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PROFIT WARNING

This announcement is made by Tai United Holdings Limited (“**Company**”, together with its subsidiaries, “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities of The Stock Exchange of Hong Kong Limited (“**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules).

The board (“**Board**”) of directors of the Company wishes to inform the shareholders and potential investors of the Company that, based on the currently available information (including but not limited to the unaudited consolidated management financial statements of the Company for the ten months ended 31 October 2018 (“**October Accounts**”), the Company is expected to record a substantial loss for the year ended 31 December 2018 (“**FY2018**”) when compared with a net profit of approximately HK\$312 million for the year ended 31 December 2017 (“**FY2017**”).

Based on the Board’s preliminary assessment of the October Accounts and the information currently available to the Group, the substantial loss for FY2018 was principally attributable to the following reasons: (i) the substantial decrease in commodity trading activities of the Group causing a substantial decrease in revenue and also loss in this segment; (ii) the Group recorded a substantial fair value loss in respect of the disposal of listed securities by the Group during FY2018; (iii) the Group has recorded a loss in its disposal of certain distressed assets as disclosed in the Company’s announcement dated 27 September 2018; (iv) the decrease in rental income due to the disposal of investment properties in the United Kingdom in September 2017; and (v) the decrease in revenue recorded in the financial services business segment as there was an early partial repayment of the then outstanding principal amount of the loan note receivable in the second half of 2018.

The Board also wishes to draw the attention of the shareholders and potential investors of the Company to the uncertainty as to whether there would be any impairment loss for FY2018 to be recognised for the mining rights to conduct mining activities in Mongolia and the Group’s investment properties in the United Kingdom. The Group has engaged an independent professional valuer to perform the valuation of the mining rights and the Group’s investment properties in the United Kingdom and such valuations are still in progress. In case impairment loss is to be recognised, this would further affect the financial performance of the Company for FY2018.

The Company is still in the process of finalising its consolidated financial results for the FY2018. The information contained in this announcement is only based on the preliminary assessment made by the Board with reference to the currently available information (including but not limited to the October Accounts), which has not been reviewed by the auditors of the Company or the audit committee of the Board and may be subject to adjustment or change.

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

By Order of the Board
Tai United Holdings Limited
Chen Weisong
Chief executive officer

Hong Kong, 11 January 2019

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

Executive Directors:

Mr. Chen Weisong (*Chief Executive Officer*)

Mr. Xu Ke

Dr. Kwong Kai Sing Benny

Independent non-executive Directors:

Dr. Gao Bin

Ms. Liu Yan

Mr. Tang King Shing