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)

MAJOR TRANSACTION IN RELATION TO THE ACQUISITION OF THE ENTIRE EQUITY INTERESTS IN LEON PROPERTY LIMITED

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.

The Company has obtained written Shareholders' approval for the Acquisition pursuant to Rule 14.44 of the Listing Rules from Tai He and TAI Capital who form a closely allied group of Shareholders and together hold more than 50% of the issued Shares giving the right to attend and vote at a general meeting. Accordingly, no Shareholders' meeting will be held to approve the Acquisition pursuant to Rule 14.44 of the Listing Rule. This circular is being despatched to the Shareholders for information only.

25 January 2017

CONTENTS

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

"Acquisition"	the acquisition of the Sale Shares by the Purchaser from the Vendor pursuant to the terms and condition of the Acquisition Agreement
"Acquisition Agreement"	the sale and purchase agreement dated 24 November 2016 entered into among the Purchaser and the Vendor in relation to the Acquisition
"Announcement"	the announcement of the Company dated 25 November 2016 in relation to the Acquisition
"Board"	the board of the Directors
"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
"Business Update Announcement"	the announcement of the Company dated 26 October 2016
"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 Date"	the third Business Days of the date on which all conditions precedent are fulfilled (or such later date as agreed by the Purchaser and the Vendor)
"connected person(s)"	has the meaning ascribed thereto under the Listing Rules
"Consideration"	the consideration for the Sale Shares under the Acquisition Agreement
"controlling shareholder"	has the meaning ascribed thereto under the Listing Rules
"Director(s)"	the director(s) of the Company
"Enlarged Group"	the Group upon Completion
"Final Completion Accounts"	the balance sheet and a statement of NAV of the Target as at Completion Date, which will be agreed between the Purchaser and the Vendor following Completion
"Group"	the Company and its subsidiaries

"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"Hui Kai"	Hui Kai Holdings Limited
"IFRSs"	the International Financial Reporting Standards
"Latest Practicable Date"	24 January 2017, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"London Property Acquisition"	acquisition of the entire issued shares of MRB Residential Holdings Limited and RCBG Residential (UK) Limited, which together holds 100% interest in the freehold properties situated at no. 6 to 9 Buckingham Gate, London, through its subsidiary, details of which are set out in the circular dated 18 October 2016
"NAV"	the aggregate amount of the assets of the Target less the aggregate amount of the liabilities of the Target as at Completion
"Notes"	the 5% redeemable fixed coupon guaranteed, secured and unsubordinated notes issued by the Company on 30 September 2016
"Property"	10 Hammersmith Grove, a commercial property of approximately 11,402.8 sqm
"Purchaser"	Wide Flourish Investments Limited, a company incorporated in the British Virgin Islands with limited liability
"Sale Shares"	the entire issued share capital of the Target
"Share(s)"	share(s) of HK$0.05 each in the share capital of the Company
"Shareholder(s)"	holder(s) of the Share(s)
"Shareholder's Loans"	outstanding amount of loans owing from the Target to the Vendor
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"TAI Capital"	TAI Capital LLC, a company incorporated in the Cayman Islands with limited liability which is wholly owned by Mr. Chua Hwa Por, and one of the controlling shareholders

"Tai He"	Tai He Financial Group Limited, a company incorporated in the Cayman Islands with limited liability which is wholly owned by Mr. Chua Hwa Por, and one of the controlling shareholders
"Target"	Leon Property Limited
"United Kingdom"	the United Kingdom of Great Britain and Northern Ireland
"Vendor"	Leon Property Holdings Limited
"GBP"	British Pound Sterling, the lawful currency of the United Kingdom
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"sq.ft"	square feet
"%"	per cent.

For ease of reference and unless otherwise specified in this circular, sums in HK$ and GBP herein is translated at the rate GBP1.0 = HK$10.0. This does not mean that HK$ could be converted into GBP, or vice versa, based on such exchange rate.

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)*
Mr. Xu Ke
Mr. Ye Fei
Dr. Liu Hua
Mr. Chen Weisong
Mr. Wang Qiang

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

25 January 2017

To the Shareholders

Dear Sir or Madam,

MAJOR TRANSACTION IN RELATION TO THE ACQUISITION OF THE ENTIRE EQUITY INTEREST IN TARGET

INTRODUCTION

Reference is made to the Announcement. On 24 November 2016 (Hong Kong time), the Purchaser (an indirect wholly-owned subsidiary of the Company) and the Vendor entered into the Acquisition Agreement, pursuant to which the Purchaser has conditionally agreed to purchase, and the Vendor has conditionally agreed to sell, the Sale Shares, for a cash consideration equivalent to the NAV of the Target as shown in the Final Completion Accounts. Pursuant to the Acquisition Agreement, the Purchaser shall also repay the Shareholder's Loan to the Vendor at Completion. Accordingly, the total consideration payable by the Purchaser to the Vendor is approximately GBP44.7 million (equivalent to approximately HK$447 million), being the sum of the unaudited NAV of the Target and the unaudited Shareholder's Loan as shown on the Final Completion Accounts which amounted to GBP15.8 million (equivalent to approximately HK$158 million) and GBP28.9 million (equivalent to approximately HK$289 million), respectively.

The purpose of this circular is to provide you with (i) further details of the Acquisition Agreement, (ii) further information on the Target Group and the Property, (iii) unaudited pro forma financial information of the Enlarged Group, (iv) valuation report of the Property, and (v) other information as required under the Listing Rules.

THE ACQUISITION AGREEMENT

Date	:	24 November 2016
Parties	:	(i) Purchaser: Wide Flourish Investments Limited, an indirect wholly-owned subsidiary of the Company
		(ii) Vendor: Leon Property Holdings Limited, a wholly-owned subsidiary of Brockton Capital Fund III L.P

The Vendor is an investment holding company indirectly held by Brockton Capital Fund III L.P. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Vendor and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

Assets to be acquired

The assets to be acquired comprise the Sale Shares.

The Sale Shares represent the entire equity interest in the Target.

The principal asset of the Target is the Property, details of which are set out in the paragraph headed "Information on the Target" below.

Consideration

Under the Acquisition Agreement, the total consideration payable to the Vendor is equivalent to the sum of the NAV of the Target (with the Property being valued at GBP103,500,000 (equivalent to approximately HK$1,035 million) and the Shareholder's Loan as shown on the Final Completion Accounts. The total consideration shall be settled in cash within three Business Days following the date of the Final Completion Accounts. On 22 December 2016, the Completion took place, and the total consideration (after taking into account the deposit of GBP5 million paid by the Purchaser on the date of the Acquisition Agreement) paid by the Purchaser to the Vendor amounted to GBP44.7 million (equivalent to approximately HK$447 million), being the sum of the NAV of the Target as at Completion Date of GBP15.8 million (equivalent to approximately HK$158 million) and the Shareholder's Loan as at Completion Date of GBP28.9 million (equivalent to approximately HK$289 million) which had been repaid to the Vendor by the Purchaser at Completion.

The Consideration was determined based on arm's length negotiations between the Purchaser and the Vendor having taken into account the NAV, with the Property being valued at GBP103,500,000 (equivalent to approximately HK$1,035 million), the Shareholder's Loan to be settled by the Purchaser and the potential capital gain of the Property in view of the prospects of London's property market.

Conditions precedent

Completion is conditional upon fulfillment of the conditions set out below:

(i) the Company having obtained the Shareholders' approval of the relevant resolution on the Acquisition Agreement and the transactions contemplated thereunder under the Listing Rules; and

(ii) The Royal Bank of Scotland plc having granted its consent to the transactions contemplated under the Acquisition Agreement in a form and substance reasonably satisfactory to the Purchaser and the Vendor.

If the conditions precedent are not satisfied on or before 31 January 2017, the Acquisition Agreement 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

As all the conditions precedent had been fulfilled, the Completion took place on 22 December 2016.

Upon Completion, the Target has become an indirect wholly-owned subsidiary of the Company and its financial results are consolidated into the financial statements of the Enlarged Group.

INFORMATION ON THE TARGET

The Target was incorporated in Guernsey on 2 March 2016 and its principal asset is the Property. The audited consolidated financial information of the Target from 2 March 2016 (date of incorporation of the Target) to 30 September 2016 is set out in Appendix II to this circular.

As at 30 September 2016, the fair value of the Property was approximately GBP103,500,000 (equivalent to approximately HK$1,035,000,000). A valuation report of the Property as prepared by independent professional valuer has been included in this circular.

Property

The Property, namely 10 Hammersmith Grove, is a commercial building constructed in 2013, situated in Hammersmith, the west of London. The Property comprises an internal area of 122,744 sq.ft accommodating high quality offices and restaurants of six tenants including but not limited to Philip Morris, Fox, UKTV, Accor, etc. The annual gross rental of the Property amounted to GBP5.6 million (equivalent to approximately HK$56,000,000). The tenancy agreements entered into with the prominent tenants named above last for 10 years to 20 years, of which the longest one will expire in May 2029.

REASONS FOR THE ACQUISITION

The Group is principally engaged in (i) real estate investment; (ii) distressed assets investment and management; (iii) provision of financial services; and (iv) trading of commodities, securities and medical equipment. The major development of each business segment of the Group was set out in the Business Update Announcement.

As disclosed in the Business Update Announcement, the Company intended to develop real estate investment business by establishing a portfolio of quality commercial (including hospitality) and residential properties located in the major cities of the United Kingdom and other countries with a target portfolio size ranging from GBP1.0 billion to GBP2.0 billion, and had entered into negotiations with potential vendors in respect of certain real estate investment proposals including, among others, potential investments in two commercial properties situated in London amounting to approximately HK$241 million and HK$1.2 billion respectively.

Subsequent to the publication of the Business Update Announcement, one of the real estate investment proposals mentioned above had materialised as the Acquisition. Together with the London Property Acquisition completed on 4 November 2016 (details of which are set out in the circular dated 18 October 2016), the Board believes that the Acquisition would further enhance the Group's portfolio of investment property and generate a steady and promising rental income to the Group. The Board is of the view that the Acquisition is in the interest of the Company and the Shareholders as a whole. Details of the business review of the Group as set out in Appendix I to this circular.

The Company intends to finance the Acquisition by way of mortgage loans and/or internal resources. The Group may consider to conduct other equity fund raising activities including but not limited to placing, rights issue, etc should further funding needs for the potential investments or business developments of the Group arise.

