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NATIONAL UNITED RESOURCES HOLDINGS LIMITED

國家聯合資源控股有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 254)

**SUBSCRIPTION OF NEW SHARES
UNDER GENERAL MANDATE**

THE SUBSCRIPTION

On 11 April 2016 (after trading hours), the Company entered into a conditional Subscription Agreement with the Subscriber, pursuant to which the Subscriber has conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue a total of 496,000,000 Subscription Shares at a price of HK\$0.165 per Subscription Share.

The issue of the Subscription Shares is not subject to the Shareholders' approval as the Subscription Shares will be allotted and issued under the General Mandate. The 496,000,000 Subscription Shares to be allotted and issued to the Subscriber represent (i) approximately 8.44% of the total number of issued Shares of 5,873,770,500 Shares as at the date of this announcement; and (ii) approximately 7.79% of the total number of issued Shares of 6,369,770,500 Shares as enlarged by the issue and allotment of the Subscription Shares, assuming there is no change in the total number of issued Shares before the Completion Date.

The Subscription Price of HK\$0.165 per Subscription Share was determined with reference to the recent trading price of the Share immediately prior to the date of the Subscription Agreement and was negotiated on an arm's length basis between the Company and the Subscriber, representing (i) a discount of approximately 17.50% to the closing price of HK\$0.2000 per Share as quoted on the Stock Exchange on 11 April 2016, being the date of the Subscription Agreement; and (ii) a discount of approximately 16.83% to the average closing price of HK\$0.1984 per Share as quoted on the Stock Exchange for the last 5 consecutive trading days up to and including 8 April 2016, being the last trading day immediately prior to the date of the Subscription Agreement.

The gross proceeds arising from the Subscription will be HK\$81,840,000 and the net proceeds arising from the Subscription, after deduction of expenses, will amount to approximately HK\$81,800,000, representing a net issue price of approximately HK\$0.1649. It is intended that the net proceeds arising from the Subscription will be used by the Company (i) as to approximately 30% for settlement of debt and related interests; (ii) as to approximately 30% for investment activities when such investment opportunities arise; and (iii) as to approximately 40% as general working capital of the Group.

Completion of the Subscription is subject to the fulfilment of the conditions precedent under the Subscription Agreement. As the Subscription may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

THE SUBSCRIPTION

The Subscription Agreement

Date: 11 April 2016 (after trading hours)

Issuer: the Company

Subscriber: Upper Target Limited

The Subscriber is a company incorporated in Hong Kong with limited liability, whose principal business is investment holding and is wholly and beneficially owned by Mr. Liu Zidong (“Mr. Liu”), a businessman. To the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, save for an aggregate of 109,050,000 Shares (comprising 100,900,000 Shares directly held by the Subscriber and 8,150,000 Shares directly held by Mr. Liu beneficially held by Mr. Liu as at the date of this announcement, each of the Subscriber and Mr. Liu, its ultimate beneficial owner is an Independent Third Party. Together with the aforesaid 109,050,000 Shares, upon completion of the Subscription, Mr. Liu will have a beneficial interest in 605,050,000 Shares, representing approximately 9.50% of the total number of Shares as enlarged by the issue and allotment of the Subscription Shares (assuming there is no change in the total number of issued Shares between the date of this announcement and the date of allotment and issue of the Subscription Shares).

The Subscriber had entered into a subscription agreement with the Company on 1 March 2016 (the “CB Subscription Agreement”) for the subscription of the convertible bonds in the principal amount of HK\$75,000,000 (the “CB Subscription”), which was terminated on 5 April 2016 due to one of the conditions precedent under the CB Subscription Agreement has not been fulfilled. Details of the CB Subscription are set out in the announcement of the Company dated 1 March 2016, 22 March 2016 and 5 April 2016.

Subscription Shares

The 496,000,000 Subscription Shares to be allotted and issued to the Subscriber pursuant to the Subscription Agreement, represent (i) approximately 8.44% of the total number of issued Shares of 5,873,770,500 Shares as at the date of this announcement; and (ii) approximately 7.79% of the total number of issued Shares of 6,369,770,500 Shares as enlarged by the issue and allotment of the Subscription Shares, assuming there is no change in the total number of issued Shares before the Completion Date.

Ranking of the Subscription Shares

The Subscription Shares will be allotted and issued free of any Encumbrance, and will rank pari passu in all respects among themselves and all other issued Shares as at the Completion Date in all respects, including the right to receive all dividends declared or payable or distribution made or proposed to be made at any time by reference to a record date falling on or after the Completion Date.

