specific to the asset.

For the purposes of assessing impairment, where an asset does not generate cash inflows largely independent from those from other assets, the recoverable amount is determined for the smallest group of assets that generate cash inflows independently (i.e. a cash-generating unit). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level.

Impairment losses is charged pro rata to the other assets in the cash generating unit, except that the carrying value of an asset will not be reduced below its individual fair value less cost to disposal, or value in use, if determinable.

An impairment loss is reversed if there has been a favourable change in the estimates used to determine the asset's recoverable amount and only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

2.10 Borrowing costs

Borrowing costs incurred for the acquisition, construction or production of any qualifying assets are capitalised during the period of time that is required to complete and prepare the asset for its intended use. A qualifying asset is an asset which necessarily takes a substantial period of time to get ready for its intended use or sale. Other borrowing costs are expensed when incurred.

Borrowing costs are capitalised as part of the cost of a qualifying asset when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are being undertaken. Capitalisation of borrowing costs ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

2.11 Accounting for income taxes

Income tax comprises current tax and deferred tax.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting period, that are unpaid at the reporting date. They are calculated according to the tax rates and tax laws applicable to the fiscal periods to which they relate, based on the taxable profit for the year. All changes to current tax assets or liabilities are recognised as a component of tax expense in profit or loss.

Deferred tax is calculated using the liability method on temporary differences at the reporting date between the carrying amounts of assets and liabilities in the Financial Information and their respective tax bases. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences, tax losses available to be carried forward as well as other unused tax credits, to the extent that it is probable that taxable profit, including existing taxable temporary differences, will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

Deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither taxable nor accounting profit or loss.

Deferred tax is calculated, without discounting, at tax rates that are expected to apply in the period the liability is settled or the asset realised, provided they are enacted or substantively enacted at the reporting date.

Changes in deferred tax assets or liabilities are recognised in profit or loss, or in other comprehensive income or directly in equity if they relate to items that are charged or credited to other comprehensive income or directly in equity.

Current tax assets and current tax liabilities are presented in net if, and only if,

(a) the Target Group has the legally enforceable right to set off the recognised amounts; and

(b) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

The Target Group presents deferred tax assets and deferred tax liabilities in net if, and only if,

(a) the entity has a legally enforceable right to set off current tax assets against current tax liabilities; and

(b) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:

    (i) the same taxable entity; or

    (ii) different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

2.12 Segment reporting

The Target Group identifies operating segments and prepares segment information based on the regular internal financial information reported to the chief operating decision maker ("CODM") for their decisions about resources allocation to the Target Group's business components and for their review of the performance of those components.

2.13 Related parties

For the purpose of the Financial Information, a party is considered to be related to the Target Group if:

(a) the party is a person or a close member of that person's family and if that person:

  (i) has control or joint control over the Target Group;

  (ii) has significant influence over the Target Group; or

  (iii) is a member of the key management personnel of the Target Group or of a parent of the Target Group.

(b) the party is an entity and if any of the following conditions applies:

  (i) the entity and the Target Group are members of the same group;

  (ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);

  (iii) both entities are joint ventures of the same third party;

  (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

  (v) the entity is a post-employment benefit plan for the benefit of employees of either the Target Group or an entity related to the Target Group. If the Target Group is itself such a plan, the sponsoring employers are also related to the Target Group;

  (vi) the entity is controlled or jointly controlled by a person identified in (a); or

  (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Close family members of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

3. Application of international financial reporting standards

For the purpose of preparing and presenting the Financial Information for the Relevant Periods, the Target Group has consistently applied all the International Financial Reporting Standards ("IFRSs") which are applicable to the financial period beginning on or before 1 October 2015 and consistently apply throughout the Relevant Periods.

The IASB has issued the following new standards, amendments to existing standards and interpretation, which are not effective for the financial year beginning 1 October 2015 that are relevant to the Target Group but have not been early adopted:

Annual Improvements Project	Annual Improvements to IFRSs 2012-2014 Cycle[1]
Amendments to IAS 1	Disclosure Initiative[1]
Amendments to IAS 7	Disclosure Initiative[2]
Amendments to IAS 12	Recognition of Deferred Tax Assets for Unrealised Losses[2]
Amendments to IAS 27	Equity Method in Separate Financial Statements[1]
IFRS 9 (2014)	Financial Instruments[3]
IFRS 15	Revenue from Contracts with Customers[3]
IFRS 16	Leases[4]

1 Accounting periods beginning on or after 1 January 2016

2 Accounting periods beginning on or after 1 January 2017

3 Accounting periods beginning on or after 1 January 2018

4 Accounting periods beginning on or after 1 January 2019

IFRS 9 (2014) – Financial Instruments

The release of IFRS 9 represents the completion of the project to replace IAS 39. The new standard introduces extensive changes to IAS 39's guidance to the classification and measurement of financial assets and introduces a new "expected credit loss" model for the impairment of financial assets. IFRS 9 also provides new guidance on the application of hedge accounting. IFRS 9 is effective for annual reporting periods beginning on or after 1 January 2018.

The management of the Target Group have started to assess the impact of IFRS 9 but are not yet in a position to provide quantified information. At this stage the main areas of expected impact are as follows:

- the classification and measurement of the Group's financial assets will need to be reviewed based on the new criteria that considers the assets' contractual cash flows and the business model in which they are managed.
- in relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under IAS 39. The expected credit loss model required an entity to account for expected credit losses and changes in those expected credit losses at each reporting period to reflect change in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

The management of the Target Group anticipate that the application of IFRS 9 in the future may have a material impact on amounts reported in respect of the Target Group's financial assets. However, it is not practicable to provide a reasonable estimate of the effect of IFRS 9 until the Target Group undertakes a detailed review.

IFRS 15 – Revenue from Contracts with Customers

IFRS 15 establishes a single and comprehensive framework for determining when to recognise and how much revenue to recognise through a 5-step approach.

Step 1: Identify the contract(s) with a customer

Step 2: Identify the performance obligations in the contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

The core principle of the framework is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. IFRS 15 is effective for annual reporting periods beginning on or after 1 January 2018. It supersedes IAS 18 "Revenue", IAS 11 "Construction Contracts", and revenue-related interpretations.

IFRS 15 establishes a control-based revenue recognition model and provides additional guidance in many areas not covered in detail under existing IFRSs, including how to account for arrangements with multiple performance obligations, variable pricing, customer refund rights, supplier repurchase options, and other common complexities.

The Target Group did not generate any revenue during the Relevant Periods. The management of the Target Group anticipates that the application of IFRS 15 and other new standards and amendments will not have significant impact on the Target Group's Financial Information.

4. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Target Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Write-down of properties under development for sale and completed properties for sale

Management performs a regular review on the carrying amounts of properties under development and completed properties for sale (note 11). Based on management's review, write-down of properties under development and completed properties for sale will be made when the estimated net realisable value has declined below the carrying amount.

In determining the net realisable value of completed properties for sale, management refers to prevailing market information such as recent sales transactions, market valuation reports available from independent property valuers and internally available information, as bases for evaluation. No write-down of completed properties for sale has been recognised during the Relevant Periods.

In respect of properties under development for sale, management refers to the current market environment and the estimated market value (i.e. the estimated selling price less estimated costs of selling expenses) less estimated costs to completion of the properties. These estimates require judgement as to the anticipated sale prices by reference to recent sales transactions in nearby locations, development plans, the estimated costs to completion of properties, the legal and regulatory framework and general market conditions. No write-down of properties under development for sale has been recognised during the Relevant Periods.

5. Revenue and segment information

The Target Group's operating activity is attributable to a single reportable and operating segment focusing primarily on the property development in the United Kingdom. This operating segment has been identified on the basis of internal management reports reviewed by the CODM, being the directors of the Target Company. The CODM reviews the overall results of the Target group as a whole to make decision about resources allocation. The Target Group did not generate any revenue during the Relevant Periods. Accordingly, no segment analysis information is presented.

Geographical information

No separate analysis of segment information by geographical segment is presented as the Target Group did not generate any revenue during the Relevant Periods and did not have any non-current asset as at the end of each of the Relevant Periods.

6. Other income

	Year ended 30 September			Eleven months ended 31 August	
	2013	**2014**	**2015**	**2015**	**2016**
	GBP'000	*GBP'000*	*GBP'000*	*GBP'000* (Unaudited)	*GBP'000*
Bank Interest income	–	–	1	1	–

7. Finance costs

	Year ended 30 September			Eleven months ended 31 August	
	2013	**2014**	**2015**	**2015**	**2016**
	GBP'000	*GBP'000*	*GBP'000*	*GBP'000* (Unaudited)	*GBP'000*
Interests on:					
Bank borrowings	1,002	1,644	2,378	2,042	1,732
Loan notes	1,522	1,823	3,081	2,800	4,187
Late payment	–	–	–	–	14
Other borrowing costs	1,167	515	559	430	378
Total borrowing costs	3,691	3,982	6,018	5,272	6,311
Less: Amounts capitalised into properties held for sale	(2,169)	(2,159)	(2,937)	(2,472)	–
	1,522	1,823	3,081	2,800	6,311

The weighted average capitalisation rates used to determine the amount of borrowing costs eligible for capitalisation were 4.7%, 4.6%, 5.5% and 5.2% for the years ended 30 September 2013, 2014 and 2015 and eleven months ended 31 August 2015 respectively.

8. Loss before income tax

Loss before income tax is arrived at after charging the following:

	Year ended 30 September			Eleven months ended 31 August	
	2013	2014	2015	2015	2016
	GBP'000	*GBP'000*	*GBP'000*	*GBP'000* (Unaudited)	*GBP'000*
(a) Employee benefit expenses (including director's remuneration)					
– Salaries, allowances and other benefits	–	–	–	–	–
– Contributions to defined contribution retirement plans	–	–	–	–	–
	–	–	–	–	–
(b) Other items					
Auditors' remuneration	19	19	19	19	–

9. Income tax expense

United Kingdom profits tax has not been provided as the Target Group incurred a loss for taxation purpose during the Relevant Periods.

Reconciliation between tax expense and accounting loss at applicable tax rates:

	Year ended 30 September			Eleven months ended 31 August	
	2013	2014	2015	2015	2016
	GBP'000	*GBP'000*	*GBP'000*	*GBP'000* (Unaudited)	*GBP'000*
Loss before income tax	(1,867)	(2,205)	(3,395)	(3,096)	(7,349)
Tax on loss before income, calculated at the United Kingdom profit tax rate 23.5%, 21%, 20.5%, 20.5% and 20% respectively	(439)	(463)	(696)	(635)	(1,470)
Tax effect of unrecognised tax losses	439	463	696	635	1,470
Income tax expense	–	–	–	–	–

As at 30 September 2013, 2014 and 2015 and 31 August 2016, the Target Group did not have any significant unrecognised deferred tax liabilities.

10. Directors' remuneration and five highest paid individuals

No emolument was paid to the directors or any individuals of the Target Group during the years ended 30 September 2013, 2014 and 2015 and the eleven months ended 31 August 2015 and 2016.

No directors have waived or agreed to waive any emoluments during the Relevant Periods.

11. Properties held for sale

	As at 30 September			Eleven months ended 31 August
	2013	2014	2015	2016
	GBP'000	*GBP'000*	*GBP'000*	*GBP'000*
Completed properties	–	–	–	96,454
Properties under development	67,629	81,690	96,081	–
	67,629	81,690	96,081	96,454

At 30 September 2013, 2014 and 2015 and 31 August 2016, an external valuation of the property was carried out by GVA Grimley Limited, Chartered Surveyors in the United Kingdom on the basis of open market value and the market evidence of transaction prices for similar properties in the same locations and conditions in accordance with the Appraisal and Valuation Manual of the Royal Institute of Chartered Surveyors. The property was valued at GBP86.0 million, GBP100.6 million, GBP115.1 million and GBP112.5 million as at 30 September 2013, 2014 and 2015 and 31 August 2016 respectively.

The properties under development for sale of GBP67,629,000 and GBP81,690,000 as at 30 September 2013 and 2014 respectively are expected to be recovered after more than one year. The properties under development for sale of GBP96,081,000 as at 30 September 2015 and completed properties for sale of GBP96,454,000 as at 31 August 2016 are expected to be completed/available for sale within one year.

The above properties held for sale are pledged to secure the banking facilities granted to the Target Group as at 30 September 2013, 2014 and 2015 and 31 August 2016, the details of which are set out in note 20.

12. Other receivables

	As at 30 September			Eleven months ended 31 August
	2013	2014	2015	2016
	GBP'000	*GBP'000*	*GBP'000*	*GBP'000*
Other receivables				
Other debtors	46	46	–	21
VAT recoverable	4	16	42	42
Prepayments	14	11	48	20
	64	73	90	83

The directors of the Target Group considered that the fair values of other receivables are not materially different from their carrying amounts because these amounts have short maturity periods on their inception.

At each reporting date, the Target Group reviews receivables for evidence of impairment on both an individual and collective basis. No impairment has been recognised on receivables through the provision account for the years ended 30 September 2013, 2014 and 2015 and the eleven months ended 31 August 2016.

No amounts in relation to other receivables were past due or impaired as at the reporting date of 30 September 2013, 2014 and 2015 and 31 August 2016.

13. Trade and other payables

	As at 30 September			Eleven months ended 31 August
	2013	**2014**	**2015**	**2016**
	GBP'000	*GBP'000*	*GBP'000*	*GBP'000*
Trade payables				
To third parties	6	1,486	176	44
Other payables				
Accrued charges and other payable	1,675	615	6,154	343
Retention payable	386	377	526	277
	2,061	992	6,680	620
	2,067	2,478	6,856	664

All amounts are short term and hence the carrying values of trade and other payables are considered to be a reasonable approximation of their fair value.

The credit period granted by suppliers to the Target Group is 30 days during the Relevant Periods. The ageing analysis of the trade payables based on the invoice dates at the end of each reporting period is as follows:

	As at 30 September			Eleven months ended 31 August
	2013	**2014**	**2015**	**2016**
	GBP'000	*GBP'000*	*GBP'000*	*GBP'000*
0 – 30 days	–	1,481	134	–
31 – 60 days	6	–	42	–
61 – 90 days	–	5	–	44
Over 90 days	–	–	–	–
	6	1,486	176	44

14. Partnership loan

The amount due to the non-controlling partner of MRB Residential LLP, a subsidiary of the Target Company, of GBP7,820,000 at each reporting date is unsecured, interest-free and repayable on demand. The amount due is short term and hence the carrying values is considered to be a reasonable approximation of fair values.

15. Interest-bearing borrowings, secured

The maturity of the bank borrowings is as follows:

	As at 30 September			As at 31 August
	2013	**2014**	**2015**	**2016**
	GBP'000	*GBP'000*	*GBP'000*	*GBP'000*
Within one year or on demand:				
Loan	27,969	41,939	45,025	48,318
Loan interest	–	–	74	230
	27,969	41,939	45,099	48,548

The Target Group had a loan agreement with a bank for the purpose of financing the development of the properties. Interest on the loan was accrued and capitalised at LIBOR plus a margin of 3.35%. The loan as at 30 September 2015 was fully repaid on 6 November 2015.

A new loan facility agreement for GBP52,400,000 was signed on 5 November 2015 with a bank. Interest is accrued on this loan at LIBOR plus a margin of 3.1%. The loan is repayable on 4 May 2017.

The effective interest rate of the bank loans at the reporting date as at 30 September 2013, 2014 and 2015 and 31 August 2016 is 4.7%, 4.6%, 5.5% and 3.9% respectively.

The interest-bearing borrowings are secured by certain assets of the Target Group as at 30 September 2013, 2014 and 2015 and 31 August 2016, the details of which are set out in note 20.

16. Loans from related parties

	As at 30 September			As at 31 August
	2013	2014	2015	2016
	GBP'000	*GBP'000*	*GBP'000*	*GBP'000*
A Loan Notes	10,000	10,000	10,000	10,000
Accrued interest on A Loan Notes	1,974	3,151	4,579	5,945
B Loan Notes	2,600	2,600	9,447	16,282
Accrued interest on B Loan Notes	427	1,073	3,010	5,831
	15,001	16,824	27,036	38,058
Representing:				
Current	–	–	–	22,232
Non-current	15,001	16,824	27,036	15,826
Total loans from related parties	15,001	16,824	27,036	38,058

The A Loan Notes are interest bearing loans from the three joint venture partners of the Target Company, Brockton Capital I (Tenenbaum) Limited, RCBG Residential (Jersey) Limited and MoREOF BG Residential Holdings Limited. Interest on the Loan Notes is compounded semi-annually in arrears on 30 June and 31 December. Interest is accrued at a rate of 10% per annum and the loans mature on 22 November 2016. The loan balances and accrued interest for each party are detailed below:

	As at 30 September			As at 31 August
	2013	2014	2015	2016
	GBP'000	*GBP'000*	*GBP'000*	*GBP'000*
A Loan Notes				
Brockton Capital I (Tenenbaum) Limited	1,600	1,600	1,600	1,600
RCBG Residential (Jersey) Limited	2,912	2,912	2,912	2,912
MoREOF BG Residential Holdings Limited	5,488	5,488	5,488	5,488
	10,000	10,000	10,000	10,000
Accrued interest on A Loan Notes:				
Brockton Capital I (Tenenbaum) Limited	316	504	733	951
RCBG Residential (Jersey) Limited	575	918	1,333	1,731
MoREOF BG Residential Holdings Limited	1,083	1,729	2,513	3,263
	1,974	3,151	4,579	5,945

The B Loan Notes are interest bearing loans from the three joint venture partners of the Target Company, Brockton Capital I (Tenenbaum) Limited, RCBG Residential (Jersey) Limited and MoREOF BG Residential Holdings Limited to MRB Residential Holdings Limited and a loan from RCBG Residential UK Limited, a non-controlling partner of MRB Residential Partners LLP, a subsidiary of the Target Company. Interest on the Loan Notes is compounded quarterly in arrears. Interest is accrued at a rate of 20% per annum. The loans from Brockton Capital I (Tenenbaum) Limited, RCBG Residential (Jersey) Limited and RCBG Residential UK Limited mature on 22 November 2016. The loan from MoREOF BG Residential Holdings Limited matures on 22 November 2017. The loan balances and accrued interest for each party are detailed below:

	As at 30 September			As at 31 August
	2013	**2014**	**2015**	**2016**
	GBP'000	*GBP'000*	*GBP'000*	*GBP'000*
B Loan Notes				
Brockton Capital I (Tenenbaum) Limited	325	325	325	325
RCBG Residential (Jersey) Limited	–	–	1,780	2,105
MoREOF BG Residential Holdings Limited	2,275	2,275	5,630	11,828
RCBG Residential UK Limited	–	–	1,712	2,024
	2,600	2,600	9,447	16,282
Accrued interest on B Loan Notes:				
Brockton Capital I (Tenenbaum) Limited	54	136	235	345
RCBG Residential (Jersey) Limited	–	–	296	759
MoREOF BG Residential Holdings Limited	373	937	2,195	3,998
RCBG Residential UK Limited	–	–	284	729
	427	1,073	3,010	5,831

17. Share capital

	As at 30 September			As at 31 August
	2013	**2014**	**2015**	**2016**
	GBP	*GBP*	*GBP*	*GBP*
Authorised, Issued and fully paid:				
90,000 ordinary shares of GBP0.01 each	900	900	900	900

18. Financial information of the Target Company

Statements of financial position

	As at 30 September			As at 31 August
	2013	**2014**	**2015**	**2016**
	GBP'000	*GBP'000*	*GBP'000*	*GBP'000*
ASSETS AND LIABILITIES				
Non-current assets				
Investment in subsidiaries	–	–	–	–
Loans to a subsidiary	15,001	16,824	25,040	35,289
	15,001	16,824	25,040	35,289
Current assets				
Loans to a subsidiary	17,978	17,978	18,010	18,018
Bank balances and cash	67	56	17	15
	18,045	18,034	18,027	18,033
Current liabilities				
Accruals	–	2	–	–
Loans from related parties	–	–	–	19,479
	–	2	–	19,479
Net current assets/(liabilities)	18,045	18,032	18,027	(1,446)
Total assets less current liabilities	33,046	34,856	43,067	33,843
Non-current liabilities				
Loans from related parties	15,001	16,824	25,040	15,826
Net assets	18,045	18,032	18,027	18,017
CAPITAL AND RESERVES				
Share capital	1	1	1	1
Reserves	18,044	18,031	18,026	18,016
Total equity	18,045	18,032	18,027	18,017

Reserves

	Share premium *GBP'000*	Retained earnings *GBP'000*	Total *GBP'000*
As at 1 October 2012	671	17,380	18,051
Loss and total comprehensive expenses for the year	–	(7)	(7)
As at 30 September 2013 and 1 October 2013	671	17,373	18,044
Loss and total comprehensive expenses for the year	–	(13)	(13)
As at 30 September 2014 and 1 October 2014	671	17,360	18,031
Loss and total comprehensive expenses for the year	–	(5)	(5)
As at 30 September 2015 and 1 October 2015	671	17,355	18,026
Loss and total comprehensive expenses for the year	–	(10)	(10)
As at 31 August 2016	671	17,345	18,016
As at 1 October 2014	671	17,360	18,031
Loss and total comprehensive expenses for the year	–	(5)	(5)
As at 31 August 2015 (Unaudited)	671	17,355	18,026

Dividends

No dividend was proposed during the years ended 30 September 2013, 2014 and 2015 and the eleven months ended 31 August 2015 and 2016.