LISTING RULES IMPLICATION

As one or more of the applicable percentage ratios (as defined under Chapter 14 of the Listing Rules) in respect of the Acquisition, when aggregated with the London Property Acquisition completed on 4 November 2016, are more than 25% but less than 100%, the Acquisition constitutes a major transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the Shareholders' approval requirement under the Listing Rules.

As at the date of the Announcement, Tai He and TAI Capital, both being wholly owned by Mr. Chua Hwa Por, in aggregate owned 3,212,880,742 Shares, representing approximately 71.35% of the issued share capital of the Company. As none of the Shareholders had a material interest in the Acquisition and none of them would be required to abstain from voting if the Company were to convene a special general meeting to approve the Acquisition, the Company has obtained the written approval from Tai He and TAI Capital for approving the Acquisition under Rule 14.44 of the Listing Rules. As such, no special general meeting of the Company will be convened by the Company to approve the Acquisition.

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 and chief executive officer

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 of the close of business on 30 November 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$3,286 million.

Bank borrowings

The total carrying amounts of the Enlarged Group's outstanding bank borrowings as at 30 November 2016 were approximately HK$1,605 million. Except for the bank borrowing with carrying amount of HK$498 million was guaranteed by the ultimate holding company of the Company, the remaining bank borrowings with carrying amount of HK$1,107 million were unguaranteed. The bank borrowings were secured by i) office premises owned by the ultimate holding company ii) investment properties, bank deposits, insurance proceeds and together with a floating charge over all the assets of certain subsidiaries of the Group and iii) investment property and pledged bank deposits together with a floating charge over all the assets of the Target.

Loan notes

The total carrying amounts of the Group's outstanding loan notes as at 30 November 2016 were approximately HK$1,383 million. The loan notes were guaranteed by the ultimate holding company, Mr. Chua Hwa Por and his wholly-owned company and secured by all the equity shares of two wholly-owned subsidiaries of the Company.

Amount due to ultimate holding company

The total carrying amounts of the Group's outstanding amount due to its ultimate holding company as at 30 November 2016 were approximately HK$17 million and it was unguaranteed and unsecured.

Loans from immediate holding company

The total carrying amounts of the Target's outstanding loans from its immediate holding company as at 30 November 2016 were approximately HK$281 million and they were unguaranteed and unsecured.

At the close of business on 30 November 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

Save for the disclosures made in the profit warning announcement of the Company dated 22 November 2016, 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. BUSINESS REVIEW OF THE GROUP

The Group was principally engaged in (i) real estate investment; (ii) distressed assets investment and management; (iii) provision of financial services; and (iv) trading of commodities, securities and medical equipment.

Set out below are latest development of the Company's businesses:

Real estate investment

On 4 November 2016, the Company acquired a residential luxury property project in London for a consideration of approximately GBP112,202,150 (equivalent to approximately HK$1,155,682,145) subject to adjustments upon completion. Details of this acquisition are set out in the Company's circular dated 18 October 2016.

As disclosed in the Business Update Announcement, the Company intends to develop the real estate investment business by establishing a portfolio of quality commercial (including hospitality) and residential properties located in the major cities of the United Kingdom and other countries with a target portfolio size ranging from GBP1.0 billion to GBP2.0 billion. The Board expects that the real estate investment business will generate rental income for the Group, which may benefit from capital appreciation as well.

On 24 November 2016, the Group entered into the Acquisition, details of which are set out in this circular.

In addition to the aforesaid, as at the Latest Practicable Date, the Company is exploring various possible real estate investments in the United Kingdom amounting to approximately HK$2 billion to HK$3 billion, which is expected to be funded by the Notes, the Facilities and other possible debt or equity financing from banks or other investors.

Should any of the acquisitions materialise, further announcement(s) will be made by the Company in accordance with the applicable requirements of the Listing Rules as and when appropriate.

Distressed assets investment and management

The Group has been actively enhancing its distressed assets portfolio by bidding quality distressed loans with property collaterals including land use rights, and titles of the residential, industrial or commercial buildings with a view to capturing the potential upside of the investments by realization of the underlying collaterals.

As at 30 September 2016, the fair value of the distressed loan investment portfolio of the Group amounted to approximately HK$433 million, which included:

(i) non-performing debts pledged with a list of 16 properties located in Shaoxing acquired by the Company in April 2016, with a fair value of HK$121.3 million as at 30 September 2016 ("**April Acquisition**");

(ii) another non-performing debts pledged with a list of land use rights and 43 properties located in Shaoxing acquired by the Company in August 2016, with a fair value of HK$249.6 million as at 30 September 2016 (the "**August Acquisition**"); and

(iii) other non-performing debts pledged with certain land use rights, commercial, residential and industrial properties as acquired by the Company in April 2016, with a fair value of approximately HK$62.4 million). Details of the April Acquisition and the August Acquisition were set out in the announcement of the Company dated 12 April 2016 and 12 August 2016, respectively.

On 19 November 2016, the Group further entered into the acquisition of the distressed assets comprising a hotel facility in Hangzhou, details of which are set out in the Company's announcement dated 21 November 2016.

In addition to the above, the Group is also exploring other investment opportunities in respect of other distressed assets including but not limited to residential or commercial properties and listed securities on the Shenzhen Stock Exchange or Shanghai Stock Exchange.

Financial services business

On 24 October 2016, the Company acquired Hui Kai, which through its wholly-owned subsidiaries, carry out money lending business and licensed activities including trading and brokerage of securities and futures contracts with type 1 and 2 licences respectively under the Securities and Futures Ordinance (the "**SFO**") and asset management with type 9 licence under the SFO, for an aggregate consideration of up to HK$176 million.

In addition to the aforesaid acquisition, the Company is also negotiating with several potential parties and studying the merits of certain potential acquisitions and business proposals as follows:

- a possible acquisition of a licensed financial services company in Hong Kong which is expected to be funded by the Notes, the Group's internal resources and other possible funding raising including debt or equity financing from banks or other investors;

- a possible investment in an insurance company in Hong Kong which is expected to be funded by the Notes, the Group's internal resources and other possible funding raising including debt or equity financing from banks or other investors; and

- a possible setup of financial services companies in the PRC with an initial capital requirement of approximately HK$500 million to HK$1 billion, which is expected to be funded by the Group's internal resources and other possible funding raising including debt or equity financing from banks or other investors.

Should any of the aforesaid acquisitions or proposals materialise, further announcement(s) will be made by the Company in accordance with the applicable requirements of the Listing Rules as and when appropriate.

Trading business

Commodities trading

The Company commenced the commodity trading in late 2015, with a trading portfolio including but not limited to petroleum, crude oil, and precious metals such as copper, nickel and aluminum. For the six months ended 30 September 2016, the revenue generated from commodities trading was approximately HK$2,590 million.

On 30 September 2016, the Company obtained additional funding of US$180 million (equivalent to approximately HK$1,395 million) by issuance of 5% redeemable notes (the "**Notes**"). As disclosed in the Company's announcements dated 29 September 2016 and 30 September 2016, the Company intends to apply the net proceeds of approximately HK$388 million out of the net proceeds of approximately HK$1,379 million for enhancement of the securities and commodities trading businesses of the Group.

Securities

In view of the leading position and prosperity of Hong Kong and the PRC stock markets, the Company commenced the securities trading business in early 2016. It targets to carry out investments in quality or blue-chip stocks with large market capitalization and stable dividend income on the Stock Exchange (aka HKSE), Shanghai Stock Exchange ("**SSE**") or Shenzhen Stock Exchange with an investment objective to seize capital gain and dividend income. 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 September 2016, the financial assets held by the Group for trading amounted to approximately HK1,303 million. The top five stocks of the portfolio as at 30 September 2016 included Citic Securities Company Limited, Orient Securities Company Limited, Haitong Securities Company Limited, and China Merchants Securities Company Limited, all of which are listed on SSE, and Haitong Securities Company Limited listed on HKSE, which together amounted to approximately 98.2% of the aggregate size of the portfolio.

Medical equipment

The medical equipment trading sector picks up steadily since commencement of business in October 2014. 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. For the six months ended 30 September 2016, revenue generated from this segment reached approximately HK$12.1 million representing almost full-year revenue generated in last financial year.

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.

Hua Lien Acquisition

As disclosed in the Company's announcement dated 21 July 2016, the Group entered into an agreement with Hua Lien International (Holding) Company Limited ("**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.

As set out in the Company's announcement dated 30 November 2016, having regard to the business and operational position of Hua Lien as shown in the interim report of Hua Lien for the six months ended 30 June 2016, the Company was in negotiation with the other parties involved in the share subscription (including Mr. Hu Yebi, an ex-director of the Company and a party considered to be acting in concert with the Company for the purpose of the subscription agreement) to amend certain terms of the subscription agreement, although it was proposed that the issue price of the subscription shares would remain unchanged.

As at the Latest Practicable Date, the negotiation was still on-going and further announcement(s) would be made as and when appropriate. Compliance with the relevant disclosure and approval requirements under the Listing Rules and the Code on Takeovers and Mergers will be made by the Company on the outcome of the negotiation and details of any amendments to the transaction terms.

1. ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF TAI UNITED HOLDINGS LIMITED

Deloitte. 德勤

ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF TAI UNITED HOLDINGS LIMITED

Introduction

We report on the historical financial information of Leon Property Limited (the "Company") (formerly known as Leon Holdings Limited) set out on pages II-3 to II-31, which comprises the statement of financial position as at 30 September 2016, and the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the period from 2 March 2016 (date of incorporation) to 30 September 2016 (the "Relevant Period") and a summary of significant accounting policies and other explanatory information (together, the "Historical Financial Information"). The Historical Financial Information set out on pages II-3 to II-31 forms an integral part of this report, which has been prepared for inclusion in the circular of Tai United Holdings Limited ("Tai United") dated 25 January 2017 (the "Circular") in connection with the acquisition of the entire equity interests in the Company which legally held 100% interest of a property located at 10 Hammersmith Grove, London, W6, United Kingdom ("UK") ("Acquisition").

