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## THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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If you are in any doubt as to any aspect of this prospectus or as to the action you should take, you should consult your licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in the Company, you should at once hand the Prospectus Documents to the purchaser or the transferee or to the bank manager, licensed securities dealer or registered institution in securities or other agent through whom the sale was effected for transmission to the purchaser or the transferee. The Prospectus Documents should not, however, be distributed, forwarded to or transmitted to, into or from any jurisdiction where to do so might constitute a violation of local securities laws or regulations.

A copy of each of the Prospectus Documents, having attached thereto the documents specified in the paragraph headed "Documents delivered to the Registrar of Companies" in Appendix III to this prospectus, have been registered with the Registrar of Companies in Hong Kong as required by Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong). The Securities and Futures Commission and the Registrar of Companies in Hong Kong take no responsibility as to the contents of any of the Prospectus Documents.

Dealings in the Rights Shares in their nil-paid and fully-paid forms may be settled through CCASS established and operated by HKSCC and you should consult your licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser for details of those settlement arrangements and how such arrangements may affect your rights and interests.

Subject to the granting of the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares in both their nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from their respective commencement dates of dealings in the Rights Shares on the Stock Exchange or such other dates as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Hong Kong Exchanges and Clearing Limited, the Stock Exchange and HKSCC take no responsibility for the contents of the Prospectus Documents, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this prospectus.

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### RIGHTS ISSUE ON THE BASIS OF TWO (2) RIGHTS SHARES FOR EVERY ONE (1) EXISTING SHARE HELD ON THE RECORD DATE AT HK\$1.00 PER RIGHTS SHARE

Financial adviser to the Company



Underwriters of the Rights Issue



**TAI Capital LLC**

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Capitalised terms used in this cover shall have the same meanings as defined in this prospectus.

It should be noted that the dealings in the Rights Shares in the nil-paid form are expected to take place from Wednesday, 26 October 2016 to Wednesday, 2 November 2016 (both dates inclusive). The Rights Issue is conditional upon the Underwriting Agreement becoming unconditional and not being terminated. It should also be noted that the Underwriting Agreement contains provisions granting the Underwriters the right to terminate the Underwriting Agreement on the occurrence of certain events including force majeure. Please refer to "Termination of the Underwriting Agreement" on pages 7 and 10 of this prospectus for further details. If the Underwriting Agreement does not become unconditional or is terminated, the Rights Issue will not proceed.

Any Shareholder or other person contemplating dealings in the securities of the Company up to the date on which all conditions to which the Rights Issue is subject (as set out in the paragraph headed "Conditions" under the section headed "Underwriting arrangement and undertakings" in the letter from the Board contained in this prospectus) are fulfilled and the time by which the Underwriters' right of termination under the Underwriting Agreement ceases (which is expected to be at 4:00 p.m. on Thursday, 10 November 2016) and any person dealing in the nil-paid Rights Shares during the period from Wednesday, 26 October 2016 to Wednesday, 2 November 2016 (both days inclusive) will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed and are advised to exercise caution when dealing in the securities of the Company and/or the nil-paid Rights Shares.

If in any doubt, Shareholders and other persons contemplating dealings in the securities of the Company and potential investors of the Company are recommended to consult their professional advisers. Shareholders and potential investors of the Company should exercise caution when dealing in the securities of the Company. Any dealings in the securities of the Company up to the date on which all the conditions to which the Rights Issue is subject are fulfilled, and any dealings in the nil-paid Rights Shares, is at each investor's own risk that the Rights Issue may not become unconditional or may not proceed.

The Latest Time For Acceptance is 4:00 p.m. on Monday, 7 November 2016. The procedures for acceptance, payment and transfer are set out on pages 15 to 16 of this prospectus.

24 October 2016

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## EXPECTED TIMETABLE

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*The expected timetable for the Rights Issue is set out below. The expected timetable is subject to change, and any changes will be announced by the Company as and when appropriate.*

Event	2016 (Hong Kong time)
First day of dealing in the nil-paid Rights Shares . . . . .	9:00 a.m. on Wednesday, 26 October
Latest time for splitting the nil-paid Rights Shares . . . . .	4:30 p.m. on Friday, 28 October
Last day of dealing in the nil-paid Rights Shares . . . . .	4:00 p.m. on Wednesday, 2 November
Latest Time for Acceptance of and payment for the Rights Shares . . . . .	4:00 p.m. on Monday, 7 November
Latest Time for Termination of the Underwriting Agreement . . . . .	7:00 p.m. on Thursday, 10 November
Announcement of the results of the Rights Issue . . . . .	Wednesday, 16 November
Despatch of certificates for the fully-paid Rights Shares . . . . .	Thursday, 17 November
Despatch of refund cheques for wholly or partly unsuccessful applications for excess Rights Shares or if the Rights Issue is terminated . . . . .	Thursday, 17 November
Expected first day of dealings in the fully-paid Rights Shares . . . . .	9:00 a.m. on Friday, 18 November

### **EFFECT OF BAD WEATHER ON THE LATEST TIME FOR ACCEPTANCE OF AND PAYMENT FOR THE RIGHTS SHARES**

The Latest Time for Acceptance of and payment for the Rights Shares will not take place as shown if there is a tropical cyclone warning signal no. 8 or above, or a “black” rainstorm warning in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on 7 November 2016. Instead the latest time of acceptance of and payment for the Rights Shares will be rescheduled to 4:00 p.m. on the next following Business Day which does not have either of those warnings in force at any time between 12:00 noon and 4:00 p.m..

If the Latest Time for Acceptance of and payment for the Rights Shares does not take place on 7 November 2016, the dates mentioned in the section headed “Expected timetable” above may be affected. The Company will notify the Shareholders by way of announcement(s) on any change to the expected timetable as soon as practicable.

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## DEFINITIONS

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*Unless the context otherwise requires, terms used in this prospectus shall have the following respective meanings:*

“Announcement”	the announcement of the Company dated 2 September 2016 in relation to, among other things, the Rights Issue
“associate(s)”	has the same meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Business Day”	any weekday (other than a Saturday or a day on which a tropical cyclone warning signal No.8 or above or a black rainstorm warning signal is hoisted in Hong Kong at any time between 9:00 a.m. and 4:00 p.m.) on which banks are generally open for business in Hong Kong
“BVI”	British Virgin Islands
“CCASS”	Central Clearing and Settlement System established and operated by HKSCC
“Circular”	the circular of the Company date 23 September 2016 in relation to, among other things, the Rights Issue
“Closing Date”	the date falling on the third Business Day after the Latest Time for Acceptance or such later date the Company and the Underwriters may agree in writing
“Company”	Tai United Holdings Limited (formerly known as Bestway International Holdings Limited), a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock code: 718)
“Completion”	completion of the Rights Issue
“connected person(s)”	has the same meaning ascribed to it under the Listing Rules
“CWUMPO”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) (as amended from time to time)
“Director(s)”	the director(s) of the Company
“EAF(s)”	the form(s) of application for use by the Qualifying Shareholders who wish to apply for the excess Rights Shares
“Easy Winning”	Easy Winning International Limited (怡峰國際有限公司), a company incorporated under the laws of Hong Kong

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## DEFINITIONS

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“Facilities”	two unsecured and revolving loan facilities of up to HK\$1,000 million and HK\$2,000 million granted by Tai He to the Company, details of which were disclosed in the Company’s announcements dated 3 March 2016 and 5 May 2016, respectively
“Group”	the Company and its subsidiaries
“Haitong”	Haitong International Securities Company Limited, a licensed corporation to conduct Type 1 (dealing in securities), Type 3 (leveraged foreign exchange trading) and Type 4 (advising on securities) regulated activities under the SFO
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hua Lien Acquisition”	the subscription of 3,700,000,000 shares of Hua Lien International (Holding) Company Limited, which represents 55.30% of the enlarged share capital of Hua Lien International (Holding) Company Limited, by a subsidiary of the Company pursuant to the subscription agreement dated 18 July 2016
“Hui Kai Acquisitions”	the Hui Kai January Acquisition and the Hui Kai Further Acquisition
“Hui Kai Asset Management”	Hui Kai Asset Management Limited (滙凱資產管理有限公司), a company incorporated under the laws of Hong Kong
“Hui Kai Entities”	Hui Kai Holdings, Hui Kai Securities, Hui Kai Futures, Hui Kai Asset Management and Easy Winning
“Hui Kai Further Acquisition”	the proposed acquisition of the entire equity interest in Hui Kai Holdings by the Company pursuant to the exercise of a call option granted to the Company, details of which are set out in the announcement of the Company dated 16 October 2016
“Hui Kai Futures”	Hui Kai Futures Limited (滙凱期貨有限公司), a company incorporated under the laws of Hong Kong
“Hui Kai Holdings”	Hui Kai Holdings Limited (滙凱控股有限公司), a company incorporated in Hong Kong with limited liability
“Hui Kai January Acquisition”	the proposed acquisition of the entire equity interests in each of Hui Kai Futures, Hui Kai Asset Management, Easy Winning and Hui Kai Securities by the Company, details of which are set out in the announcement of the Company dated 18 January 2016

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## DEFINITIONS

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“Hui Kai Securities”	Hui Kai Securities Limited (滙凱證券有限公司), a company incorporated under the laws of Hong Kong
“ICBCA Facilities”	loan facilities in an aggregate principal amount of up to HK\$800 million granted by Industrial and Commercial Bank of China (Asia) Limited to the Company, details of which were disclosed in the Company’s announcement dated 28 September 2016
“Independent Shareholder(s)”	any Shareholder(s) who are not required to abstain from voting at the SGM under the Listing Rules
“Irrevocable Undertaking”	the irrevocable undertaking given by Tai He in favour of the Company and the Underwriters pursuant to the Underwriting Agreement
“Last Trading Day”	1 September 2016, being the last trading day of the Shares on the Stock Exchange immediately prior to the publication of the Announcement
“Latest Acceptance Date”	7 November 2016, being the last day for the acceptance of and payment for the Rights Shares, or such other date as the Company may determine and notify to the Underwriters in writing
“Latest Practicable Date”	19 October 2016, being the latest practicable date prior to the printing of this prospectus for the purpose of ascertaining information contained herein
“Latest Time for Acceptance”	4:00 p.m. on the Latest Acceptance Date
“Latest Time for Termination”	4:00 p.m. on the Closing Date or such later date as the Company and the Underwriters may agree in writing
“Listing Committee”	has the same meaning ascribed to it under the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“London Property Acquisition”	the proposed acquisition of the entire equity interest and shareholders’ loans to target companies which beneficially hold 100% interest in certain mid-sized luxury residential properties in the central district of London, details of which were set out in the announcement of the Company dated 12 August 2016
“Long Stop Date”	5:00 p.m. on 30 November 2016, or such later date as the Underwriters may agree in writing

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## DEFINITIONS

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“Mr. Chua”	Mr. Chua Hwa Por
“Non-qualifying Shareholder(s)”	the Overseas Shareholder(s) whom the Directors, after making enquiry regarding the legal restrictions under the laws of the relevant place and the requirements of the relevant regulatory body or stock exchange, consider it necessary or expedient to exclude from the Rights Issue, if any
“Notes”	the 5% redeemable fixed coupon guaranteed, secured and unsubordinated notes issued by the Company and subscribed by the investors on 30 September 2016 in the total principal amount of US\$180 million (equivalent to approximately HK\$1,395 million), details of which were disclosed in the Company’s announcements dated 29 September 2016 and 30 September 2016
“Overseas Shareholder(s)”	the Shareholder(s) whose name(s) appear(s) on the register of members of the Company as at 5:00 p.m. on the Record Date and whose address(es) as shown on such register is/ are outside Hong Kong
“PAL(s)”	the provisional allotment letter in respect of the Rights Issue
“PRC”	the People’s Republic of China which, for the purpose of this prospectus, excludes Hong Kong, the Macau Special Administrative Region and Taiwan
“Prospectus Date”	24 October 2016, or such other date as the Company may determine and notify the Underwriters in writing for the despatch of the Prospectus Documents
“Prospectus Documents”	the prospectus, the PAL and the EAF to be issued by the Company
“Qualifying Shareholders”	the Shareholders whose names appear on the register of members of the Company as at 5:00 p.m. on the Record Date, other than the Non-qualifying Shareholders
“Record Date”	21 October 2016, being the record date to determine entitlements to the Rights Issue, or such later date as the Company may determine and notify the Underwriters in writing
“Registrar”	Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong, the branch share registrar and transfer office of the Company in Hong Kong