19. Related party transactions

In addition to the transactions/information disclosed elsewhere in the Financial Information, the Target Group had the following material transactions with related parties during the Relevant Periods:

(a) Names and relationship

Name of related party	Relationship with the Target Group
Brockton Capital I (Tenenbaum) Limited	Shareholder of the Target Company
RCBG Residential (Jersey) Limited	Shareholder of the Target Company
MoREOF BG Residential Holdings Limited	Shareholder of the Target Company
RCBG Residential UK Limited	Non-controlling partner of MRB Residential Partners LLP

(b) Key management personnel remuneration

During the Relevant Periods, no emolument has been paid by the Target Group to the directors and key management personnel as mentioned in note 10.

(c) Balances with related parties

The details of the balances with related parties are disclosed in notes 14 and 16 to the Financial Information.

(d) Material related party transactions

Save as disclosed elsewhere in the Financial Information, the Target Group entered into the following material related party transactions during the Relevant Periods:

Name of related party	Nature	Year ended 30 September			Eleven months ended 31 August	
		2013	2014	2015	2015	2016
		GBP'000	*GBP'000*	*GBP'000*	*GBP'000* (Unaudited)	*GBP'000*
Brockton Capital I (Tenenbaum) Limited	Development management services	120	90	–	–	135
	Interest expense	229	270	328	300	328
RCBG Residential (Jersey) Limited	Interest expense	319	343	711	644	861
MoREOF BG Residential Holdings Limited	Interest expense	974	1,210	2,042	1,856	2,553
RCBG Residential UK Limited	Interest expense	–	–	284	253	445

Related party transactions were conducted based on terms mutually agreed between both parties.

20. Pledge of assets

As at 30 September 2013, 2014 and 2015, the properties held for sale of the Target group with carrying amounts of GBP67,629,000, GBP81,690,000 and GBP96,081,000 respectively and all other assets of MRB Residential Partners LLP, a subsidiary of the Target Company, were pledged to secure the bank facilities including the bank borrowings granted to MRB Residential Partners LLP. Such borrowings were fully paid on 6 November 2015.

A new loan was signed on 5 November 2015 with a bank. As at 31 August 2016, the properties held for sale of the Target Group with carrying amount of GBP98,874,000, floating charges of all assets, charge over all bank accounts and charge over the insurance proceeds and other documents related to these properties were pledged to secure the bank facilities including the bank borrowings granted to MRB Residential Partners LLP.

21. Financial risk management and fair value measurements

The Target Group is exposed to financial risks through its use of financial instruments in its ordinary course of operations and in its investment activities. The financial risks include market risk (including interest risk and other price risk), credit risk and liquidity risk.

The Target Group's exposure to these risks and the financial risk management policies and practices used by the Target Group to manage these risks are described below.

21.1 Categories of financial assets and liabilities

The carrying amounts presented in the Financial Information relate to the following categories of financial assets and financial liabilities:

	As at 30 September			As at 31 August
	2013	**2014**	**2015**	**2016**
	GBP'000	*GBP'000*	*GBP'000*	*GBP'000*
Financial assets				
Other receivables	46	46	–	21
Bank balances and cash	170	99	46	610
	216	145	46	631
Financial liabilities				
Financial liabilities measured at amortised cost:				
Trade and other payables	2,067	2,478	6,856	664
Partnership loan	7,820	7,820	7,820	7,820
Interest-bearing borrowings	27,969	41,939	45,099	48,548
Loans from related parties	15,001	16,824	27,036	38,058
	52,857	69,061	86,811	95,090

21.2 Credit risk

Credit risk refers to the risk that the counterparty to a financial instrument would fail to discharge its obligation under the terms of the financial instrument and cause a financial loss to the Target Group. The Target Group's exposure to credit risk mainly arises from bank balances.

Bank balances are normally placed at financial institutions that have sound credit rating and the Target Group considers the credit risk to be insignificant.

The Target Group has no significant concentration of credit risk, with exposure spread over a number of counterparties. Hence, the maximum exposure to credit risk is represented by the carrying amounts of each class of financial assets.

21.3 Liquidity risk

Liquidity risk relates to the risk that the Target Group will not be able to meet its obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Target Group is exposed to liquidity risk in respect of settlement of its payables and financing obligations, and also in respect of its cash flow management. The Target Group's policy is to regularly monitor current and expected liquidity requirements and its compliance with lending covenants by reviewing each operating entity's cash flow forecast, to ensure that the Target Group maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions and related parties to meet its liquidity requirements in the short and longer term.

Analysed below is the Target Group's remaining contractual maturities for its financial liabilities as at 30 September 2013, 2014 and 2015 and 31 August 2016, based on undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the reporting date). When the creditor has a choice of when the liability is settled, the liability is included on the basis of the earliest date on when the Target Group can be required to pay. Where the settlement of the liability is in instalments, each instalment is allocated to the earliest period in which the Target Group is committed to pay.

	Within 1 year or on demand	Between 1 and 2 years	Between 2 and 5 years	Total undiscounted cash outflows	Carrying amount
	GBP'000	*GBP'000*	*GBP'000*	*GBP'000*	*GBP'000*
At 30 September 2013					
Trade and other payables	2,067	–	–	2,067	2,067
Partnership loan	7,820	–	–	7,820	7,820
Interest-bearing borrowings	28,079	–	–	28,079	27,969
Loans from related parties	–	–	21,898	21,898	15,001
	37,966	–	21,898	59,864	52,857
At 30 September 2014					
Trade and other payables	2,478	–	–	2,478	2,478
Partnership loan	7,820	–	–	7,820	7,820
Interest-bearing borrowings	42,099	–	–	42,099	41,939
Loans from related parties	–	–	21,898	21,898	16,824
	52,397	–	21,898	74,295	69,061
At 30 September 2015					
Trade and other payables	6,856	–	–	6,856	6,856
Partnership loan	7,820	–	–	7,820	7,820
Interest-bearing borrowings	45,271	–	–	45,271	45,099
Loans from related parties	–	31,876	–	31,876	27,036
	59,947	31,876	–	91,823	86,811
At 31 August 2016					
Trade and other payables	664	–	–	664	664
Partnership loan	7,820	–	–	7,820	7,820
Interest-bearing borrowings	49,734	–	–	49,734	48,548
Loans from related parties	22,873	17,068	–	39,941	38,508
	81,091	17,068	–	98,159	95,090

21.4 Interest rate risk

The Target Group is exposed to cash flow interest rate risk due to the fluctuation of the prevailing market interest rate on bank balances and bank borrowings. The Target Group is also exposed to fair value interest rate risk related to loans from related parties.

The management of the Target Group considered that interest rate risk of bank balances is insignificant.

Borrowings borrowed at variable rates expose the Target Group to interest rate risk. During the Relevant Periods, the Target Group's borrowings bore interest at variable rates. The Target Group currently does not have an interest rate hedging policy. However, the management monitors the Target Group's interest rate exposure and will consider hedging significant interest exposure should the need arise.

For the years ended 30 September 2013, 2014 and 2015 and eleven months ended 31 August 2016, it is estimated that a general increase/decrease of 50 basis points in interest rates, with all other variables held constant, would increase/decrease the Target Group's loss after income tax and decrease/increase the Target Group's retained earnings by approximately GBP164,000, GBP232,000, GBP287,000 and GBP346,000 respectively. The 50 basis point increase/decrease represents management's assessment of a reasonably possible change in interest rates over the period until the next annual reporting date.

21.5 Fair value

The carrying amounts of the Target Group's financial assets and liabilities carried at amortised cost are not materially different from their fair values at 30 September 2013, 2014 and 2015 and 31 August 2016 due to their short maturities.

22. Capital management

The objectives of the Target Group's capital management are to safeguard its ability to continue as a going concern and to provide an adequate return to shareholders.

The Target Group manages its capital structure to maintain a balance between liquidity, investment and borrowings, and makes adjustments, including payment of dividends to shareholders or issue new shares in light of changes in the economic environment. No changes were made in the Target Group's objectives, policies or processes in managing capital during the Relevant Periods.

The gearing ratios as at 30 September 2013, 2014 and 2015 and 31 August 2016 were calculated as net debt divided by total capital as follows:

	As at 30 September			As at 31 August
	2013	**2014**	**2015**	**2016**
	GBP'000	*GBP'000*	*GBP'000*	*GBP'000*
Total borrowings	50,790	66,583	79,955	94,426
Less: cash and cash equivalents	(170)	(99)	(46)	(610)
Net debt	50,620	66,484	79,909	93,816
Total equity	15,006	12,801	9,406	2,057
Total capital	65,626	79,285	89,315	95,873
Gearing ratio	77%	84%	89%	98%

23. Events after reporting period

On 24 September 2016, the shareholders of Target Group entered into an acquisition agreement with Tai United Holdings Limited, in which Tai United Holdings Limited conditionally agreed to acquire entire equity interest of the Target Group at a consideration of GBP112,202,150, subject to the approval from its upcoming extraordinary general meeting.

III. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Target Group in respect of any period subsequent to 31 August 2016.

Yours faithfully,

Grant Thornton Hong Kong Limited
Certified Public Accountants
Level 12
28 Hennessy Road
Wanchai
Hong Kong

Chiu Wing Ning
Practising Certificate No.: P04920

2. MANAGEMENT DISCUSSION AND ANALYSIS

Set out below is the management discussion and analysis of the MRB Group for the three years ended 30 September 2013, 30 September 2014 and 30 September 2015 (for the purpose of this section only, "**FY2013**", "**FY2014**", and "**FY2015**", respectively) and the eleven months ended 31 August 2016 (for the purpose of this section only, the "**Stub Period**", together with FY2013, FY2014 and FY2015, the "**Relevant Periods**" and each a "**Relevant Period**").

Business review

The principal activity of MRB is investment holding, whereas the principal activity of the MRB Group is property development in the United Kingdom through the indirect non-wholly-owned subsidiary of MRB, MRB Residential Partners, which is the sole legal and beneficial owner of the Properties.

Financial results

Income

During the Relevant Periods, the MRB Group did not record any revenue since it had not commenced any business operation. It only recorded bank interest income of GBP1,000 (equivalent to approximately HK$10,300) during FY2015.

Expenses

The expenses incurred by the MRB Group during the Relevant Periods included administrative expense and finance costs. The administrative expenses consisted mainly of asset management fee, audit, accountancy and taxation fees, legal and professional fee and insurance expenses, and amounted to GBP345,000 (equivalent to approximately HK$3,553,500), GBP382,000 (equivalent to approximately HK$3,934,600) and GBP315,000 (equivalent to approximately HK$3,244,500) during FY2013, FY2014 and FY2015, respectively. The administrative expenses exceeded GBP1,000,000 (equivalent to approximately HK$10,300,000) for the Stub Period, compared to GBP297,000 (equivalent to approximately HK$3,059,100) for the corresponding period in 2015 (for the purpose of this section only, the "**Comparative Period**"). The notable increase in the administrative expenses for the Stub Period was primarily because expenses related to the Properties were expensed to profit or loss for the Stub Period, which were capitalised in previous years/periods.

The MRB Group incurred finance costs on its bank borrowings and interest-bearing loans borrowed from its shareholders (i.e. the MRB Vendors) and RCBG. The effective interest rates of the bank borrowings of the MRB Group as at 30 September 2013, 2014 and 2015 and 31 August 2016 was 4.7%, 4.6%, 5.5% and 3.9%, respectively. Part of the MRB Loans due to the MRB Vendors are at an interest rate of 10% per annum compounded semi-annually (a.k.a. the A Loan Notes, in the accountants' report on the MRB Group), whereas some of the MRB Loans, as well as the interest-bearing portion of the loans due to RCBG, carry an interest rate of 20% per annum compounded quarterly (a.k.a. the B Loan Notes, in the accountants' report on the MRB Group). Except for the B Loan Note due to MRB Vendor B (which will mature on 22 November 2017), all of the A Loan Notes and the B Loan Notes will mature on 22 November 2016. The total finance costs incurred by the MRB Group on these borrowings and loans, net of the amount capitalised into the Properties, totalled GBP1,522,000 (equivalent to approximately HK$15,676,600), GBP1,823,000 (equivalent to approximately HK$18,776,900) and GBP3,081,000 (equivalent to approximately HK$31,734,300) for FY2013, FY2014, FY2015, respectively. The finance costs, net of the amount capitalised into the Properties, amounted to GBP6,311,000 (equivalent to approximately HK$65,003,300) for the Stub Period, compared to GBP2,800,000 (equivalent to approximately HK$28,840,000) for the Comparative Period. The increases in the finance costs during the Relevant Periods were attributable to the increase in borrowings from the MRB Group. Particularly, the MRB Group obtained further B Loan Notes from MRB Vendor A, MRB Vendor B and RCBG during FY2015 and the Stub Period (details of which are discussed in the paragraph headed "Liquidity and capital resources" below), resulting in a relatively remarkable rise in the finance costs during such periods.

The United Kingdom profits tax had not been provided as the MRB Group had incurred a loss for taxation purposes during each of the Relevant Periods.

Net loss

As a result of the aforesaid, the MRB Group recorded net loss of GBP1,867,000 (equivalent to approximately HK$19,230,100), GBP2,205,000 (equivalent to approximately HK$22,711,500), GBP3,395,000 (equivalent to approximately HK$34,968,500) and GBP7,349,000 (equivalent to approximately HK$75,694,700) for FY2013, FY2014, FY2015 and the Stub Period, respectively.

Liquidity and capital resources

Financial position

The MRB Group's assets comprised primarily the Properties. The Properties were booked as properties under development with book value of GBP67,629,000 (equivalent to approximately HK$696,578,700), GBP81,690,000 (equivalent to approximately HK$841,407,000) and GBP96,081,000 (equivalent to approximately HK$989,634,300) as at 30 September 2013, 2014 and 2015, respectively. The Properties were accounted for as completed properties with a book value of GBP96,454,000 (equivalent to approximately HK$993,476,200) as at 31 August 2016. According to the valuation prepared by the Independent Valuer, the Properties were valued at GBP112,500,000 (equivalent to approximately HK$1,158,750,000) as at 31 August 2016.

The other assets of the MRB Group include other receivables, consisting of receivables from its other debtors, value-added tax recoverables, and prepayments. The other receivables amounted to GBP64,000 (equivalent to approximately HK$659,200), GBP73,000 (equivalent to approximately HK$751,900), GBP90,000 (equivalent to approximately HK$927,000) and GBP83,000 (equivalent to approximately HK$854,900) as at 30 September 2013, 30 September 2014, 30 September 2015 and 31 August 2016, respectively.

The bank and cash balances of the MRB amounted to GBP170,000 (equivalent to approximately HK$1,751,000), GBP99,000 (equivalent to approximately HK$1,019,700), GBP46,000 (equivalent to approximately HK$473,800) and GBP610,000 (equivalent to approximately HK$6,283,000) as at 30 September 2013, 30 September 2014, 30 September 2015 and 31 August 2016, respectively.

During the Relevant Periods, the MRB Group funded its business activities (including the development of the Properties) by the MRB Loans, the loans from RCBG and the bank borrowings.

The outstanding balance of the MRB Loans (including the accrued interest thereon) amounted to GBP15,001,000 (equivalent to approximately HK$154,510,300), GBP16,824,000 (equivalent to approximately HK$173,287,200), GBP25,040,000 (equivalent to approximately HK$257,912,000) and GBP35,305,000 (equivalent to approximately HK$363,641,500) as at 30 September 2013, 30 September 2014, 30 September 2015 and 31 August 2016, respectively. The A Loan Notes had accounted for the majority part of the MRB Loans as at 30 September 2013, 2014 and 2015. Notwithstanding, the MRB Group had been borrowing further B Loan Notes during the Relevant Periods. As at 31 August 2016, the aggregate outstanding balance (including the accrued interest) of the B Loan Notes due to the MRB Vendors totalled GBP19,360,000 (equivalent to approximately HK$199,408,000), exceeding the outstanding balance (including the accrued interest) of the A Loan Notes of GBP15,945,000 (equivalent to approximately HK$164,233,500). Pursuant to the Acquisition Agreement, all of the outstanding balance of the MRB Loans (including the accrued interest thereon) as at Completion shall be assigned to the Purchaser upon Completion.