Directors' responsibility for the Historical Financial Information

The directors of the Company are responsible for the preparation of Historical Financial Information that gives a true and fair view in accordance with the basis of preparation and presentation set out in Note 1 to the Historical Financial Information, and for such internal control as the directors determine is necessary to enable the preparation of Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Reporting accountants' responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200 *Accountants' Reports on Historical Financial Information in Investment Circulars* issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants' judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity's preparation of Historical Financial Information that give a true and fair view in accordance with the basis of preparation and presentation set out in Note 1 to the Historical Financial Information in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the Historical 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 the Historical Financial Information gives, for the purposes of the accountants' report, a true and fair view of the Company's financial position as at 30 September 2016 and of the Company's financial performance and cash flows for the Relevant Period in accordance with the basis of preparation and presentation set out in Note 1 to the Historical Financial Information.

Report on matters under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Companies (Winding Up and Miscellaneous Provisions) Ordinance

Adjustments

In preparing the Historical Financial Information no adjustments to the Underlying Financial Statements as defined on page II-3 have been made.

Dividends

We refer to Note 11 to the Historical Financial Information which states that no dividends have been paid by the Company in respect of the Relevant Period.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
25 January 2017

HISTORICAL FINANCIAL INFORMATION OF THE COMPANY

Preparation of Historical Financial Information

Set out below is the Historical Financial Information which forms an integral part of this accountants' report.

The financial statements of the Company for the Relevant Period, on which the Historical Financial Information is based, have been prepared in accordance with the accounting policies which conform with International Financial Reporting Standards ("IFRS") issued by International Accounting Standard Board and were audited by us in accordance with Hong Kong Standards on Auditing issued by the HKICPA ("Underlying Financial Statements").

No statutory audited financial statements have been prepared for the Company since its date of incorporation as its first financial statements are not yet due to be issued. Furthermore, in accordance with section 256 of the Companies (Guernsey) Law 2008, a waiver resolution of exempting the Company from having its accounts audited for its first coming financial year or for any subsequent financial year ends has been passed on 7 March 2016 and the shareholder of the Company has not required the Company to obtain an audit of its accounts.

The Historical Financial Information is presented in Great British Pound ("GBP").

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE PERIOD FROM 2 MARCH 2016 (DATE OF INCORPORATION) TO 30 SEPTEMBER 2016

	NOTES	*GBP*
Revenue	*6*	1,191,918
Property expenses		(66,624)
Gross profit		1,125,294
Interest income		3,767
Change in fair value of the investment property	*13*	15,090,629
Change in fair value of derivative financial instrument		(21,212)
Administrative expenses		(935)
Finance costs	*7*	(478,678)
Profit before tax		15,718,865
Income tax expense	*8*	(125,647)
Profit and total comprehensive income for the period	*9*	15,593,218

STATEMENT OF FINANCIAL POSITION
AT 30 SEPTEMBER 2016

	NOTES	*GBP*
NON-CURRENT ASSETS		
Investment property	*13*	103,500,000
Derivative financial instrument	*14*	5,386
Pledged bank deposit	*17*	13,333
		103,518,719
CURRENT ASSETS		
Rental receivables	*15*	3,410
Other receivables	*16*	380,834
Bank balances and cash	*17*	59,284,719
		59,668,963
CURRENT LIABILITIES		
Trade payables	*18*	26,098
Accruals and other payables	*19*	490,363
Loans from immediate holding company	*20*	87,771,560
Income tax payable		125,647
		88,413,668
NET CURRENT LIABILITIES		(28,744,705)
TOTAL ASSETS LESS CURRENT LIABILITIES		74,774,014
NON-CURRENT LIABILITY		
Secured bank borrowing	*21*	59,180,795
NET ASSETS		15,593,219
CAPITAL AND RESERVE		
Share capital	*22*	1
Accumulated profit		15,593,218
TOTAL EQUITY		15,593,219

STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD FROM 2 MARCH 2016 (DATE OF INCORPORATION) TO 30 SEPTEMBER 2016

	Share capital	**Accumulated profit**	**Total**
	GBP	*GBP*	*GBP*
At 2 March 2016 (date of incorporation)	1	–	1
Profit and total comprehensive income for the period	–	15,593,218	15,593,218
At 30 September 2016	1	15,593,218	15,593,219

STATEMENT OF CASH FLOWS
FOR THE PERIOD FROM 2 MARCH 2016 (DATE OF INCORPORATION) TO 30 SEPTEMBER 2016

	Note	*GBP*
OPERATING ACTIVITIES		
Profit before tax		15,718,865
Adjustments for:		
Change in fair value of derivative financial instrument		21,212
Change in fair value of the investment property		(15,090,629)
Interest income		(3,767)
Finance costs		478,678
Operating cash flows before movements in working capital		1,124,359
Changes in rental receivables		(3,410)
Changes in other receivables		(380,834)
Changes in trade payables		26,098
Changes in accruals and other payables		87,712
NET CASH FROM OPERATING ACTIVITIES		853,925
CASH USED IN INVESTING ACTIVITY		
Placement of pledged bank deposit		(13,333)
FINANCING ACTIVITIES		
Bank borrowing raised and received from a related company	*26(ii)*	59,294,900
Advance from immediate holding company		58,800,000
Repayment to immediate holding company		(59,624,175)
Investment in derivative financial instrument		(26,598)
NET CASH FROM FINANCING ACTIVITIES		58,444,127
NET INCREASE IN CASH AND CASH EQUIVALENTS AND CASH AND CASH EQUIVALENTS AT THE END OF PERIOD, representing bank balances and cash		59,284,719

NOTES TO THE FINANCIAL INFORMATION

1. Basis of preparation and presentation of historical financial information

The Company was incorporated and registered in Guernsey as a private limited company pursuant to section 20 of The Companies (Guernsey) Law 2008 on 2 March 2016. Its registered office and principal place of business is located at East Wing, Trafalgar Court, Les Banques, St Peter Port, GY1 3PP, Guernsey. Its immediate holding company is Leon Property Holdings Limited, a company incorporated in Guernsey and its ultimate holding company is Brockton Leon Limited, a company incorporated in Guernsey. The principal activity of the Company is engaged in property investment in the UK.

Pursuant to a special resolution passed on 10 August 2016, the Certificate of Change of Name of the Company issued by Guernsey Registry on 11 August 2016, the Company changed its name to Leon Property Limited (formerly known as Leon Holdings Limited) with effect from 11 August 2016.

The Historical Financial Information has been prepared in accordance with the accounting policies set out in Note 3 below which conform with IFRSs promulgated by the IASB. In addition, the Historical 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.

In addition, the Historical Financial Information has been prepared on a going concern basis because the loans from immediate holding company classified under current liabilities would be settled by Tai United as part of the consideration for the Acquisition upon completion on 22 December 2016 and accordingly, the management of the Company is satisfied that the Company is able to meet in full its financial obligations as they fall due in the foreseeable future.

2. Adoption of new and revised IFRSs

For the purpose of preparing and presenting the Historical Financial Information for the Relevant Period, the Company has consistently adopted IFRSs, International Accounting Standards ("IAS"), amendments and interpretations which are effective for the Company's financial period throughout the Relevant Period.

New and revised IFRSs in issue but not yet effective

At the date of this report, the following new and revised IFRSs have been issued but are not yet effective. The Company 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]
The International Financial Reporting Interpretation Committee 22	Foreign Currency Transactions and Advance Consideration[1]
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]
Amendments to IAS 40	Transfers of Investment Property[1]
Amendments to IFRSs	Annual Improvements to IFRS Standards 2014-2016 Cycle[5]

[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*
[5] *Effective for annual periods beginning on or after 1 January 2017 or 1 January 2018, as appropriate*

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 transactions 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 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.

IFRS 16 Leases

IFRS 16, which upon the effective date will supersede IAS 17 Leases, introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Specifically, under IFRS 16, a lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. Accordingly, a lessee should recognise depreciation of the right-of-use asset and interest on the lease liability, and also classifies cash repayments of the lease liability into a principal portion and an interest portion and presents them in the statement of cash flows. Also, the right-of-use asset and the lease liability are initially measured on a present value basis. The measurement includes non-cancellable lease payments and also includes payments to be made in optional periods if the lessee is reasonably certain to exercise an option to extend the lease, or not to exercise an option to terminate the lease. This accounting treatment is significantly different from the lessee accounting for leases that are classified as operating leases under the predecessor standard, IAS 17.

In respect of the lessor accounting, IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

3. Significant accounting policies

The Historical Financial Information has been prepared on the historical cost basis, except for investment property and derivative financial instrument, which are measured at fair values at the end of the reporting period, as explained in the accounting policies set out below. 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 if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in the Historical 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.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable.

Rental income from property leasing is recognised on a straight-line basis over the relevant lease terms.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company 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.

Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation.

Investment properties are initially measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are measured at their fair values. The Company's property interest held under operating leases to earn rentals or for capital appreciation purposes are classified and accounted for as investment property and measured using the fair value model. 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.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposals. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss in the period in which the property is derecognised.

Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Company as lessor

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease.

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 period. Taxable profit differs from 'profit before tax' as reported in the 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 Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end the 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.

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 Company 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 the Company 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 pledged bank deposit, rental receivables, other receivables 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 certain categories of financial asset, such as rental receivables, that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Company's past experience of collecting payments and observable changes in national or local economic conditions that correlate with default on receivables.

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 trade payables, other payables, loans from immediate holding company and secured bank borrowing 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.

Derivative financial instruments

Derivatives are initially recognised at fair value at the date when derivative contracts are entered into and are subsequently remeasured to their fair value at the end of the reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

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.

4. Critical accounting judgments and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in Note 3, the directors of the Company are required to make judgments, 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 ongoing 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.

Critical judgments in applying accounting policies

The following are the critical judgments, apart from these involving estimations (see below), that the directors of the Company have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Deferred taxation on investment property

For the purposes of measuring deferred taxation arising from investment property that are measured using the fair value model, the directors of the Company have reviewed the Company's investment property portfolio and concluded that the Company's investment property are not held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale. Therefore, in measuring the Company's deferred taxation on investment property, the directors of the Company have determined that the presumption that the carrying amounts of investment property measured using the fair value model are recovered entirely through sale is not rebutted.

As a result, the Company has not recognised any deferred tax on changes in fair value of investment property located in UK as the Company is not subject to any capital gain nor other material income taxes on disposal of its investment property.

Key sources of estimation uncertainty

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.