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## DEFINITIONS

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“Rights Issue”	the proposed issue of 3,002,184,872 Rights Shares to the Qualifying Shareholders at the Subscription Price on the basis of two (2) Rights Shares for every one (1) existing Share held on the Record Date payable in full on acceptance
“Rights Share(s)”	the new Share(s) to be allotted and issued in respect of the Rights Issue
“Set-Off”	the set-off of the outstanding loan amount of the Facilities owing by the Company to Tai He against the Subscription Price payable by Tai He to the Company upon acceptance of the Rights Shares by way of its PALs
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“SGM”	the special general meeting of the Company convened and held on 11 October 2016 to approve the Rights Issue and ancillary matters
“Share(s)”	ordinary share(s) of the Company of HK\$0.05 each
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	the subscription price of HK\$1.00 per Rights Share
“TAI Capital”	TAI Capital LLC, a company incorporated in the Cayman Islands with limited liability, the sole shareholder of which is Mr. Chua
“Tai He”	Tai He Financial Group Limited, a company incorporated in the Cayman Islands with limited liability, the sole shareholder of which is Mr. Chua
“UK” or “United Kingdom”	the United Kingdom of Great Britain and Northern Ireland
“Underwriters”	Haitong and TAI Capital
“Underwriting Agreement”	the underwriting agreement dated 1 September 2016 and entered into between the Company and the Underwriters in relation to the Rights Issue



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## DEFINITIONS

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“Underwritten Shares”	up to a total of 1,258,898,724 Rights Shares to be underwritten by the Underwriters subject to the terms and conditions of the Underwriting Agreement
“Untaken Shares”	any of the Rights Shares not taken up by the Qualifying Shareholders under the Rights Issue
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“GBP”	British Pound Sterling, the lawful currency of the United Kingdom
“US\$”	United States dollar, the lawful currency of the United States of America
“%”	per cent

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## TERMINATION OF THE UNDERWRITING AGREEMENT

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The Underwriters may terminate the Underwriting Agreement by notice in writing to the Company, served prior to the Latest Time for Termination, 7:00 p.m. (Hong Kong time) on Thursday, 10 November 2016 (being the third Business Day following (but excluding) the Latest Time for Acceptance), or such later time and date as may be agreed between the Underwriters and the Company if, prior to the Latest Time for Termination:

- (i) any material breach of any of the representations and warranties of the Company or the undertakings contained in the Underwriting Agreement comes to the knowledge of any of the Underwriters, or there has been a material breach on the part of the Company of any other provision of the Underwriting Agreement; or
- (ii) any event occurs or matter arises, which, if it had occurred before the date of the Underwriting Agreement or before any of the times on which the representations and warranties of the Company are deemed to be given pursuant to the Underwriting Agreement would have rendered any of those representations and warranties untrue, incorrect or misleading in any material respect; or
- (iii) any statement contained in the prospectus has become or been discovered to be untrue, incorrect, incomplete or misleading in any material respect, or matters have arisen or have been discovered which would, if the prospectus was to be issued at the time, constitute a material omission therefrom; or
- (iv) the Company is required to issue a supplemental prospectus and in the reasonable opinion of Haitong (for itself and on behalf of the Underwriters) the disclosure in the supplemental prospectus may have material adverse effect on the consummation of the Rights Issue or may render the Rights Issue inappropriate or unwise; or
- (v) there is any material adverse change or prospective material adverse change in the condition, results of operations, management, business, stockholders' equity or in the financial or trading position of any member of the Group which, in the reasonable opinion of Haitong (for itself and on behalf of the Underwriters), is or may be materially adverse in the context of the Rights Issue; or
- (vi) permission to deal in and listing of all the Rights Shares (in their nil-paid and fully-paid forms) has been withdrawn by the Stock Exchange; or
- (vii) any expert, who has given advice which is contained in the prospectus, has withdrawn its respective consent to the issue of the prospectus with the inclusion of its reports, letters, opinions or advice and references to its name included in the form and context in which it respectively appears prior to the issue of the prospectus; or
- (viii) the Company withdraws the prospectus; or

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## TERMINATION OF THE UNDERWRITING AGREEMENT

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- (ix) there has occurred, happened, come into effect or become public knowledge any event, series of events or circumstances concerning or relating to (whether or not foreseeable):
- (a) any change (whether or not permanent) in the local, national or international financial, political, military, industrial, economic, legal, fiscal, regulatory or securities market matters or conditions or currency exchange rates or exchange controls in or affecting the PRC, Hong Kong, European Union (or any of its members) or the United States; or
  - (b) any event force majeure (including, without limitation, economic sanctions, strike or lock-out (whether or not covered by insurance), riot, fire, explosion, flooding, earthquake, civil commotion, act or declaration of war, outbreak or escalation of hostilities (whether or not war is or has been declared), act of terrorism (whether or not responsibility has been claimed), act of God, pandemic, epidemic, outbreak of infectious disease, declaration of a state of emergency or calamity or crisis), in or affecting the PRC, Hong Kong, European Union (or any of its members) or the United States; or
  - (c) the declaration of a banking moratorium by PRC, Hong Kong, European Union (or any of its members) or United States authorities occurring due to exceptional financial circumstances or otherwise; or
  - (d) any moratorium, suspension or restriction on trading in shares or securities generally, or the establishment of minimum prices, on the Stock Exchange, the London Stock Exchange, the New York Stock Exchange or Nasdaq or any major disruption of any securities settlement or clearing services in the above jurisdictions; or
  - (e) any suspension of dealings in the Shares (other than pending publication of announcements in respect of the Rights Issue or where such suspension is temporary or routine in nature for not more than three trading days); or
  - (f) any new law or regulation or any change, or any development involving a prospective change, in existing laws or regulations in Hong Kong or any other place in which any member of the Group conducts or carries on business, or
  - (g) any change or development occurs involving a prospective change in taxation in Hong Kong, the PRC or any other jurisdiction(s) to which any member of the Group is subject or the implementation of any exchange controls; or
  - (h) any litigation or claim of material importance to the business, financial or operations of the Group being threatened or instituted against any member of the Group; or
  - (i) the imposition of economic sanctions, in whatever form, directly or indirectly, in Hong Kong, the PRC or any other jurisdiction(s) relevant to the Company and its subsidiary; or

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## TERMINATION OF THE UNDERWRITING AGREEMENT

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- (j) any governmental or regulatory commission, body, authority or agency, or any stock exchange, self-regulatory organisation or other non-government regulatory authority or any court, tribunal or arbitrator, whether national, central, federal, provincial, state, regional, municipal in any relevant jurisdiction commencing any investigation, or formally announcing to investigate or take other legal action, against the Group or any of the Directors in respect of any matter related to the Group's business, which investigation has or would have material adverse effect on the traded price of the Shares or the Group (taken as a whole); or
- (k) order or petition for the winding up of any members of the Group or any composition or arrangement made by any members of the Group with its creditors or a scheme of arrangement entered into by any members of the Group or any resolution for the winding up of any members of the Group or the appointment of a provisional liquidator, receiver or manager over all or part of the material assets or undertaking of any members of the Group or anything analogous thereto occurring in respect of any members of the Group;

the effect of which events or circumstances referred above, individually or in the aggregate (in the reasonable opinion of Haitong (for itself and on behalf of the Underwriters)): (1) is or will likely be materially adverse to the Group (taken as a whole), or materially and prejudicially affects or would materially and prejudicially affect, the Group (taken as a whole) or the Rights Issue; or (2) makes or will likely make it inadvisable or inexpedient to proceed with the Rights Issue, or (3) will make or is likely to make the Underwriting Agreement (including underwriting) incapable of performance in accordance with its terms or preventing the processing of applications and/or payments pursuant to the Rights Issue or pursuant to the underwriting thereof,

then in any such case Haitong (for itself and on behalf of the Underwriters) may by notice in writing to the Company, served prior to the Latest Time for Termination, rescind or terminate the Underwriting Agreement.

### **WARNING OF THE RISKS OF DEALING IN THE SHARES AND THE NIL-PAID RIGHTS SHARES**

**It should be noted that the dealings in the Rights Shares in the nil-paid form are expected to take place from Wednesday, 26 October 2016 to Wednesday, 2 November 2016 (both dates inclusive). The Rights Issue is conditional upon the Underwriting Agreement becoming unconditional and not being terminated. It should also be noted that the Underwriting Agreement contains provisions granting the Underwriters the right to terminate the Underwriting Agreement on the occurrence of certain events including force majeure. If the Underwriting Agreement does not become unconditional or is terminated, the Rights Issue will not proceed, in which case a further announcement will be made by the Company as and when appropriate.**

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## TERMINATION OF THE UNDERWRITING AGREEMENT

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**Any Shareholder or other person contemplating dealings in the securities of the Company up to the date on which all conditions to which the Rights Issue is subject (as set out in the paragraph headed “Conditions of the Underwriting Agreement” under the section headed “Underwriting Arrangement” in the letter from the Board contained in this prospectus) are fulfilled and the time by which the Underwriters’ right of termination under the Underwriting Agreement ceases (which is expected to be at 7:00 p.m. on Thursday, 10 November 2016) and any person dealing in the nil-paid Rights Shares during the period from Wednesday, 26 October 2016 to Wednesday, 2 November 2016 (both days inclusive) will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed and are advised to exercise caution when dealing in the securities of the Company and/or the nil-paid Rights Shares.**

If in any doubt, Shareholders and other persons contemplating dealings in the securities of the Company and potential investors of the Company are recommended to consult their professional advisers. Shareholders and potential investors of the Company should exercise caution when dealing in the securities of the Company. Any dealings in the securities of the Company up to the date on which all the conditions to which the Rights Issue is subject are fulfilled, and any dealings in the nil-paid Rights Shares, is at each investor’s own risk that the Rights Issue may not become unconditional and may not proceed.

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## LETTER FROM THE BOARD

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*Executive Directors:*

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

*Independent Non-executive Directors:*

Mr. Mao Kangfu  
Dr. Gao Bin  
Ms. Liu Yan

*Registered Office:*

Clarendon House  
2 Church Street  
Hamilton HM11  
Bermuda

*Principal Place of business  
in Hong Kong:*

Suite 1206-1209  
12th Floor,  
Three Pacific Place,  
1 Queen's Road East,  
Hong Kong

24 October 2016

*To the Shareholders*

Dear Sir or Madam,

**RIGHTS ISSUE ON THE BASIS OF  
TWO (2) RIGHTS SHARES  
FOR EVERY ONE (1) EXISTING SHARE HELD ON THE RECORD DATE  
AT HK\$1.00 PER RIGHTS SHARE**

**INTRODUCTION**

Reference is made to the Announcement and the Circular whereby the Board announced that the Company proposed to raise approximately HK\$3,002 million (before expenses) by way of the Rights Issue. The Company will allot and issue 3,002,184,872 Rights Shares at the Subscription Price of HK\$1.00 per Rights Share on the basis of two Rights Shares for every one existing Share held on the Record Date. The estimated net proceeds from the Rights Issue (after deducting the estimated expenses) will be approximately HK\$2,988 million. The net Subscription Price per Rights Share after deducting the related expenses of the Rights Issue (disregarding the Set-Off) is expected to be approximately HK\$0.99. The Rights Issue (excluding the Rights Shares subject to the Irrevocable Undertakings) will be fully underwritten by the Underwriters on the terms and subject to the conditions as set out in the Underwriting Agreement. The Rights Issue is only available to the Qualifying Shareholders. At the SGM convened and held on Tuesday, 11 October 2016, the necessary resolution approving, among other things, the Rights Issue, was duly passed by the Independent Shareholders by way of poll.

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## LETTER FROM THE BOARD

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The purpose of this prospectus is to provide you with, among other things, details of the Rights Issue, financial information and other general information of the Group.