The MRB Group also had loans due to RCBG during the Relevant Periods, comprising the non-interest-bearing loans in the principal amount of GBP7,820,000 (equivalent to approximately HK$80,546,000) (a.k.a. the Partnership Loan, in the accountants' report on the MRB Group), and the B Loan Notes. The MRB Group first obtained the B Loan Note from RCBG during FY2015 with a principal amount of GBP1,712,000 (equivalent to approximately HK$17,633,600) as at 30 September 2015. Additional B Loan Notes were obtained from RCBG by the MRB Group during the Stub Period and as at 31 August 2016, the outstanding balance (including the accrued interest) of the B Loan Notes due to RCBG amounted to GBP2,753,000 (equivalent to approximately HK$28,355,900). In aggregate, the outstanding balance due from the MRB Group to RCBG totalled GBP10,573,000 (equivalent to approximately HK$108,901,900) (including the Partnership Loan, the B Loan Notes and the accrued interest thereon) as at 31 August 2016. All the loans due from the MRB Group to RCBG shall be eliminated in full on consolidation upon Completion.

The outstanding balance of the bank borrowings (including the interest thereon) was GBP27,969,000 (equivalent to approximately HK$288,080,700), GBP41,939,000 (equivalent to approximately HK$431,971,700) and GBP45,099,000 (equivalent to approximately HK$464,519,700) as at 30 September 2013, 2014 and 2015, respectively. The interest rate of such bank borrowings was at the London Interbank Offered Rate (a.k.a. LIBOR, in the accountants' report on the MRB Group) plus a margin of 3.35%, resulting in an effective interest rate of 4.7%, 4.6% and 5.5% as at end of FY2013, FY2014 and FY2015, respectively. All the bank borrowings as at 30 September 2015 were repaid by the MRB Group on 6 November 2015, and the outstanding balance of the bank borrowings of GBP48,548,000 (equivalent to approximately HK$500,044,400) as at 31 August 2016 represented the new bank borrowings obtained from the MRB Group on 5 November 2015 with an interest rate of LIBOR plus a margin of 3.1%. As at 31 August 2016, the effective interest rate of the new bank borrowings was 3.9%. The new bank borrowings are repayable on 4 May 2017. The bank borrowings of the MRB Group had been secured by certain assets of the MRB Group, details of which are discussed in the sub-paragraph headed "Securities and guarantee" below. Pursuant to the Acquisition Agreement, all bank borrowings shall be settled by the MRB Vendors on Completion and such pledge of assets shall be released accordingly.

In addition to the loans and borrowings set out above, the MRB Group also had trade and other payables under current liabilities during the Relevant Periods. The trade and other payables consisted of the trade payables to third parties, accrued charges and other payables, and retention payables, and totalled GBP2,067,000 (equivalent to approximately HK$21,290,100), GBP2,478,000 (equivalent to approximately HK$25,523,400), GBP6,856,000 (equivalent to approximately HK$70,616,800) and GBP664,000 (equivalent to approximately HK$6,839,200) as at 30 September 2013, 30 September 2014, 30 September 2015 and 31 August 2016, respectively.

Gearing ratio

The gearing ratio of the MRB Group (calculated as a percentage of total net debt (i.e. total borrowings less cash and cash equivalents) to total capital (i.e. net debt plus total equity) was approximately 77.1%, 83.9%, 89.5% and 97.9% as at 30 September 2013, 30 September 2014, 30 September 2015 and 31 August 2016, respectively. The increases in the gearing ratio during the Relevant Periods were mainly due to the increase in the borrowings as discussed above.

Securities and guarantee

As at 30 September 2013, 2014 and 2015, the Properties and all other assets of MRB Residential Partners were pledged to secure the bank facilities including the bank borrowings granted to MRB Residential Partners. Such borrowings were fully paid on 6 November 2015.

A new loan was signed on 5 November 2015 with a bank as discussed in the sub-paragraph headed "Financial position" above. As at 31 August 2016, the Properties, floating charges of all assets, charge over all bank accounts and charge over the insurance proceeds and other documents related to the Properties were pledged to secure the bank facilities including the bank borrowings granted to MRB Residential Partners. Pursuant to the Acquisition Agreement, all bank borrowings shall be settled by the MRB Vendors on Completion and the aforesaid pledge of assets shall be released accordingly.

Save as the above-mentioned, the MRB Group had not made any pledge of or created any security over assets, nor had it provided any corporate guarantee as at end of each of the Relevant Periods.

Contingent liabilities

As at end of each of the Relevant Periods, the MRB Group had no material contingent liabilities.

Exchange rate risk

All the assets and liabilities of the MRB Group were denominated in GBP. During the Relevant Periods, the MRB Group did not have any formal hedging policies and no financial instrument was used for hedging purpose.

Employment and remuneration policy

During the Relevant Periods, the MRB Group did not have any employees. No emolument was paid to the directors or any individuals of the Target Group, and no directors had waived or agreed to waive any emoluments.

Significant investments held and future plans for material investments or capital assets

The MRB Group did not have any capital commitments, significant investments, or any future plans for material investments or capital assets during the Relevant Periods.

Material acquisitions or disposals of subsidiaries or associated companies

During the Relevant Periods, the MRB Group did not carry out any material acquisitions or disposals of subsidiaries or associated companies.

1. ACCOUNTANTS' REPORT

The following is the text of an accountants' report, prepared for the sole purpose of inclusion in this circular, received from the independent reporting accountants, Deloitte Touche Tohmatsu, Certified Public Accountants, Hong Kong.

Deloitte.
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18 October 2016

The Directors
Tai United Holdings Limited

Dear Sirs,

We set out below our report on the financial information (the "Financial Information") relating to RCBG Residential (UK) Limited (the "Company") and its subsidiaries (hereafter collectively referred to as the "Group") for each of the two years ended 28 February 2014 and 2015, the year ended 29 February 2016 and the six months ended 31 August 2016 (the "Relevant Periods") for inclusion in the circular issued by Tai United Holdings Limited ("Tai United") dated 18 October 2016 in connection with the proposed acquisition of MRB Residential Holdings Limited and its subsidiaries ("MRB Group") and the Company (hereinafter collectively referred to as the "Target Groups") which together legally held 100% equity interest in an entity holding properties located at 6-9 Buckingham Gate, London SW1E 6JP ("Proposed Acquisitions") (the "Circular").

The Company, which acts as an investment holding company, was incorporated and registered in England and Wales as a private company with limited liability under the United Kingdom Companies Act of 2006 (the "Company Act") on 13 September 2011.

All the companies comprising the Group have adopted the last day of February as their financial year end dates. At the end of each reporting period and at the date of this report, the Company has no equity interests in the following subsidiaries as all these subsidiaries have been liquidated on 13 October 2013. The principal activity of its associate, MRB Residential Partners LLP ("MRB LLP"), is engaged in property development in United Kingdom ("UK").

Name of subsidiaries	Date and place of incorporation	Legal form	Place of operation	Issued and fully paid share capital	Attributable equity interest held by the Company At 28 February 2014	2015	At 29 February 2016	At 31 August 2016	At the date of the report	Principal activities
Direct										
Brockton Capital I (Backingham Gate 1) Limited ("Backingham Gate 1")	Guernsey 8 November 2011	Limited liabilities company	United Kingdom	GBP1	–	–	–	–	–	liquidated
Brockton Capital I (Backingham Gate 2) Limited ("Backingham Gate 2")	Guernsey 8 November 2011	Limited liabilities company	United Kingdom	GBP1	–	–	–	–	–	liquidated
Brockton Capital I (Backingham Gate 3) Limited ("Backingham Gate 3")	Guernsey 8 November 2011	Limited liabilities company	United Kingdom	GBP1	–	–	–	–	–	liquidated

The Company and its subsidiaries were qualified as small companies under section 382 of the Companies Act which entitled them to have exemption from audit of their accounts for the financial years and the shareholders of the Company have not required the Company and its subsidiaries to obtain an audit of their accounts during the Relevant Periods in accordance with section 476 of the Companies Act, therefore, no audited financial statements have been prepared for the Company and its subsidiaries during the Relevant Periods. For the purpose of this report, we have reviewed all the relevant transactions of the entities comprising the group and carried out such procedures as we considered necessary in preparing our report for inclusion in the Financial Information.

For the purpose of this report, the directors of the Company have prepared the financial statements of the Group for the Relevant Periods in accordance with the accounting policies which conform with International Financial Reporting Standards ("IFRSs") promulgated by the International Accounting Standards Board ("IASB") (the "Underlying Financial Statements"), except for the failure to provide us with the associate's financial information for complying with International Accounting Standard 28 (as revised in 2011) "Investment in Associates and Joint Ventures" ("IAS 28") and IFRS 12 "Disclosure of Interests in Other Entities" ("IFRS 12") as further explained in Note 13 to the Financial Information.

We have undertaken an independent audit on the Underlying Financial Statements in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have examined the Underlying Financial Statements in accordance with Auditing Guideline 3.340 "Prospectuses and the Reporting Accountant" as recommended by the HKICPA.

The Financial Information of the Group for the Relevant Periods as set out in this report has been prepared from the Underlying Financial Statements. We were unable to obtain sufficient appropriate audit evidence regarding the associate's financial information and determine whether any adjustments necessary to the Underlying Financial Statements in the preparation of this report for inclusion in the Circular.

The preparation of the Underlying Financial Statements are the responsibility of the directors of the Company who approved their issue. The directors of Tai United are responsible for the contents of the Circular in which this report is included. It is our responsibility to compile the Financial Information set out in this report from the Underlying Financial Statements, to form an independent opinion on the Financial Information and to report our opinion to you.

As set out in Note 13 to the Financial Information, the Company's interest in an associate, MRB LLP, is carried at its investment cost with deemed capital contributions to the associate of GBP7,820,365, GBP7,764,740, GBP7,507,335 and GBP7,351,748 on the statements of financial position as at 28 February 2014 and 2015, 29 February 2016 and 31 August 2016, respectively, and the Company has not (i) equity accounted for its share of the net assets of MRB LLP as at 28 February 2014 and 2015, 29 February 2016 and 31 August 2016 nor share of the result and other comprehensive income of MRB LLP through equity accounting for the Relevant Periods; and (ii) disclosed the summarised financial information of MRB LLP and any other relevant disclosure, as required by IAS 28 and IFRS 12 promulgated by the IASB. We were unable to obtain sufficient appropriate audit evidence to satisfy ourselves about the carrying amount of the Company's investment in MRB LLP as at 28 February 2014 and 2015, 29 February 2016 and 31 August 2016 and the Company's share of result and other comprehensive income of MRB LLP for the Relevant Periods as the directors of the Company did not provide us with the associate's financial information prepared in accordance with IFRSs. We were therefore unable to determine whether any adjustments to these amounts were necessary.

In our opinion, except for the possible effects of the matter described in the above paragraph, the Financial Information gives, for the purpose of this report, a true and fair view of the financial position of the Company as at 28 February 2014 and 2015, 29 February 2016 and 31 August 2016, and of the financial performance and cash flows of the Group for the Relevant Periods.

The comparative statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the Company for the six months ended 31 August 2015 together with the notes thereon have been extracted from the Company's unaudited financial information for the same period (the "Interim Financial Information") which was prepared by the directors of the Company solely for the purpose of this report. Except as explained below, we conducted our review on the Interim Financial Information in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the HKICPA. Our review of the Interim Financial Information consists of making enquiries, primarily of persons responsible for the financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly we do not express an audit opinion on the Interim Financial Information. We were unable to obtain sufficient appropriate evidence to satisfy ourselves about the carrying amount of the Company's investment in MRB LLP as at 31 August 2015 and the Company's share of result and other comprehensive income of MRB LLP for the six months ended 31 August 2015 as the directors of the Company did not provide us with the associate's financial information prepared in accordance with IFRSs. We were therefore unable to determine whether any adjustments to these amounts were necessary. Except for the adjustments to the Interim Financial Information that we might have become aware of had it not been for the situation described above, based on our review, nothing has come to our attention that causes us to believe that the Interim Financial Information is not prepared, in all material respects, in accordance with the accounting policies consistent with those used in the preparation of the Financial Information which conform with IFRSs.

A. FINANCIAL INFORMATION

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Year ended 28 February		Year ended 29 February	Six months ended 31 August	
		2014	**2015**	**2016**	**2015**	**2016**
	Note	*GBP*	*GBP*	*GBP*	*GBP*	*GBP*
					(unaudited)	
Other income and gains	7	638,540	679,232	842,499	398,950	467,254
Administrative expenses		(5,746)	(7,205)	(8,303)	(5,282)	(5,320)
Profit before tax		632,794	672,027	834,196	393,668	461,934
Income tax expense	*8*	–	(14,446)	(77,044)	(33,278)	(48,006)
Profit and total comprehensive income for the year/period	*9*	632,794	657,581	757,152	360,390	413,928

STATEMENTS OF FINANCIAL POSITION

		At 28 February		At 29 February	At 31 August
		2014	2015	2016	2016
	Notes	*GBP*	*GBP*	*GBP*	*GBP*
NON-CURRENT ASSETS					
Interest in an associate	13	7,820,365	7,764,740	7,507,335	7,351,748
Loans to an associate	14	1,335,990	3,595,097	2,699,554	3,064,411
		9,156,355	11,359,837	10,206,889	10,416,159
CURRENT ASSETS					
Loans to an associate	14	–	–	2,495,447	2,753,431
Bank balances and cash	15	38,916	32,935	24,481	18,087
		38,916	32,935	2,519,928	2,771,518
CURRENT LIABILITIES					
Other payables		25	1,249	1,098	24
Loans from shareholders	16	7,800,740	7,800,740	7,800,740	7,800,740
Tax payable		–	14,446	91,490	139,496
		7,800,765	7,816,435	7,893,328	7,940,260
NET CURRENT LIABILITIES		(7,761,849)	(7,783,500)	(5,373,400)	(5,168,742)
NET ASSETS		1,394,506	3,576,337	4,833,489	5,247,417
CAPITAL AND RESERVES					
Share capital	17	2	3	4	4
Reserves		1,394,504	3,576,334	4,833,485	5,247,413
TOTAL EQUITY		1,394,506	3,576,337	4,833,489	5,247,417

STATEMENTS OF CHANGES IN EQUITY

	Share capital *GBP*	Share premium *GBP*	Accumulated profits *GBP*	Total *GBP*
At 1 March 2013	2	193,999	593,077	787,078
Transfer of reserve to profit or loss upon liquidation of subsidiaries	–	–	(25,366)	(25,366)
Profit and total comprehensive income for the year	–	–	632,794	632,794
At 28 February 2014	2	193,999	1,200,505	1,394,506
Profit and total comprehensive income for the year	–	–	657,581	657,581
Issue of shares *(Note 17)*	1	1,524,249	–	1,524,250
At 28 February 2015	3	1,718,248	1,858,086	3,576,337
Profit and total comprehensive income for the year	–	–	757,152	757,152
Issue of shares *(Note 17)*	1	499,999	–	500,000
At 29 February 2016	4	2,218,247	2,615,238	4,833,489
Profit and total comprehensive income for the period	–	–	413,928	413,928
At 31 August 2016	4	2,218,247	3,029,166	5,247,417
(Unaudited)				
At 1 March 2015	3	1,718,248	1,858,086	3,576,337
Profit and total comprehensive income for the period	–	–	360,390	360,390
Issue of shares *(Note 17)*	–	187,500	–	187,500
At 31 August 2015	3	1,905,748	2,218,476	4,124,227

STATEMENTS OF CASH FLOWS

	Year ended 28 February		Year ended 29 February	Six months ended 31 August	
	2014	2015	2016	2015	2016
	GBP	*GBP*	*GBP*	*GBP*	*GBP*
				(unaudited)	
OPERATING ACTIVITIES					
Profit before tax	632,794	672,027	834,196	393,668	461,934
Adjustments for:					
Gains on liquidation of subsidiaries	(25,366)	–	–	–	–
Interest income from priority loans to an associate	–	(22,049)	(136,118)	(58,758)	(102,397)
Imputed interest income on non-interest bearing promissory note and member loan	(613,174)	(657,183)	(706,381)	(340,192)	(364,857)
Operating cash flows before movements in working capital	(5,746)	(7,205)	(8,303)	(5,282)	(5,320)
(Decrease) increase in other payables	(4,974)	1,224	(151)	(151)	(1,074)
NET CASH USED IN OPERATING ACTIVITIES	(10,720)	(5,981)	(8,454)	(5,433)	(6,394)
NET CASH USED IN INVESTING ACTIVITIES					
Loans to an associate	–	(1,524,250)	(500,000)	(187,500)	–
NET CASH FROM FINANCING ACTIVITIES					
Proceeds from issue of shares	–	1,524,250	500,000	187,500	–
NET DECREASE IN CASH AND CASH EQUIVALENTS	(10,720)	(5,981)	(8,454)	(5,433)	(6,394)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR/PERIOD	49,636	38,916	32,935	32,935	24,481
CASH AND CASH EQUIVALENTS AT END OF YEAR/PERIOD, representing bank balances and cash	38,916	32,935	24,481	27,502	18,087

NOTES TO THE FINANCIAL INFORMATION

1. General

The Company was incorporated and registered in England and Wales as a private company with limited liabilities under the Companies Act on 13 September 2011. Its registered office and principal place of business is located at 7 St. James's Place, London, SW1A 1NP. The Company is the subsidiary of The Rothschild Foundation (Hanadiv) Europe, incorporated in England and Wales, which is also the Company's ultimate holding company.

The Company is an investment holding company and its associate, MRB LLP, is engaged in property development in UK.

The Financial Information is presented in Pound ("GBP"), which is the same as the functional currency of the Company.

2. Basis of Preparation of Financial Information

The Financial Information has been prepared on a going concern basis because the shareholders of the Company have agreed that i) the loans from shareholders amounted GBP7,800,740 will not be demanded for repayment for a period of twelve months from the date of this report and ii) the shareholders will provide financial support as required to enable the Company to meet in full its financial obligations as they fall due for a period of twelve months from the date of this report.

3. Application of International Financial Reporting Standards

For the purpose of preparing and presenting the Financial Information for the Relevant Periods, the Group has consistently adopted IFRSs, IAS, amendments and interpretations which are effective for the Group's financial period beginning on 1 March 2013 throughout the Relevant Periods except for the failure to provide us with the associate's financial information for complying with IAS 28 and IFRS 12 as further explained in Note 13 to the Financial Information.

At the date of this report, the following new and revised IFRSs have been issued but are not yet effective. The Group has not early applied these standards and amendments.

IFRS 9	Financial Instruments[1]
IFRS 15	Revenue from Contracts with Customers[1]
IFRS 16	Leases[2]
Amendments to IFRS 2	Classification and Measurement of Share-based Payment Transactions[1]
Amendments to IFRS 4	Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts[1]
Amendments to IFRS 15	Clarifications to IFRS 15 Revenue from Contracts with Customers[1]
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3]
Amendments to IAS 7	Disclosure Initiative[4]
Amendments to IAS 12	Recognition of Deferred Tax Assets for Unrealised Losses[4]

1 *Effective for annual periods beginning on or after 1 January 2018*

2 *Effective for annual periods beginning on or after 1 January 2019*

3 *Effective for annual periods beginning on or after a date to be determined*

4 *Effective for annual periods beginning on or after 1 January 2017*

IFRS 9 Financial Instruments

IFRS 9 issued in 2009 introduces new requirements for the classification and measurement of financial assets. IFRS 9 was subsequently amended in 2010 to include the requirements for the classification and measurement of financial liabilities and for derecognition, and in 2013 to include the new requirements for hedge accounting. Another revised version of IFRS 9 was issued in July 2014 mainly to include a) impairment requirements for financial assets and b) limited amendments to the classification and measurement by introducing a 'fair value through other comprehensive income' (FVTOCI) measurement category for certain simple debt instruments.