Estimation of fair value of investment property

At the end of the reporting period, the Company's investment property is stated at fair value of GBP103,500,000 based on the valuation performed by independent qualified professional valuers. In determining the fair value, the valuers have applied investment method which involves, inter-alia, certain estimates, including appropriate monthly market rent per square foot, discount rate and future growth rate. In relying on the valuation report, the directors of the Company have exercised their judgment and are satisfied that the assumptions used in the valuation is reflective of the current market conditions and the current condition of the properties. Changes to these assumptions would result in changes in the fair value of the Company's investment property and the corresponding adjustments to the amount of fair value gain or loss of the Company's investment property reported in the statement of profit or loss and other comprehensive income.

Fair value measurement and valuation process

Some of the Company's assets are measured at fair value for financial reporting purposes. The management will determine the appropriate valuation techniques and inputs for fair value measurements.

In estimating the fair value of assets, the Company uses market-observable data to the extent it is available. Where level 1 inputs are not available, the management establishes appropriate valuation techniques and inputs for the fair value measurement.

The Company uses valuation techniques that include inputs that are not based on observable market data to estimate the fair value of the investment property and derivative financial instrument. Notes 13 and 24(c) provide detailed information about the valuation techniques, inputs and key assumptions used in the determination of the fair value of the investment property and derivative financial instrument.

5. Segment information

The principal activity of the Company is engaged in property investment 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. property investment segment). The directors of the Company assessed the performance of the reportable segment based on the rental income as presented in the statement 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 3. 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 Company's operations are located in UK. All non-current assets of the Company is located in UK.

Information about major customers

Revenue from customers during the Relevant Period individually contributed over 10% of total revenue of the Company are as follows:

	GBP
Customer A	364,488
Customer B	300,230
Customer C	244,620
Customer D	229,395

6. Revenue

Revenue represents the gross rental income from an investment property for the Relevant Period.

7. Finance costs

	GBP
Interest expenses on:	
Loans from immediate holding company	414,878
Secured bank borrowing	54,944
Others	8,856
	478,678

8. Income tax expense

	GBP
UK profits tax	125,647

The Company is subject to UK profits tax and is calculated at 20% of the estimated assessable profit for the Relevant Period.

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

	GBP
Profit before tax	15,718,865
UK profits tax at applicable tax rate at 20%	3,143,773
Tax effect of income not taxable for tax purpose	(3,018,126)
Income tax expense for the period	125,647

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

9. Profit for the period

Profit for the period has been arrived at after charging (crediting):

	GBP
Auditor's remuneration *(Note)*	–
Directors' remuneration *(Note 10)*	912
Gross rental income from investment property	(1,191,918)
Less: direct operating expenses arising from property that generated rental income	66,624
	(1,125,294)

Note: In accordance with section 256 of the Companies (Guernsey) Law 2008, a waiver resolution of exempting the Company from having its accounts audited for its first coming financial year or for any subsequent financial year ends has been passed on 7 March 2016 and the shareholder of the Company has not required the Company to obtain an audit of its accounts, therefore, no auditor's remuneration has been incurred during the Relevant Period.

10. Directors' and chief executives' emoluments

The following table sets forth certain information in respect of the directors of the Company up to the date of the report:

Name	Position	Date of appointment	Date of resignation
Mark Biddlecombe	Director	2 March 2016	22 December 2016
Robert Phydwen-Jones	Director	2 March 2016	21 September 2016
Christopher James Mcerlane	Director	2 March 2016	22 December 2016
Luke Jager	Director	21 September 2016	22 December 2016
Sydney Englbert Taylor	Director	2 March 2016	22 December 2016
Mourant Ozannes Directors One (Guernsey) Limited	Director	22 December 2016	N/A
Mourant Ozannes Directors Two (Guernsey) Limited	Director	22 December 2016	N/A
Jon Song	Director	22 December 2016	N/A

Mark Biddlecombe, Robert Phydwen-Jones, Christopher James Mcerlane, Luke Jager and Sydney Englbert Taylor, are also the chief executives of the Company and during the Relevant Period, or upon their resignation, where this is a shorter period.

Directors' and chief executive's remuneration for the Relevant Period is as follows:

	Mark Biddlecombe	Robert Phydwen Jones	Christopher James Mcerlane	Luke Jager	Sydney Englbert Taylor	Total
	GBP	*GBP*	*GBP*	*GBP*	*GBP*	*GBP*
DIRECTORS						
Fees	580	–	332	–	–	912
Other emoluments	–	–	–	–	–	–
Total emoluments	580	–	332	–	–	912

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

During the Relevant Period, 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 paid and proposed during the Relevant Period.

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. Investment property

	GBP
FAIR VALUE	
At 2 March 2016 (date of incorporation)	–
Additions	88,409,371
Increase in fair value recognised in profit or loss	15,090,629
At 30 September 2016	103,500,000

The Company's property interest held to earn rentals are measured using the fair value model and is classified and accounted for as an investment property.

The fair value of the Company's investment property as at 30 September 2016 has been arrived at on the basis of a valuation carried out on that date by Jones Lang LaSalle Corporation Appraisal and Advisory Limited ("JLL") addressed at Austin House Stannard Place, St Crispins Road, Norwich NR3 1YF, an independent qualified professional valuer not connected with the Company. JLL is a registered firm of the Hong Kong Institute of Surveyors, and has appropriate qualifications and experience. The valuation was arrived at by capitalisation of rental income from the property.

In estimating the fair value of the property, the highest and best use of the property is its current use.

Investment method has been adopted for valuing the Company's property. Key inputs used in valuing the Company's property were the monthly market rent per square foot ranging from GBP4.58 to GBP4.79 and the applied discount rate ranged from 5.33% to 5.81%. Market rent per square foot is extrapolated using zero growth rate. An increase in the market rent per square foot or discount rate used would result in an increase or decrease in fair value measurement of the property, and vice versa.

Details of the Company's investment property and information about the fair value hierarchy as at 30 September 2016 are as follows:

	Level 3	**Fair value**
	GBP	*GBP*
Property located in UK	103,500,000	103,500,000

There were no transfers out of Level 3 during the Relevant Period.

At 30 September 2016, the Company's investment property is located in UK with the lease term of 169 years and the property has been pledged to bank to secure general banking facilities granted to the Company (Note 21).

14. Derivative financial instrument

Derivative financial instrument represented the interest rate cap contract and it was entered by the Company for the purpose of reducing the exposure of interest rate fluctuation of variable-rate secured bank borrowing outstanding at the end of the reporting period. As at 30 September 2016, the notional amount of the interest rate cap contract is GBP60,000,000 of which the Company agree to receive settlement quarterly starting from 20 April 2017 to 20 October 2019 from the counterparty when The London Interbank Offered Rate ("LIBOR") plus a margin ranging from 1.80% to 2.65% exceeds 3.0%. The interest rate cap will be matured on 20 October 2019.

15. Rental receivables

Rents from leasing of investment property are generally received in advance and no credit period is granted. At the end of the reporting period, rental receivables of the Company with carrying amount of GBP3,410, which represented rents receipts in arrears, were aged less than 30 days based on the invoice date at the end of the reporting period.

At the end of the reporting period, the rental receivable were past due but not impaired and majority of the rental receivables have been settled subsequent to the reporting period.

16. Other receivables

	GBP
Rental income received by property manager *(Note)*	370,409
Others	10,425
	380,834

Note: The amount was unsecured, interest-free and repayable on demand.

17. Pledged bank deposit and bank balances and cash

Pledged bank deposit amounting to GBP13,333 as at 30 September 2016 are placed in a bank account which is restricted for settling secured bank borrowing and will be released upon the full settlement of the secured bank borrowing and were therefore classified as non-current assets.

Pledged bank deposit and bank balances carry no interest for the Relevant Period.

18. Trade payables

At the end of the reporting period, trade payables with carrying amount of GBP26,098 were aged less than 90 days, based on the invoice date.

19. Accruals and other payables

	GBP
Value-added tax payables	231,670
Accruals	18,599
Interest payables	54,944
Other payables	185,150
	490,363

20. Loans from immediate holding company

The amounts represent loans from immediate holding company, Leon Property Holdings Limited, with the accrued interests. Other than the loan amounting GBP13,000,000 which carrying effective interest rate of 7.25% per annum, the remaining loan was non-interest bearing and both of the loans are unsecured and repayable on demand. The accrued interests were unsecured, non-interest bearing and repayable quarterly. As part of the consideration of the Acquisition, the loans from immediate holding company with the accrued interests have been fully settled by Tai United upon completion of the Acquisition.

	GBP
Interest bearing loan	13,000,000
Non-interest bearing loan	74,356,682
Accrued interests	414,878
	87,771,560

21. Secured bank borrowing

	GBP
Secured bank borrowing	60,000,000
Less: loan raising costs	(819,205)
	59,180,795
Carrying amount repayable *(Note)*	
More than two years, but not exceeding five years	60,000,000
Less: loan raising costs	(819,205)
Amounts due after one year	59,180,795

Note: The amount is based on scheduled repayment dates set out in the loan agreements.

During the Relevant Period, the Company raised new bank borrowing amounted to GBP60,000,000 for acquisition of the investment property. The secured bank borrowing carried variable interest at a margin ranging from 1.80% to 2.65% plus LIBOR per annum and principal amount is repayable quarterly from October 2018 to October 2020 and interest would be settled quarterly from January 2017 to October 2020. The borrowing is secured by the investment property and pledged bank deposits, with carrying amounts of GBP103,500,000 and GBP13,333, respectively, together with a floating charge over all the assets of the Company. The margin was determined by reference to the outstanding amount of bank borrowing to the fair value of investment property ratio. As at 30 September 2016, the effective interest rate of the secured bank borrowing was 2.39%.

22. Share capital

	Number of shares	**Share capital** *GBP*
Ordinary shares of GBP1 each		
Authorised, issued and fully paid:		
Issue of share upon incorporation and as at 30 September 2016	1	1

At the time of incorporation, 1 share of GBP1 was issued at par to the subscriber to provide the initial capital to the Company.

23. Capital risk management

The Company manages its capital to ensure that the Company 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 Company's overall strategy remains unchanged throughout the Relevant Period.

The capital structure of the Company consists of debt, which includes loans from immediate holding company and secured bank borrowing, as disclosed in Notes 20 and 21, net of bank balances and cash and equity, comprising share capital and reserve.

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.