Subscription Price, the First Deposit and the Second Deposit

The Subscription Price of HK\$0.165 per Subscription Share represents:

- (i) a discount of approximately 17.50% to the closing price of HK\$0.2000 per Share as quoted on the Stock Exchange on 11 April 2016, being the date of the Subscription Agreement; and
- (ii) a discount of approximately 16.83% to the average closing price of HK\$0.1984 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including 8 April 2016, being the last trading day immediately prior to the date of the Subscription Agreement.

The Subscription Price was determined with reference to the recent trading price of the Share immediately prior to the date of the Subscription Agreement and was negotiated on an arm's length basis between the Company and the Subscriber.

Pursuant to the Subscription Agreement, the full Subscription Price payable by the Subscriber to the Company is HK\$81,840,000, of which

- (i) HK\$3,000,000 (being the First Deposit) has been provided to the Company on the signing of the Subscription Agreement. The First Deposit which is refundable, without interest, only if the condition precedent (ii) set out under the paragraph headed "Conditions of the Subscription" below of this announcement is not fulfilled by the Long Stop Date or there is a material breach of the Subscription Agreement by the Company; and
- (ii) HK\$78,840,000 (being the Second Deposit) shall be provided to the Company on or before the Long Stop Date. The Second Deposit which is refundable, without interest, only if any condition precedent under the Subscription Agreement is not fulfilled by the Long Stop Date or there is a material breach of the Subscription Agreement by the Company.

Having considered the above and the factors described in the paragraph headed “Reasons for the Subscription and use of proceeds” below, the Directors consider that the terms of the Subscription are on normal commercial terms and are fair and reasonable and in the interest of the Company and Shareholders as a whole.

General Mandate to issue the Subscription Shares

The issue of the Subscription Shares is not subject to Shareholders’ approval as the Subscription Shares will be allotted and issued under the General Mandate granted to the Directors by a resolution of the Shareholders passed at the AGM subject to the limit of up to 20% of the aggregate number of Shares in issue as at the AGM (i.e. 744,193,400 Shares, representing 20% of 3,720,967,000 Shares in issue as at the date of the AGM). Up to the date of this announcement, the General Mandate has been utilized as to 248,060,000 Shares (or about 33.33% of the General Mandate) for the issue of convertible bonds in an aggregate principal amount of HK\$65,735,900 as announced on 9 October 2015 and 27 October 2015. The issue of the Subscription Shares has further utilized approximately 66.65% of the General Mandate such that a total of 133,400 Shares will remain unissued under the General Mandate. The Company has not bought back any Shares within the last 30 days prior to the date of this announcement.

Conditions of the Subscription

The conditions precedent under the Subscription Agreement are as follows:

- (i) the First Deposit and the Second Deposit duly received by the Company;
- (ii) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Subscription Shares; and
- (iii) all relevant approvals and consents (if required) from governmental or other competent authority or in accordance with applicable laws have been obtained on the part of the Company and the Subscriber in respect of the Subscription Agreement.

Application will be made to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares to be issued, by the Company.

If the above condition (ii) has not been fulfilled on or before the Long Stop Date (or such later date as the Company and the Subscriber may agree in writing), the Company shall refund the First Deposit and the Second Deposit (if any), without interest, to the Subscriber and the Subscription Agreement shall terminate and no party shall be liable to the other party save for antecedent breaches.

If the above condition (ii) has been fulfilled and any of the other conditions have not been fulfilled on or before the Long Stop Date (or such later date as the Company and the Subscriber may agree in writing), the Company shall be entitled to forfeit the First Deposit. The Company shall refund the Second Deposit (if any), without interest, to the Subscriber and the Subscription Agreement shall terminate and no party shall be liable to the other party save for antecedent breaches.

Termination

Under the Subscription Agreement, an innocent party may after consultation with the defaulting party (to the extent that the same is reasonably practicable) terminate the Subscription Agreement without liability to defaulting party by giving notice in writing to the defaulting party if at any time prior to 3:00 p.m. on the Completion Date, there occurs any material breach of any provision of the Subscription Agreement.

In the event that the innocent party terminates the Subscription Agreement:

- (i) as a result of the default of the Company alone, the Company shall repay the First Deposit and the Second Deposit, without interest, to the Subscriber; and
- (ii) all obligations of the parties under the Subscription Agreement shall cease and determine and no party shall be liable to the other party save for antecedent breaches.

Completion

Completion under the Subscription Agreement shall take place on the Completion Date.