Key requirements of IFRS 9:

- all recognised financial assets that are within the scope of IAS 39 *Financial Instruments: Recognition and Measurement* are required to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are generally measured at FVTOCI. All other debt investments and equity investments are measured at their fair value at the end of subsequent accounting periods. In addition, under IFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

- with regard to the measurement of financial liabilities designated as at fair value through profit or loss, IFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Under IAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss is presented in profit or loss.

- in relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

- the new general hedge accounting requirements retain the three types of hedge accounting mechanisms currently available in IAS 39. Under IFRS 9, greater flexibility has been introduced to the types of transitions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the retrospective quantitative effectiveness test has been removed. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

The directors of the Company anticipate that the application of IFRS 9 in the future may have impact on amounts reported in respect of the Company's financial assets (e.g. the impairment on loans to an associate) based on the expected loss model. Currently, the directors of the Company is in the midst of assessing the financial impact of the application of IFRS 9 and a reasonable estimate of that effect will be available once a detailed review has been completed.

4. Significant Accounting Policies

The Financial Information has been prepared in accordance with the following accounting policies which conform with IFRSs promulgated by IASB except for the failure to provide us with the associate's financial information for complying with IAS 28 amd IFRS 32 as further explained in Note 13 to the Financial Information. In addition, the Financial Information includes applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and by the Hong Kong Companies Ordinance.

The Financial Information has been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in the Financial Information is determined on such a basis, except leasing transactions that are within the scope of IAS 17 Leases, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 Inventories or value in use in IAS 36 Impairment of Assets.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies are set out below.

Basis of consolidation

The Financial Information incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the statement of profit or loss from the date the Group gains control until the date when the Group ceases to control the subsidiary.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Investment in an associate

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. Investment in an associate is carried at investment cost with deemed capital contributions.

When a group entity transacts with an associate of the Group, profits and losses resulting from the transactions with the associate are recognised in the Group's Financial Information only to the extent of interests in the associate that are not related to the Group.

Revenue recognition

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year/period. Taxable profit differs from 'profit before tax' as reported in the consolidation statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of each reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of each reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of each reporting period, to cover or settle the carrying amount of its assets and liabilities.

Current and deferred tax is recognised in profit or loss.

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Financial assets

The Company's financial assets are classified as loans and receivables.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest income is recognised on an effective interest basis for debt instruments.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, loans and receivables (including loans to an associate and bank balances and cash) are carried at amortised cost using effective interest method, less any identified impairment losses (see accounting policy on impairment of financial assets below).

Interest income is recognised by applying the effective interest rate.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial assets have been affected.

Objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as a default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For financial assets carried at amortised cost, the amount of impairment loss recognised is the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Financial liabilities and equity instruments

Debt and equity instruments issued by the entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instrument

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Other financial liabilities

Other financial liabilities including other payables and loans from shareholders are subsequently measured at amortised cost, using the effective interest method.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest expense is recognised on an effective interest basis.

Derecognition

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

5. Key Sources of Estimation Uncertainty

In the application of the Group's accounting policies which are described in Note 4, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The followings are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets within the next financial year.

Estimated impairment of loans to an associate

When there is objective evidence of impairment loss, the Company takes into consideration the estimation of future cash flows. The amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). Where the actual future cash flows are less than expected, a material impairment loss may arise.

The carrying amount of loans to an associate as at 28 February 2014 and 2015, 29 February 2016 and 31 August 2016 was approximately GBP1,335,990, GBP3,595,097, GBP5,195,001 and GBP5,817,842, respectively.

Estimation of the amortised cost of the non-interest bearing loans to an associate

The directors of the Company measured the amortised costs of non-interest bearing loans to an associate using the effective interest method. The effective interest method is a method of calculating the amortised cost of the non-interest bearing loans to an associate and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the non-interest bearing loans to an associate to the net carrying amount on initial recognition. The directors of the Company applied (i) 7.2% per annum as the effective interest rate and (ii) 10 years as the estimated timing of repayment of the non-interest bearing loans to an associate to measure their amortised costs. The differences between the carrying amount and the amortised cost of the non-interest bearing loans to an associate have been recognised as deemed capital contributions to the associate (Note 13).

The carrying amount of non-interest bearing loans to an associate as at 28 February 2014 and 2015, 29 February 2016 and 31 August 2016 was approximately GBP1,335,990, GBP1,993,173, GBP2,699,554 and GBP3,064,411, respectively.

6. Segment Information

The Company acts as an investment holding company during the Relevant Periods and the principal activity of its associate, MRB LLP, is engaged in property development in UK. Information reported to the directors of the Company, being the chief operating decision maker, for the purpose of resource allocation and assessment of segment performance as a single reportable segment (i.e. investment holding segment). The directors of the Company assesses the performance of the reportable segment based on the dividend income and interest income from loans to an associate as presented in the statements of profit or loss and other comprehensive income. The accounting policies of the reportable segment are the same as the Company's accounting policies described in Note 4. No analysis of the Company's assets and liabilities is regularly provided to the directors of Company for review.

Entity-wide disclosures

Geographical information

The Group's operations are located in UK. All non-current assets of the Group is located in UK.

7. Other Income and Gains

	Year ended 28 February		Year ended 29 February	Six months ended 31 August	
	2014	2015	2016	2015	2016
	GBP	*GBP*	*GBP*	*GBP*	*GBP*
				(unaudited)	
Gains on liquidation of subsidiaries	25,366	–	–	–	–
Interest income from priority loans to an associate	–	22,049	136,118	58,758	102,397
Imputed interest income on non-interest bearing promissory note and member loan *(Note 14)*	613,174	657,183	706,381	340,192	364,857
	638,540	679,232	842,499	398,950	467,254

8. Income Tax Expense

	Year ended 28 February		Year ended 29 February	Six months ended 31 August	
	2014	2015	2016	2015	2016
	GBP	*GBP*	*GBP*	*GBP*	*GBP*
				(unaudited)	
UK profits tax	–	14,446	77,044	33,278	48,006

The Group was subject to UK profits tax and it is calculated at the following tax rate of the estimated assessable profit for the Relevant Periods:

Year ended 28 February 2014	21%
Year ended 28 February 2015	20.5%
Year ended 29 February 2016	20%
Six months ended 31 August 2015 (unaudited)	20%
Six months ended 31 August 2016	19%

The income tax expense for the year/period can be reconciled to the profit before tax per the statement of profit or loss and other comprehensive income as follows:

	Year ended 28 February		Year ended 29 February	Six months ended 31 August	
	2014	2015	2016	2015	2016
	GBP	*GBP*	*GBP*	*GBP*	*GBP*
				(unaudited)	
Profit before tax	632,794	672,027	834,196	393,668	461,934
UK profits tax at applicable tax rate	132,887	137,766	166,839	78,734	87,767
Tax effect of income not taxable for tax purpose	(134,094)	(123,320)	(89,795)	(45,456)	(39,761)
Others	1,207	–	–	–	–
Income tax expense for the year/period	–	14,446	77,044	33,278	48,006

No provision for deferred taxation has been made in the Financial Information as there were no significant temporary differences arising during the Relevant Periods or at the end of each reporting period.

9. Profit for the Year/Period

	Year ended 28 February		Year ended 29 February	Six months ended 31 August	
	2014	2015	2016	2015	2016
	GBP	*GBP*	*GBP*	*GBP*	*GBP*
				(unaudited)	
Auditor's remuneration *(Note)*	–	–	–	–	–
Directors' remuneration *(Note 10)*	–	–	–	–	–

Note: The Company and its subsidiaries were qualified as small companies under section 382 of the Companies Act which entitled them to have exemption from audit of their accounts for a financial year and the shareholders of the Company have not required the Company to obtain an audit of its accounts during the Relevant Periods in accordance with section 476 of the Companies Act, therefore, no auditor's remuneration has been incurred during the Relevant Periods.

10. Directors' and Chief Executives' Emoluments

The following table sets forth certain information in respect of the directors of the Company during the Relevant Periods:

Name	Position	Date of appointment as director	Date of resignation
Goolad, Magnus James	Director	12 March 2015	N/A
Vollman, Dennis Paul	Director	22 November 2011	N/A
Muraidekh, Eli	Director	22 November 2011	26 November 2014
Bennett, Adam Edward Spencer	Director	22 November 2011	12 March 2015

Goolad, Magnus James, Vollman, Dennis Paul, Muraidekh, Eli and Bennett, Adam Edward Spencer, are also the chief executives of the Company and during the Relevant Periods, or upon their resignation, where this is a shorter period, no emoluments were paid by the Company to the directors and the chief executives of the Company as fees, salaries and allowances, performance related incentive payments and retirement benefit schemes contribution.

Neither the chief executives nor any of the directors of the Company waived any emoluments during the Relevant Periods.

During the Relevant Periods, no emoluments were paid by the Company to any of the directors of the Company as an inducement to join or upon joining the Company or as compensation for loss of office.

11. Dividends

No dividend was proposed during the years ended 28 February 2014 and 2015, the year ended 29 February 2016 and the six months ended 31 August 2015 (unaudited) and 2016.

12. Earnings per Share

No earnings per share information is presented, as its inclusion, for the purpose of this report, is not considered meaningful.

13. Interest in an Associate

	At 28 February 2014	2015	At 29 February 2016	At 31 August 2016
	GBP	*GBP*	*GBP*	*GBP*
Cost of investment in an associate	–	–	–	–
Deemed capital contributions to the associate *(Note 14)*	7,820,365	7,764,740	7,507,335	7,351,748
	7,820,365	7,764,740	7,507,335	7,351,748

Details of the Company's associate at the end of each of the reporting period as follows:

Name of entity	Form of business structure	Place of incorporation and operation	Proportion of nominal value of members' capital held by the Company				Principal activities
			28 February 2014	28 February 2015	29 February 2016	31 August 2016	
MRB LLP *(Note)*	Limited liabilities partnership	United Kingdom	21.875%	21.875%	21.875%	21.875%	Property development

Note: MRB LLP is accounted for an associate of the Company in accordance with its deed of limited liabilities partnership, major financial and operating policies of MRB LLP require consent with simple majority in the respective board of directors. The Company has the right to appoint one out of four directors in the board of MRB LLP, thus, the Company is only able to exercise significant influence in MRB LLP.

The directors of the Company considered the information required for complying with IAS 28 and IFRS 12 promulgated by the IASB would involve expense and delay out of proportion to the value to the shareholders of the Company and the Company's investment in MRB LLP is carried at its investment cost with deemed capital contributions to the associate of GBP7,820,365, GBP7,764,740, GBP7,507,335 and GBP7,351,748 as at 28 February 2014 and 2015, 29 February 2016 and 31 August 2016, respectively, and as such the Company has not (i) equity accounted for its share of the net assets of MRB LLP as at 28 February 2014 and 2015, 29 February 2016 and 31 August 2016 and share of the result and other comprehensive income of MRB LLP for the Relevant Periods; and (ii) disclosed the summarised financial information of MRB LLP and any other relevant disclosures, as required by IAS 28 and IFRS 12.

The significant accounting policies of the associate, including properties held-for-sale, have been disclosed in the Financial Information of the MRB Group in the Appendix II of the Circular.

14. Loans to an Associate

	At 28 February 2014	At 28 February 2015	At 29 February 2016	At 31 August 2016
	GBP	*GBP*	*GBP*	*GBP*
Carrying amount of loans to an associate *(Note)*				
– Repayable on demand	1,335,990	1,993,173	2,699,554	3,064,411
– Within one year	–	–	2,495,447	2,753,431
– More than one year, but not exceeding two years	–	1,601,924	–	–
	1,335,990	3,595,097	5,195,001	5,817,842
Less: Amounts due within one year shown under current assets	–	–	(2,495,447)	(2,753,431)
Amounts due after one year	1,335,990	3,595,097	2,699,554	3,064,411

Note: The amounts are based on scheduled repayment dates set out in the respective loan agreements.

Unsecured loans to an associate comprise:

	Maturity	Effective interest rate	Carrying amount as at 28 February 2014	28 February 2015	29 February 2016	31 August 2016
			GPB	*GPB*	*GPB*	*GPB*
GBP7,675,060 promissory note	Repayable on demand	Non-interest bearing *(Note)*	1,311,166	1,956,139	2,649,395	3,007,458
GBP145,305 member loan	Repayable on demand	Non-interest bearing *(Note)*	24,824	37,034	50,159	56,953
GBP1,524,250 priority loan carried at 20% fixed interest rate	22 November 2016	7.2%	–	1,524,250	1,524,250	1,524,250
GBP500,000 priority loan carried at 20% fixed interest rate	22 November 2016	7.2%	–	–	500,000	500,000
Accrued priority loans interest income	22 November 2016	7.2%	–	77,674	471,197	729,181
			1,335,990	3,595,097	5,195,001	5,817,842

Note: As at 28 February 2014 and 2015, 29 February 2016 and 31 August 2016, the promissory note and member loan with principal amount of GBP7,675,060 and GBP145,305, respectively, are unsecured, non-interest bearing, repayable on demand and denominated in GBP. In the opinion of the directors of the Company, the Company will not demand for repayment within one year from the end of reporting period and the promissory note and member loan is therefore considered as non-current. Such interest-free promissory note and member loan are measured at amortised cost reference to the bank borrowing rate of MRB LLP at 7.2% per annum at inception date based on estimated timing of repayment of 10 years determined by the directors of the Company. The differences between the carrying amount and the amortised cost of the promissory note and member loan have been recognised as deemed capital contributions to the associate (Note 13).

15. Bank Balances and Cash

Bank balances carry no interest for the Relevant Periods.

16. Loans from Shareholders

The amounts represented the loans from shareholders, namely The Rothschild Foundation (Hanadiv) Europe and The Rothschild Foundation. The amounts are unsecured, non-interest bearing and repayable on demand and would be transferred to Tai United upon completion of the Proposed Acquisitions.

17. Share Capital

	Number of shares	**Share capital** *GBP*
Ordinary shares of GBP0.01 each		
Issued and fully paid:		
At 1 March 2013 and 28 February 2014	200	2
Issue of shares *(Note 1)*	100	1
At 28 February 2015	300	3
Issue of shares *(Note 2)*	100	1
At 29 February 2016 and 31 August 2016	400	4

Note:

(1) On 26 November 2014, the Company allotted and issued 100 shares at GBP15,242.50 per share to its existing shareholders for financing the operation of MRB LLP through priority loans as disclosed in Note 14. The new shares ranked *pari passu* with the existing shares in all respects.

(2) On 9 July 2015, the Company allotted and issued 100 shares at GBP5,000 per share to its existing shareholders for financing the operation of MRB LLP through priority loans as disclosed in Note 14. On 13 July 2015 and 29 October 2015, the Company received the proceeds of GBP187,500 and GBP312,500 from its shareholders, respectively. The new shares ranked *pari passu* with the existing shares in all respects.

18. Capital Risk Management

The Group manages its capital to ensure that the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged throughout the Relevant Periods.

The capital structure of the Company consists of debt, which includes loans from shareholders, as disclosed in Note 16, net of bank balances and cash and equity, comprising share capital and reserves.

The management of the Company reviews the capital structure from time to time. As a part of this review, the management considers the cost of capital and the risks associated with each class of capital. Based on recommendations of the management, the Company will balance its overall capital structure through the payment of dividends, the issue of new shares, new debts or the redemption of existing debts.

19. Financial Instruments

a. Categories of financial instruments

	At 28 February		At 29 February	At 31 August
	2014	**2015**	**2016**	**2016**
	GBP	*GBP*	*GBP*	*GBP*
Financial assets				
Loans and receivables (including cash and cash equivalents) at amortised cost	1,374,906	3,628,032	5,219,482	5,835,929
Financial liabilities				
Amortised cost	7,800,765	7,801,989	7,801,838	7,800,764

b. Financial risk management objectives and policies

The Company's major financial instruments include loans to an associate, bank balances and cash, other payables and loans from shareholders. Details of these financial instruments are disclosed in the respective notes. The risks associated with these financial instruments include market risks (interest rate risk), liquidity risk and credit risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Market risks

Interest rate risk

The Company is exposed to fair value interest rate risk in relation to its fixed-rate loans to an associate (Note 14).

Liquidity risk

The Company had net current liabilities of GBP5,168,742 at 31 August 2016. The Company is exposed to liquidity risk if it is not able to raise sufficient funds to meet its financial obligations. The Company relies on the support by its shareholders that i) the loans from shareholders amounted GBP7,800,740 will not be demanded for a period of twelve months from the date of this report and ii) its shareholders will provide financial support as required to enable the Company to meet in full its financial obligations as they fall due for a period of twelve months from the date of this report.

All the financial liabilities at the end of the reporting period of the Company is interest-free and their remaining contractual maturities are repayable on demand or less than 30 days.

Credit risk

The Company's maximum exposure to credit risk in the event of the counterparties' failure to perform their obligations at the end of the reporting period in relation to each class of recognised financial assets is the carrying amount of those assets as stated in the statement of financial position. The Company's credit risk is primarily attributable to its loans to an associate. In order to minimise the credit risk, the management of the Company reviews the recoverable amount of loans to an associate at the end of each reporting period to ensure that adequate allowance are made for irrecoverable amounts. In this regard, the management considers that the Company's credit risk is significantly reduced.

The Company also has concentration of credit risk on the loans to an associate (Note 14).

The directors of the Company believe that the Company is not exposed to significant credit risk as the majority of the debts are with its associate and is not aware of any financial difficulties being experienced by its associate.

The credit risk on bank balances in limited because the counterparties are banks with high credit rating assigned by international credit rating agencies.

c. Fair value measurements of financial instruments

This note provides information about how the Company determines fair values of various financial assets and financial liabilities.

Fair value of the Company's financial assets and financial liabilities that are not measured at fair value on a recurring basis (but fair value disclosures required).

The directors of the Company consider that the carrying amounts of financial assets and financial liabilities recognised in the financial statements approximate their fair values.