### THE RIGHTS ISSUE

The Board proposed the Rights Issue, details of which are summarised below:

#### Issue statistics

Basis of the Rights Issue:	:	Two (2) Rights Shares for every one (1) existing Share held by the Qualifying Shareholders on the Record Date
The Subscription Price:	:	HK\$1.00 per Rights Share
Number of Shares in issue as at the Latest Practicable Date	:	1,501,092,436 Shares
Number of the Rights Shares:	:	3,002,184,872 Rights Shares
Number of the Shares as enlarged upon Completion	:	4,503,277,308 Shares
Aggregate nominal value of the Rights Shares:	:	HK\$150,109,243.6

On 28 September 2016 (after trading hours), the Company conditionally agreed, among others, to grant to certain investors the warrants which will entitle the holders thereof to subscribe for up to 279,000,000 Shares at an initial subscription price of HK\$1.00 per warrant share, details of which are set out in the announcement of the Company dated 28 September 2016. As at the Latest Practicable Date, the aforesaid warrants are yet to be issued pending the Shareholders' approval. Accordingly, the Company had no outstanding warrants, options, derivatives or securities convertible into or exchangeable for Shares as at the Latest Practicable Date. Assuming no new Shares are issued or repurchased on or before the Record Date, the 3,002,184,872 Rights Shares to be issued pursuant to the terms of the Rights Issue represents 200% of the existing number of issued Shares as at the Latest Practicable Date and approximately 66.67% of the number of issued Shares as enlarged immediately upon Completion.

Assuming no new Shares are issued or repurchased on or before the Record Date, the 3,002,184,872 Rights Shares to be issued pursuant to the terms of the Rights Issue represents 200% of the existing number of issued Shares as at the Latest Practicable Date and approximately 66.67% of the number of issued Shares as enlarged immediately upon Completion.

#### The Subscription Price

The subscription price of HK\$1.00 per Rights Share is payable in full by a Qualifying Shareholder upon acceptance of the relevant provisional allotment of the Rights Shares under the Rights Issue or when a transferee of the nil-paid Rights Shares subscribes for the Rights Shares.

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## LETTER FROM THE BOARD

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The Subscription Price represents:

- (i) a discount of approximately 7.41% to the closing price of HK\$1.08 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (ii) a discount of approximately 4.76% to the closing price of HK\$1.050 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (iii) a discount of approximately 4.21% to the average of the closing prices per Share as quoted on the Stock Exchange for the five previous consecutive trading days up to and including the Last Trading Day of approximately HK\$1.044;
- (iv) a discount of approximately 4.85% to the average of the closing prices per Share as quoted on the Stock Exchange for the ten previous consecutive trading days up to and including the Last Trading Day of approximately HK\$1.051;
- (v) a discount of approximately 3.18% to the theoretical ex-rights price of approximately HK\$1.017 per Share based on the closing price of HK\$1.05 per Share as quoted on the Stock Exchange and the existing total number of issued Shares on the Last Trading Day; and
- (vi) a premium of approximately 74.83% over the audited consolidated net asset value per Share of approximately HK\$0.572 based on the audited consolidated net asset value of the Company and the number of issued Shares as at 31 March 2016.

The Subscription Price was determined as HK\$1.00 by the Company and the Underwriters by reference to (i) the funding needs for the development of the Group's business; (ii) the Directors' intention to set a subscription price which can avoid significant and undue dilutive impact on the existing Shareholders' interest in the Company; and (iii) the relevant risk exposures assumed by each of the Underwriters.

Given (i) each Qualifying Shareholder will be entitled to subscribe for the Rights Shares at the same Subscription Price in proportion to his/her/its shareholding held on the Record Date; (ii) the Subscription Price has been set at a discount to the recent closing prices of the Shares with a view to encouraging existing Shareholders to participate in the potential growth of the Company; and (iii) the proceeds fulfilled the funding needs of the Group's coming business development, the Board considers the terms of the Rights Issue are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

### **Conditions of the Rights Issue**

The Rights Issue is conditional upon the Underwriting Agreement becoming unconditional and not being terminated in accordance with the terms of the Underwriting Agreement. The conditions to the Underwriting Agreement are set out in the paragraph headed "Conditions of the Underwriting Agreement" under the section headed "Underwriting Arrangement" below.



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## LETTER FROM THE BOARD

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### **The Set-Off**

As disclosed in the announcements of the Company dated 3 March 2016 and 5 May 2016, Tai He granted the Company the Facilities of up to a total of HK\$3,000 million. Each drawdown under the Facilities carries interest at 4.5% per annum and is repayable within 18 calendar months since the date of the drawdown. As at 30 June 2016, the outstanding loan amount of the Facilities was approximately HK\$1,210 million, which was drawn down from March to June 2016. HK\$660 million was drawn down for the acquisitions of distressed assets of the Group, some of which that constituted notifiable transactions were announced by the Company on 12 April 2016 and 5 May 2016; whilst HK\$550 million was used for the Group's securities trading business. The outstanding loan amount of the Facilities is expected to increase to approximately HK\$2,402 million due to the additional loan amount to be drawn down to finance the Hua Lien Acquisition of approximately HK\$592 million and the London Property Acquisition of approximately HK\$600 million (subject of the timing of completion of each of the acquisitions).

As at the Latest Practicable Date, Tai He held 871,643,074 Shares, representing approximately 58.07% of the existing issued share capital of the Company. The provisional entitlement to be allotted to Tai He would be 1,743,286,148 Rights Shares. Pursuant to the Underwriting Agreement, the total Subscription Price of HK\$1,743,286,148 payable by Tai He will be set off by the then outstanding loan amount of the Facilities.

### **Basis of provisional allotments**

The basis of the provisional allotment shall be two (2) Rights Shares (in nil-paid form) for every one (1) existing Share held by the Qualifying Shareholders as at the close of business on the Record Date.

Application for all or any part of a Qualifying Shareholder's provisional allotment should be made by completing a PAL and lodging the same with a remittance for the Rights Shares being applied for with the Registrar on or before the Latest Acceptance Date.

### **Status of the Rights Shares**

The Rights Shares, when allotted, issued and fully paid, will rank *pari passu* in all respects with the existing Shares then in issue. Holders of the fully-paid Rights Shares will be entitled to receive all future dividends and distributions which may be declared, made or paid with a record date falling after the date of allotment and issue of the Rights Shares in their fully-paid form.

### **Qualifying Shareholders**

To qualify for the Rights Issue, a Qualifying Shareholder must be registered as a member of the Company on the Record Date. In order to be registered as members of the Company on the Record Date, all transfers of the Shares (together with the relevant share certificate(s) or indemnities thereof) must be lodged with the Registrar, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong by not later than 4:30 p.m. on 14 October 2016. It is expected that the last day of dealings in the Shares on a cum-rights basis is 12 October 2016 and the Shares will be dealt with on an ex-rights basis from 13 October 2016.

The Company will despatch the Prospectus Documents to the Qualifying Shareholders on the Prospectus Date.

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## LETTER FROM THE BOARD

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### **Rights of the Overseas Shareholders**

The prospectus will not be registered or filed under the applicable securities law of any jurisdiction other than Hong Kong.

According to the register of members of the Company as at the Latest Practicable Date, there was only one Overseas Shareholder with registered address situated in London, United Kingdom. The Overseas Shareholder represents less than 0.1% of the total issued Shares as at the Latest Practicable Date. Pursuant to Rule 13.36(2)(a) of the Listing Rules (including notes 1 and 2 thereto), the Company has made enquiries as to whether the issue of Rights Shares to such Overseas Shareholder may contravene the applicable securities laws and regulations of the United Kingdom. Based on the legal advice on the applicable securities laws of the United Kingdom obtained by the Company, taking into account that there is only one such Overseas Shareholder, the Company has been advised that the extension of the Rights Issue to the Overseas Shareholder will not contravene any securities laws and regulations in the United Kingdom, and the Rights Issue and the Prospectus Documents will be exempted from the requirement to publish an approved prospectus pursuant to section 85 of the Financial Services and Markets Act 2000, as amended (the "FSMA"); and (ii) the financial promotion restriction under section 21(1) of the FSMA. In view of this, the Directors have decided to extend the Rights Issue to the Overseas Shareholder with registered address in the United Kingdom and such Overseas Shareholder, together with the Shareholders with registered addresses in Hong Kong, are Qualifying Shareholders for the purpose of the Rights Issue. Accordingly, there is no Non-qualifying Shareholder for the purpose of the Rights Issue.

### **Fractional entitlement to the Rights Shares**

The Company will not provisionally allot fractions of the Rights Shares. All fractions of the Rights Shares will be aggregated and sold in the market and, if a premium (net of expenses) can be achieved, the Company will keep the net proceeds for its own benefit.

### **Procedures for acceptance, payment and transfer**

A PAL is enclosed with this prospectus which entitles the Qualifying Shareholder(s) to whom it is addressed to subscribe for the number of Rights Shares shown therein. If a Qualifying Shareholder wishes to accept all the Rights Shares provisionally allotted to him/her/it as specified in the PAL, he/she/it must lodge the PAL in accordance with the instructions printed thereon, together with a remittance for the full amount payable on acceptance with the Registrar at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, by not later than 4:00 p.m. on Monday, 7 November 2016. All remittances must be made in Hong Kong dollars by cheques which must be drawn on an account with, or by cashier's orders which must be issued by, a licensed bank in Hong Kong and made payable to "**Tai United Holdings Limited – Rights Issue Account**" and crossed "**Account Payee Only**".

It should be noted that unless the PAL, together with the appropriate remittance, have been lodged with the Registrar by not later than 4:00 p.m. on Monday, 7 November 2016, whether by the original allottee or any person in whose favour the rights have been validly transferred, that provisional allotment and all rights thereunder will be deemed to have been declined and will be cancelled and such Rights Shares will be available for excess application under the EAFs by other Qualifying Shareholders. The Company may, at its sole discretion, treat a PAL as valid and binding on the person(s) by whom or on whose behalf it is lodged even if the PAL is not completed in accordance with the relevant instructions. The Company may require such incomplete PAL to be completed by the relevant applicants at a later stage.

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## LETTER FROM THE BOARD

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If a Qualifying Shareholder wishes to accept only part of his/her/its provisional allotment or transfer part of his/her/its rights to subscribe for the Rights Shares provisionally allotted to him/her/it under the PAL or to transfer part or all of his/her/its rights to more than one person, the entire PAL must be surrendered and lodged for cancellation by not later than 4:30 p.m. on Friday, 28 October 2016 to the Registrar, who will cancel the original PAL and issue new PALs in the denominations required which will be available for collection from the Registrar at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, after 9:00 a.m. on the second business day after the surrender of the original PAL.

The PAL contains further information regarding the procedures to be followed for acceptance and/or transfer of the whole or part of the provisional allotment of the Rights Shares by the Qualifying Shareholders. All cheques and cashier's orders accompanying completed PALs will be presented for payment immediately upon receipt and all interest earned on such monies (if any) will be retained for the benefit of the Company. Completion and return of the PAL will constitute a warranty and representation to the Company that all registration, legal and regulatory requirements of all relevant jurisdictions other than Hong Kong in connection with the PAL and any acceptance of it, have been, or will be, duly complied with. For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited is subject to any of the representations and warranties. Completion and return of the PAL with a cheque or a cashier's order in payment for the Rights Shares, whether by a Qualifying Shareholder or by any nominated transferee, will constitute a warranty by the subscriber that the cheque or the cashier's order will be honoured on first presentation.

Without prejudice to the other rights of the Company in respect thereof, the Company reserves the right to reject any PAL in respect of which the accompanying cheque and/or cashier's order is dishonoured on first presentation, and, in such event, the relevant provisional allotment and all rights and entitlements thereunder will be deemed to have been declined and will be cancelled.

No action has been taken to obtain permission of the offering of the Rights Shares or the distribution of the Prospectus Documents in any jurisdiction other than Hong Kong. Accordingly, no person receiving a copy of the Prospectus Documents in any jurisdiction outside Hong Kong may treat it as an offer or invitation to apply for the Rights Shares, unless in the relevant jurisdictions, such an offer or invitation could lawfully be made without compliance with any registration or other legal and regulatory requirements. It is the responsibility of anyone outside Hong Kong wishing to make on his/her/its/their behalf an application for the Rights Shares to satisfy himself/herself/itself/themselves as to the observance of the laws and regulations of all relevant jurisdiction, including the obtaining of any governmental or other consents, and to pay any taxes and duties required to be paid in such jurisdiction in connection therewith.