24. Financial instruments

a. Categories of financial instruments

	GBP
Financial assets	
Loans and receivables (including cash and cash equivalents) at amortised cost	59,682,296
Derivative financial instrument	5,386
Financial liabilities	
Amortised cost	147,218,547

b. Financial risk management objectives and policies

The Company's major financial instruments include rental receivables, other receivables, derivative financial instruments, pledged bank deposits, bank balances and cash, secured bank borrowing, trade payables, other payables and loans from immediate holding company. 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 loan from immediate holding company as disclosed in Note 20.

The Company is also exposed to cash flow interest rate risk due to the fluctuation of market interest rate on variable-rate secured bank borrowing as disclosed in Note 21. It is the Company's policy to keep its secured bank borrowing at floating rates of interest so as to minimise the fair value interest rate risk.

The Company's cash flow interest rate risk is mainly concentrated on the fluctuations of LIBOR and the outstanding amount of bank borrowings to the fair value of investment property ratio arising from secured bank borrowing as disclosed in Note 21. The Company currently entered interest rate cap contract to manage its exposure to interest rate risk. Details of the interest rate cap contract are set out in Note 14.

Sensitivity analysis

No sensitivity analysis was prepared for secured bank borrowing as the financial impact arising on possible changes in interest rate was insignificant due to the interest rate cap contract is in place to manage possible exposure to interest rate risk.

Liquidity risk

The Company had net current liabilities of GBP28,744,705 at 30 September 2016. The Company is exposed to liquidity risk if it is not able to raise sufficient funds to meet its financial obligations. The loans from immediate holding company classified under current liabilities would be fully settled by Tai United as part of the consideration for the Acquisition upon completion on 22 December 2016 and accordingly, the management of the Company is satisfied that the Company will have sufficient financial resources to meet in full its financial obligations as they fall due in the foreseeable future.

The following table details the Company's remaining contractual maturity for its non-derivative financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The maturity dates for non-derivative financial liabilities are based on the agreed repayment dates. The table includes both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from weighted average interest rate at the end of reporting period.

Liquidity table

	Weighted average interest rate	On demand or less than 1 month	1 – 3 months	3 months to 1 year	1 – 5 years	Total undiscounted cash flows as at 30 September 2016	Carrying amount at 30 September 2016
	%	*GBP*	*GBP*	*GBP*	*GBP*	*GBP*	*GBP*
Non-derivative financial liabilities							
Trade payables	–	26,098	–	–	–	26,098	26,098
Other payables	–	240,094	–	–	–	240,094	240,094
Loans from immediate holding company							
– non-interest bearing	–	74,356,682	–	–	–	74,356,682	74,356,682
– interest bearing	7.25	13,414,878	–	–	–	13,414,878	13,414,878
Secured bank borrowing	2.39	123,616	239,507	1,070,054	63,437,401	64,870,578	59,180,795
		88,161,368	239,507	1,070,054	63,437,601	152,908,330	147,218,547

The amounts scheduled above for variable interest rate instruments for non-derivative financial liabilities is subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period.

Credit risk

As 30 September 2016, the Company's maximum exposure to credit risk which will cause a financial loss to the Company due to failure to discharge an obligation by the counterparties arises from the carrying amount of the respective recognized financial assets as stated in the statement of financial position. In order to minimize the credit risk, the management of the Company has hired an independent property manager responsible for monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Company reviews the recoverable amount of each individual debt at the end of the reporting period to ensure the adequate impairment losses are made for irrecoverable amounts. In this regard, the management considers that the Company's credit risk is significantly reduced.

The credit risks on pledged bank deposits and bank balances are limited because the counterparties are banks with high credit rating assigned by international credit rating agencies.

The Company's concentration of credit risk by geographical location is solely in UK.

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 that are measured at fair value on a recurring basis

Some of the Company's financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorised (levels 1 to 3) based on the degree to which the inputs to the fair value measurements are observable.

Financial assets	**Fair value as at 30 September 2016** *GBP*	**Fair value hierarchy**	**Valuation technique(s) and key inputs**	**Relationship of unobservable inputs to fair value**
Interest rate cap contract	Asset – 5,386	Level 3	Black-Scholes pricing model	The lower the discount rate, the higher the fair value.
			The key unobservable inputs are: discount rate, volatility of the 3-month LIBOR, forward interest rate of the 3-month LIBOR	The higher the volatility of the 3-month LIBOR and forward interest rate of the 3-month LIBOR, the higher the fair value.

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 disclosure are required)

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

25. Related party disclosures

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

Name of related party	Nature of transactions	*GBP*
Leon Property Holdings Limited	Interest expenses on loans from immediate holding company	414,878

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 Period is set out in Note 10.

26. Major non-cash transactions

(i) Acquisition of the investment property

During the Relevant Period, the Company entered into a sales and purchase agreement in respect of acquisition of the investment property, the consideration and the acquisition related costs total amounting to GBP88,409,371 have been settled by its immediate holding company.

(ii) Proceeds received from secured bank borrowing

During the Relevant Period, the Company obtained a secured bank borrowing amounted to GBP60,000,000 for settling the loans from immediate holding company. After netting with certain loan raising costs, the remaining proceeds from the secured bank borrowing amounted to GBP59,294,900 were therefore deposited to a related entity, Brockton Capital Fund III L.P..

Subsequently the same amount was re-lent to the Company by the Company's immediate holding company during the Relevant Period.

27. Operating leases

The Company as lessor

Property rental income earned during the Relevant Period was GBP1,191,918 and the investment property is expected to generate rental yield of 4.6% on ongoing basis. The property held have committed tenants for the next two to three years.

At the end of the reporting period, the Company had contracted with tenants for the following future minimum lease payments:

	GBP
Within one year	5,498,689
In the second to fifth years inclusive	10,876,817
	16,375,506

28. Subsequent events

On 24 November 2016, Tai United entered into an acquisition agreement with Leon Property Holdings Limited, in which Tai United conditionally agreed to acquire entire equity interests of the Company at a consideration, which equivalent to the net asset value of the Company as at completion date together with the settlement of loans from the immediate holding company. This acquisition has been completed on 22 December 2016.

29. Subsequent financial statements

No audited financial statements of the Company has been prepared in respect of any period subsequent to 30 September 2016.

2. MANAGEMENT DISCUSSION AND ANALYSIS

Set out below is the management discussion and analysis of the Target for the period from 2 March 2016 (date of incorporation) to 30 September 2016 (for the purpose of this section only, the "**Relevant Period**").

Business review

The Target was incorporated and registered in Guernsey as a private limited company in March 2016. The principal activity of the Target is real estate investment in the United Kingdom and its principal asset is the Property.

Financial results

Revenue

For the Relevant Period, the revenue amounted to GBP1,191,918 (equivalent to approximately HK$11,919,180), which was attributable to the gross rental income generated from the Property.

Change in fair value of investment property

The Property is classified as investment property and is stated at fair value based on the valuation performed by an independent professional valuer. It was initially measured at cost and shall be measured at its fair value at the end of its financial period. For the Relevant Period, the change in fair value of investment property of the Target amounted to GBP15,090,629 (equivalent to approximately HK$150,906,290).

Direct operating expenses arising from property that generating rental income

The direct operating expenses incurred from the Property for the Relevant Period was GBP66,624 (equivalent to approximately HK$666,240), which represented insurance and property professional fees.

Finance costs

The finance costs for the Relevant Period was GBP478,678 (equivalent to approximately HK$4,786,780) which comprised (i) interest expense on loans from the Vendor amounting to GBP414,878 (equivalent to approximately HK$4,148,780); (ii) interest expense on secured bank borrowing amounting to GBP54,944 (equivalent to approximately HK$549,440); and (iii) amortisation expense on loan raising costs amounting to GBP8,856 (equivalent to approximately HK$88,560).

Income tax expense

The Target is subject to UK profits tax and the applicable tax rate of UK is 20% of the estimated assessable profit for the Relevant Period. The income tax expense for the Relevant Period was GBP125,647 (equivalent to approximately HK$1,256,470), which represented 20% tax charged on the net operating income (after deducting finance costs). The gain in the fair value of investment property is not included in the assessable profit as it is in capital nature.

Liquidity and capital resources

Financial position

The Target's assets comprised primarily the Property. The Property was acquired during the Relevant Period and was initially recognised as investment property at its cost amounting to GBP88,409,371 (equivalent to approximately HK$884,093,710). As at 30 September 2016, the Property was appraised by the Valuer at the fair value of GBP103,500,000 (equivalent to approximately HK$1,035,000,000).

The bank and cash balances of the Target amounted to GBP59,284,719 (equivalent to approximately HK$592,847,190) as at 30 September 2016. The Target also have a pledged bank deposit amounted to GBP13,333 (equivalent to approximately HK$133,330) as at 30 September 2016. The remaining assets of the Target included derivative financial instrument of GBP5,386 (equivalent to HK$53,860), rental receivables and other receivables of GBP384,244 (equivalent to approximately HK$3,842,440). The derivative financial instrument, which amounted to GBP5,386 (equivalent to approximately HK$53,860), was an interest rate cap contract entered by the Target for reducing the exposure of interest rate fluctuation of the secured bank borrowing.

During the Relevant Period, the Target funded its business activities by the loans from the Vendor and the bank borrowings. As at 30 September 2016, The outstanding balance of the loans from the Vendor (including the accrued interest thereon) amounted to GBP87,771,560 (equivalent to approximately HK$877,715,600). The loans from Vendor comprised an interest bearing loan and a non-interest bearing loan. The interest bearing loan carries effective interest rate of 7.25% per annum. Both the loans are unsecured and repayable on demand. The accrued interests are unsecured, non-interest bearing and repayable quarterly. As part of the consideration of the Acquisition, the loans from the Vendor with the accrued interests would be fully settled by the Purchaser upon Completion.

As at 30 September 2016, The outstanding amount of the secured bank borrowing was GBP59,180,795 (equivalent to approximately HK$591,807,950), which represented the principal amount of the secured bank borrowing of GBP60,000,000 (equivalent to approximately HK$600,000,000) deducting by the accumulated amortisation of loan raising costs of GBP819,205 (equivalent to approximately HK$8,192,050). The interest rate of the secured bank borrowing was at the London Interbank Offered Rate (a.k.a. LIBOR, in the accountants' report on the Target) plus a variable interest at a margin ranging from 1.80% to 2.65%. The effective interest rate of the secured bank borrowing was 2.39% for the Relevant Period. The secured bank borrowing is repayable by instalments from October 2018 and secured by the Property and the pledged bank deposits, with the carrying amounts as stated above of GBP103,500,000 (equivalent to approximately HK$1,035,000,000) and GBP13,333 (equivalent to approximately HK$133,330) respectively, together with a floating charge over all the assets of the Target.