20. Related Party Disclosures

Apart from details of the balances with related parties disclosed in the statements of financial position and other details disclosed elsewhere in the Financial Information, the Group also entered into the following significant transactions with related parties during the Relevant Periods:

		Year ended 28 February		Year ended 29 February	Six months ended 31 August	
Name of related party	**Nature of transactions**	**2014**	**2015**	**2016**	**2015**	**2016**
		GBP	*GBP*	*GBP*	*GBP* (unaudited)	*GBP*
Buckingham Gate 1	Gains on liquidation of Buckingham Gate 1	8,126	–	–	–	–
Buckingham Gate 2	Gains on liquidation of Buckingham Gate 2	8,978	–	–	–	–
Buckingham Gate 3	Gains on liquidation of Buckingham Gate 3	8,262	–	–	–	–
MRB LLP	Interest income from priority loans	–	22,049	136,118	58,758	102,397

Compensation of key management personnel

The directors of the Company are identified as key management personnel of the Company, and their compensation during the Relevant Periods is set out in Note 10.

21. Capital Commitment

	At 28 February		At 29 February	At 31 August
	2014	2015	2016	2016
	GBP	*GBP*	*GBP*	*GBP*
Capital expenditure in respect of the formation of an associate contracted for but not provided in the financial statements *(Note)*	219	219	219	219

Note: On 22 November 2011, the Company entered into an agreement with MRB Residential Limited to form MRB LLP which would be engaged in property development business in UK. Pursuant to the agreement, the Company has agreed to make a cash capital contribution of GBP219 to MRB LLP, equivalent to 21.875% of the members' capital of MRB LLP.

22. Events after the Reporting Period

On 24 September 2016, Tai United entered into an acquisition agreement with the Target Groups, in which Tai United conditionally agreed to acquire entire equity interests of the Target Groups at a consideration of GBP112,202,150, subject to the approval from its upcoming extraordinary general meeting.

B. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements of the Company has been prepared in respect of any period subsequent to 31 August 2016.

Yours faithfully

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong

2. MANAGEMENT DISCUSSION AND ANALYSIS

Set out below is the management discussion and analysis of RCBG for the three years ended 28 February 2014, 28 February 2015 and 29 February 2016 (for the purpose of this section only, "**FY2014**", "**FY2015**", and "**FY2016**", respectively) and the six months ended 31 August 2016 (for the purpose of this section only, the "**Stub Period**", together with FY2014, FY2015 and FY2016, the "**Relevant Periods**" and each a "**Relevant Period**").

Business review

RCBG is an investment holding company and its principal asset is its 21.875% equity interest in an associate company, namely MRB Residential Partners, which is the sole legal and beneficial owner of the Properties.

Financial results

Income

During the Relevant Periods, RCBG did not record any turnover since it had not commenced any business operation. However, in FY2014, RCBG recorded an one-off income of approximately GBP25,000 (equivalent to approximately HK$257,500) from the gain on liquidation of subsidiaries. Such gain represented the cash balance of the liquidated subsidiaries, the results of which could no longer be consolidated in the financial statements of RCBG following the liquidation.

RCBG also generated interest income attributable to the priority loans lent by RCBG to MRB Residential Partners since FY2015. The interest income generated from such priority loans amounted to approximately GBP22,000 (equivalent to approximately HK$226,600) and approximately GBP136,000 (equivalent to approximately HK$1,400,800) for FY2015 and FY2016, respectively. The interest income from such priority loans amounted to approximately GBP102,000 (equivalent to approximately HK$1,050,600) for the Stub Period, compared to approximately GBP59,000 (equivalent to approximately HK$607,700) for the corresponding period in 2015. The increases in the interest income during the Relevant Periods were due to the increase in the amount of the priority loans granted by RCBG to MRB Residential Partners in FY2016 and the accumulation of the accrued interest thereon.

Other than the priority loans, RCBG had also, prior to the Relevant Periods, granted to MRB Residential Partners a promissory note and a member loan in an aggregate principal amount of approximately GBP7,820,000 (equivalent to approximately HK$80,546,000). The promissory note and the member loan are unsecured, non-interest-bearing and repayable on demand. The directors of RCBG opined that RCBG would not demand for repayment within one year from the end of the each of the Relevant Periods and such interest-free promissory note and member loan had been measured at amortised cost with reference to the bank borrowing rate of MRB Residential Partners of 7.2% per annum at inception date based on the estimated timing of repayment of ten years determined by the directors of RCBG. Accordingly, imputed interest in relation to such interest-free promissory note and member loan was recorded on the accounts of RCBG. The imputed interest amounted to approximately GBP613,000 (equivalent to approximately HK$6,313,900), approximately GBP657,000 (equivalent to approximately HK$6,767,100), approximately GBP706,000 (equivalent to approximately HK$7,271,800) and approximately GBP365,000 (equivalent to approximately HK$3,759,500) for FY2014, FY2015, FY2016 and the Stub Period, respectively.

Expenses

The income recorded by RCBG was set off by administrative expenses and income tax expenses. During the Relevant Periods, the administrative expenses consisted of bank charges and accounting fees, and amounted to approximately GBP6,000 (equivalent to approximately HK$61,800), approximately GBP7,000 (equivalent to approximately HK$72,100), approximately GBP8,000 (equivalent to approximately HK$82,400) and approximately GBP5,000 (equivalent to approximately HK$51,500) for FY2014, FY2015, FY2016 and the Stub Period, respectively.

RCBG was also subject to the profits tax in the United Kingdom at a rate ranging from 19% to 21% during the Relevant Periods. RCBG did not record any income tax expenses for FY2014 due to the effect of tax losses incurred and not recognised in prior years, and subsequently recorded income tax expenses of approximately GBP14,000 (equivalent to approximately HK$144,200), approximately GBP77,000 (equivalent to approximately HK$793,100) and approximately GBP48,000 (equivalent to approximately HK$494,400) for FY2015, FY2016 and the Stub Period, respectively.

Net profit

As a result of the aforesaid, RCBG recorded net profit of approximately GBP633,000 (equivalent to approximately HK$6,519,900), approximately GBP658,000 (equivalent to approximately HK$6,777,400), approximately GBP757,000 (equivalent to approximately HK$7,797,100) and approximately GBP414,000 (equivalent to approximately HK$4,264,200) for FY2014, FY2015, FY2016 and the Stub Period, respectively.

Liquidity and capital resources

Financial position

The assets of RCBG comprised (i) the unsecured loans lent to MRB Residential Partners; (ii) the interest in an associate, that is MRB Residential Partners; and (iii) the bank balances and cash.

As discussed above, prior to the Relevant Periods, RCBG had granted the non-interest-bearing promissory note and member loan in an aggregate principal amount of approximately GBP7,820,000 (equivalent to approximately HK$80,546,000) to MRB Residential Partners. According to the opinion of the directors of RCBG, such promissory note and member loan had been measured on the accounts of RCBG at amortised cost with reference to the bank borrowing rate of MRB Residential Partners of 7.2% per annum at inception date based on the estimated timing of repayment of ten years. In this connection, the aggregate carrying value of such promissory note and member loan was computed to be approximately GBP1,336,000 (equivalent to approximately HK$13,760,800), approximately GBP1,993,000 (equivalent to approximately HK$20,527,900), approximately GBP2,700,000 (equivalent to approximately HK$27,810,000) and approximately GBP3,064,000 (equivalent to approximately HK$31,559,200) as at 28 February 2014, 28 February 2015, 29 February 2016 and 31 August 2016.

Other than the non-interest-bearing promissory note and member loan, RCBG advanced a priority loan to MRB Residential Partners in the principal amount of GBP1,524,250 (equivalent to approximately HK$15,699,775) during FY2015. The priority loan carries a fixed interest rate of 20% with maturity on 22 November 2016. Together with the accrued interest, the carrying amount of the priority loan due from MRB Residential Partners amounted to approximately GBP1,602,000 (equivalent to approximately HK$16,500,600 as at 28 February 2015). In FY2016, RCBG made another priority loan in a principal amount of GBP500,000 (equivalent to approximately HK$5,150,000) with a fixed interest rate of 20% and maturity on 22 November 2016 to MRB Residential Partners. As at 29 February 2016, the total carrying amount of the priority loans due from MRB Residential Partners (including the accrued interest thereon) amounted to approximately GBP2,495,000 (equivalent to approximately HK$25,698,500). Such balance increased to approximately GBP2,753,000 (equivalent to approximately HK$28,355,900) as at 31 August 2016, due to the accumulation of accrued interest.

The interest in an associate of RCBG was accounted for at its investment cost with deemed capital contribution to associate of approximately GBP7,820,000 (equivalent to approximately HK$80,546,000), approximately GBP7,765,000 (equivalent to approximately HK$79,979,500), approximately GBP7,507,000 (equivalent to approximately HK$77,322,100) and approximately GBP7,352,000 (equivalent to approximately HK$75,725,600) as at 28 February 2014 and 2015, 29 February 2016 and 31 August 2016, respectively, given the expenses and delay would be out of proportion to the value of shareholders to account for it according to International Accounting Standard 28 (as revised in 2011) "Investment in Associates and Joint Ventures" and IFRS 12 "Disclosure of Interests in Other Entities" a RCBG has not (i) equity accounted for its share of the net assets of MRB Residential Partners as at 28 February 2014 and 2015, 29 February 2016 and 31 August 2016 nor share of the result and other comprehensive income of MRB Residential Partners through equity accounting for the Relevant Periods; and (ii) disclosed the summarised financial information of MRB Residential Partners and any other relevant disclosure. Further information and the auditors' view in this regard are set out on pages III-1 to III-4 of this circular.

The bank balances of RCBG carried no interest for the Relevant Periods, and together with cash, totalled approximately GBP39,000 (equivalent to approximately HK$401,700), approximately GBP33,000 (equivalent to approximately HK$339,900), approximately GBP24,000 (equivalent to approximately HK$247,200) and approximately GBP18,000 (equivalent to approximately HK$185,400), as at 28 February 2014, 28 February 2015, 29 February 2016 and 31 August 2016, respectively.

During the Relevant Periods, RCBG funded its business activities by the loans from its shareholders, the RCBG Vendors (i.e. the RCBG Loans). The RCBG Loans are unsecured, non-interest-bearing and repayable on demand. As at end of each of the Relevant Periods, the outstanding balance of the RCBG Loans remained at GBP7,800,740 (equivalent to approximately HK$80,347,622). Pursuant to the Acquisition Agreement, the RCBG Loans would be assigned to the Purchaser upon Completion. Save for the RCBG Loans, RCBG did not have any other borrowings as at end of each of the Relevant Periods.

Gearing ratio

The gearing ratio of RCBG (calculated as a percentage of total net debt (i.e. total borrowings less cash and cash equivalents) to total capital (i.e. net debt plus total equity)) was approximately 84.8%, approximately 68.5%, approximately 61.7% and approximately 59.7% as at 28 February 2014, 28 February 2015, 29 February 2016 and 31 August 2016, respectively. The reductions in gearing ratio during the Relevant Periods were mainly due to the improvement in the total asset value as a result of the increase in the balance of the loans lent by RCBG to MRB Residential Partners (particularly the accrued interest thereon).

Securities and guarantee

As discussed above, all of the loans lent or borrowed by RCBG were unsecured and the RCBG had not made any pledge of or created any security over assets, nor had it provided any corporate guarantee as at end of each of the Relevant Periods.

Contingent liabilities

As at end of each of the Relevant Periods, RCBG Group no material contingent liabilities.

Exchange rate risk

All the assets and liabilities of RCBG were denominated in GBP. During the Relevant Periods, RCBG did not have any formal hedging policies and no financial instrument was used for hedging purpose.

Employment and remuneration policy

As at end of each of the Relevant Periods, RCBG did not have any employees, except for its directors (who were also the chief executives of RCBG). As at 28 February 2014, there were three directors. One of the directors resigned in November 2014, as a result of which, there were only two directors as at 28 February 2015. Another director resigned in March 2015 while a new director was appointed in the same month, as a result of which, there were two directors as at 29 February 2016 and 31 August 2016. Neither the chief executives nor any of the directors of RCBG waived any emoluments during the Relevant Periods.

During the Relevant Periods or upon the resignation of the director, no emoluments were paid by RCBG to the directors and chief executives as fees, salaries and allowances, performance-related incentive payments and retirement benefit scheme contributions. No emoluments were paid by RCBG to any of the directors as an inducement to join or upon joining RCBG or as compensation for loss of office.

Significant investments held and future plans for material investments or capital assets

Save for its interest in and loans lent to MRB Residential Partners, which in turn owns the Properties, as at end of each of the Relevant Periods, RCBG did not hold any significant investments, nor did it have any future plans for material investments or capital assets.

Material acquisitions or disposals of subsidiaries or associated companies

During the Relevant Periods, RCBG did not carry out any material acquisitions or disposals of subsidiaries or associated companies.

1. INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION

The following is the text of a report, prepared for inclusion in this circular, received from Deloitte Touche Tohmatsu, the independent reporting accountants.

Deloitte.
德勤

To the Directors of Tai United Holdings Limited

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Tai United Holdings Limited (the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group") by the directors of the Company (the "Directors") for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of consolidated assets and liabilities as at 31 March 2016 and related notes as set out on pages 4 to 8 of Appendix IV to the circular issued by the Company dated 18 October 2016 (the "Circular"). The applicable criteria on the basis of which the Directors have compiled the unaudited pro forma financial information are described on pages 4 to 8 of Appendix IV to the Circular.

The unaudited pro forma financial information has been compiled by the Directors to illustrate the impact of the proposed acquisition of the entire equity interests in RCBG Residential (UK) Limited and MRB Residential Holdings Limited on the Group's assets and liabilities as at 31 March 2016 as if the transaction had taken place at 31 March 2016. As part of this process, information about the Group's assets and liabilities has been extracted by the Directors from the Group's financial statements for the year ended 31 March 2016, on which an auditor's report has been published.

Directors' Responsibilities for the Unaudited Pro Forma Financial Information

The Directors are responsible for compiling the unaudited pro forma financial information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" ("AG 7") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the "Code of Ethics for Professional Accountants" issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Control 1 "Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements" issued by the HKICPA and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountants' Responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the unaudited pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the unaudited pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 "Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus" issued by the HKICPA. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the unaudited pro forma financial information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the unaudited pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the unaudited pro forma financial information.

The purpose of unaudited pro forma financial information included in an investment circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at 31 March 2016 would have been as presented.

A reasonable assurance engagement to report on whether the unaudited pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the unaudited pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- the related unaudited pro forma adjustments give appropriate effect to those criteria; and

- the unaudited pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgment, having regard to the reporting accountants' understanding of the nature of the Group, the event or transaction in respect of which the unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

(a) the unaudited pro forma financial information has been properly compiled on the basis stated;

(b) such basis is consistent with the accounting policies of the Group; and

(c) the adjustments are appropriate for the purposes of the unaudited pro forma financial information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
18 October 2016

2. THE UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE ENLARGED GROUP

Basis of Preparation of the Unaudited Pro Forma Financial Information of the Enlarged Group

The following unaudited pro forma financial information of the Enlarged Group ("Unaudited Pro Forma Financial Information"), being the Company and its subsidiaries (collectively referred to as the "Group") together with MRB Residential Holdings Limited ("MRB") and its subsidiaries (the "MRB Group") and RCBG Residential (UK) Limited ("RCBG") (MRB Group and RCBG are collectively referred to as the "Target Groups"), is prepared by the directors of the Company (the "Directors") to illustrate the effect of the potential acquisitions of the entire equity interests of the Target Groups (the "Transactions") on the Group, as if the Transactions had been completed on 31 March 2016. Details of the Transactions are set out in the section headed "Letter from the Board" contained in this Circular.

The Unaudited Pro Forma Financial Information has been prepared in accordance with Rule 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, for the purpose of illustrating the effect of the Transactions pursuant to the terms of the Acquisition Agreement dated 24 September 2016 entered into between the Group and the equity owners of the Target Groups.

The unaudited pro forma consolidated statement of assets and liabilities is prepared based on (i) the information on the audited consolidated statement of financial position of the Group as at 31 March 2016, which has been extracted from published annual report of the Group (formerly known as Bestway International Holdings Limited) for the year ended 31 March 2016; (ii) the information on the audited consolidated statement of financial position of MRB Group as at 31 August 2016, which has been extracted from the accountants' report as set out in Appendix II to this Circular; and (iii) the information on the audited statement of financial position of RCBG as at 31 August 2016, which has been extracted from the accountants' report as set out in Appendix III to this Circular and after making pro forma adjustments relating to the Transactions that are (i) directly attributable to the Transactions and (ii) factually supportable, as if the Transactions had been completed on 31 March 2016. The Unaudited Pro Forma Financial Information is prepared based on a number of assumptions, estimates and uncertainties. Accordingly, because of its hypothetical nature, it may not give a true picture of the consolidated assets and liabilities of the Enlarged Group upon completion of the Transactions as at 31 March 2016 or at any future date.

The Unaudited Pro Forma Financial Information should be read in conjunction with the historical financial information of the Group, MRB Group and RCBG as set out in the published annual report of the Group (formerly known as Bestway International Holdings Limited) for the year ended 31 March 2016, the accountants' report of MRB Group in Appendix II and the accountants' report of RCBG in Appendix III, respectively and other financial information included elsewhere in this Circular.

