

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, 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 announcement.*



## **VOLUNTARY ANNOUNCEMENT – MOU IN RELATION TO THE PROPOSED DISPOSAL OF A PROPERTY HOLDING COMPANY**

This is a voluntary announcement made by the Company.

On 15 June 2018, the Purchaser and the Company entered into the MOU in relation to, among others, the procurement of the proposed disposal of (i) the Sale Shares, representing the entire issued share capital of the Target; and (ii) the Sale Debts, representing the entire shareholder's loan owing by the Target to the PRC Subsidiary as at Completion. The Company shall also procure, on a best effort basis, the sale of the PRC Companies to the Purchaser at Completion.

The MOU is intended to record the mutual intentions between the Parties and contains certain legally binding obligations regarding, among others, the refund and forfeiture of Earnest Money, exclusivity and confidentiality. However, other terms contained in the MOU are not legally binding. The terms of the Formal Agreement for the Proposed Disposal have yet to be agreed upon by the Parties.

The Target is a property holding company and the Property is currently leased to certain Independent Third Parties.

The Proposed Disposal, if materialized, may constitute a notifiable transaction of the Company under the Listing Rules. Further announcement(s) in relation to the Proposed Disposal will be made by the Company as and when appropriate in accordance with the Listing Rules.

**The Board would like to emphasize that no legally binding agreement in relation to the Proposed Disposal has been entered into by the Company as at the date of this announcement (save as to, among others, the refund and forfeiture of Earnest Money, the exclusivity right on the negotiation for the Proposed Disposal during the Exclusivity Period under the MOU and confidentiality). As the Proposed Disposal may or may not materialize, Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.**

This is a voluntary announcement made by the Company.

## **THE MOU**

**Date:** 15 June 2018

### **Parties:**

Purchaser: a company incorporated in the PRC with limited liability

Seller: the Company, being the ultimate holding company of the Target

To the best of the Directors' knowledge, information and belief and having made all reasonable enquires, each of the Purchaser and its ultimate beneficial owners is an Independent Third Party.

### **Assets to be disposed of**

Pursuant to the MOU, it is proposed that the Company will sell its indirect interest in the Sale Shares and the Sale Debts to the Purchaser pursuant to the terms of the MOU and the Formal Agreement.

The Target is a property holding company and such Property is currently leased to certain Independent Third Parties.

### **Consideration**

The consideration of the Proposed Disposal and how it will be satisfied shall be determined after further negotiations between the Parties. It is expected that the aggregate consideration for the Sale Shares and Sale Debts will not be less than RMB1.5 billion. Such amount has not been agreed amongst the Parties and will be determined upon completion of the Due Diligence Review (defined below).

### **Due diligence review**

After the signing of the MOU, the Purchaser shall be entitled to carry out the due diligence review on the Target as well as on the applicable legal, financial and tax requirements for the Proposed Disposal ("**Due Diligence Review**") within 30 days upon signing of the MOU, which period is subject to extension of not more than 30 days in accordance with the provisions under the MOU.

## **Conditions precedent**

Completion of the Proposed Disposal is conditional upon, among other conditions, (i) the Parties having entered into the Formal Agreement and the conditions precedent stated therein having been satisfied or waived (to the extent such conditions precedent are capable of being waived) pursuant to the terms and conditions provided thereunder; (ii) the Company, at its own costs and having obtained all necessary governmental approval(s), having part of the Property demolished so that the Property will be accessible from the main road; and (iii) approval(s) of the board of directors and shareholders (where required) of the Parties for the Proposed Disposal having been obtained. Completion shall take place within 90 days upon signing of the Formal Agreement.

## **Exclusivity**

The Company shall not, during the period of 45 days from the date of the MOU (“**Exclusivity Period**”), discuss, negotiate or enter into any contract or agreement with any third party which will or may result in frustrating or impeding the furtherance of the transactions contemplated under the MOU.

## **Termination**

The MOU will be terminated upon the (i) lapse of the Exclusivity Period; (ii) execution of the Formal Agreement; (iii) upon breach of the MOU by either Party, at the non-breaching Party’s election; and (iv) upon mutual consensus of the Parties.

## **Earnest Money**

A sum of RMB30,000,000 (“**Earnest Money**”) as earnest money and part payment of the consideration, for the Proposed Disposal shall be paid by the Purchaser to the Company (or its nominee) upon signing of the MOU.

In the event that the Company discuss, negotiate or enter into contracts or agreement with any third party during the Exclusivity Period, the Company shall compensate the Purchaser by paying an amount which is double of the amount of the Earnest Money to the Purchaser.