In addition to the loans and borrowings set out above, the Target also had trade payables, income tax payables and other payables under current liabilities recorded as at 30 September 2016. The trade and other payables consisted of the trade payables to third parties, accrued liabilities, value-added tax payable, interest payable and other payables amounted to GBP516,461 (equivalent to approximately HK$5,164,610) as at 30 September 2016. The income tax payable of the Target amounted to GBP125,647 (equivalent to HK$1,256,470) as at 30 September 2016.

Gearing ratio

The gearing ratio of the Target, which is equal to the total liabilities over total assets as at 30 September 2016 was approximately 90.44%. The Target had settled part of the loans from the Vendor in early October 2016 by repaying GBP59,284,719 (equivalent to approximately HK$592,847,190) to the Vendor. As such, the remaining loans from Vendor amounted to GBP28,486,841 (equivalent to approximately HK$284,868,410) and the gearing ratio of the Target was reduced to 85.0%.

Securities and guarantee

As mentioned in the paragraph headed "Financial position" above, as at 30 September 2016, the Property and all other assets of the Target were pledged to secure the bank borrowing granted to the Target for the purpose of acquiring the Property.

Save as the above-mentioned, the Target 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 Period.

Contingent liabilities

As at the end of the Relevant Period, the Target had no material contingent liabilities.

Exchange rate risk

All the assets and liabilities of the Target were denominated in GBP. During the Relevant Period, the Target did not have any formal hedging policies and no financial instrument was used for hedging against the fluctuation of the exchange rate.

Interest rate risk

The Target is exposed to the risk of changes in market interest rates which relates primarily to the variable-rate interest bearing secured bank borrowing as mentioned above. The Target hence entered into an interest rate cap contract for the purpose of reducing the exposure of interest rate fluctuation. The Target also monitored interest rate exposure and considered other necessary actions when significant interest rate exposure is anticipated during the Relevant Period.

Employment and remuneration policy

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

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

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

Material acquisitions or disposals of subsidiaries or associated companies

Except for the acquisition of the Property, the Target had not carried out any material acquisitions or disposals of subsidiaries or associated companies and it did not have any significant investments held or plan for material investments or capital assets during the Relevant Period.

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

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

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 condensed consolidated assets and liabilities as at 30 September 2016 and related notes as set out on pages 4 to 7 of Appendix III to the circular issued by the Company dated 25 January 2017 (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 7 of Appendix III to the Circular.

The unaudited pro forma financial information has been compiled by the Directors to illustrate the impact of the acquisition of the entire equity interest in Leon Property Limited on the Group's assets and liabilities as at 30 September 2016 as if the transaction had taken place at 30 September 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 six months ended 30 September 2016, on which no auditor's report or review conclusion 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 30 September 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
25 January 2017

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 Leon Property Limited (formerly known as Leon Holdings Limited) (the "Target Company"), is prepared by the directors of the Company (the "Directors") to illustrate the effect of the acquisition of the entire equity interest of the Target Company (the "Transaction") on the Group, as if the Transaction had been completed on 30 September 2016. Details of the Transaction 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 Transaction pursuant to the terms of the Acquisition Agreement dated 24 November 2016 entered into between the Group and the equity owners of the Target Company.

The unaudited pro forma condensed consolidated statement of assets and liabilities is prepared based on (i) the information on the unaudited condensed consolidated statement of financial position of the Group as at 30 September 2016, which has been extracted from the published interim report of the Group for the six months ended 30 September 2016; (ii) the information on the audited statement of financial position of the Target Company as at 30 September 2016, which has been extracted from the accountants' report as set out in Appendix II to this circular and after making pro forma adjustments relating to the Transaction that are (i) directly attributable to the Transaction and (ii) factually supportable, as if the Transaction had been completed on 30 September 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 condensed consolidated assets and liabilities of the Enlarged Group upon Acquisition as at 30 September 2016 or at any future date.

The Unaudited Pro Forma Financial Information should be read in conjunction of the historical financial information of the Group and the Target Company, as set out in the published interim report of the Group for the six months ended 30 September 2016 and the accountants' report of the Target Company as set out in Appendix II to this Circular, respectively and other financial information included elsewhere in the Circular.

Unaudited Pro Forma Condensed Consolidated Statement of Assets and Liabilities

		Pro forma adjustments				Pro forma
	The Group as at 30/9/2016	Leon Property Limited as at 30/9/2016	Leon Property Limited as at 30/9/2016			Enlarged Group as at 30/9/2016
	HK$'000	*GBP*	*HK$'000 equivalent*	*HK$'000*	*HK$'000*	*HK$'000*
	(Note 1)	*(Note 1)*	*(Note 1)*		*(Note 5)*	
Non-current assets:						
Property, plant and equipment	30,363	–	–			30,363
Investment property	–	103,500,000	1,041,210			1,041,210
Mining rights	454,541	–	–			454,541
Interest in an associate	8,144	–	–			8,144
Derivative financial instrument	–	5,386	54			54
Available-for-sale investment	39,301	–	–			39,301
Pledged bank deposits	–	13,333	134			134
Deposits for potential investments	129,216	–	–			129,216
	661,565	103,518,719	1,041,398	–	–	1,702,963
Current assets:		–				
Inventories	1,881	–	–			1,881
Financial assets designated as at fair value through profit or loss	433,285	–	–			433,285
Trade receivables	441,266	3,410	34			441,300
Held-for-trading investments	1,083,848	–	–			1,083,848
Deposits, prepayments and other receivables	19,079	380,834	3,831			22,910
Restricted bank deposits	474,743	–	–			474,743
Bank balances and cash	2,277,473	59,284,719	596,404	(1,039,848) *(Note 3)*	(14,208)	1,819,821
	4,731,575	59,668,963	600,269	(1,039,848)	(14,208)	4,277,788
Current liabilities:						
Trade payables	(877,227)	(26,098)	(263)			(877,490)
Accrued liabilities and other payables	(29,031)	(490,363)	(4,933)			(33,964)
Borrowings	(1,006,242)	–	–			(1,006,242)
Amount due to ultimate holding company	(4,798)	–	–			(4,798)
Loan notes	(1,381,050)	–	–			(1,381,050)
Loans from ultimate holding company	(1,236,310)	–	–			(1,236,310)
Loans from immediate holding company	–	(87,771,560)	(882,982)	882,982 *(Note 4)*		–
Tax liabilities	(10,826)	(125,647)	(1,264)			(12,090)
	(4,545,484)	(88,413,668)	(889,442)	882,982	–	(4,551,944)
Net current assets/(liabilities)	186,091	(28,744,705)	(289,173)	(156,866)	(14,208)	(274,156)
Total assets less current liabilities	847,656	74,774,014	752,225	(156,866)	(14,208)	1,428,807
Non-current liabilities:						
Borrowings	–	(59,180,795)	(595,359)	–		(595,359)
Deferred tax liabilities	(96,340)	–	–			(96,340)
	(96,340)	(59,180,795)	(595,359)	–	–	(691,699)
Net assets	751,316	15,593,219	156,866	(156,866)	(14,208)	737,108

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

1. The financial information of the Group as at 30 September 2016 are extracted from the published interim report of the Group for the six months ended 30 September 2016 and the historical financial information of Leon Property Limited (formerly known as Leon Holdings Limited) as at 30 September 2016 is extracted from its accountants' report as set out in Appendix II to this Circular, which has been prepared under International Financial Reporting Standards and using accounting policies in accordance with those of the Group, with certain reclassifications being made to be in line with presentation of the financial information of the Group where appropriate, and translated to Hong Kong Dollars ("HK$") at relevant rates. The historical financial information of Leon Property Limited as at 30 September 2016 in Appendix II is presented in Great British Pound ("GBP"), being the functional currency of Leon Property Limited, which are different from the presentation currency of the Group, i.e. HK$. The assets and liabilities of Leon Property Limited are translated into HK$ at GBP1 to HK$10.06 with reference to the closing rate published by The Hong Kong and Shanghai Banking Corporation Limited at 30 September 2016. No representation is made that any amount in GBP could be or could have been converted to HK$ at the relevant date at that rate or at all.

2. The directors of Tai United Holdings Limited consider that the acquisition of the entire equity interest in the Target Company which holds 100% interest in a block of commercial property (the "Acquisition") represents purchase of assets and liabilities through acquisition of Leon Property Limited. Therefore, guidance set out in Hong Kong Financial Reporting Standard 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.

   Since the actual amount of the total consideration to be settled are based on the relative fair value of net identifiable assets and liabilities and loans from immediate holding company owned by the Target Company as of the actual Completion Date, any significant change in the amounts or foreign exchange rate may result in amounts could be material difference from the estimated amounts stated below.

3. On 24 November 2016, the Group entered into an acquisition agreement with Leon Property Holdings Limited (the "Vendor") in relation to the Acquisition at a cash consideration based on net asset value of the Target Company as of Completion Date. In addition, the Group has also agreed to settle the Target Company's loans from immediate holding company which is outstanding as of Completion Date as part of the consideration. Therefore, for the purpose of the Unaudited Pro Forma Financial Information, the total consideration of HK$1,039,848,000, comprised of (i) net asset value of the Target Company as of 30 September 2016 of approximately GBP15,593,000 (equivalents to approximately HK$156,866,000) and (ii) the repayment of the loans from immediate holding company owned by the Target Company upon completion of approximately GBP87,772,000 (equivalents to approximately HK$882,982,000) by assuming the completion of the Acquisition at 30 September 2016.

4. The loans from immediate holding company owed by the Target Company as at 30 September 2016 amounted to approximately GBP87,772,000 (equivalents to HK$882,982,000) would be settled by the Group at the Completion Date per the acquisition agreement. Therefore, the amounts are eliminated on, as part of the consideration in the pro forma adjustment.

5. The adjustment represents estimated acquisition-related costs (including professional fees to legal advisers, financial advisers, reporting accountants, properties valuer, agent commission and other expenses) of approximately HK$14,208,000 which are directly attributable costs for the Acquisition.

6. No adjustments have been made to reflect any trading results or other transactions of the Group entered into subsequent to 30 September 2016.