Unaudited Pro Forma Consolidated Statement of Assets and Liabilities

	The Group as at 31/3/2016	MRB Group as at 31/8/2016	MRB Group as at 31/8/2016	RCBG as at 31/8/2016	RCBG as at 31/8/2016	Elimination of inter-group loans between MRB Group and RCBG	Target Groups as at 31/8/2016	Pro forma adjustment		Pro forma adjustment	Pro forma adjustment	Pro forma Enlarged Group as at 31/3/2016
	HK$'000	*GBP'000*	*HK$'000 equivalent*	*GBP'000*	*HK$'000 equivalent*	*HK$'000*	*HK$'000*	*HK$'000*		*HK$'000*	*HK$'000*	*HK$'000*
	(Note 1)	*(Note 1)*	*(Note 1)*	*(Note 1)*	*(Note 1)*	*(Note 2)*				*(Note 6)*	*(Note 7)*	
Non-current assets:												
Investments in subsidiaries	–	–	–	–	–	–	–	–		–	–	
Investment properties	–	–	–	–	–	–	–	176,780	*(Note 4)*	3,215	137	1,256,559
					–	–		1,076,427	*(Note 4)*			
Interest in an associate	–	–	–	7,352	82,046	(82,046)	–	–		–	–	–
Loans to an associate	–	–	–	3,064	34,199	(34,199)	–	–		–	–	
Property, plant and equipment	12,161	–	–	–	–	–	–	–		–	–	12,161
Mining rights	454,541	–	–	–	–	–	–	–		–	–	454,541
Deposit	10,000	–	–	–	–	–	–	–		–	–	10,000
	476,702	–	–	10,416	116,245	(116,245)	–	1,253,207		3,215	137	1,733,261
Current assets:												
Loans to an associate	–	–	–	2,753	30,723	(30,723)	–	–		–	–	–
Properties held for sale	–	96,454	1,076,427	–	–	–	1,076,427	(1,076,427)	*(Note 4)*	–	–	–
Inventories	845	–	–	–	–	–	–	–		–	–	845
Financial assets held for trading	760,613	–	–	–	–	–	–	–		–	–	760,613
Financial derivative contract	75,266	–	–	–	–	–	–	–		–	–	75,266
Trade receivables	3,271	–	–	–	–	–	–	–		–	–	3,271
Deposits, other receivables and prepayments	47,749	83	926	–	–	–	926	–		–	–	48,675
Cash and cash equivalents	522,631	610	6,808	18	202	–	7,010	(522,631)	*(Note 5)*	–	–	7,010
	1,410,375	97,147	1,084,161	2,771	30,925	(30,723)	1,084,363	(1,599,058)		–	–	895,680
Current liabilities:												
Partnership loans	–	(7,820)	(87,271)	–	–	87,271	–	–				
Bank Borrowings	(40,245)	(48,548)	(541,796)	–	–	–	(541,796)	541,796	*(Note 3)*	–	–	(40,245)
Amount due to ultimate holding company	(4,798)	–	–	–	–	–	–	–		–	–	(4,798)
Loans from related parties	–	(22,232)	(248,109)	(7,801)	(87,057)	30,723	(304,443)	304,443	*(Note 3)*	–	–	–
Accrued liabilities and other payables	(2,398)	(664)	(7,410)	–	–	–	(7,410)	(729,545)	*(Note 5)*	(3,215)	(137)	(742,705)
Provision for income tax	(11,528)	–	–	(139)	(1,557)	–	(1,557)	–		–	–	(13,085)
	(58,969)	(79,264)	(884,586)	(7,940)	(88,614)	117,994	(855,206)	116,694		(3,215)	(137)	(800,833)
Net current assets (liabilities)	1,351,406	17,883	199,575	(5,169)	(57,689)	87,271	229,157	(1,482,364)		(3,215)	(137)	94,847
Total assets less current liabilities	1,828,108	17,883	199,575	5,247	58,556	(28,974)	229,157	(229,157)		–	–	1,828,108
Non-current liabilities:												
Loan from ultimate holding company	(877,040)	–	–	–	–	–	–	–		–	–	(877,040)
Loans from related parties	–	(15,826)	(176,618)	–	–	–	(176,618)	176,618	*(Note 3)*	–	–	–
Deferred tax liabilities	(93,158)	–	–	–	–	–	–	–		–	–	(93,158)
	(970,198)	(15,826)	(176,618)	–	–	–	(176,618)	176,618		–	–	(970,198)
Net assets	857,910	2,057	22,957	5,247	58,564	(28,974)	52,539	(52,539)		–	–	857,910

Notes to the Unaudited Pro Forma Financial Information of the Enlarged Group

1. The financial information of the Group are extracted from the audited consolidated financial statements of the Group as set out in the published annual report of the Group (formerly known as Bestway International Holdings Limited) for the year ended 31 March 2016 and the financial information of MRB Group and RCBG are extracted from their respective accountants' reports as set out in Appendix II and III, respectively to this Circular, which have been prepared under International Financial Reporting Standards and using accounting policies in accordance with those of the Company, with certain reclassifications being made to be in line with presentation of the financial information of the Company where appropriate, and translated to Hong Kong Dollars ("HK$") at relevant rates. The financial information of MRB Group and RCBG in Appendix II and III is presented in Great British Pound ("GBP"), being the functional currency of MRB Group and RCBG, which are different from the presentation currency of the Group, i.e. HK$. The assets and liabilities of MRB Group and RCBG are translated into HK$ at GBP1 to HK$11.16 with reference to the closing rate published by The Hong Kong and Shanghai Banking Corporation Limited at 31 March 2016. No representation is made that any amount in GBP could be or could have been converted to HK$ at the relevant date at that rate or at all.

   In addition, it is assumed that there is no change in carrying amounts of assets and liabilities of MRB Group and RCBG between 31 March 2016 and 31 August 2016.

2. The adjustment represents the elimination of intra-group loans between MRB Group and RCBG as at 31 August 2016 and the difference between the intra-group loans recognised in the statements of financial position of MRB Group and RCBG represent the accumulated recognised imputed interest income since the inception date on the intra-groups loans, which are unsecured, non-interest bearing and repayable on demand.

3. On 24 September 2016, the Group entered into an Acquisition Agreement with Brockton Capital I (Tenebaum) Limited, RCBG Residential (Jersey) Limited, MoREOF BG Residential Holdings Limited, The Rothschild Foundation (Hanadiv) Europe and The Rothschild Foundation (hereinafter collectively referred to as the ("Vendors") in relation to the proposed acquisitions of the entire equity interests in Target Groups which collectively hold 100% interest in a block of residential properties at a consideration of GBP112,202,150 (equivalents to HK$1,252,176,000) (the "Proposed Acquisitions").

Pursuant to the Acquisition Agreement, the bank borrowings held by the Target Groups as at 31 August 2016 amounted to approximately GBP48,548,000 (equivalents to HK$541,796,000) would be settled by the MRB Vendors, while shareholders' loans held by the Target Groups as at 31 August 2016 amounted to approximately GBP43,106,000 (equivalents to HK$481,061,000) in aggregate would be transferred to the Company upon completion of the Proposed Acquisitions. Therefore, the relevant bank borrowings and shareholders' loans are excluded from, or eliminated on, consolidation in the pro forma adjustment.

4. As MRB Group is engaged in property development for a block of residential properties in UK, the directors of Tai United Holdings Limited consider that the Proposed Acquisition represent purchase of assets and liabilities through acquisition of subsidiaries. Therefore, guidance set out in Hong Kong Financial Reporting Standards 3 "Business Combinations" in respect of acquisition of assets is adopted by allocating consideration paid to net assets acquired based on their relative fair value at the date of acquisition, and the difference between i) the consideration of Proposed Acquisitions amounted HK$1,252,176,000, ii) the estimated amount of the net identifiable assets and liabilities of the Target Groups acquired amounted to HK$52,539,000, iii) the bank borrowings which would be settled by the MRB Vendors upon completion of the Proposed Acquisitions amounted to HK$541,796,000 as mentioned in note 3 above and iv) the shareholders' loans which would be transferred to the Company upon completion of the Proposed Acquisitions amounted HK$481,061,000 as mentioned in note 3 above, amounted to net amount of HK$176,780,000, is allocated to investment properties of the Enlarged Group in the initial recognition of the Target Group's net assets by the Group.

   Since the amount of the relative fair value of net identifiable assets and liabilities used in preparation of this Unaudited Pro Forma Financial Information may be substantially different from their relative fair values on the actual completion date, and/or significant change in foreign exchange rate may result on that date, the amount of allocation to investment properties could be materially different from the estimated amounts stated herein.

   In addition, since the Directors intended to recover the Group's investments in the relevant properties through earning rentals by leasing the acquired residential properties and/or for capital appreciation upon completion of the Proposed Acquisitions, the residential properties amounted to HK$1,076,427,000, which are recognised as properties held for sale by the Target Groups, are reclassified to investment properties based on the intended purpose of the Group upon completion of the Proposed Acquisitions. The measurement of these properties at initial recognition and subsequent reporting period will follow Hong Kong Accounting Standard ("HKAS") 40 "Investment Property" issued by the Hong Kong Institute of Certified Public Accountants and the following accounting policy will be adopted by the Group:

Investment properties are initially measured at cost, including any directly attributable expenditures. Subsequent to initial recognition, investment properties are measured at their fair values. Gains or losses arising from changes in fair value of investment property are included in the profit or loss for the period in which they arise.

In addition, it is assumed that there is no change in the relative fair value and fair value of the acquired residential properties on 31 March 2016.

5. For the purpose of this Unaudited Pro Forma Financial Information, it is assumed that the Group utilised its entire cash and bank balances amounted to HK$522,631,000 to settle the consideration of the Proposed Acquisitions as if the Proposed Acquisitions had taken place at 31 March 2016. The remaining consideration of HK$729,545,000 is recognised as payable to the Vendors at 31 March 2016.

6. The adjustment represents accrual for estimated acquisition-related costs (including professional fees to legal advisers, financial advisers, reporting accountants, properties valuers and other expenses) of approximately HK$3,215,000 which are directly attributable costs for the Proposed Acquisitions and would be capitalised into investment properties upon completion of the Proposed Acquisitions.

7. As if the Proposed Acquisitions of MRB and RCBG have been taken place as at 31 March 2016, stamp duties would be charged on acquisition of shares of RCBG based on 0.5% of allocated considerations amounting to HK$273,914,000 in accordance with relevant tax law in United Kingdom ("UK"), of which HK$137,000 is directly attributable costs for the Proposed Acquisitions and would be capitalised into investment properties upon completion of the Proposed Acquisitions. On the other hand, since MRB is incorporated in Jersey, stamp duties would not be charged on the Proposed Acquisitions.

The following is the text of a valuation report prepared for the purpose of inclusion in this circular received from GVA Grimley Limited, the Independent Valuer, in connection with its valuation as at 31 August 2016 on the Properties.

65 Gresham Street
London
EC2V 7NQ
T: +44 (0)8449 02 03 04

28 September 2016

Tai United Holdings Limited
Suites 1206-1209
Three Pacific Place
1 Queens Road East
Wan Chai
Hong Kong

Dear Sirs

THE BUCKINGHAM, 6-9 BUCKINGHAM GATE, LONDON SW1E 6JP

In accordance with our agreed instructions, we now report formally our valuation of the subject property as at 31st August 2016.

We are instructed, as external valuers, to report to you our opinion of the Market Value of the property for acquisition purposes.

Valuation

We are of the opinion that the Market Value of the freehold property, known as, The Buckingham, 6-9 Buckingham Gate, London SW1, with vacant possession as at 31 August 2016, was:

£112,500,000

(One Hundred and Twelve Million, Five Hundred Thousand Pounds)

Basis of Value

We confirm that the valuations have been undertaken by us as qualified surveyors and in accordance with the RICS Valuation – Professional Standards UK January 2014 (revised April 2015). We understand that the property is to be held for owner occupation. It has been valued on the basis of Market Value defined in the Valuation Standards as:-

The estimated amount for which an asset or liability should exchange on the date of valuation between a willing buyer and willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

This definition is identical to that provided by The Hong Kong Institute of Surveyors ("HKIS") *Valuation Standards on Properties* published from time to time by the HKIS.

We regard the Market Value as Identical to Fair Value, defined below;

a. the definition adopted by the International Accounting Standards Board (IASB) in IFRS 13: the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

   And

b. the definition adopted by the IVSC in IVS Framework paragraph 38: the estimated price for the transfer of an asset or liability between identified knowledgeable and willing parties that reflects the respective interests of those parties.

Our valuation is subject to our Definitions and Reservations that apply to all United Kingdom valuations, a copy of which is attached.

No allowance has been made in our valuation for the expenses of realisation or for taxation that may arise in the event of disposal and our valuation is expressed exclusive of any VAT that may become chargeable. The reported valuation figure is net of purchaser's notional acquisition costs.

Valuation methodology

We have valued the property by the direct comparison approach (also known as the comparable or market approach) on the assumption that the property is sold in its existing state with the benefit of immediate vacant possession and making reference to comparable sales transactions and asking prices in the relevant market.

This methodology is based upon comparing the property to be valued with other comparable properties which are of a similar size, character and location. These comparable are analysed weighing the relative advantages and disadvantages of each property in order to arrive at a fair comparison of capital values. Physical condition, location and economic characteristics are important criteria to be analysed when comparing to the properties.

The valuation is based on the existing transaction structure.

Date and Extent of Inspection

The property was inspected on 5th September 2016 by Robert Baldwin MRICS and Jamie Nathan MRICS, both Directors and RICS Registered Valuers from within the Valuation Consultancy Department of our London (Gresham Street) office. Access was available to the majority of the property.

Tenure

We have not been provided with a Report on Title, however we understand that the interest to be valued is the unencumbered freehold interest. The property is held freehold under three separate titles.

- 6 Buckingham Gate is held under title number NGL886423;
- 7 Buckingham Gate is held under title number NGL852473; and
- 8-9 Buckingham Gate are held under title number NGL852477.

There are no ground rents payable.

We have assumed for the purposes of this valuation that there are no unduly onerous or restrictive covenants affecting Title which would have an adverse effect on value. This assumption should be verified by your solicitors.

Town Planning and Highways

We have assumed that the property has been constructed and occupied or used within all the relevant consents and that there are no outstanding statutory notices.

Where considered appropriate we have made on-line and oral enquiries of the relevant Town Planning and Highways Authorities in respect of matters that may have a material effect on value. No responsibility will be taken for the accuracy of the information given.

The existing use is residential which is Class C3 of the Town and Country Planning. (Use Classes) Order 1987 (As amended). Planning consent for the development was granted by the City of Westminster on 3rd February 2009 – reference 08/05779/FUL.

Repairs

The property achieved practical completion in June 2015 following a comprehensive redevelopment of the original buildings.

We have not undertaken any building survey on the property and are therefore unable to comment as to whether the property is free from structural fault, rot, infestation or defects of any other nature or any inherent weaknesses due to the construction materials. No tests were carried out on the services within the properties. However, for the purpose of this exercise we have assumed that no defects exist. Furthermore, we understand that as purchaser (of and SPV) you will take the benefit of all contractors warranties; we understand that these are generally valid for 10 years from practical completion.

We have not investigated the ground condition and therefore have assumed that, subject to any comments relating to environment issues below, the load bearing qualities of the site are sufficient to support the building or buildings constructed or to be constructed on it without abnormal costs on foundations or services.

The development is now complete and we have been advised that there are no payments outstanding. We have relied upon the accuracy of this information when preparing our valuation.

Environmental Matters

Unless we have been provided with information to the contrary, we have assumed that the property is not, nor is it likely to be affected by land contamination. Having regard to the properties location we consider this to be a very reasonable assumption. Nonetheless, should it be discovered at a later date that the property, or an area in close proximity, is contaminated then it is likely to have negative effect on the value of that asset.

Nature and source of information relied upon

As agreed with you, we have relied upon data contained within the DataSites managed by the Vendors solicitors, King and Wood Mallesons (Property) and Berwin Leighton Paisner (Corporate). The datasite contains information.

Disclosures

You are aware of our previous involvement with the property and our on-going relationship with Clearbell, a shareholding in MRB Residential Partners LLP. Nonetheless, you have confirmed that you have no objection to us acting on your behalf. We acknowledge and support the RICS Rules of Conduct and have methods of identifying conflicts of interest.

Professional Indemnity

We have an agreed that our valuation will be backed with Professional Indemnity cover of £5,000,000, which also represents the extent of our liability under this appointment.

General

Valuations and Reports are only for the use of the party to whom they are addressed. They may be disclosed only to other professional advisors assisting in respect of that purpose. No responsibility is accepted to any third party for the whole or any part of the contents.

Reports should be considered in their entirety and should only be used within the context of the instructions under which they are prepared.

Yours faithfully

Robert Baldwin MRICS
RICS Registered Valuer
Director
Valuation Consultancy
For and on behalf of GVA Grimley Limited

Jamie Nathan MRICS
RICS Registered Valuer
Director
Valuation Consultancy
GVA Grimley Limited

Property	Location, Description and Tenure	Area Sq. M (Sq. ft)	Occupancy	Market Value as at 31st August 2016
The Buckingham, 6-9 Buckingham Gate, London SW1E 6JP United Kingdom	The Buckingham is located in central London, and occupies a prominent position directly opposite Buckingham Palace – the entrance to the Queen's Gallery – and close to St James's Park, the Houses of Parliament and Westminster Abbey. The site is well connected to local, national and international travel with direct routes to the main rail stations. The property benefits from proximity to Victoria Station (mainline and underground services (District and Circle and Victoria lines) and St James's Park underground station, which is located on both the Circle and District lines. The site is located within an area of mixed land use, with offices, residential and tourism as key sectors. The immediate surrounding area includes an improving retail and food and beverage offer with on-going improvements in nearby Victoria. Location, situation and site plans are appended. The subject property – designed across three 19-century original townhouses – comprises an exclusive and high quality residential development of six apartments variously arranged over lower ground, and 4 upper floors, two staff flats on the lower ground floor and an eight bedroom house. The property is finished to a very high standard. The original buildings have been restored, alongside a new-build rear extension and a significant excavation to provide parking, utility rooms and amenity spaces. The property hast of state-of-the art security provisions and in-place audio-visual systems. Within the basement space, there is a 11-car mechanical parking system (access located off Stafford Place), providing private, secure car parking spaces. The buildings date from the 19th Century but have been comprehensively developed in the past three years with a practical completion certificate for the redevelopment issued on 29th June 2015. Freehold (see details below)	3,484 (37,496) The subject property has an approximate site area of 0.095 hectares (0.235 acres).	Vacant	£112,500,000 (One Hundred and Twelve Million Five Hundred Thousand Pounds) Valuation in GBP

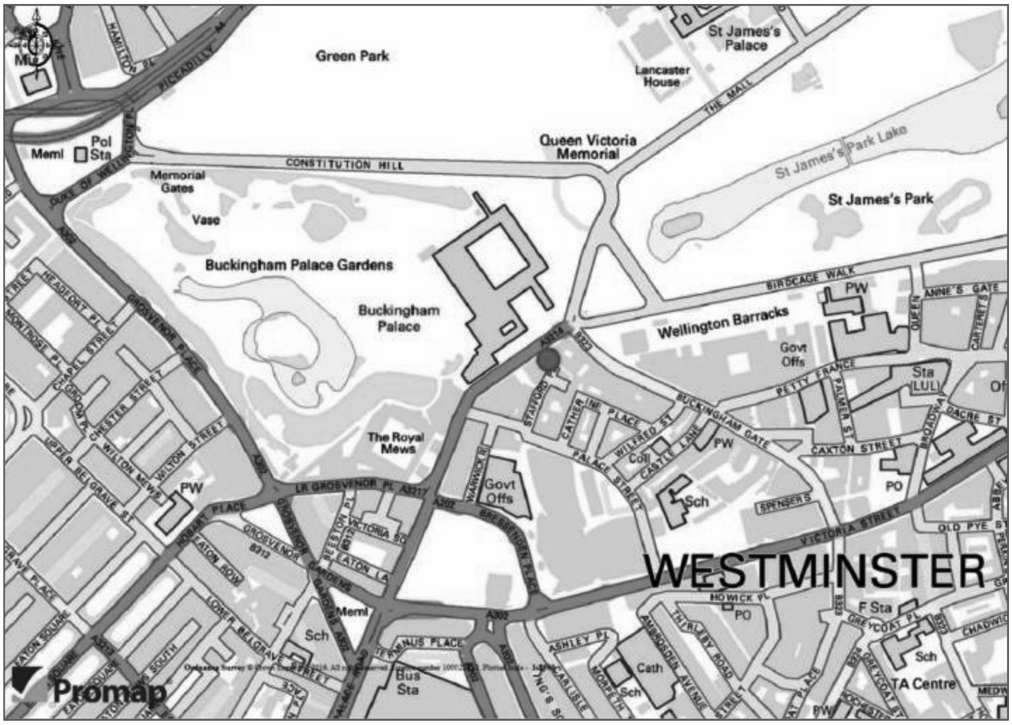
1. 6 Buckingham Gate is held under title number NGL886423;

2. 7 Buckingham Gate is held under title number NGL852473; and

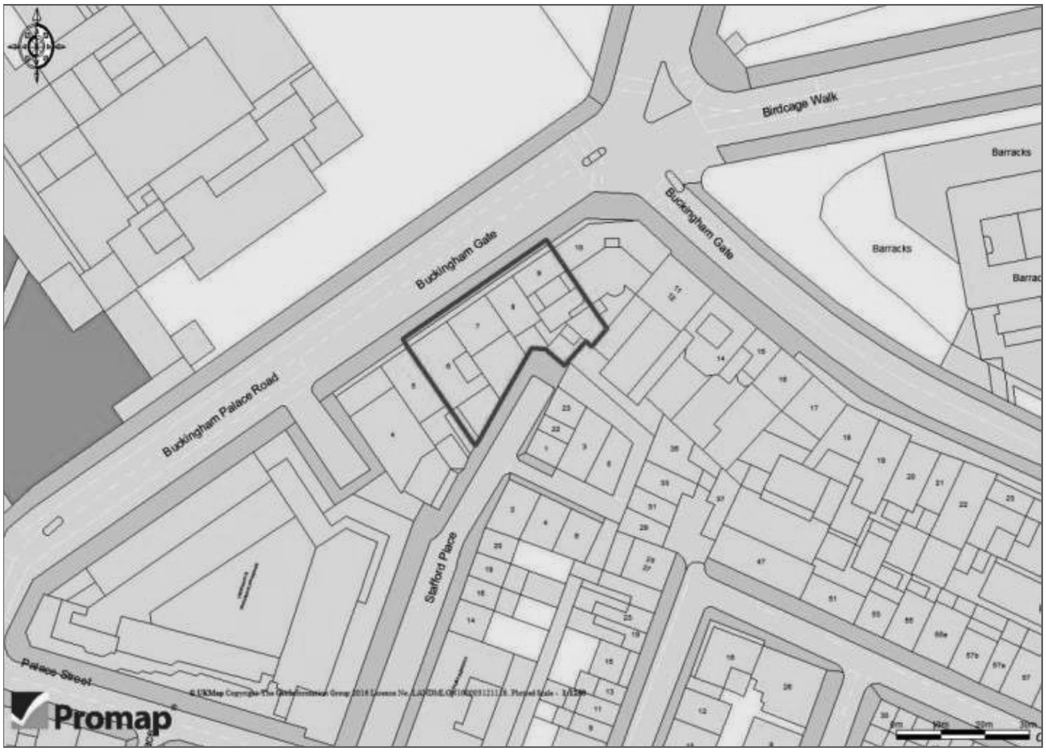
3. 8-9 Buckingham Gate are held under title number NGL852477.