If the Underwriter exercises the right to terminate the Underwriting Agreement at or before the Latest Time for Termination or if the conditions of the Rights Issue are not fulfilled or waived (as applicable), the monies received in respect of acceptances of the Rights Shares will be returned to the Qualifying Shareholders or such other persons to whom the nil-paid Rights Shares shall have been validly transferred, or in case of joint acceptances, to the first-named person, without interest by means of cheques despatched by ordinary post to their respective registered addresses at their own risk as soon as practicable thereafter.

No receipt will be issued in respect of any application monies received.

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## LETTER FROM THE BOARD

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### Application for the excess Rights Shares

Qualifying Shareholders shall be entitled to apply for (i) the Rights Shares representing the entitlement of the Non-qualifying Shareholders and which cannot be sold at a net premium; and (ii) any Rights Shares provisionally allotted but not validly accepted by the Qualifying Shareholders. Application may be made by completing the EAF for the excess Rights Shares and lodging the same with a separate remittance for the excess Rights Shares being applied for. The Board will allocate the excess Rights Shares at its discretion, but on a fair and equitable basis as far as practicable on the following principles:

- (i) no preference will be given to applications for topping-up odd-lot holdings to whole-lot holdings as the giving of such preference may potentially be abused by certain investors by splitting their Shares and thereby receiving more Rights Shares than they would receive if such preference is not given, which is an unintended and undesirable result; and
- (ii) subject to availability of the excess Rights Shares, the excess Rights Shares will be allocated to the Qualifying Shareholders who have applied for excess application on a pro rata basis based on the excess Rights Shares applied for by them.

Qualifying Shareholders may apply, by way of excess application, for any Rights Shares provisionally allotted but not accepted by the Qualifying Shareholders or otherwise not subscribed for by the nominated transferees of the nil-paid Rights Shares.

**Any Qualifying Shareholder wishing to apply for any Rights Shares in addition to his/her/its/their provisional allotment must complete and sign the EAF as indicated thereon and lodge it, together with a separate remittance for the amount payable on application in respect of the excess Rights Shares applied for, with the Registrar so as to be received by no later than the Latest Time for Acceptance. All remittances must be made by cheque or cashier's order in Hong Kong dollars. Cheques must be drawn on an account with, and cashier's orders must be issued by, a licensed bank in Hong Kong and made payable to "Tai United Holdings Limited – Excess Application Account" and crossed "Account Payee Only".**

Application for excess Rights Shares may be made by the Qualifying Shareholders completing the EAF and lodging the same with a separate remittance for the excess Rights Shares being applied for. The Board will allocate the excess Rights Shares to the Qualifying Shareholders who have applied for excess application on a pro-rata basis on the excess Rights Shares applied by them, without involving allocation of any fractional Rights Share. No preference will be given to topping up odd lots of Shares to whole board lots of Shares. Shareholders who have been offered odd lots of the Rights Shares should note that there is no guarantee that such odd lots of the Rights Shares will be topped up to create whole board lots pursuant to applications for excess Rights Shares. No reference will be made to the Rights Shares comprised in applications by the PAL or the existing number of Shares held by the Qualifying Shareholders.

Shareholders with the Shares held by a nominee company should note that the Board will regard the nominee company as a single shareholder according to the register of members of the Company.

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## LETTER FROM THE BOARD

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The allocation of excess Rights Shares (if any) to the Qualifying Shareholders will be announced by the Company on Wednesday, 16 November 2016. If no excess Rights Shares are allotted to the Qualifying Shareholders, it is expected that a cheque for the amount tendered on application will be refunded in full without interest on or before Thursday, 17 November 2016. If the number of excess Rights Shares allotted to the Qualifying Shareholders is less than that applied for, a cheque for the amount of the surplus application monies are also expected to be refunded to them without interest on or before Thursday, 17 November 2016.

All cheques and cashier's orders will be presented for payment immediately following receipt and all interest earned on such monies (if any) will be retained for the benefit of the Company. Completion and return of the EAF together with a cheque or cashier's order in payment for excess Rights Shares applied for will constitute a warranty by the applicant that the cheque or the cashier's order will be honoured on first presentation. If any cheque or cashier's order accompanying a completed EAF is dishonoured on first presentation, without prejudice to the other rights of the Company, such EAF is liable to be rejected.

Completion and return of the EAF by anyone outside Hong Kong will constitute a warranty and representation to the Company that all the local registration, legal and regulatory requirements of such relevant jurisdictions other than Hong Kong in connection with the EAF and any application under it, have been, or will be, duly complied with. For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited is subject to any of the representations and warranties.

The EAF is for use only by the person(s) to whom it is addressed and is not transferable. All documents, including refund cheques for wholly or partially unsuccessful applications for excess Rights Shares, will be despatched by ordinary post at the risk of the persons entitled thereto to their respective registered addresses as shown in the register of members of the Company on the Record Date.

If the Underwriters exercise the right to terminate the Underwriting Agreement at or before the Latest Time for Termination or if the conditions of the Rights Issue are not fulfilled or waived (where applicable), the monies received in respect of the relevant applications for excess Rights Shares will be returned to the applicants, or in case of joint applicants, to the first-named person, without interest by means of cheques despatched by the ordinary post to their respective addresses at their own risk as soon as practicable thereafter.

### **Application for listing**

The Company has applied to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Rights Shares in both nil-paid and fully-paid forms. The nil-paid Rights Shares and fully-paid Rights Shares will be traded in board lots of 5,000 (as the Shares are currently traded on the Stock Exchange in board lots of 5,000). No part of the securities of the Company in issue or for which listing or permission to deal is being or is proposed to be sought is listed or dealt in or on any other stock exchange.

Dealings in the Rights Shares (in both nil-paid and fully-paid forms) will be subject to the payment of stamp duty, Stock Exchange trading fee, SFC transaction levy and other applicable fees and charges in Hong Kong.

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## LETTER FROM THE BOARD

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### Share certificates and refund cheques for the Rights Shares

Subject to the fulfilment of the conditions of the Rights Issue as set out below, certificates for all fully-paid Rights Shares are expected to be sent by ordinary post on or before 17 November 2016 to those persons who have validly accepted and, where applicable, applied for, and paid for the Rights Shares, at their own risk.

### Rights Shares will be eligible for admission into CCASS

Subject to the granting of listing of, and permission to deal in, the Rights Shares in both nil-paid and fully-paid forms on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares in both their nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Rights Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter.

All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. Shareholders should seek advice from their licensed securities dealer(s) or other professional adviser(s) for details of those settlement arrangements and how such arrangements will affect their rights and interests.

### The Irrevocable Undertaking

Tai He irrevocably undertakes to the Company and to the Underwriters to accept or procure the acceptance of 1,743,286,148 Rights Shares to be provisionally allotted to Tai He (or its nominee) in respect of the 871,643,074 Shares which are registered in the name of Tai He (and which Tai He undertakes to the Company and to the Underwriters will remain registered in the same name as at 5:00 p.m. on the Record Date). Tai He shall procure that all its PALs shall be lodged with the Registrar with payment therefor in accordance with the terms of the Prospectus Documents on or before the Latest Time for Acceptance or such later date as agreed between Tai He and Haitong (for itself and on behalf of the Underwriters).

The total Subscription Price payable by Tai He will be subject to the Set-Off as set out in the sub-section headed "The Set-Off" above.

## UNDERWRITING ARRANGEMENT

### Underwriting Agreement

**Date** : 1 September 2016 (after trading hours)

**Parties** : (i) the Company;

(ii) Tai He, the controlling shareholder of the Company, the sole shareholder of which is Mr. Chua; and

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## LETTER FROM THE BOARD

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(iii) the Underwriters:

- a) TAI Capital, a company incorporated in the Cayman Islands with limited liability, the sole shareholder of which is Mr. Chua. TAI Capital is an investment holding company and is not engaged in the business of underwriting; and
- b) Haitong.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, Haitong and its ultimate holding company are third parties independent of the Company and its connected persons.

**Number of Underwritten Shares** : The Underwriters have conditionally agreed to underwrite up to 1,258,898,741 Rights Shares, being the total number of the Rights Shares under the Rights Issue excluding 1,743,286,148 Rights Shares to be subscribed by Tai He under the paragraph headed "The Irrevocable Undertaking" above. The Rights Issue is therefore fully underwritten.

The Underwriters will subscribe or procure subscribers for the Untaken Shares on the following basis:

- (i) TAI Capital shall subscribe for up to 711,703,759 Untaken Shares on the terms of the Prospectus Documents (so far as the same are applicable); and
- (ii) Haitong shall subscribe or procure subscription on the terms of the Prospectus Documents (so far as the same are applicable) for the remaining Untaken Shares up to 547,194,965 Rights Shares.

**Underwriting Commission** : 2% of a sum equal to the Subscription Price multiplied by the number of Rights Shares underwritten by Haitong is payable to Haitong as commission, representing an amount up to approximately HK\$11.0 million. TAI Capital shall not be entitled to any commission.

The commission rate of 2% was determined after arm's length negotiation between the Company and Haitong by reference to, among other things, the size of the Rights Issue, the current market condition and the prevailing market rate for the underwriting commission of comparable transactions. The Directors (including the independent non-executive directors) consider the terms of the Underwriting Agreement including the commission rate are fair and reasonable so far as the Company and the Shareholders are concerned.



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## LETTER FROM THE BOARD

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The Company has approached three financial institutions (including Haitong) who are independent of the Company and its connected persons for the Rights Issue, but only received positive feedback from Haitong, which indicated that it did not prefer to act as the sole underwriter or underwriter with priority to underwrite the Untaken Shares. Accordingly, the Company invited TAI Capital to be the priority underwriter for the Rights Issue.

As at the Latest Practicable Date, TAI Capital and its associates held 871,643,074 Shares, representing approximately 58.07% of the existing issued share capital of the Company. Haitong did not hold any Share as at the Latest Practicable Date. The Directors consider that having TAI Capital as the underwriter with priority to underwrite the Untaken Shares would signify a strong support to the Group from the controlling Shareholder and its confidence in the prospects of the Group's development. This would in turn encourage the Independent Shareholders to participate in the potential development of the Company by way of the Rights Issue.

The Subscription Price was determined as HK\$1.00 by the Company and the Underwriters by reference to (i) the funding needs for the development of the Group's business; (ii) the Directors' intention to set a subscription price which can avoid significant and undue dilutive impact on the existing Shareholders' interest in the Company; and (iii) the relevant risk exposures assumed by each of the Underwriters. The ratio of the Rights Issue was derived from the funding needs of the Group and the agreed Subscription Price. Having agreed to the Subscription Price and the ratio of the Rights Issue, TAI Capital and Haitong, after arm's length negotiation, also agreed to allocate the underwriting commitment on a roughly 50:50 basis. TAI Capital will take up approximately 56% of the untaken Rights Shares (i.e. 711,703,759 Shares) while Haitong will take up approximately 44% of the untaken Rights Shares (i.e. 547,194,965 Shares).