In the event that all documents and information provided by the Company and/or the PRC Subsidiary during the Due Diligence Review are true and correct but the Purchaser nevertheless by whatever reasonable reasons fails to enter into the Formal Agreement with the Company, the Earnest Money shall be forfeited. In case issues identified during the period of Due Diligence Review cannot be resolved despite extension of the period of Due Diligence Review and the Company elects to terminate the MOU, the Company shall return to the Purchaser within 10 days upon termination part of the Earnest Money in the amount of RMB25,000,000 (without interest).

## BACKGROUND INFORMATION ON THE TARGET

The Target is a company incorporated in the PRC with limited liability, which is legally and beneficially wholly owned by the PRC Subsidiary as at the date of this announcement. The Target is a property holding company and the Property, i.e. No. 555 Fengqi Road, Hangzhou City, Zhejiang Province, the PRC is currently leased to certain Independent Third Parties.

The rental income from the Property for the year ended 31 December 2017 amounted to approximately RMB79.2 million.

## GENERAL

The MOU contains certain legally binding obligations regarding, amongst others, the refund and forfeiture of Earnest Money, exclusivity and confidentiality. However, other terms contained in the MOU are not legally binding. The terms of the Formal Agreement for the Proposed Disposal have yet to be agreed upon by the Parties.

The Proposed Disposal, if materialized, may constitute a notifiable transaction of the Company under the Listing Rules. Further announcement(s) in relation to the Proposed Disposal will be made by the Company as and when appropriate in accordance with the Listing Rules.

**The Board would like to emphasize that no legally binding agreement in relation to the Proposed Disposal has been entered into by the Company as at the date of this announcement (save as to, among others, the refund and forfeiture of Earnest Money, the exclusivity right on the negotiation for the Proposed Disposal during the Exclusivity Period under the MOU and confidentiality). As the Proposed Disposal may or may not materialize, Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.**

## TERMS USED IN THIS ANNOUNCEMENT

“Board”	the board of Directors
“Company”	Tai United Holdings Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“Completion”	completion of the Proposed Disposal
“Director(s)”	the director(s) of the Company
“Formal Agreement”	the formal agreement for sale and purchase in relation to the Proposed Disposal, to be negotiated between the Parties within 15 days after completion of the Due Diligence Review pursuant to the MOU

“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	a party who is not a connected person (within the meaning of the Listing Rules) of the Company and associates (within the meaning of the Listing Rules) of such connected persons
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“MOU”	the Memorandum of Understanding dated 15 June 2018 entered into between the Company and the Purchaser in relation to, among others, the Proposed Disposal
“Parties”	the Company and the Purchaser, each a Party
“PRC”	the People’s Republic of China, which, for the purpose of this announcement, shall exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“PRC Companies”	certain companies incorporated in the PRC with limited liability held by Independent Third Parties which are responsible for management of the Property
“PRC Subsidiary”	西藏宏融資產管理有限公司 (unofficial English translation being Xizang Hongrong Asset Management Co., Ltd.), a company incorporated in the PRC with limited liability is the legal and beneficial owner of the Sale Shares and Sale Debts and is an indirect wholly owned subsidiary of the Company as at the date of this announcement
“Property”	the property located at No. 555 Fengqi Road, Hangzhou City, Zhejiang Province, the PRC
“Proposed Disposal”	the proposed disposal of the Sale Shares and the Sale Debts
“Purchaser”	a company incorporated in the PRC with limited liability and an Independent Third Party
“Sale Debts”	the entire shareholder’s loan owing by the Target to the PRC Subsidiary as at Completion
“Sale Shares”	all the issued shares of the Target
“Shareholders”	the shareholders of the Company

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target”	杭州太榮資產管理有限公司 (unofficial English translation being Hangzhou Tai Rong Asset Management Co., Ltd.), a company incorporated in the PRC with limited liability, which is wholly-owned by the PRC Subsidiary as at the date of this announcement
“RMB”	Renminbi, the lawful currency of the PRC

By Order of the Board  
**Tai United Holdings Limited**  
**Chen Weisong**  
*Chief Executive Officer*

Hong Kong, 15 June 2018

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

*Executive Directors:*

Mr. Chen Weisong (*Chief Executive Officer*)  
Mr. Xu Ke  
Mr. Ye Fei  
Mr. Wang Qiang  
Dr. Kwong Kai Sing Benny

*Independent non-executive Directors:*

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