The following is the text of a letter, and valuation certificate, prepared for the purpose of incorporation in this circular received from Jones Lang LaSalle Corporate Appraisal and Advisory Limited, an independent valuer, in connection with its valuation as at 30 November 2016 of the Property to be acquired by Tai United Holdings Limited.

Jones Lang LaSalle Limited
Astin House Stannard Place, St Crispins Road,
Norwich NR3 1YF

25 January 2017

Tai United Holdings Limited
Suites 1206-1209
Three Pacific Place
1 Queen's Road East
Wan Chai, Hong Kong

For the attention of: Mr Jon Song

Dear Sirs

10 HAMMERSMITH GROVE, LONDON, W6

In accordance with our agreed instructions, we now report formally our valuation of the subject property as at 30th November 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 Long Leasehold interest in the property known as 10 Hammersmith Grove as at the date of this report is £103,500,000 (One Hundred and Three Million Five Hundred Thousand Pounds) exclusive of VAT.

BASIS OF VALUE

For the purpose of our valuation, we have adopted the definitions of Market Value and Market Rent contained in RICS Valuation – Professional Standards Incorporating the International Valuation Standards (the "Red Book") effective from 30 March 2012, which is as follows:

Market value is defined in the valuation and appraisal standards, issued by the Royal Institution of Chartered Surveyors as follows:-

"The estimated amount for which a property should exchange on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgably, 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.

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

In arriving at our opinion of Market Value in respect of the property we have used the investment method having regard to the current and future income streams, capitalised at a market derived yield accounting for the security of income, quality of tenant covenant, quality of building and location.

Our valuation has been made on the assumption that the seller sells the property interest in the market without the benefit of a deferred term contract, leaseback, joint venture, management agreement or any similar arrangement, which could serve to affect the value of the property interest.

No allowance has been made in our report for any charge, mortgage, or amount owing on any property interest valued nor for any expense or taxation which may be incorrect in effecting a sale. Unless otherwise stated, it is assumed that the property is free from encumbrances, restrictions and outgoing of an onerous nature, which could affect its value.

DATE AND EXTENT OF INSPECTION

The property was inspected on 13th September 2016 by Rob Corbett MRICS, a Regional Director at JLL and Richard Mass MRICS, a Senior Surveyor at JLL and a RICS Registered Valuer. Access was available to the majority of the property.

We have inspected the exterior and, where possible the interior of the property. However, we have not carried out investigation to determine the suitability of the ground conditions and services for any development thereon. Our valuation has been prepared on the assumption that these aspects are satisfactory.

TENURE

10 Hammersmith Grove is held long leasehold for a term of 175 years from 29th September 2010, providing approximately 169 years unexpired, at a rent of £1.00 per annum.

We understand that the Vendor's title is free from defects. Your solicitors, Sidley Austin LLP, will be able to provide further comment.

TOWN PLANNING

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.

10 Hammersmith Grove is located in the London Borough of Hammersmith and Fulham. The property is not listed and does not sit within a conservation area.

The majority of the property (part ground and upper floors) are consented for use as offices under use B1 of the Town and Country Planning (Use Classes) Order 1987. The ground floor consist of three retail units, all of which are currently consented for A3 restaurant use. However, there is currently a planning application pending to grant a change of use of Unit 2 from Class A3 restaurant into a boutique fitness studio (Class D2). This decision is still pending consideration and the letting the Boom Cycle is conditional upon obtaining this change in planning consent.

CONDITION

A building survey reporting on the general condition of the general building fabric, building structure and services was undertaken by Arcadis in August 2016. The building is in very good condition, as would be expected of its age, and has been summarised as follows:

- The building structure is in good condition and no significant defects were found.
- The external fabric is in good condition. Some localised repairs and maintenance work was identified, but no significant expenditure is anticipated over the next 10 years.
- All demised and common part areas including WC and changing facilities are in good condition.
- The plant is in good condition and has been well maintained over its short life.
- The property has been designed and configured in line with BCO standards and in some areas exceeds these standards.
- There are not significant issues in relation to deleterious materials. No asbestos was used during the construction of the property.

ENVIRONMENTAL MATTERS

The property is located in an area where the chance of flooding from rivers and sea is low (between 1 in 1000 (0.1%) and 1 in 100 (1%)). The area benefits from flood defences. According to an online planning search, flood mitigation measures were incorporated into the construction of the building. However, reports to this effect were not available online. Site management reported that there have not been any issues with flooding since the building came into use in 2013.

A Phase I Environmental Site Assessment Report is included as part of the Arcadis report. A summary of the reports' findings are as follows:

- Historically the site was used as a coal depot during the 1860s to 1960s, at which point developed into a car park.

- Potential contaminative surrounding land uses include railways immediately adjacent to the east and Hammersmith Station adjacent to the south east.

- Pell Frischmann carried out site investigations in 2011 – 2012 prior to the redevelopment of the site. This investigation found a single elevated contaminant (benzo(a)pyrene – a polycyclic aromatic hydrocarbon) and some elevated carbon dioxide readings.

- The Pell Frischmann report concluded that the potential for impacts on human health were low, as was the potential for migration of identified contaminants to groundwater.

- Despite this, a gas membrane was installed and a clean capping layer was installed in the landscaped areas. This remediation has been signed off by the London Borough of Hammersmith and Fulham.

- The Site is considered to be located in an area of moderate environmental sensitivity.

- The Site is not located in a Source Protection Zone (SPZ).

NATURE AND SOURCE OF INFORMATION RELIED UPON

We have relied upon data contained within the DataSite managed by the Vendors solicitors, Nabarro LLP.

DISCLOSURE AND RESPONSIBILITY

In accordance with our usual practice, neither the whole nor any part of this report nor any reference thereto may be published in any document, statement or circular nor in any communication with third parties without our prior written approval of the form and context in which it will appear.

This report is confidential to Tai United Holdings Limited for the specific purpose to which it refers (Section 1). JLL accepts no responsibility to any third party for the whole or any part of this report.

Yours faithfully
ROBERT CORBETT MA MRICS
Director
For and on Behalf of
JLL Ltd

DESCRIPTION AND LOCATION

10 Hammersmith Grove is a striking headquarters office building, which occupies a highly prominent position in central Hammersmith. The building was designed by Flanagan Lawrence and developed in 2013 to comprise a total of 122,744 sq ft of highly specified office and retail accommodation and was awarded the BCO Commercial Workplace award in 2015.

The offices are accessed via a large double height reception and provide Grade A flexible office accommodation arranged over ground and eight upper floors, three of which benefit from generous terraces providing extensive views across London.

In addition, the property comprises three retail units at ground floor level, which benefit from good visibility and footfall from the adjacent Hammersmith Underground Station.

The building benefits from the following specification as highlighted in the investment particulars in Appendix 3:

- BREEAM Excellent
- 100mm clear raised access floor
- 2.75m clear floor to ceiling height
- Three 17 person and one 21 person passenger lift
- 2 pipe fan coil air conditioning system
- 106 cycle spaces
- Locker, shower and changing room facilities

The Property is located in Central London's West End submarket of Hammersmith. Hammersmith is located in the west of London and acts as the principal gateway into west London, providing quick and easy access to the West End of London and out to the M25/M4 motorways via the A4. Hammersmith also benefits from a major London Underground interchange, providing excellent connectivity to the rest of London via Hammersmith & City, District, Circle and Piccadilly lines and a 35 minute journey time to Heathrow Airport via Piccadilly Line.

The Property is situated on the corner of Hammersmith Grove to the West and Beadon Road to the south. Hammersmith Grove is set back from Beadon Road, which leads onto Butterwick, the ring road surrounding the island site of Hammersmith underground station and the Broadway Shopping Centre. The property is in close proximity to 12 Hammersmith Grove, 1 Queen Caroline Street and Bechtel House, three leading new office developments which are driving the evolution of Hammersmith's office market.

Hammersmith is an established and thriving business district, home to numerous global occupiers, including; GE, L'Oréal, Disney, Harrods, Sony Ericsson, Fox, International Channels, Accor and Virgin Media. The area provides a vibrant mix of restaurants, bars and entertainment venues including the renowned Eventim Apollo and the Lyric

Tenant	Demise	Use	Floor area (sq ft)	Passing rent (£pa)	Passing Rent (£psf)	Lease Start	Lease expiry	Next Rent Review
Philip Morris	8th	Office	10,759	£537,950	£50.00	17/03/2015	17/03/2025	17/03/2020
Philip Morris	7th	Office	10,718	£535,900	£50.00	17/03/2015	17/03/2025	17/03/2020
Philip Morris	6th	Office	12,763	£631,769	£49.50	17/03/2015	17/03/2025	17/03/2020
UKTV	5th	Office	14,089	£676,227	£48.00	30/05/2014	30/05/2029	30/05/2019
UKTV	4th	Office	14,045	£684,683	£48.75	30/05/2014	30/05/2029	30/05/2019
Fox	part 2nd and 3rd	Office	22,599	£1,073,453	£47.50	21/08/2014	21/08/2024	21/08/2019
Accor	part 1st and 2nd	Office	24,788	£1,144,697	£46.18	04/07/2014	04/07/2024	04/07/2019
UKTV	Mezz	Office	4,401	£44,010	£10.00	30/05/2014	30/05/2029	30/05/2019
Bills	Unit A	Retail	1,962	£90,000	£0.00	16/10/2013	16/10/2033	16/10/2018
Byron	Unit B	Retail	1,684	£80,000	£0.00	16/10/2013	16/10/2038	16/10/2018
Boom Cycle	Unit C	Retail	1,774	£120,000	£0.00	14/09/2016	14/09/2031	14/09/2017
Storage		Storage	316	£0	£0.00			
B.M.A		Common area	277	£0	£0.00			
Reception		Common area	2,569	£0	£0.00			
Total			122,744	£5,618,688				

GENERAL OVERVIEW

Office Market Overview : Take-up reached 16,598 sq ft in Hammersmith in Q3 2016, compared to the 10-year quarterly average of 33,368 sq ft. As shown in the graph below, take-up in 2016 so far has been dominated by the services industry sector which includes the TMT sector. Total availability in Hammersmith increased 22%, to 338,557 sq ft, in the third quarter of 2016 mainly due to the completion of the Clockwork Building (40,717 sq ft) and an increase in second hand space available equating to an overall vacancy rate of 9.4% and Grade A vacancy rate of 7.7%. Overall occupier demand totalled 2.5 million sq ft in Q3 2016, above the ten-year annual average of 1.1 million sq ft. Hammersmith has seen substantial rental growth with rents moving from £35.80 per sq ft to c. £60.00 per sq ft, a 68% increase over the past year. This was a result of 10 Hammersmith Grove being the first new development delivered to the market for 10 years.