### **Conditions of the Underwriting Agreement**

The obligations of the Underwriters under the Underwriting Agreement are conditional upon:

- (i) permission to deal in and listing of all the Rights Shares (in their nil-paid and fully-paid forms) having been granted (subject only to allotment and despatch of the appropriate documents of title) by the Stock Exchange by no later than the business day prior to the commencement of trading of the Rights Shares (in their nil-paid and fully-paid forms respectively) and such permission not being withdrawn or revoked prior to the Latest Time for Termination;
- (ii) the delivery to the Stock Exchange and the filing and registration with the Registrar of Companies in Hong Kong prior to the Prospectus Date of each of the Prospectus Documents and (where necessary) other documents in compliance with the Companies (Winding Up and Miscellaneous Provisions) Ordinance (and other documents required to be attached thereto) and otherwise complying with the requirements of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the Companies Ordinance and the Listing Rules;
- (iii) the despatch on the Prospectus Date of copies of the Prospectus Documents to the Qualifying Shareholders;



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## LETTER FROM THE BOARD

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- (iv) all relevant consents and approvals having been obtained from the regulatory authorities, including the Stock Exchange and the SFC, as the case may require in connection with the Rights Issue, including but not limited to the approval of the prospectus by the Stock Exchange;
- (v) compliance by the Company with all its obligations under the Underwriting Agreement having taken place by the times specified;
- (vi) compliance by Tai He with all its obligations under the Underwriting Agreement having taken place by the times specified;
- (vii) receipt by Haitong (for itself and on behalf of the Underwriters) (in a form and substance reasonably satisfactory to it) of all relevant documents to be provided by the Company by the times and dates specified in the Underwriting Agreement;
- (viii) (a) the Shares remaining listed on the Stock Exchange at all times prior to the Latest Time for Termination and the current listing of the Shares not having been withdrawn or the trading of the Shares not having been suspended for a consecutive period of more than 5 trading days (or such longer period as the Company and Haitong (for itself and on behalf of the Underwriters) may agree); and (b) no indication being received before 4:00 p.m. on the date of the Latest Time for Termination from the Stock Exchange to the effect that such listing may be withdrawn or objected to (or conditions will or may be attached thereto) including but not limited to as a result of the Rights Issue or in connection with the terms of the Underwriting Agreement or for any other reason;
- (ix) the approval by the Board on the Rights Issue, the Underwriting Agreement and the transactions contemplated thereunder;
- (x) the approval by Shareholders (or, as the case may be, the independent shareholders of the Company who are allowed to vote and are not required to abstain from voting) at a special general meeting of the Company on the Rights Issue, the Underwriting Agreement and the transactions contemplated thereunder;
- (xi) after the date of the Underwriting Agreement and up to and at the Closing Date, there have not occurred any material adverse change in the financial or business condition, results of operations or general affairs of the Company and the Group taken as a whole;
- (xii) all the warranties made by the Company in the Underwriting Agreement remaining true and correct in all material respects when made, and as of the Closing Date with the same force and effect as if they had been made on and as of such date; and
- (xiii) no material breach of any of the representations and warranties of the Company as set out in the Underwriting Agreement having come to the knowledge of any of the Underwriters by the Latest Time for Termination.

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## LETTER FROM THE BOARD

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Haitong (for itself and on behalf of the Underwriters) has the sole discretion to waive any of the conditions in (v) to (ix) and (xi) to (xiii) above. If (a) any of the conditions shall not have been fulfilled or waived in accordance with the terms of the Underwriting Agreement by the specified time and date; or (b) the Latest Time for Termination occurs, or will occur, after the Long Stop Date, the Underwriting Agreement shall terminate and none of the parties to the Underwriting Agreement shall have any claim against any other parties (other than for antecedent breaches) for costs, damages, compensation or otherwise provided that, among other things, the Company shall remain liable to pay the Underwriters' reasonable costs, fees and expenses in accordance with the Underwriting Agreement.

On 11 October 2016, the Company obtained the approval for the Rights Issue from the Independent Shareholders at the SGM.

### EFFECT OF THE RIGHTS ISSUE ON SHAREHOLDING IN THE COMPANY

Shareholders/directors	As at the Latest Practicable Date		Immediately upon Completion (assuming no shareholders (except Tai He) subscribed for the Rights Shares)	
	Number of Shares	%	Number of Shares	%
Dr. Liu Hua	50,000,000	3.33%	50,000,000	1.11%
Mr. Sang Kangqiao (Note 1)	580,000	0.04%	580,000	0.01%
Tai He	871,643,074	58.07%	2,614,929,222	58.07%
TAI Capital	—	—	711,703,759	15.80%
<i>Sub-total</i>	922,223,074	61.44%	3,377,212,981	74.99%
Existing public shareholders	578,869,362	38.56%	578,869,362	12.86%
Haitong and/or subscribers to be procured by it (Note 2)	—	—	547,194,965	12.15%
Public shareholders	<u>578,624,362</u>	<u>38.56%</u>	<u>1,126,064,327</u>	<u>25.00%</u>
<b>Total</b>	<u><u>1,501,092,436</u></u>	<u><u>100.00%</u></u>	<u><u>4,503,277,308</u></u>	<u><u>100.00%</u></u>

*Notes:*

- Mr. Sang Kangqiao is the legal representative and director of a PRC subsidiary of the Company.
- Haitong undertakes that no subscriber procured by it to take up the Untaken Shares will be a connected person of the Company or will become interested in 10% or more of the enlarged issued share capital of the Company upon Completion.

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## LETTER FROM THE BOARD

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### **BUSINESS REVIEW OF THE GROUP**

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

Having experienced loss-making in the past few years, the Group has endeavoured to turn around its business performance by engaging in trading of commodities and securities characterised by shorter trading cycle and larger transaction volume, and distressed asset investments which offer medium term up side gain in investment through unlocking the value of the collaterals. Set out below are latest development of the Company's businesses:

#### **Trading business**

##### ***Commodities***

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

##### ***Securities***

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

On 30 September 2016, the Company issued the Notes to three investors. The net proceeds from the issue of the Notes amounted to approximately HK\$1,379 million. The Company intends to apply approximately HK\$388 million out of the net proceeds for enhancement of the securities and commodities trading businesses of the Group.

##### ***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.

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## LETTER FROM THE BOARD

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### **Distressed assets investment and management**

The Group actively bids for acquisition of distressed bank loan portfolio with quality property collaterals through public tenders in the PRC, with a view to realizing the potential upside of the investments by realization of the underlying collaterals. As at 30 June 2016, the book value of the distressed loan investment portfolio held by the Group amounted to approximately RMB348 million (equivalent to approximately HK\$417.6 million), with a portfolio of residential, industrial and commercial buildings and land use rights located in the Zhejiang Province as collaterals.

On 12 August 2016, the Group completed an acquisition through public tender from Zheyue Asset Management Company Limited (“**Zheyue**”), which is a third party independent of the Company and the connected persons of the Company, of a distressed loan portfolio with residential, industrial and commercial properties located in Zhejiang Province as collaterals at a bidding price of approximately RMB170 million (equivalent to approximately HK\$204 million), of which approximately RMB90 million (equivalent to approximately HK\$108 million) has been paid by the Group as at the Latest Practicable Date, and the remaining RMB80 million (equivalent to approximately HK\$96 million) is payable within 12 months of the date of bidding. This remaining balance is to be financed by the net proceeds of the Rights Issue. The Group has also entered into a cooperation agreement with Zheyue on the same date to lay down the framework of the cooperation in sharing of market intelligence, valuation and due diligence results of target assets, and bidding of distressed assets or loan portfolio with total investment amount up to RMB500 million (equivalent to approximately HK\$600 million) by the end of 2016.

### **Mining of tungsten in Mongolia**

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

### **Other business development**

The Group also intended to diversify into financial services business and property investment and had entered into various transactions and has been in negotiations with a number of potential vendors for different investment and business proposals. Set out below are the latest development:

#### ***Financial services business***

In January 2016, the Group entered into an agreement to acquire the entire equity interest in (i) Hui Kai Futures which is principally engaged in trading and brokerage of futures contracts with type 2 licence under the SFO; (ii) Hui Kai Asset Management, which is principally engaged in asset management with type 9 licence under the SFO; and (iii) Easy Winning, which is principally engaged in money lending business, for an aggregate consideration of up to HK\$56 million (with HK\$10 million paid upon signing of the agreement and HK\$5 million paid upon signing of a supplemental agreement on 23 May 2016). The Group was also granted an option to further acquire the entire equity interest in Hui Kai Holdings which through Hui Kai Securities is principally engaged in brokerage of securities and margin financing with type 1 licence under the SFO for a consideration up to HK\$120 million. Completion of the Hui Kai Acquisitions (including exercise of the call option to acquire Hui Kai Holdings) was subject to, among others, SFC’s approval of change in substantial shareholder of Hui Kai Securities, Hui Kai Futures, and Hui Kai Asset Management (the “**SFC Approval**”).

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## LETTER FROM THE BOARD

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On 29 September 2016, the Group obtained the SFC Approval. Hence, on 14 October 2016, the Group exercised the call option to acquire the entire equity interest in Hui Kai Holdings, details of which are set out in the Company's announcement dated 16 October 2016. As mentioned above, the Company has obtained additional funding from issue of the Notes on 30 September 2016. The Company intends to apply approximately HK\$750 million out of the net proceeds for the provision of financial services, of which approximately HK\$500 million to HK\$550 million would be applied for capital injection into the Hui Kai Entities to be acquired by the Group upon completion of the Hui Kai Acquisitions and approximately HK\$200 million to HK\$250 million for development of financial services business in Hong Kong or other places.

As at the Latest Practicable Date, the Company had been in negotiations with potential vendors in respect of the possible acquisition(s) of a licensed financial service company and an insurance company in Hong Kong. The Company is also studying a proposal of setting up financial services companies in the PRC. Details of the capital required and possible sources of funding are set out in the table below in this section.

### ***Property investment***

On 24 September 2016, the Group proposed to acquire two target companies which together hold a residential luxury property project in London for an aggregate consideration of approximately GBP112,202,150 (equivalent to approximately HK\$1,155,682,145) subject to adjustments upon completion. The Group has paid HK\$120 million to the vendors as part of the refundable deposit, and intends to finance the consideration by way of bank borrowings and the Facilities. Details of the London Property Acquisition are set out in the Company's circular dated 18 October 2016. The Directors expect that the London Property Acquisition will be completed by early November 2016.

In view of the promising prospects of the property market in the United Kingdom, the Company intends to develop the property investment business by establishing a portfolio of quality commercial (including hospitality) and residential properties located in the major cities of the United Kingdom and other countries with a target portfolio size ranging from GBP1.0 billion to GBP2.0 billion. The Board expects that the property investment business will generate rental income for the Group, which may benefit from capital appreciation as well. The Company currently has a team of four professionals with prior real estate investment and asset management experience ranging from 4 to 5 years obtained from established real estate companies listed on Singapore Stock Exchange. The Company will continue to recruit additional staff to build up a strong investment and asset management team for the development of this segment.

As at the Latest Practicable Date, the Group had entered into negotiations with potential vendors for various property investment proposals focusing on the UK and the PRC property market including (i) two proposals relating to high-end commercial properties located in the core area of London, with total consideration possibly amounting to above HK\$240 million and HK\$1,200 million respectively; (ii) various investment proposals relating to UK properties that may require capital of approximately HK\$2.0 billion to HK\$3.0 billion; and (iii) an acquisition of a hotel in Hangzhou, the PRC, the total consideration of which may amount to approximately HK\$1,440 million. 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. Detailed funding requirement and the intended source of funding for the proposals are set out in the table below.

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## LETTER FROM THE BOARD

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### ***Hua Lien Acquisition***

In July 2016, the Company entered into an agreement with Hua Lien to subscribe for a total of 3,700,000,000 shares in Hua Lien (representing approximately 55.3% of the enlarged issued share capital of Hua Lien upon issue of the subscription shares and the placing shares to be issued therewith simultaneously) at the subscription price of HK\$0.16 per share in Hua Lien. The Group intends to settle the total subscription monies of approximately HK\$592 million by way of the Facilities in the event that completion of the Hua Lien Acquisition takes place before the Completion. In the event that completion of the Hua Lien Acquisition takes place after the Completion, the Company intends to settle the subscription monies by the net proceeds of the Rights Issue. Details of the Hua Lien Acquisition are set out in the joint announcement of the Company and Hua Lien dated 21 July 2016.