LOCATION PLAN

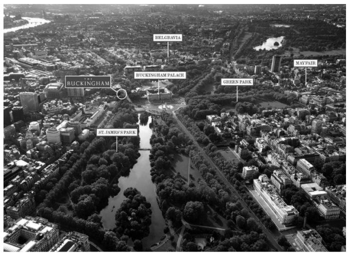
SITUATION PLAN



SITE PLAN


Birdcage Walk
Barracks
Barracks
Buckingham Gate
Buckingham Gate
Buckingham Palace Road
Stafford Place
Palace Street
Promap

PHOTOGRAPHS



Ariel view

Front elevation

Apartment 3 Reception

Apartment 4 – kitchen

Apartment 3 – reception room

House – reception room

DEFINITIONS & RESERVATIONS FOR VALUATIONS

Information

All information supplied by the Client, the Client's staff and professional advisers, local authorities, other statutory bodies, investigation agencies and other stated sources is accepted as being correct unless otherwise specified.

Tenure

Title Deeds and Leases are not inspected (unless specifically stated) and, unless we are informed to the contrary, it is assumed that a property is free of any onerous covenants, easements, other restrictions or liabilities including mortgages, grants and capital allowances which may affect the value.

No responsibility or liability will be accepted for the true interpretation of the legal position of the client or other parties.

Tenants

Tenants' status is investigated only where we are so instructed and so specified in the valuation.

Plans

Any plans supplied are for identification purposes only unless otherwise stated. The valuation assumes site boundaries are as indicated to us. The reproduction of Ordnance Survey sheets has been sanctioned by the Controller of Her Majesty's Stationery Office, Crown Copyright reserved.

Site areas

Site areas are normally computed from plans or the Ordnance Survey and not from a physical site survey. They are approximate unless otherwise indicated.

Floor areas and dimensions

Floor areas and dimensions are taken from inspection unless otherwise specified but are nevertheless approximate. Areas quoted are calculated in accordance with the RICS Professional Statement – RICS Property Measurement 1 edition, May 2015 on the basis agreed with the Client, i.e. adopting either (1) The Code of Measuring Practice, 6th edition published by the Royal Institution of Chartered Surveyors, or (2) The International Property Measurement Standards (IPMS): Office Buildings.

The following bases are those most frequently used under the Code of Measuring Practice, 6th edition:

Net Internal Area – Measured to the internal faces of external walls, excluding toilets, permanent corridors, internal walls and partitions, stairwells, plant rooms etc.

Gross Internal Area – Measured to the internal faces of external walls, including toilets, permanent corridors, internal walls and partitions, stairwells, plant rooms etc.

Gross External Area – Measured to the external faces of external walls, including toilets, permanent corridors, internal walls and partitions, stairwells, plant rooms etc.

The following bases are those used under The International Property Measurement Standards (IPMS): Office Buildings:

IPMS1 – The sum of the areas of each floor level of a building measured to the outer perimeter of external construction features and reported on a floor by floor basis.

IPMS 2 – Office – The sum of the areas of each floor level of an office building measured to the internal dominant face and reported on a component by component basis for each floor of a building.

IPMS 3 – Office – The floor area available on an exclusive basis to an occupier, but excluding standard facilities and calculated on an occupier-by-occupier or floor by floor basis for each building.

Ground conditions

Soil stability, mining and geological reports are not undertaken by us or normally inspected. Unless we are instructed to the contrary, we assume that the ground and any adjoining or nearby areas are not contaminated, that there are no dangerous materials in the vicinity and that it is capable of development without the need for abnormal costs on foundations and services.

Condition of buildings, plant etc

Our inspection of a property does not constitute a structural survey. When preparing our valuation we have regard to apparent defects and wants of repair and take into account the age of the property. We do not however carry out the detailed search for defects which is undertaken as part of the structural survey neither do we necessarily set out the various defects when making the report. We do not inspect woodwork or other parts of the structure which are covered, unexposed or inaccessible. We do not arrange for any investigation to be carried out to determine whether or not high alumina cement concrete or calcium chloride additive or any other deleterious materials or permanent woodwool shuttering or composite panelling has been used in the construction.

Unless so instructed we do not arrange for any investigations to be carried out to determine whether or not any deleterious or hazardous material or techniques have been used in the construction of the property or has since been incorporated and the services are not tested.

We are therefore unable to report that the property is free from defect in these respects.

For valuation purposes we assume unless otherwise stated that the property (including associated plant and machinery, fixtures and fittings) is in serviceable order and will remain so for the foreseeable future. It will be assumed that the building/s is/are in good repair, except for defects specifically noted.

Asbestos regulations

The Control of Asbestos Regulations 2012 came into force on 6 April 2012, updating previous asbestos regulations to take account of the European Commission's view that the UK had not fully implemented the EU Directive on exposure to asbestos (Directive 2009/148/EC). Your legal advisers should enquire as to compliance with these regulations and property owners will need to be able to provide confirmation as to the existence and condition of asbestos.

Fire safety

The Regulatory Reform (Fire Safety) Order 2005 (The Order) replaces previous fire safety legislation including both the Fire Precautions Act 1971 and the Fire Precautions (workplace) Regulation 1997. Consequently any fire certificate issued under the Fire Precautions Act 1971 will cease to have any effect. The Order came into force completely on the 1st April 2006.

The Order applies to the majority of premises and workplaces in England and Wales although does not include people's private homes. It covers general fire precautions and other fire safety duties, which are needed to protect 'relevant persons' in case of fire in and around most 'premises'.

Under the order, anyone who has control in a premises or anyone who has a degree of control over certain areas may be classified as a 'responsible person'. It is thus the duty of such individual to comply with the requirements of the Order and make certain that all measures are taken to ensure the safety of all the people he or she is directly or indirectly responsible for.

The responsible person must then carry out a Fire Risk Assessment. In short this is a five-point process whereby fire hazards must be identified, relevant persons at risk recognised, potential risks reduced, staff training implemented and the whole assessment regularly reviewed. The assessment must pay particular attention to those at special risk such as disabled people, those who have special needs and young persons. Furthermore the responsible person must provide and maintain clear Means of Escape, Signs, Notices, Emergency Lighting, Fire Detection & Alarm and Extinguishers.

This approach is different from previous legislation, as it is now necessary to consider everyone who might be on your premises, whether they are employees, visitors or members of the public.

The Risk Assessment must be regularly reviewed and if necessary amended. Finally if the responsible person employs five or more people, the premises are licensed or the Inspector requires it then the Risk Assessment must be formally recorded.

The Smoke and Carbon Monoxide Alarm (England) Regulations 2015 effective 1 October 2015 require that landlords of residential property must provide (1) a smoke alarm on each storey of the premises on which there is a room used wholly or partly as living accommodation and (2) a carbon monoxide alarm in any room of the premises which is used wholly or partly as living accommodation and contains a solid fuel burning combustion appliance. The landlord has a responsibility to ensure that the detectors are checked and in proper working order.

It is assumed that the property is compliant in regard to the above regulations.

Accessibility

From 1 October 2010, the Equality Act 2010 replaced previous anti-discrimination laws, including the Disability Discrimination Act, with a single Act to make the law simpler and to remove inconsistencies. The Equality Act protects the important rights of disabled people to access everyday facilities and services and to ensure that disabled workers are not disadvantaged.

Our report will contain observations of a general nature on the extent to which we consider that the building would be regarded by the market as complying with the accessibility requirements of the Equality Act. We have not, however, carried out an in-depth study which would be required to reach a formal view.

Energy performance certificates

From 2008 Energy Performance Certificates (EPCs) are required for the sale, rental or construction of commercial buildings. The requirement was phased in over 6 months between 6 April and 1 October 2008. Commercial properties with a useful floor area of more than 10,000 sq. m. were affected from 6 April 2008, those exceeding 2,500 sq. m. had to comply from 1 July 2008 and the remaining properties had to comply from 1 October 2008. An EPC must be provided on the sale, rental or construction (or in some cases modification) subject to transitional arrangements. Non-compliance may lead to sanction under civil legislation, involving a financial penalty.

Our valuation assumes that the property has an Energy Performance Certificate (if required under the Energy Performance of Buildings (Certificates and Inspections) (England and Wales) Regulations 2007) and that the Certificate will be maintained as required.

Services

It is assumed that the services and any associated controls or software, are in working order and free from defect.

Composite panels and insurance

We will not test any panels within the property to see whether there are any polystyrene insulated composite panels. The presence of such panels may result in the property being uninsurable, which would have an adverse impact on value.

Defective Premises Act 1972

Obligations or liabilities or any rights thereunder, whether prospective or accrued, are not reflected in valuations unless actually specified.

Environmental issues

Our valuation report does not, constitute an environmental audit or survey and nothing contained in it should be treated as a statement that there are no contamination or pollution problems relating to the property or confirmation that the property, or any process carried on therein, complies with existing or proposed legislation on environmental matters. If we have been provided with third party reports we have accepted their contents as being correct.

Enquiries

Enquiries of local authorities and statutory undertakers are made verbally in respect of contingent liabilities such as road widening, road charges, redevelopment proposals and the possible effect of any town planning restrictions, and on occasion in respect of rating assessments. Local searches are not undertaken. No responsibility is accepted for any inaccurate information provided.

Generally it is assumed that buildings are constructed and used in accordance with valid Town Planning Consents, Permits, Licences and Building Regulation Approval, with direct access from a publicly maintained highway, that Town Planning Consents do not contain restrictions which may adversely affect the use of a property and that there are no outstanding statutory or other notices in connection with a property or its present or intended use.

It is further assumed unless otherwise stated that all necessary licences, permits etc either run with the property or are transferable to a new occupier as appropriate.

Flooding risk

The valuer will make enquiries concerning flooding risk where it is perceived to be of relevance as published by the Environmental Agency. However we are not qualified to definitively assess the risk of flooding and our valuation will assume no difficulties in this regard. Further, Bilfinger GVA shall not undertake any additional enquiries to confirm this information.

Plant, machinery, fixtures and fitting

Unless otherwise specified, all items normally associated with the valuation of land and buildings are included in our valuations and reinstatement cost assessments, including:–

Fixed space heating, domestic hot water systems, lighting and mains services supplying these, sprinkler systems and associated equipment, water, electricity, gas and steam circuits not serving industrial or commercial processes, sub-station buildings, lifts and permanent structures including crane rails where forming an integral part of the building structure, fixed demountable partitions, suspended ceilings, carpets, drains, sewers and sewerage plants not primarily concerned with treating trade effluent, air conditioning except where part of a computer installation or primarily serving plant and machinery.

Unless otherwise specified, the following items are excluded:–

All items of process plant and machinery, tooling and other equipment not primarily serving the building, cranes, hoists, conveyors, elevators, structures which are ancillary to, or form part of an item of process plant and machinery, sewerage plants primarily concerned with treating trade effluent, air conditioning where part of a computer installation or primarily serving plant and machinery, and water, electricity, gas, steam and compressed air supplies and circuits serving industrial and commercial processes.

Unless otherwise specified, no allowance is made for the cost of repairing any damage caused by the removal from the premises of items of plant, machinery, fixtures and fittings.

In the case of filling stations, hotels and other properties normally sold and valued as operational entities, all items of equipment normally associated with such a property are assumed to be owned and are included within the valuation unless otherwise specified.

Taxation and grants

Value Added Tax, taxation, grants and allowances are not included in capital and rental values as, unless otherwise specified in the report, these are always stated on a basis exclusive of any VAT liability even though VAT will in certain cases be payable.

It is assumed for the purposes of valuation that any potential purchaser is able to reclaim VAT, unless otherwise stated. In particular it should be noted that where a valuation has been made on a Depreciated Replacement Cost basis the Replacement Cost adopted is net of VAT unless otherwise stated.

Unless otherwise specified Bilfinger GVA will not take into account of any existing or potential liabilities arising for capital gains or other taxation or tax reliefs as a result of grants or capital allowances, available to a purchaser of the property.

Market value (MV)

The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.

Market Value provides the same basis as the OMV basis of value supported by the first four editions of the Red Book, but no longer used as a defined term.

Fair value

1. The estimated price for the transfer of an asset or liability between identified knowledgeable and willing parties that reflects the respective interests of those parties (IVS 2013).

2. The price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date (IFRS 13).

Depreciated replacement cost

The current cost of replacing an asset with its modern equivalent asset less deductions for physical deterioration and all relevant forms of obsolescence and optimisation.

Operational entities

The RICS advises that the most appropriate basis of valuation of properties normally sold as operational entities is Market Value as defined above. Such properties include public houses, hotels and other leisure uses, together with nursing homes, residential care homes, private hospital and petrol filling stations.

Our valuations reflect the following:–

a. The market's perception of trading potential with an assumed ability on the part of the purchaser to renew existing licenses, consents, registrations and permits;

b. That the property is offered with vacant possession throughout, although in the case of nursing and residential care homes, subject to the contractual rights of the patients/ residents occupying the home from time to time;

c. That trade fixtures, fittings, furniture, furnishings and equipment are included.

Our valuations also specifically assume, unless otherwise specified that the business will continue to operate at a level not significantly worse than that indicated to us.

Existing use value

The estimated amount for which a property should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing wherein the parties had acted knowledgeably, prudently and without compulsion, assuming that the buyer is granted vacant possession of all parts of the property required by the business and disregarding potential alternative uses and any other characteristics of the property that would cause its Market Value to differ from that needed to replace the remaining service potential at least cost.

Market rent

The estimated amount for which an interest in real property should be leased on the valuation date between a willing lessor and a willing lessee on appropriate lease terms in an arm's-length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.

Insurance

Insurance is usually arranged by clients (or their brokers) based on reinstatement cost assessments or occasionally on an indemnity basis and other methods of valuation are not appropriate.

Reinstatement cost assessment

A Reinstatement cost assessment is our opinion of the likely cost of reinstating all the buildings, normally for insurance purposes, on the basis that:-

a. the accommodation provided will be similar in construction, design and area to the existing buildings;

b. the works will be in compliance with conditions imposed by local Authorities in connection with the construction of the building;

c. unless reported separately, allowances are made to cover the cost of necessary demolition and site clearance prior to rebuilding, external works such as hardstandings, private roadways and fences and professional fees which would normally be incurred.

Unless otherwise stated, the reinstatement cost does not include any allowance for:–

a. any loss of rent incurred during rebuilding;

b. planning restrictions which a planning authority might impose;

c. special foundations required for plant and machinery or due to adverse ground conditions;

d. any plant, machinery, equipment, tanks, loose tools, office furniture and equipment (refer to the heading "Plant, Machinery, Fixtures and Fittings" for details of items normally included);

e. any effect of inflation on building costs occurring after the valuation date;

f. VAT (except on professional fees) which will normally be payable in addition.

Note – A reinstatement cost assessment is not a valuation. The valuer's assessment of the reinstatement cost assessment should be regarded as an informal estimate and should not be used to arrange insurance cover with.

Apportionment of values

Apportionments provided between buildings, land and plant and machinery are normally for depreciation purposes only. In normal circumstances apportionments are not valuations and they should not be used for any other purpose unless specified in our report.

Future useful economic life

Future useful economic life of buildings is normally assessed in bands of years, most frequently subject to a maximum of fifty years. This applies to freehold properties and to leasehold properties where the future life is less than the unexpired term of the lease. An average figure is usually provided for groups of buildings forming a single asset. The figures are appropriate for depreciation purposes only.

Compliance with valuation standards

Where applicable our valuations are in accordance with the RICS Valuation – Professional Standards UK January 2014 (revised April 2015), published by the Royal Institution of Chartered Surveyors ("RICS"), the Insurance Companies (Valuation of Assets) Regulations 1981, the Financial Conduct Authority (FCA) "Listing Rules" ("Source Book") and "City Code on Takeovers and Mergers" ("Blue Book") as amended and revised from time to time. A copy is available for inspection.

RICS investigations

The valuation may be investigated by the RICS for the purposes of the administration of the Institutions conduct and disciplinary regulations. Guidance on the operation of the RICS monitoring scheme including matters relating to confidentiality is available from www.rics.org.

Total valuation

Where provided this is the aggregate of the value of each individual property. It is envisaged that properties would be marketed singly or in groups over an appropriate period of time. If all properties were to be sold as a single lot, the realisation would not necessarily be the same as the total of the valuations. This assumption is not applicable to valuations made for taxation purposes.