Rent Review Provisions : All of the tenancies within the property, with the exception of one, include upward only rent review provisions with the rent to be reviewed on a five yearly basis. Retail Unit 1C is the only lease which does not follow this rent review pattern. This lease is subject to annual RPI indexation uplifts, capped and collared at 2% and 4% respectively. The offices are to be reviewed under the assumption of an unexpired lease term which is equal to the residue of the contractual term. The retail units are to be reviewed under the assumption of an unexpired lease term of 10 years from the review date.

Opinion of ERV : In our valuation we have identified and analysed various relevant market information in the locality which have similar characteristics to the subject property. The rents from our comparable evidence range from £50.00-£59.00 per sq ft and the transacted comparables show net initial yields between 4.60%-5.90%. We have adopted an ERV ranging between of £55.00-£57.50 per sq ft, which is consistent with the relevant comparable evidence. Relevant adjustments have been made to reflect the prime Hammersmith location of the property, the building's well configured floor plates, the property's high specification and its excellent transport connections. The valuation of the property is £103,500,000, which reflects a net initial yield of 5.33%.

TITLE OVERVIEW

Registered Owner : Leon IMH Limited under title number BGL79006

Encumbrances : There is a restriction on title which restricts dispositions by the proprietor of the Lease without the provision of a certificate by its conveyancer that the provisions of clause 8.1 of the 2011 Variation and Covenant have been complied with or do not apply to the disposition. Clause 8.1 of the 2011 Variation and Covenant requires a purchaser of the Lease to enter into a deed of covenant with the owner of the North Site Lease.

The Property is subject to the following wayleave agreements which give rights to the relevant operators to install and operate electronic communications and / or telecommunications apparatus and are subject to the Electronic Communications Code.

There are no title defects other than those above and these encumbrances are not deemed to negatively affect the value of the property.

Charges : There are no mortgages, charges or liens affecting the property.

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	1.04%

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) *(Note 3)*
Tai He *(Note 1)*	Beneficial owner	2,655,429,222	–	55.28%
TAI Capital *(Note 1)*	Beneficial owner	663,951,520	–	13.82%
Mr. Chua *(Note 2)*	Beneficial owner interest of controlled corporations	3,766,123,286	–	78.41%
Haitong International New Energy VIII Limited	Security interest in shares	660,000,000	–	13.74%
Haitong International Securities Group Limited	Interest in controlled corporations	660,000,000	–	13.74%
Haitong International Holdings Limited	Security interest in shares	660,000,000	–	13.74%
Haitong Securities Co., Ltd.	Interest in controlled corporations	660,000,000	–	13.74%

Notes:

1. As at the Latest Practicable Date, Tai He and TAI Capital were wholly-owned by Mr. Chua. Mr. Chua was deemed to be interested in all the Shares in which Tai He and TAI Capital were interested by virtue of the SFO.

2. Pursuant to an agreement dated 5 January 2017 entered into between the Company as purchaser and Mr. Chua as vendor, a total of 446,742,544 Shares would be allotted and issued to Mr. Chua as consideration shares for the Company's acquisition of certain target company from Mr. Chua, subject to approval by the independent Shareholders of the Company. Details of such transaction are disclosed in the Company's announcement dated 5 January 2017. As at the Latest Practicable Date, the allotment and issue of such Shares had not yet been completed pending approval by the independent Shareholders of the Company.

3. Calculated on the basis of 4,803,277,308 Shares in issue as at the Latest Practicable Date.

3. DISCLOSURE OF OTHER INTERESTS OF THE DIRECTORS

(i) Interests in competing business

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 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 Group since 31 March 2016 (being the date to which the latest published audited consolidated financial statements of the Group 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 Group in the two years immediately preceding 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 International Company Limited ("**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 a subscription 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 at a placing price of HK$0.54 per Share;

(viii) the conditional subscription agreement dated 22 October 2015 entered into between the Company and Tai He in relation to the subscription of 1,425,000,000 new Shares at a subscription price of HK$0.54 per Share;

(ix) the conditional subscription agreement dated 22 October 2015 entered into between the Company and Zhu Yilong in relation to the subscription of 1,565,000,000 new Shares at a subscription price of HK$0.54 per Share;

(x) 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;

(xi) the termination agreement dated 11 November 2015 entered into between the Company and Tai He in relation to the termination of the subscription agreement dated 22 October 2015;

(xii) the termination agreement dated 11 November 2015 entered into between the Company and Mr. Zhu Yilong in relation to the termination of the subscription agreement dated 22 October 2015;

(xiii) 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;

(xiv) 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 (the "**December Acquisition**") for a total consideration of up to HK$170 million;

(xv) 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;

(xvi) the sale and purchase agreement dated 18 January 2016 entered into between Best Future, Hui Kai Holdings and Mr. Lo Kwai Sang Dennis in respect of the acquisition of Hui Kai Futures, Hui Kai Asset Management and Easy Winning at a total consideration of up to HK$56 million;

(xvii) 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 to Best Future at a premium of HK$1 to purchase the entire equity interest in Hui Kai Holdings at a total consideration of not more than HK$120 million;

(xviii) 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;

(xix) 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;

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

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

(xxii) the deed 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;

(xxiii) the exclusivity agreement dated 11 August 2016 entered into between Wide Flourish Investments Limited, a wholly owned subsidiary of the Company, the vendors and the vendors' solicitors in relation to the acquisition of the London properties in Buckingham Gate, London, United Kingdom;

(xxiv) the underwriting agreement dated 1 September 2016 and entered into among the Company, TAI Capital and Haitong International Securities Company Limited;

(xxx) the sale and purchase agreement dated 24 September 2016 entered into among RCBG Residential (UK) Limited (an indirect wholly-owned subsidiary of the Company), Rothschild Foundation (Hanadiv) Europe, Rothschild Foundation, RCBG Residential (Jersey) Limited, MoREOF BG Residential Holdings Limited and Brockton Capital I (Tenenbaum) Limited in relation to the acquisition of the London properties in Buckingham Gate, London, United Kingdom at a total consideration of approximately GBP112,202,150 (subject to adjustments upon completion);

(xxxi) the subscription agreement dated 28 September 2016 and entered into between the Company, Mr. Chua, Tai He, Tai Infinite Holdings Group Limited, Cheer Hope Holdings Limited, Haitong International Investment Fund SPC (acting on behalf of and for the account of Haitong International Investment Fund SPC – Fund ISP) and Songhua Investment Holding Limited in relation to the issue by the Company of the Notes in the total principal amount of up to US$180,000,000, and the proposed grant of up to 279,000,000 unlisted warrants by the Company;

(xxxii) the auction acknowledgement dated 19 November 2016 entered into among Hangzhou Tai Rong Asset Management Co. Ltd.（杭州太榮資產管理有限公司*）, an indirect wholly-owned subsidiary of the Company and the auctioneer in relation to the acquisition of the distressed assets of a hotel facility;

(xxxiii) the subscription agreement dated 28 September 2016 and entered into between the Company, Mr. Chua, Tai He, Tai Infinite Holdings Group Limited, Cheer Hope Holdings Limited, Haitong International Investment Fund SPC (acting on behalf of and for the account of Haitong International Investment Fund SPC – Fund ISP) and Songhua Investment Holding Limited in relation to the issue by the Company of the Notes in the total principal amount of up to US$180,000,000, and the proposed grant of up to 279,000,000 unlisted warrants by the Company;

(xxxiv) the placing agreement dated 15 December 2016 entered into between the Company and Haitong International Securities Company Limited in relation to the placing of up to 300,000,000 new Shares at a placing price of HK$1.2 per Share, details of which are set out in the Company's announcements dated 15 December 2016 and 2 January 2017;

(xxxv) the subscription agreement dated 15 December 2016 entered into between Tai United Investments Limited, a wholly-owned subsidiary of the Company, as investor and Haitong Global Investment SPC III (the "**Fund Portfolio Company**"), in relation to certain investment in the non-voting redeemable shares in the segregated portfolio of the Fund Portfolio Company at a total consideration of US$50,000,000, details of which are set out in the Company's announcement dated 15 December 2016;

(xxxvi) the agreement dated 5 January 2017 entered into between the Company and Mr. Chua Hwa Por in relation to the Company's acquisition of the entire issued share capital of Tai Infinite Holdings Group Limited and certain debts owing by Tai Infinite Holdings Group Limited to Mr. Chua Hwa Por at a total consideration of HK$536,091,054, details of which are set out in the Company's announcement dated 5 January 2017; and

(xxxvii) the Acquisition Agreement.

6. LITIGATION

As at the Latest Practicable Date, neither the Company nor any of its subsidiaries was engaged in any litigation or arbitration of material importance and no litigation or claim of material importance was known to the Directors to be pending or threatened against the Company or any of its subsidiaries.

7. QUALIFICATION AND CONSENT OF EXPERT

The following is the qualification of the expert who has given opinion contained in this circular:

Name	Qualification
Deloitte Touche Tohmatsu	Certified Public Accountants
Jones Lang LaSalle 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 if appears.

As at the Latest Practicable date, each of the above experts did not have any shareholding, directly or indirectly, in any member of the 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 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 Group 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 Group.

8. GENERAL

(i) The registered office of the Company is Clarendon House, 2 Church Street, Hamilton HM11, Bermuda. Its head office and principal place of business in Hong Kong 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 an associate 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 and up to and including the date which is 14 days from the date of this circular:

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

(ii) the annual reports of the Group for the three years ended 31 March 2014, 31 March 2015 and 31 March 2016;

(iii) the accountants' report on the financial information of Leon Property Limited for the period from 2 March 2016 (date of incorporation) to 30 September 2016 issued by Deloitte Touche Tohmatsu, the text of which is set out in Appendix II to this circular;

(iv) the assurance 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 III to this circular;

(v) the valuation report on the Property issued by Jones Lang LaSalle Limited, the text of which is set out in Appendix IV to this circular;

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

(vii) the written consent referred to in the paragraph headed "7. Qualification and Consent of Expert" in this appendix;

(viii) the circular of the Company dated 18 October 2016; and

(ix) this circular.