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

### **Capital invested and expected to be invested in the businesses of the Group and the source of funding**

In view of the rapid development of the Group's businesses, in particular the financial services business, commodities and securities trading, distressed assets investment, and property investment business, we set out below a table to summarise the capital invested in each of the aforesaid business segments since their respective inauguration and the estimated capital to be invested as well as the intended source of funding based on the proposals under negotiation or study of the Group as at the Latest Practicable Date:

Commencing the business/ conducting the relevant transaction from	Business	Capital invested or applied as at Latest Practicable Date (approximate HK\$)	Source of funding	Proposed acquisitions or other possible acquisitions that may materialize in the coming 12 months	Further capital expected to be invested (approximate HK\$)	Source of funding
December 2015	Financial services business	15,000,000 (as the deposit for the acquisition of Hui Kai Futures, Hui Kai Asset Management and Easy Winning)	<ul style="list-style-type: none"> <li>• Internal resources</li> </ul>	<ul style="list-style-type: none"> <li>• Hui Kai Acquisitions;</li> <li>• funding for enhancement of financial business conducted by Hui Kai Holdings</li> </ul>	<ul style="list-style-type: none"> <li>• up to 161,000,000</li> <li>• 500,000,000</li> </ul>	<ul style="list-style-type: none"> <li>• internal resources</li> <li>• the Notes</li> </ul>
				<b>Proposals:</b>		
				<ul style="list-style-type: none"> <li>• a possible acquisition of a licensed financial services company in Hong Kong</li> </ul>	<ul style="list-style-type: none"> <li>• under negotiation</li> </ul>	<ul style="list-style-type: none"> <li>• the Notes</li> </ul>
				<ul style="list-style-type: none"> <li>• a possible investment in an insurance company in Hong Kong</li> </ul>	<ul style="list-style-type: none"> <li>• under negotiation</li> </ul>	<ul style="list-style-type: none"> <li>• the Notes</li> </ul>
				<ul style="list-style-type: none"> <li>• possible setup of financial services companies in the PRC</li> </ul>	<ul style="list-style-type: none"> <li>• 0.5 to 1.0 billion</li> </ul>	<ul style="list-style-type: none"> <li>• internal resources</li> <li>• other possible debt or equity financing from banks or other investors</li> </ul>

## LETTER FROM THE BOARD

Commencing the business/ conducting the relevant transaction from	Business	Capital invested or applied as at Latest Practicable Date (approximate HK\$)	Source of funding	Proposed acquisitions or other possible acquisitions that may materialize in the coming 12 months	Further capital expected to be invested (approximate HK\$)	Source of funding
January 2016	Commodity and securities trading	1,000,000,000 (which is existing trading portfolio of commodities and securities)	<ul style="list-style-type: none"> <li>• Internal resources</li> <li>• the Facilities</li> </ul>	<ul style="list-style-type: none"> <li>• funding for enhancement of the securities and commodities trading businesses</li> </ul>	• 388,000,000	<ul style="list-style-type: none"> <li>• the notes</li> </ul>
April 2016	Distressed assets management	526,224,000 (as the consideration for 3 distressed assets investment of the Company announced on 12 April, 5 May and 14 August 2016)	<ul style="list-style-type: none"> <li>• the Facilities</li> </ul>	<ul style="list-style-type: none"> <li>• development of the distressed assets investment business through 2 to 3 distressed assets investments with bidding price ranging from HK\$100 million to HK\$300 million</li> </ul>	• 586,000,000	<ul style="list-style-type: none"> <li>• the Rights Issue</li> </ul>
August 2016	Property investment	115,875,000 (as the deposit for the London Property Acquisition)	<ul style="list-style-type: none"> <li>• the Notes</li> </ul>	<ul style="list-style-type: none"> <li>• the London Property Acquisition</li> </ul>	• 1,200,000,000	<ul style="list-style-type: none"> <li>• the Rights Issue</li> <li>• mortgage loans</li> </ul>
				<b>Proposals:</b>		
				<ul style="list-style-type: none"> <li>• a potential acquisition of a hotel in Hangzhou, the PRC</li> </ul>	• 1,440,000,000	<ul style="list-style-type: none"> <li>• internal resources</li> <li>• other possible debt or equity financing from banks or other investors</li> </ul>
				<ul style="list-style-type: none"> <li>• a potential investment in a commercial property in London</li> </ul>	• 241,000,000	<ul style="list-style-type: none"> <li>• internal resources</li> <li>• mortgage loans</li> </ul>
				<ul style="list-style-type: none"> <li>• a potential investment in a commercial property in London</li> </ul>	• 1,200,000,000	<ul style="list-style-type: none"> <li>• mortgage loans</li> <li>• the IBCA Facilities</li> <li>• other possible debt or equity financing from banks or other investors</li> </ul>
				<ul style="list-style-type: none"> <li>• various possible property investments in the UK</li> </ul>	• 2 to 3 billion	<ul style="list-style-type: none"> <li>• the Notes</li> <li>• the Facilities</li> <li>• other possible debt or equity financing from banks or other investors</li> </ul>

In view of the above proposals, the Group may require additional funding of at least approximately HK\$6.8 billion subsequent to the completion of the Rights Issue should all the above proposals materialize. As stated above, the Company expects to satisfy these funding needs by way of debt or equity financing from banks or other investors.



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## LETTER FROM THE BOARD

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### REASONS FOR THE RIGHTS ISSUE

Pursuant to the terms of the Facilities, each drawdown thereunder carries interest at 4.5% per annum and would be due for repayment in full 18 calendar months after the drawdown. As the Hua Lien Acquisition and the London Property Acquisition are expected to be financed by the Facilities (subject to the timing of completion of each of the acquisitions), it is expected that the total outstanding loan amount of the Facilities as a result thereof would amount to approximately HK\$2,402 million, which will incur an annualized finance cost of approximately HK\$108 million.

The Directors consider that the Group's business would be best financed by equity rather than short-term debts that will adversely affect the net profit margin of the Group. Accordingly, the Directors consider that it will be in the interests of the Company and the Shareholders as a whole to conduct an equity fundraising by way of the Rights Issue with a view to alleviating the impact on the Company's cash flow position upon repayment of the loan and reducing the gearing ratio of the Group from approximately 113% to approximately 62%. The Rights Issue can strengthen the financial position of the Group for future development and provide all Qualifying Shareholders with the opportunity to maintain their respective pro rata shareholding interests in the Company and participate in the potential development of the Group.

### PROPOSED USE OF PROCEEDS

As at 31 August 2016, the unaudited consolidated cash and cash equivalents of the Group amounted to approximately HK\$322 million. The gross proceeds from the Rights Issue are expected to be approximately HK\$3,002 million. After deducting related expenses of approximately HK\$14 million, the net proceeds are estimated to be approximately HK\$2,988 million. The net Subscription Price per Rights Share calculated based thereon (disregarding the Set-Off) is expected to be approximately HK\$0.99.

Assuming the Hua Lien Acquisition and the London Property Acquisition were completed before the Completion, the Company will require funding of approximately HK\$1,192 million to finance the Hua Lien Acquisition and the London Property Acquisition which are to be financed by additional drawdown of the Facilities of approximately HK\$1,192 million. In this circumstance, the total outstanding loan amount of the Facilities is expected to be HK\$2,402 million, which will be used to set-off the total subscription price payable by Tai He (i.e. HK\$1,743 million) under the Right Issue. In this case, the net cash proceeds of the Rights Issue (after the Set-Off) is expected to be approximately HK\$1,245 million. The Company intends to use it in the following way:

- (i) as to approximately HK\$659 million to be applied to the repayment of the outstanding loan amount of the Facilities; and
- (ii) as to approximately HK\$586 million to be applied to the development of the distressed assets investment business through acquisition of further distressed assets, of which HK\$96 million will be reserved for the payment of the remaining consideration of the distressed assets acquired on 12 August 2016 as mentioned in section headed "Business review of the Group", whilst the remaining amount of HK\$490 million is intended to be used for 2 to 3 acquisition of acquire 2 to 3 distressed assets with bidding price ranging from HK\$100 million to HK\$300 million should the opportunities arise.



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## LETTER FROM THE BOARD

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In the event that completion of the Hua Lien Acquisition and/or the London Property Acquisition takes place after the Completion, the Company intends to apply the net proceeds of the Rights Issue directly to such acquisitions. In the event that the Hua Lien Acquisition and the London Property Acquisition were lapsed before Completion, the Company would not draw down the additional loan amount of approximately HK\$1,192 million under the Facilities for those acquisitions. In this case, the amount of the Set-Off is estimated to be approximately HK\$1,210 million only. The net cash proceeds of the Rights Issue after the Set-Off therefore would be approximately HK\$1,778 million. The Company intends to use it in the following way:

- (i) as to approximately HK\$586 million to be applied to the development of the distressed assets investment business through acquisition of further distressed assets, of which HK\$96 million will be reserved for the payment of the remaining consideration of the distressed assets acquired on 12 August 2016 as mentioned in section headed “Business review of the Group”, whilst the remaining amount of HK\$490 million is intended to be used for 2 to 3 acquisition of acquire 2 to 3 distressed assets with bidding price ranging from HK\$100 million to HK\$300 million should the opportunities arise;
- (ii) as to approximately HK\$600 million to be applied to the potential acquisition of properties should the Company identify the targets; and
- (iii) as to approximately HK\$592 million to be applied to other possible acquisition should the opportunities arise.

Before the Company identifies the acquisition targets, the proceeds will be used for securities trading business as an interim strategy.

In view of the above, the Company considers that it is in the interests of the Company and the Shareholders to proceed with the Rights Issue.

### FUND RAISING EXERCISE OF THE COMPANY IN THE PAST 12 MONTHS

<b>Date of announcement</b>	<b>Event</b>	<b>Gross proceeds (approximate)</b>	<b>Net proceeds (approximate)</b>
12 November 2015	Placing of 250,180,000 new shares completed on 30 November 2015 (the “Placing”)	HK\$165.72 million	HK\$164.32 million
28 September 2016	Issuing of the Notes completed on 30 September 2016	US\$180 million (equivalent to HK\$1,395 million)	US\$178 million (equivalent to HK\$1,379 million)

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## LETTER FROM THE BOARD

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Set out below is the intended use of the net proceeds of approximately HK\$164.32 million from the Placing as disclosed in the announcement of the Company dated 29 January 2016:

<b>Intended use of net proceeds</b>	<b>Actual use of net proceeds</b>
<ul style="list-style-type: none"><li>• HK\$100 million will be reallocated as working capital of commodity trading business</li></ul>	Used as intended
<ul style="list-style-type: none"><li>• HK\$35 million will be applied to settle the consideration of the proposed acquisition of Hui Kai Futures Limited, subject to cash position of the target at completion and actual receivables having been collected (details of which are set out in the announcements of the Company dated 30 December 2015 and 18 January 2016)</li></ul>	Not yet completed
<ul style="list-style-type: none"><li>• HK\$15 million will be applied to settle the consideration of proposed acquisition of Hui Kai Asset Management Limited, subject to cash position of the target at completion and actual receivables having been collected (details of which are set out in the announcements of the Company dated 30 December 2015 and 18 January 2016)</li></ul>	Not yet completed
<ul style="list-style-type: none"><li>• HK\$6 million of proceeds will be applied to settle the acquisition of Easy Winning International Limited, subject to cash position of the target at completion and actual receivables having been collected (details of which are set out in the announcements of the Company dated 30 December 2015 and 18 January 2016)</li></ul>	Not yet completed
<ul style="list-style-type: none"><li>• HK\$4 million will be reallocated as working capital for the operation of Easy Winning International Limited</li></ul>	Not yet completed
<ul style="list-style-type: none"><li>• HK\$4 million will be applied as general working capital for trading of medical equipment.</li></ul>	Used as intended

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## LETTER FROM THE BOARD

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Set out below is the intended use of the net proceeds of approximately HK\$1,379 million from the Notes as disclosed in the announcement of the Company dated 5 October 2016.

<b>Intended use of net proceeds</b>	<b>Actual use of net proceeds</b>
<ul style="list-style-type: none"><li>• approximately HK\$500 million to HK\$550 million for capital injection into the Hui Kai Entities to be acquired by the Group upon completion of the Hui Kai Acquisitions</li></ul>	Not yet utilized
<ul style="list-style-type: none"><li>• approximately HK\$200 million to HK\$250 million for development of financial services business in Hong Kong or other places</li></ul>	Not yet utilized
<ul style="list-style-type: none"><li>• approximately HK\$388 million for enhancement of the securities and commodities trading businesses of the Group</li></ul>	Not yet utilized
<ul style="list-style-type: none"><li>• approximately HK\$241 million for the property investment</li></ul>	Not yet utilized

Save for the above, the Company had not conducted any other equity fund raising exercise in the past 12 months immediately preceding the Latest Practicable Date.