Legal issues

Any interpretation of leases and other legal documents and legal assumptions is given in our capacity as Property Consultants (including Chartered Surveyors and Chartered Town Planners) and must be verified by a suitability qualified lawyer if it is to be relied upon. No responsibility or liability is accepted for the true interpretation of the legal position of the client or other parties.

Jurisdiction

In the event of a dispute arising in connection with a valuation, unless expressly agreed otherwise in writing, Bilfinger GVA, the client and any third party using this valuation will submit to the jurisdiction of the British Courts only. This will apply wherever the property or the client is located, or the advice is provided.

Date, market conditions and validity of valuation

Valuations may be relied upon for the stated purpose as at the date specified. In normal market conditions the value may not change materially in the short term. However the property market is constantly changing and is susceptible to many external facets which can affect business confidence. If any reliance is to be placed on the valuation following any changes which could affect business confidence, then further consultation is strongly recommended. In any event, the valuation should not be considered valid after a period of three months.

Valuations and reports

Valuations and Reports are only for the use of the party to whom they are addressed. They may be disclosed only to other professional advisors assisting in respect of that purpose. No responsibility is accepted to any third party for the whole or any part of the contents.

Reports should be considered in their entirety and should only be used within the context of the instructions under which they are prepared.

Neither the whole nor any part of a valuation, report or other document or any reference thereto may be included in any published article, document, circular or statement or published in any way without prior written approval of Bilfinger GVA of the form and context in which it may appear.

Warranties

The client warrants and represents that, to the best of its knowledge, information and belief, the information supplied by and on its behalf to Bilfinger GVA is true and accurate and that it will advise and instruct its third party advisers to advise Bilfinger GVA in the event that it and/ they receive notice that any such information is either misleading or inaccurate.

Updated December 2015

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS

(i) Interest of Directors and chief executives of the Company

As at the Latest Practicable Date, the interests and short positions of each Director and chief executive of the Company in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning in Part XV of the SFO) which were (i) required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he was deemed to have under such provisions of SFO); (ii) required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (iii) required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies as set out in Appendix 10 to the Listing Rules, to be notified to the Company and the Stock Exchange were as follows:

Long positions in the Shares

Name of Director	Capacity	Number of Shares	Percentage of the Company's issued share capital (approximately)
Dr. Liu Hua	Beneficial owner	50,000,000	3.33%

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or the chief executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning in Part XV of the SFO) which were (i) required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he was deemed to have under such provisions of SFO); (ii) required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (iii) required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies as set out in Appendix 10 to the Listing Rules to be notified to the Company and the Stock Exchange.

(ii) Interest of substantial shareholders

So far as is known to the Directors and chief executive of the Company, as at the Latest Practicable Date, the following person (other than the Directors or chief executive of the Company) had interests or short positions in the Shares or the underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or were, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group:

Name of substantial shareholder	Capacity	Number of Shares Long position	Number of Shares Short position	Percentage of the Company's issued share capital (approximately)
Tai He *(Note 1)*	Beneficial owner	871,643,074	–	58.07%
Mr. Chua	Interest of controlled corporation	871,643,074	–	58.07%
China Construction Bank Corporation *(Note 2)*	Interest of controlled corporations	155,000,000	–	10.33%
Central Huijin Investment Ltd. *(Note 2)*	Interest of controlled corporations	155,000,000	–	10.33%
Haitong International Securities Company Limited ("**HTISC**") *(Note 3)*	Beneficial owner	547,194,965	450,000,000	Long position: 36.45% Short position: 29.98%
Haitong International Securities Group Limited ("**HTISG**") *(Note 3)*	Interest of controlled corporations	547,194,965	450,000,000	Long position: 36.45% Short position: 29.98%
Haitong International Holdings Limited ("**HTIH**") *(Note 3)*	Interest of controlled corporations	547,194,965	450,000,000	Long position: 36.45% Short position: 29.98%
Haitong Securities Co., Ltd. ("**HTS**") *(Note 3)*	Interest of controlled corporations	547,194,965	450,000,000	Long position: 36.45% Short position: 29.98%

Notes: 1. As at the Latest Practicable Date, Tai He was wholly-owned by Mr. Chua.

2. Cheer Hope Holdings Limited entered into a subscription agreement dated 28 September 2016 with (among others) the Company, pursuant to which (among other matters) the Company conditionally agreed to grant to Cheer Hope Holdings Limited certain warrants with the right to subscribe for up to 155,000,000 Shares. Details of such warrants are set out in the Company's announcement dated 28 September 2016. As at the Latest Practicable Date, the conditions precedent for the grant of the warrants had not yet been fulfilled or waived and the warrants had not yet been granted. Based on the disclosure of interest notice filed by each of China Construction Bank Corporation and Central Huijin Investment Ltd. on 30 September 2016, Cheer Hope Holdings Limited is a corporation controlled by China Construction Bank Corporation and Central Huijin Investment Ltd., and each of China Construction Bank Corporation and Central Huijin Investment Ltd. Is deemed to be interested in the Shares in which Cheer Hope Holdings Limited is interested by virtue of the SFO.

3. HTISC entered into an underwriting agreement dated 1 September 2016 with (among others) the Company, pursuant to which (among other matters) HTISC has conditionally agreed to underwrite up to 547,194,965 Shares pursuant to the proposed rights issue of the Company. Details of the proposed rights issue of the Company are set out in the Company's announcement dated 2 September 2016 and the Company's circular dated 23 September 2016. As at the Latest Practicable Date, the proposed rights issue had not yet been completed. Based on the disclosure of interest notice filed by each of HTISG, HTIH and HTS on 1 September 2016, each of HTISG, HTIH and HTS is deemed to be interested in the Shares through corporations controlled by each of them by virtue of the SFO.

Save as disclosed above and so far as is known to the Directors and chief executive of the Company, as at the Latest Practicable Date, no person (other than the Directors or chief executive of the Company) had any interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or had directly or indirectly, interest in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group.

3. DISCLOSURE OF OTHER INTERESTS OF THE DIRECTORS

(i) Interests in competing interests

As at the Latest Practicable Date, none of the Directors and their respective close associates was considered to have an interest in any business which competes or is likely to compete or have any other conflict of interest, either directly or indirectly, with the business of the Group.

(ii) Interests in contracts or arrangements

As at the Latest Practicable Date, none of the Directors was materially interested, directly or indirectly, in any subsisting contract or arrangement which was significant in relation to the business of the Enlarged Group.

(iii) Interests in assets

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which had been acquired or disposed of by, or leased to, or which were proposed to be acquired or disposed of by, or leased to, any member of the Enlarged Group since 31 March 2016 (being the date to which the latest published audited consolidated financial statements of the Company were made up).

4. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered, or been proposed to enter, into any service contract with the Company or any other member of the Group which is not expiring or may not be terminable by the Group within one year without payment of compensation (other than statutory compensation).

5. MATERIAL CONTRACTS

The following contracts, not being contracts entered into in the ordinary course of business carried on or intended to be carried on by members of the Enlarged Group in the two years immediately preceeding the Latest Practicable Date which are or may be material.

(i) the deed of termination dated 3 February 2015 and entered into between the Company and Vision Finance in respect of the placing agreement dated 14 September 2014 (as varied pursuant to a deed of variation dated 25 September 2014) entered into between the Company and Vision Finance in relation to the placing of a maximum of 150,000,000 new Shares ("**VF Placing Shares**") together with unlisted warrants to be issued by the Company on the basis of one warrant for every three VF Placing Shares placed by or on behalf of the placing agent;

(ii) the deed of termination dated 3 February 2015 and entered into between Mr. Song Weiping and the Company in respect of the subscription agreement dated 14 September 2014 (as varied pursuant to a deed of variation dated 25 September 2014) entered into between the Company and Mr. Song in relation to the subscription for 825,000,000 new Shares and 275,000,000 unlisted warrants to be issued by the Company on the basis of one warrant for every three new Shares;

(iii) the conditional placing agreement dated 3 February 2015 entered into between the Company and Vision Finance in relation to the placing of a maximum of 420,000,000 new Shares at a placing price of HK$0.56 per Share;

(iv) the conditional subscription agreement dated 3 February 2015 entered into between the Company and Fortune Sea International Investment Company Limited in relation to the subscription for 880,000,000 new Shares at an issue price of HK$0.56 per Share;

(v) the deed of termination dated 29 May 2015 entered into between the Company and Vision Finance in respect of termination of the placing agreement dated 3 February 2015;

(vi) the conditional placing agreement dated 13 June 2015 entered into by the Company and Grand Cartel Securities Company Limited in relation to the placing of a maximum of 205,000,000 new Shares at a placing price of HK$0.88 per Share;

(vii) the conditional placing agreement dated 22 October 2015 entered into between the Company and Vision Finance in relation to the placing of a maximum of 200,000,000 new Shares;

(viii) the two conditional subscription agreements respectively dated 22 October 2015 entered into between the Company and Mr. Zhu Yilong and between the Company and Tai He in relation to the subscriptions for a total of 2,390,000,000 new Shares;

(ix) the termination agreement dated 11 November 2015 entered into between the Company and Vision Finance in relation to the placing agreement dated 22 October 2015;

(x) the two termination agreements respectively dated 11 November 2015 entered into between the Company and Mr. Zhu Yilong and between the Company and Tai He in relation to the termination of the subscription agreements dated 22 October 2015;

(xi) the conditional subscription agreement dated 11 November 2015 entered into between the Company and Tai He in relation to the subscription for a total of 250,180,000 new Shares at a subscription price of HK$0.66 per Share;

(xii) the agreement dated 29 December 2015 entered into between Best Future Investments Limited (a wholly-owned subsidiary of the Company) ("**Best Future**") First Step Securities Limited and Mr. Lo Kwai Sang Dennis in relation to the proposed acquisition of Hui Kai Holdings Limited (the "**December Acquisition**") for a total consideration of up to HK$170 million (subject to adjustment upon completion);

(xiii) the agreement dated 18 January 2016 entered into between Best Future, First Step Securities Limited and Mr. Lo Kwai Sang Dennis to terminate the December Acquisition;

(xiv) the sale and purchase agreement dated 18 January 2016 entered into between Best Future and Hui Kai Holdings Limited in respect of the acquisition of Hui Kai Futures, Hui Kai Asset Management and Easy Wining at a total consideration of up to HK$56 million (subject to adjustments upon completion);

(xv) the call option deed dated 18 January 2016 entered into between First Step Securities Limited, Mr. Lo Kwai Sang Dennis and Best Future in respect of the grant of the call option at a premium of HK$1 to purchase the entire equity interest in Hui Kai Holdings Limited at a total consideration of not more than HK$135 million (subject to adjustments upon completion);

(xvi) the agreement dated 3 March 2016 entered into between the Company and Tai He in respect of an unsecured and revolving loan facility of up to HK$1,000 million granted by Tai He to the Group;

(xvii) the agreement dated 28 April 2016 entered into between the Company and Tai He in respect of an unsecured and revolving loan facility of up to HK$2,000 million granted by Tai He to the Group;

(xviii) the conditional subscription agreement dated 18 July 2016 entered into between the Company and Hua Lien in relation to the subscription of 3,700,000,000 shares of Hua Lien at a total consideration of HK$592 million;

(xix) the conditional placing agreement dated 18 July 2016 entered into between Hua Lien and AM Capital Limited in relation to the placing of a maximum of 800,000,000 new shares of Hua Lien on a fully underwritten basis at a placing price of HK$0.16 per Share;

(xx) the deeds of amendment dated 18 July 2016 entered into between Hua Lien and COMPLANT International Sugar Industry Co., Ltd. ("**COMPLANT**") in respect of the amendments to the two tranches of non-interest bearing convertible notes in the aggregate outstanding amount of HK$533,700,000 issued by Hua Lien to COMPLANT;

(xxi) the Exclusivity Agreement;

(xxii) the underwriting agreement dated 1 September 2016 and entered into between the Company, HTISC and TAI Capital LLC in relation to the proposed issue of 3,002,184,872 rights shares at a subscription price of HK$1.00 per rights share on the basis of two rights shares for every one existing Share held on the record date;

(xxiii) the Acquisition Agreement; and

(xxiv) the subscription agreement dated 28 September 2016 and entered into between the Company, Mr. Chua, Tai He, Tai Infinite, Cheer Hope Holdings Limited, Haitong International Investment Fund SPC (acting on behalf of and for the account of Haitong International Investment Fund SPC – Fund I SP) and Songhua Investment Holding Limited in relation to the issue by the Company of the 5% redeemable fixed coupon guaranteed, secured and unsubordinated notes in the total principal amount of up to US$180,000,000, and the grant of up to 279,000,000 unlisted warrants by the Company.

6. LITIGATION

As at the Latest Practicable Date, there was no litigation or claim of material importance known to the Directors to be pending or threatened against any members of the Enlarged Group.

7 QUALIFICATION AND CONSENT OF EXPERTS

The following is the qualification of the experts who have given opinions or advice contained in this circular:

Name	Qualification
Deloitte Touche Tohmatsu	Certified Public Accountants
Grant Thornton Hong Kong Limited	Certified Public Accountants
GVA Grimley Limited	Chartered Surveyors

Each of the above experts has given and has not withdrawn its written consent to the issue of this circular with the inclusion herein of its report and/or opinion (as the case may be) and reference to its name in the form and context in which they appear.

As at the Latest Practicable date, each of the above experts did not have any shareholding, directly or indirectly, in any member of the Enlarged Group or any right or option (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for any securities in any member of the Enlarged Group.

As at the Latest Practicable Date, each of the above experts did not have any direct or indirect interest in any assets which had been, since 31 March 2016, the date of which the latest published audited consolidated financial statements of the Company were made up, acquired or disposed of by, or leased to, or are proposed to be acquired or disposed of by, or leased to, any members of the Enlarged Group.

8. GENERAL

(i) The registered office of the Company is Clarendon House, 2 Church Street, Hamilton HM11, Bermuda. The head office and principal place of business in Hong Kong of the Company is Suite 1206-1209, 12th Floor, Three Pacific Place, 1 Queen’s Road East, Hong Kong.

(ii) The branch share registrar and transfer office of the Company is Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong.

(iii) The company secretary of the Company is Mr. Cheng Sik Kong, who is a member of the Hong Kong Institute of Certified Public Accountants and a fellow member of the Association of Chartered Certified Accountants.

(iv) The English text of this circular shall prevail over the Chinese translation in the case of inconsistency.

9. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection (i) during normal business hours from 9:00 a.m. to 5:00 p.m. (other than Saturdays, Sundays and public holidays) at the principal place of business of the Company in Hong Kong at Suite 1206-1209, 12th Floor, Three Pacific Place, 1 Queen's Road East, Hong Kong; and (ii) on the website of the Company (http://www.irasia.com/listco/hk/taiunited/index.htm) during the period from the date of this circular up to the date of the SGM:

(i) the memorandum of association and bye-laws of the Company;

(ii) the annual reports of the Group for the two years ended 31 March 2015 and 31 March 2016;

(iii) the accountants' report on the financial information of the MRB Group for the three years ended 30 September 2015 and the eleven months ended 31 August 2016 issued by Grant Thornton Hong Kong Limited, the text of which is set out in Appendix II to this circular;

(iv) the accountants' report on the financial information of RCBG for the three years ended 29 February 2016 and the six months ended 31 August 2016 issued by Deloitte Touche Tohmatsu, the text of which is set out in Appendix III to this circular;

(v) the report on the unaudited pro forma financial information of the Group issued by Deloitte Touche Tohmatsu, the text of which is set out in Appendix IV to this circular;

(vi) the valuation report on the Properties issued by the Independent Valuer, the text of which is set out in Appendix V to this circular;

(vii) the material contracts referred to under the paragraph headed "5. Material Contracts" in this appendix;

(viii) the written consents referred to in the paragraph headed "7. Qualification and Consent of Experts" in this appendix; and

(ix) this circular.

太和控股有限公司
TAI UNITED HOLDINGS LIMITED
(incorporated in Bermuda with limited liability)
(Stock code: 718)

NOTICE IS HEREBY GIVEN that a special general meeting (the "**SGM**") of Tai United Holdings Limited (the "**Company**") will be held at 11:00 a.m. on 3 November 2016 at Unit 810, L8, Core F, Cyberport 3, 100 Cyberport Road, Hong Kong, for the purpose of considering and, if thought fit, passing with or without modification, the following resolution as an ordinary resolution of the Company:

Unless otherwise indicated, capitalised terms used herein shall have the same meanings as those defined in the circular of the Company dated 18 October 2016.

ORDINARY RESOLUTION

"**THAT**

(a) the Acquisition Agreement dated 24 September 2016 and entered into between the Purchaser (an indirect wholly-owned subsidiary of the Company) and the Vendors (a copy of the Acquisition Agreement has been produced to the SGM and marked "A" and initialed by the Chairman of the SGM for the purpose of identification) with respect to the acquisition of the Sale Shares and the assignment of the Sale Loans for an estimated aggregate consideration of GBP112,202,150 (subject to adjustments pursuant to the terms and conditions of the Acquisition Agreement), and all the transactions contemplated thereunder, be and are hereby approved, confirmed and ratified; and

(b) any one of the Directors be and is hereby authorised to do all such acts and things and sign, agree, ratify or execute all such documents or instrument under hand (or where required, under the common seal of the Company together with such other Director or person authorised by the Board) and take all such steps as the Director in his discretion may consider necessary, appropriate, desirable or expedient to implement, give effect to or in connection with the Acquisition Agreement and any of the transactions contemplated thereunder and to agree to such variations, amendments or waivers of matters relating thereto as are, in the opinion of such Director, in the interest of the Company."

By Order of the Board
Tai United Holdings Limited
Dr. Meng Zhaoyi
Chairman and chief executive officer

Hong Kong, 18 October 2016

Registered Office:
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Head Office and Principal Place of Business in Hong Kong:
Suite 1206-1209, 12th Floor
Three Pacific Place
1 Queen's Road East
Hong Kong

Notes:

(1) Any member of the Company entitled to attend and vote at the above meeting is entitled to appoint one or more proxies to attend or vote instead of him/her. A proxy need not be a member of the Company. A member who is the holder of two or more shares of the Company may appoint more than one proxy to represent him/her to attend and vote on his/her behalf. If more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed.

(2) To be effective, the form of proxy and the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of such power or authority, must be lodged with the Company's branch share registrar in Hong Kong, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.

(3) In the case of joint holders of a share, any one of such joint holders may vote at the SGM, either in person or by proxy, in respect of such share as if he/she were solely entitled thereto. But if more than one of such joint holders are present at the SGM, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. For this purpose, seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.

(4) As at the date of this notice, the Board comprises Dr. Meng Zhaoyi, Dr. Liu Hua, Mr. Hu Yebi, Mr. Chen Weisong and Mr. Xu Ke as executive Directors and Mr. Mao Kangfu, Dr. Gao Bin and Ms. Liu Yan as independent non-executive Directors.

(5) In case of any inconsistency, the English version of this notice shall prevail over the Chinese version.