REASONS FOR THE SUBSCRIPTION AND USE OF PROCEEDS

The Group is principally engaged in resources trading business, media and advertising business and provision of online platform for trading and deferred spot delivery services of precious metals mainly being silver and copper, and other associated services including transaction settlement management, commodity delivery management and related consulting services to customers nationwide in the PRC. The Group is actively exploring for business opportunities in other sectors to diversify its business into industries that provide better returns for the Shareholders and broaden the sources of income of the Group.

The aggregate gross proceeds arising from the Subscription will be HK\$81,840,000 and the net aggregate proceeds arising from the Subscription, after the deduction of the related expenses, will amount to approximately HK\$81,800,000. It is intended that the net proceeds arising from the Subscription will be used by the Company (i) as to approximately 30% for settlement of debt and related interests; (ii) as to approximately 30% for investment activities when such investment opportunities arise; and (iii) as to approximately 40% as general working capital of the Group. The net issue price of the Subscription Share will be approximately HK\$0.1649.

The Subscriber had entered into the CB Subscription Agreement with the Company on 1 March 2016, which was terminated on 5 April 2016 due to one of the conditions precedent under the CB Subscription Agreement has not been fulfilled. Details of the CB Subscription are set out in the announcement of the Company dated 1 March 2016, 22 March 2016 and 5 April 2016.

The Board considers that: (i) the Subscription is in a better interest to the Company than issuance of convertible bonds in the CB Subscription since the debt position of the Company will not be adversely affected by issuing new shares; (ii) the Subscription Price was higher than the conversion price in the CB Subscription; and (iii) the First Deposit will be taken by the Company if the Subscriber failed to fulfil the relevant condition of the Subscription. The Board also considers that the Subscription will strengthen the financial position (in particular the working capital and cash flow position) of the Group and provide further funding to the Group for its development and investment with an objective to provide attractive returns for the Shareholders. Having considered that the Company is exploring for business opportunities to diversify risk and broaden the sources of income of the Group, the Board is of the view that the Subscription would improve the cash reserve for the on-going development of the Group.

Based on the above, the Board considers that the terms of the Subscription Agreement and the transactions contemplated thereunder are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

CHANGES IN SHAREHOLDING STRUCTURE

The following table illustrates the shareholding structure of the Company as at the date of this announcement and immediately following Completion (assuming that there is no change in the total number of issued Shares from the date of this announcement and up to Completion other than the issue of the Subscription Shares):

Shareholders	As at the date of this announcement		Immediately after completion of the Subscription	
	Number of Shares	Approximate %	Number of Shares	Approximate %
Yang Fan	810,759,648	13.80	810,759,648	12.73
Li Hui (<i>Note</i>)	1,801,000	0.03	1,801,000	0.03
Tian Songlin (<i>Note</i>)	470,000	0.01	470,000	0.01
the Subscriber and its ultimate beneficial owner	109,050,000	1.86	605,050,000	9.50
Public shareholders	<u>4,951,689,852</u>	<u>84.30</u>	<u>4,951,689,852</u>	<u>77.73</u>
Total	<u><u>5,873,770,500</u></u>	<u><u>100.00</u></u>	<u><u>6,369,770,500</u></u>	<u><u>100.00</u></u>

Notes: Mr. Li Hui and Mr. Tian Songlin are executive Directors;

EQUITY FUND RAISING ACTIVITIES OF THE COMPANY IN THE PAST TWELVE-MONTH PERIOD

Save for the fund raising activities mentioned below, the proposed issue of convertible bonds in the principal amount of HK\$131,471,800 as announced by the Company dated 9 October 2015 which was terminated on 11 November 2015 and the proposed issue of convertible bonds in the principal amount of HK\$75,000,000 as announced by the Company dated 1 March 2016 which was terminated on 5 April 2016, the Company has not carried out any other equity fund raising activities in the past twelve-month period immediately preceding the date of this announcement.

Date of announcement	Event	Net proceeds raised (approximately)		Intended use of proceeds	Actual use of the net proceeds as at the date of this announcement
9 October 2015 and 27 October 2015	Issue of convertible bonds in the principal amount of HK\$65,735,900	HK\$65,600,000		For settlement of outstanding debts and related interests	Approximately HK\$12,000,000 has been used for settlement of outstanding debts and related interests, and approximately HK\$53,600,000 has not yet been utilized and is currently placed with bank and to be used as intended
22 May 2015 and 14 July 2015	Open offer on the basis of one offer share for every two shares held on the then record date at an offer price of HK\$0.26 per offer share	HK\$475,000,000	(i)	As to approximately HK\$174,500,000 for the settlement of outstanding debts and its related interests;	(i) Approximately HK\$144,450,000 has been used for settlement of outstanding debts and related interests, and approximately HK\$30,050,000 has not yet been utilized and is currently placed with bank and to be used as intended;
			(ii)	As to approximately HK\$258,500,000 for the investment activities when such investment opportunities arise; and	(ii) Approximately HK\$68,000,000 was used for investment and approximately HK\$190,500,000 has not yet been utilized and is currently placed with bank and to be used as intended; and
			(iii)	As to approximately HK\$42,000,000 for general working capital.	(iii) Not yet been utilized and is currently placed with bank and to be used as intended.