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## LETTER FROM THE BOARD

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### WARNING OF THE RISKS OF DEALING IN THE SHARES AND THE NIL-PAID RIGHTS SHARES

The Rights Issue is conditional on the Underwriting Agreement having become unconditional and not terminated (see the section headed “Termination of the Underwriting Agreement” in this prospectus). The conditions of the Underwriting Agreement are set out in the section headed “Conditions of the Underwriting Agreement” above. Shares have been dealt with on an ex-rights basis since 13 October 2016. The Rights Shares will be dealt with in their nil-paid form from 9:00 a.m. on 26 October 2016 to 4:00 p.m. on 2 November 2016. If Haitong (for itself and on behalf of the Underwriters) terminates the Underwriting Agreement pursuant to the terms thereto, the Rights Issue will not proceed.

**ANY SHAREHOLDER OR OTHER PERSON CONTEMPLATING TRANSFERRING, SELLING OR PURCHASING SHARES AND/OR THE RIGHTS SHARES IN THEIR NIL-PAID FORM IS ADVISED TO EXERCISE CAUTION WHEN DEALING IN THE SHARES AND/OR THE RIGHTS SHARES. ANY PERSON WHO IS IN ANY DOUBT ABOUT HIS/HER/ITS POSITION OR ANY ACTION TO BE TAKEN IS RECOMMENDED TO CONSULT HIS/HER/ITS OWN PROFESSIONAL ADVISER(S). ANY SHAREHOLDER OR OTHER PERSON DEALING IN THE SHARES OR IN THE NIL-PAID RIGHTS SHARES UP TO THE DATE ON WHICH ALL THE CONDITIONS TO WHICH THE RIGHTS ISSUE IS SUBJECT ARE FULFILLED (INCLUDING THE DATE ON WHICH THE UNDERWRITERS’ RIGHT OF TERMINATION OF THE UNDERWRITING AGREEMENT CEASES) WILL ACCORDINGLY BEAR THE RISK THAT THE RIGHTS ISSUE MAY NOT BECOME UNCONDITIONAL OR MAY NOT PROCEED.**

### ADDITIONAL INFORMATION

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

By the order of the Board  
**Tai United Holdings Limited**  
**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 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](http://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 31 August 2016, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this Prospectus, the Group had indebtedness of approximately HK\$1,394 million.

**Securities margin borrowings**

The total carrying amounts of the Group's outstanding secured securities margin borrowings as at 31 August 2016 were approximately HK\$184 million. Securities margin borrowings as at 31 August 2016 were unguaranteed and secured by the Group's listed equity securities investments and pledged deposits.

**Shareholder loans**

The total carrying amounts of the Group's outstanding shareholder loans as at 31 August 2016 were approximately HK\$1,210 million and were unsecured and unguaranteed.

At the close of business on 31 August 2016, except as disclosed in this section and apart from intra-group liabilities, the 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 cash flows from Rights Issue, 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 prospectus.

**4. MATERIAL ADVERSE CHANGE**

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

**5. BUSINESS REVIEW OF THE GROUP**

Your attention is drawn to the section headed “Business review of the Group” in the “Letter from the Board” in this prospectus.

## A. UNAUDITED PRO FORMA ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS

The following statement of unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company is prepared in accordance with Rule 4.29 of the Listing Rules and is set out below to illustrate the effect of the Rights Issue on the consolidated net tangible assets of the Group attributable to owners of the Company as at 31 March 2016 as if the Rights Issue had taken place on that date.

The unaudited pro forma adjusted consolidated net tangible assets of the Group has been prepared for illustrative purposes only and because of its hypothetical nature, it may not give a true picture of the consolidated net tangible assets of the Group attributable to owners of the Company immediately after the Rights Issue had if been completed as at 31 March 2016 or at any future dates. It is prepared based on the audited consolidated net tangible assets of the Group attributable to owners of the Company as at 31 March 2016 derived from the consolidated statement of financial position at that date as set out in the published annual report of the Group (formerly known as Bestway International Holdings Limited) for the year ended 31 March 2016, and adjusted as described below.

Audited consolidated net asset of the Group attributable to owners of the Company as at 31 March 2016 HK\$'000 (Note 1)	Adjustment for intangible assets of the Group attributable to owners of the Company as at 31 March 2016 HK\$'000 (Note 2)	Consolidated net tangible assets of the Group attributable to owners of the Company as at 31 March 2016 HK\$'000	Consolidated net tangible assets of the Group attributable to owners of the Company per Share as at 31 March 2016 HK\$ (Note 3)	Estimated net proceeds from the Rights Issue HK\$'000 (Note 4)	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company after the Rights Issue HK\$'000	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company per Share after the Rights Issue HK\$ (Note 5)
848,895	454,541	394,354	0.263	2,997,685	3,392,039	0.753

*Note 1:* The audited consolidated net assets attributable to owners of the Company as at 31 March 2016 are extracted from the published annual report of the Group for the year ended 31 March 2016.

*Note 2:* Intangible assets of the Group represent the mining rights held by the Group and are extracted from the published annual report of the Group for the year ended 31 March 2016, of which 100% of the intangible assets were attributable to owners of the Company.

*Note 3:* 1,501,092,436 Shares in issue as at 31 March 2016 are used as the number of shares for the calculation of per Share amount. The effect of Rights Issue have not been taken into account in the calculation.

*Note 4:* The estimated net proceeds from the Rights Issue are based on 3,002,184,872 Rights Shares at the Subscription Price of HK\$1.00 per Rights Share on the basis of two Rights Shares for every one existing Share held on the Record Date, after deducting the estimated underwriting commission and other related expenses of approximately HK\$4,500,000 to be incurred by the Company.

*Note 5:* The number of Shares used for the calculation of per Share amounts is 4,503,277,308, representing 1,501,092,436 Shares in issue as at 31 March 2016 and 3,002,184,872 Rights Shares to be issued. The Company did not have any outstanding warrants, share options or other convertible instruments as at 31 March 2016.

*Note 6:* No adjustments have been made to reflect any trading results or other transactions of the Group entered into subsequent to 31 March 2016.

**B. REPORT ON THE UNAUDITED PRO FORMA FINANCIAL STATEMENT OF  
ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS OF THE GROUP**

*The following is the text of a report received from the auditor of the Company, Deloitte Touche Tohmatsu, Certified Public Accountants, Hong Kong, in respect of the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group for the purpose of incorporation in this prospectus.*

**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 adjusted consolidated net tangible assets of the Group as at 31 March 2016 and related notes as set out on pages II-1 of Appendix II to the prospectus issued by the Company dated 24 October 2016 (the "Prospectus"). The applicable criteria on the basis of which the Directors have compiled the unaudited pro forma financial information are described on pages II-1 of Appendix II to the Prospectus.

The unaudited pro forma financial information has been compiled by the Directors to illustrate the impact of the Rights Issue (as defined in the Prospectus) on the Group's net tangible assets as at 31 March 2016 as if the transaction had taken place at 31 March 2016. As part of this process, information about the Group's net tangible assets has been extracted by the Directors from the Group's financial statements for the year ended 31 March 2016, on which an auditor's report has been published.

**Directors' Responsibilities for the Unaudited Pro Forma Financial Information**

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



**Our Independence and Quality Control**

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

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

**Reporting Accountants’ Responsibilities**

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

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

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

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

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

- the related unaudited pro forma adjustments give appropriate effect to those criteria; and
- the unaudited pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

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

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

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

**Opinion**

In our opinion:

- (a) the unaudited pro forma financial information has been properly compiled on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purposes of the unaudited pro forma financial information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

**Deloitte Touche Tohmatsu**  
*Certified Public Accountants*  
Hong Kong  
24 October 2016

## 1. RESPONSIBILITY STATEMENT

This prospectus, 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 prospectus 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 prospectus misleading.

## 2. SHARE CAPITAL

### The authorised and issued share capital of the Company

The authorised and issued share capital of the Company (a) as at the Latest Practicable Date; and (b) immediately following the completion of the Rights Issue (assuming there is no change in the issued share capital of the Company up to the Completion) is as follows:

#### (a) As at the Latest Practicable Date

<i>Authorised share capital:</i>		<i>HK\$</i>
<u>34,566,666,668</u>	Shares	<u>1,728,333,333.40</u>

#### (b) Immediately following the completion of the Rights Issue (assuming there is no change in the issued share capital of the Company up to the Completion)

<i>Issued and fully paid/to be issued:</i>		<i>HK\$</i>
1,501,092,436	Shares in issue as at the Latest Practicable Date	75,054,621.80
<u>3,002,184,872</u>	Rights Shares to be issued	<u>150,109,243.60</u>
<u>4,503,277,308</u>	Shares in issue and fully paid immediately upon completion of the Rights Issue	<u>225,163,865.40</u>

All the Shares in issue are fully-paid and rank *pari passu* in all respects including all rights as to dividends, voting and return of capital. The Rights Shares, when allotted, issued and fully-paid, will rank *pari passu* with the existing Shares in issue as at the respective date of their allotment and issue in all respects. Holders of fully-paid Rights Shares will be entitled to receive all future dividends and distributions which may be declared, made or paid on or after the date of allotment and issue of the Rights Shares.

The Company will apply to the Listing Committee for the listing of and permission to deal in the Rights Shares (in both their nil-paid and fully-paid forms). No part of the share capital or any other securities of the Company is listed or dealt in on any stock exchange other than the Stock Exchange and no application is being made or is currently proposed or sought for the Shares or the Rights Shares or any other securities of the Company to be listed or dealt in on any other stock exchange.

As at the Latest Practicable Date, there were no arrangements under which future dividends are waived or agreed to be waived.

### 3. DISCLOSURE OF INTERESTS

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

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

#### *Long positions in the Shares*

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

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

## (ii) Interest of substantial shareholders

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

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

- Notes:*
1. As at the Latest Practicable Date, Tai He was wholly-owned by Mr. Chua.
  2. Cheer Hope Holdings Limited entered into a subscription agreement dated 28 September 2016 with (among others) the Company, pursuant to which (among other matters) the Company conditionally agreed to grant to Cheer Hope Holdings Limited certain warrants with the right to subscribe for up to 155,000,000 Shares. Details of such warrants are set out in the Company's announcement dated 28 September 2016. As at the Latest Practicable Date, the conditions precedent for the grant of the warrants had not yet been fulfilled or waived and the warrants had not yet been granted. Based on the disclosure of interest notices filed by each of China Construction Bank Corporation and Central Huijin Investment Ltd. on 30 September 2016, Cheer Hope Holdings Limited is a corporation controlled by China Construction Bank Corporation and Central Huijin Investment Ltd., and each of China Construction Bank Corporation and Central Huijin Investment Ltd. is deemed to be interested in the Shares in which Cheer Hope Holdings Limited is interested by virtue of the SFO.
  3. HTISC entered into the Underwriting Agreement with (among others) the Company, pursuant to which (among other matters) HTISC has conditionally agreed to underwrite up to 547,194,965 Shares pursuant to the Rights Issue. Based on the disclosure of interest notice filed by each of HTISG, HTIH and HTS on 1 September 2016, each of HTISG, HTIH and HTS is deemed to be interested in the Shares through corporations controlled by each of them by virtue of the SFO.

#### **4. 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).

**5. 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).

**6. 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 proposed London Property Acquisition;
- (xxiv) the Underwriting Agreement;
- (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 proposed London Property Acquisition at a total consideration of approximately GBP112,202,150 (subject to adjustments upon completion); and
- (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.

**7. 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.

**8. QUALIFICATION AND CONSENT OF EXPERT**

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

<b>Name</b>	<b>Qualification</b>
Deloitte Touche Tohmatsu	Certified Public Accountants

Deloitte Touche Tohmatsu has given and has not withdrawn its written consent to the issue of this prospectus 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 it appears.

As at the Latest Practicable date, Deloitte Touche Tohmatsu 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, Deloitte Touche Tohmatsu 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.

**9. 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 prospectus shall prevail over the Chinese translation in the case of inconsistency.

**10. DIRECTORS AND SENIOR MANAGEMENT OF THE COMPANY****Biographies of the Directors***Executive Directors***Dr. MENG Zhaoyi, Chairman and chief executive officer**

Dr. Meng, aged 56, was appointed as an executive director and chief executive officer since 24 May 2016 and 8 June 2016, respectively. Dr. Meng was a director and first deputy general manager of China Taiping Insurance Group and China Taiping Insurance Group (HK) Co., Ltd since 2009. He has been an executive director of China Taiping Insurance Holding Company Limited (SEHK Stock Code: 0966) since June 2013.