16 April 2015	Issue of 600,000,000 new Shares by way of subscription at HK\$0.262 each	HK\$157,170,000	(i)	As to approximately HK\$56,000,000 for settlement of debt and related interests;	(i)	Used as intended;
			(ii)	As to approximately HK\$81,000,000 for settlement of the first tranche consideration in the acquisition of 56,102,000 shares of SouthGobi Resources Limited; and	(ii)	Since the sale and purchase agreement was lapsed as some of the conditions precedent have not been satisfied or waived on or before 30 April 2015 (Details are set out in the announcement of the Company dated 3 May 2015), the net proceeds of approximately HK\$81,000,000 was used as general working capital of the Group; and
			(iii)	As to approximately HK\$20,170,000 as general working capital of the Group.	(iii)	Used as intended

GENERAL

Completion of the Subscription is subject to the fulfilment of the conditions precedent under the Subscription Agreement. As the Subscription may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following respective meanings:

“AGM”	the annual general meeting of the Company held on 1 June 2015
“Board”	board of Directors
“Business Day(s)”	any day (excluding a Saturday) on which banks generally are open for business in Hong Kong during normal working hours

“Company”	National United Resources Holdings Limited, a company incorporated in Hong Kong with limited liability, the issued Shares of which are listed on Main Board of the Stock Exchange
“Completion”	completion of the Subscription
“Completion Date”	the date on which 496,000,000 Subscription Shares will be allotted and issued to the Subscriber by the Company, which shall be the date falling within three Business Days after the conditions under the Subscription Agreement are fulfilled or such other date as the Company and the Subscriber may agree
“Director(s)”	director(s) of the Company
“Encumbrance”	a mortgage, charge, pledge, lien, option, restriction, right of first refusal, right of pre-emption, third-party right or interest, other encumbrance or security interest of any kind, or any other type of preferential arrangement (including, without limitation, a title transfer or retention arrangement) having similar effect
“First Deposit”	the deposit in the amount of HK\$3,000,000 provided by the Subscriber to the Company on the signing of the Subscription Agreement and form part of the Subscription Price of the Subscription
“General Mandate”	the general mandate to allot, issue and deal with up to 744,193,400 new Shares (representing 20% of the aggregate number of the Shares in issue as at the date of the AGM) granted to the Directors by a resolution of the Shareholders passed at the AGM
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Parties”	any person(s) or company(ies) and their respective ultimate beneficial owner(s), to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are third parties independent of the Company and its connected person(s) (as defined under the Listing Rules)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“Long Stop Date”	the day falling 23 Business Days after the date of the Subscription Agreement (i.e. 13 May 2016) or such other date as may be mutually agreed between the Company and the Subscriber
“Second Deposit”	the deposit in the amount of HK\$78,840,000 payable by the Subscriber to the Company on or before the Long Stop Date and form part of the Subscription Price of the Subscription
“Share(s)”	the ordinary share(s) in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber”	Upper Target Limited
“Subscription”	the conditional subscription by the Subscriber of 496,000,000 Subscription Shares pursuant to the Subscription Agreement
“Subscription Agreement”	the agreement dated 11 April 2016 and entered into between the Company and the Subscriber in relation to the Subscription
“Subscription Price”	HK\$0.165 per Subscription Share
“Subscription Share(s)”	new Share(s) to be allotted and issued by the Company to the Subscriber pursuant to the Subscription Agreement
“%”	per cent.

By Order of the Board
National United Resources Holdings Limited
Lo Ka Wai
Executive Director

Hong Kong, 11 April 2016

As at the date of this announcement, the executive Directors are Mr. Lo Ka Wai, Mr. Feng Yongming, Mr. Li Hui and Mr. Tian Songlin; the non-executive Directors are Ms. Mou Ling and Mr. Yang Liu; and the independent non-executive Directors are Mr. Wang Qun, Dr. Yang Zhi Shu and Mr. Lai Ho Man, Dickson