Dr. Meng has served in various positions of the China Insurance Regulatory Commission from November 1998 to March 2009, including as Director of the International Cooperation Division of the International Department, Deputy Director General and Director General of the International Department. From August 1985 to November 1998, Dr. Meng served in various positions including Section Chief of Banking Division, Financial Administration Department, personal assistant to the Deputy Governor, Governor's Office, General Administration Department and as Director of the Property and Casualty Insurance Management Division of the Insurance Department in People's Bank of China. He was a State Council Insurance Expert recognized for his outstanding contributions to the insurance industry and was entitled to special government allowances (2007), a Fellow of the Life Office Management Association (U.S., 1999) and held professional qualifications in securities, futures and options (U.K., 1996). Dr. Meng is experienced in banking and insurance regulations, and was involved in the negotiations related to China's accession to the World Trade Organization.

Dr. Meng holds a bachelor's degree in economics from the Tianjin University of Finance and Economics, China, a master's degree in Economics and Doctor of Philosophy in Economics from the Southwestern University of Finance and Economics, China.

**Dr. LIU Hua, Executive Director**

Dr. Liu, aged 37, has over nine years of experience in the areas of equity investment and securities advisory services in the PRC. From January 2007 to November 2008, Dr. Liu was the investment manager of Shanghai Zhangjiang Hi-tech Park Development Co., Ltd. (上海張江高科技園區開發股份有限公司)(stock code: SH: 600895), a company listed on the Shanghai Stock Exchange, where he was responsible for equity investment of the company. From December 2008 to August 2014, he was an executive director and a member of the investment decision committee of Guotai Junan Innovation Investment Co., Ltd. (國泰君安創新投資有限公司), a wholly-owned subsidiary of Guotai Junan Securities Co., Ltd. (國泰君安證券股份有限公司)(stock code: SH: 601211), a company listed on the Shanghai Stock Exchange, where he was responsible for equity investment, establishment and management of equity investment funds and management of various investment projects of the company related to healthcare, consumer, information technology and clean technology industries. From September 2014 to November 2015, Dr. Liu was the general manager of the international business division of Donghai Securities Co., Ltd. (東海證券股份有限公司), the shares of which are quoted on 全國中小企業股份轉讓系統 (the National Equities Exchange and Quotations System\*), where he was responsible for providing cross-border investment advisory services.

Dr. Liu obtained a bachelor's degree in precision instrument and mechanical engineering from Tsinghua University, the PRC in July 2001, a master's degree in biomedical engineering from Imperial College London, the United Kingdom in November 2003 and a doctor's degree in bioinformatics from the University of Cambridge, the United Kingdom in December 2006.

**Mr. HU Yebi, Executive Director**

Mr. Hu, aged 53, was appointed as an executive Director and Chairman of the Board of the Company on 11 July 2014. He received his MBA from International Management School of the Netherlands in Delft, Holland and Postgraduate Diploma in Management Engineering from Beijing Institute of Technology in Beijing, China. Mr. Hu has more than 25 years' experience in securities and financial services, merger and acquisition and corporate finance. Mr. Hu is a licensed person registered under the SFO to carry on regulated activities on dealing in securities and advising on corporate finance, and he is currently the responsible officer of Vision Finance International Company Limited, a registered institution licensed to carry on Type 1 (dealing in securities) and Type 6 (advising on corporate finance) of the regulated activities under the SFO. Prior to that, Mr. Hu was the managing director, equity capital markets of DBS Asia Capital Ltd, a subsidiary of DBS Bank Limited (previously known as the Development Bank of Singapore Ltd.) from 14 March 1994 to 15 March 2002. Between 16 March 2002 to 22 January 2005, Mr. Hu was the founder and chairman of Partners Capital International Limited and was appointed as a part-time member of Central Policy Unit of The Government of the HKSAR from 1 January 2008 to 31 December 2009. Mr. Hu is the founder and chairman of Vision Finance Group Limited, the holding company of Vision Finance International Company Limited and an executive director of Hua Lien International (Holding) Company Limited (SEHK Stock Code: 969). He was appointed as executive director of ASR Logistics Holdings Limited (SEHK Stock Code: 1803) and Beijing Properties (Holdings) Limited (SEHK Stock Code: 925) on 23 April 2015 and 23 December 2015 respectively.

**Mr. CHEN Weisong, Executive Director**

Mr. Chen, aged 37, is the Chief Financial Officer of the Group and Head of Finance and Accounting Department of the Group, who is primarily responsible for the Group's assets management and investment projects. Mr. Chen worked for CCB International Asset Management Limited, a wholly-owned subsidiary of China Construction Bank Corporation, from April 2008 to February 2016. He was a non-executive director of Universal Medical Financial & Technical Advisory Services Company Limited (SEHK Stock Code: 2666) from 6 March 2015 to 13 April 2016.

Mr. Chen received a Master of Philosophy degree from the University of Hong Kong in December 2005. Mr. Chen obtained the qualification as a Chartered Financial Analyst from the CFA Institute in September 2011. He has been a fellow of the Association of Chartered Certified Accountants since October 2012. Mr. Chen was licensed as a responsible officer for Type 9 (asset management) regulated activities of the SFC from December 2011 to December 2015, and a representative for Type 1 (dealing in securities) and Type 4 (advising on securities) regulated activities of the SFC both from September 2012 to February 2016.

**Mr. XU Ke, Executive Director**

Mr. Xu, aged 47, graduated from the Zhejiang University of Science and Technology with a bachelor's degree in electrical engineering. He worked in China Construction Bank, Zhejiang Branch from 1991 to 1999, and was the director of China Cinda Asset Management Co., Ltd., Zhejiang Branch from 1999 to February 2016. During that period, he was also the director and assistant to general manager of Zhejiang Cinda Asset Management Co., Ltd. from 2007 to 2010, and was the director and general manager of Zhejiang Development Cinda Asset Management Co., Ltd.\* (浙江發展信達投資管理有限公司) from 2008 to 2010.

**Mr. MAO Kangfu, Independent Non-executive Director**

Mr. Mao, aged 65, has over 20 years of experience in the areas of construction engineering and infrastructure management. From December 1984 to December 1993, he was the general manager of Zhejiang Wenzhou Dongfang Shipyard\* (浙江溫州東方船廠), a company principally engaged in shipbuilding, where he was responsible for the management and supervision of the shipyard. From January 1994 to June 1996, he was the general manager of Wenzhou Mechanic Company\* (溫州機械總公司), a company principally engaged in the manufacturing of machinery, where he was responsible for the overall management and supervision of the company. From July 1996 to June 1998, he was the chairman of Wenzhou Economic and Trade Commission (溫州經濟與貿易委員會), a commission of city level which is responsible for the management of economic and trading activities in Wenzhou, where he was responsible for the management and supervision of the commission. From July 1998 to June 2003, Mr. Mao was the vice mayor of Wenzhou. From July 2003 to June 2006, he was the chairman of Zhejiang Jinwen Railway Group Company\* (浙江金溫鐵路集團公司), a company principally engaged in the development and management of Zhejiang railway, where he was responsible for the management of the board of the company and business development and operation of the company. From July 2006 to August 2008, he was the general manager of Zhejiang Airport Authority\* (浙江機場管理公司), a company principally engaged in the management of airports in Zhejiang, where he was responsible for the overall management and supervision of the company.

Mr. Mao graduated from Xinjiang Normal University (新疆師範大學) (formerly known as Xinjiang Kashi Normal College (新疆喀什師範專科學校)) of the PRC in June 1977.

**Dr. GAO Bin, Independent Non-executive Director**

Dr. Gao, aged 53, currently serves as a special term professor at PBC School of Finance of Tsinghua University. Dr. Gao graduated from the University of Science and Technology of China with a bachelor degree in space physics in 1985. He earned a Master of Arts from Princeton University in astrophysics and he has received his Doctor of Philosophy degree in Finance and International Business from Stern School of Business of the New York University in 1996.

He was a tenured associate professor of finance at University of North Carolina-Chapel Hill (2003-2005), a senior vice president of Lehman Brothers Inc. (2004-2005) and a managing director of Merrill Lynch Japan Securities Co. Ltd (2005-2009) and Merrill Lynch (Asia Pacific) Ltd (2010-2014). He was the head of strategy for Guard Capital Management (2014- 2015) and has extensive knowledge and experience in foreign exchange, fixed income, equity and commodity investment.

**Ms. LIU Yan, Independent Non-executive Director**

Ms. Liu, aged 45, graduated from Central University of Finance & Economics (Beijing) with a bachelor's degree in Economics in 1992. She obtained a master's degree in business administration from University of Rochester (Rochester, NY) in 2005. Ms. Liu is a member of Chinese Institute of Certified Public Accountants (CICPA) and a CFA charterholder. She has over 20 years of experience in auditing, financial management, taxation and fund management and worked for PricewaterhouseCoopers (Guangzhou, China), Barclays Capital (New York City), Angelo Gordon Asia Limited (Hong Kong and New York) and China Everbright Limited (Hong Kong).

**11. CORPORATE INFORMATION AND THE PARTIES INVOLVED IN THE RIGHTS ISSUE**

<b>Registered Office</b>	Clarendon House 2 Church Street Hamilton HM11 Bermuda
<b>Head Office and Principal Place of Business in Hong Kong</b>	Suite 1206-1209,12th Floor Three Pacific Place 1 Queen's Road East Hong Kong
<b>Authorised Representatives</b>	Mr. Hu Yebi Suite 1206-1209,12th Floor Three Pacific Place 1 Queen's Road East Hong Kong  Mr. Cheng Sik Kong Suite 1206-1209,12th Floor Three Pacific Place 1 Queen's Road East Hong Kong
<b>Company Secretary</b>	Mr. Cheng Sik Kong (fellow member of the Hong Kong Institute of Certified Public Accountants, fellow member of the Association of Chartered Certified Accountants)
<b>Auditor and reporting accountant</b>	Deloitte Touche Tohmatsu 35/F One Pacific Place 88 Queensway Hong Kong
<b>Branch Share Registrar and Transfer Office in Hong Kong</b>	Tricor Tengis Limited Level 22, Hopwell Centre 183 Queen's Road East Hong Kong

<b>Underwriters</b>	Haitong International Securities Company Limited 22/F., Li Po Chun Chambers 189 Des Voeux Road Central Hong Kong
	TAI Capital LLC Floor 4, Willow House, Cricket Square P.O. Box 2804 Grand Cayman KY1-1112 Cayman Islands
<b>Financial adviser to the Company</b>	Optima Capital Limited Suite 1501, 15th Floor Jardine House 1 Connaught Place Central Hong Kong
<b>Legal adviser to the Company</b>	<i>As to Hong Kong Law</i> Sidley Austin 39/F, Two Int'l Finance Centre Central Hong Kong

**11. EXPENSES**

The expenses in connection with the Rights Issue, including underwriting commission, financial advising fees, printing, registration, translation, legal and accounting fees are estimated to be not less than approximately HK\$14 million and are payable by the Company.

**12. BINDING EFFECT**

The Prospectus Documents and all acceptances of any offer or application contained therein and governed by and shall be constructed in accordance with the laws of Hong Kong. The Prospectus Documents shall have the effect, if an application is made in pursuance hereof, of rendering all persons concerned bound by all provisions (other than the penal provisions) of sections 44A and 44B of the CWUMPO so far as applicable.

**13. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES**

A copy of each of the Prospectus Documents, having attached thereto the written consent referred to in the paragraph headed “8. Qualification and Consent of Expert” in this appendix, have been registered by the Registrar of Companies in Hong Kong as required by Section 342C of the CWUMPO.

**14. 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 prospectus up to Thursday, 10 November 2016:

- (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 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 II to this prospectus;
- (iv) the material contracts referred to under the paragraph headed “6. Material Contracts” in this appendix;
- (v) the written consent referred to in the paragraph headed “8. Qualification and Consent of Expert” in this appendix; and
- (vi) this prospectus.