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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)

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Reference is made to the announcements of National United Resources Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 19 August 2016, 10 October 2017 and 24 April 2018 (the “**Announcements**”) regarding, among other matters, the independent forensic investigation. As previously disclosed in the Announcements, the board (the “**Board**”) of directors of the Company (the “**Directors**”) is of the view that the Company shall engage independent professional parties to conduct a second stage of investigation (the “**Second Stage Investigation**”) to address the outstanding issues identified in the first stage of the independent forensic investigation (the “**First Stage Investigation**”).

UPDATE ON THE STEPS TAKEN TO ADDRESS THE COMMISSION’S CONCERNS

As disclosed in the Announcements, the Securities and Futures Commission (the “**Commission**”) directed The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) to suspend trading in the shares of the Company with effect from 1:00 p.m. on 5 August 2016 pursuant to Rule 8(1) of the Securities and Futures (Stock Market Listing) Rules (Cap. 571V of the Laws of Hong Kong).

In light of the Commission’s concerns, the Company immediately set up an independent investigation committee (“**IIC**”) which subsequently engaged KLC Corporate Advisory and Recovery Limited (“**KLC**”) to conduct the First Stage Investigation in 2016. The scope of the First Stage Investigation included the genuineness of the sales figures in the 2015 Annual Report and 2015 Interim Report, issues regarding the acquisition of Glorious Future Logistics Limited on 19 May 2015 and other matters. On 29 March 2017, KLC issued a preliminary report to the IIC setting out its findings from the forensic investigation. A summary of the key findings of KLC had been disclosed in the Company’s announcement dated 10 October 2017.

Having considered the findings and recommendations of KLC, the Company is of the view that further investigation is required in order to sufficiently address the Commission’s concerns. The Company has engaged KLC to conduct the Second Stage Investigation on 24 April 2018. Following the departure of the former independent non-executive directors of the Company, the Company appointed Mr. Li Wen in April 2018 as the new chairman of the IIC to lead and oversee the Second Stage Investigation. The Company will continue to proactively facilitate the forensic investigation, with a view to addressing and resolving the Commission’s concerns, and striving for the resumption of trading in the shares of the Company as soon as possible.

UPDATE ON PROGRESS OF THE SECOND STAGE INVESTIGATION

The scope of the Second Stage Investigation includes the following matters:

- (i) the ultimate destination of the HK\$69.1 million and HK\$144 million which remain outstanding and payable by Wealthy Union Pte. Ltd and Huge Power Co. Ltd to NUR Clean Energy Investment Limited (a wholly-owned subsidiary of the Company) respectively;

- (ii) reasons for the fund flow from Huge Power Co. Ltd to Wealth Union Pte. Ltd and Sincere Logistics Limited;
- (iii) whether any funds were actually transferred to “Chairman Yang” and “Chairman Li” as illustrated in a document obtained by KLC during its first stage of forensic investigation and the identity of “Chairman Yang” and “Chairman Li”;
- (iv) whether the vendors in the Company’s acquisition of Glorious Future Logistics Limited are independent third parties and, hence, whether the acquisition was a connected party transaction; and
- (v) the role of certain individuals and entities revealed in the First Stage Investigation and their respective relationship with the Company.

Depending on the progress and the findings of the Second Stage Investigation, the aforesaid scope of investigation may be modified with the consent from KLC.

The Company will make further announcements in relation to the timetable and any material developments to the Second Stage Investigation as and when appropriate.

NON-PUBLICATION OF UNAUDITED MANAGEMENT ACCOUNTS

Rule 13.49(3) of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) provides that where an issuer is unable to issue its preliminary results, it must announce its results based on the financial results which have yet to be agreed with the auditor (so far as the information is available).

After due and careful consideration, the Board has decided that it would not be appropriate for the Company to publish the unaudited management accounts of the Group for the year ended 31 December 2017 (the “**2017 Unaudited Management Accounts**”) at this stage as the forensic investigation is still on-going. Further, the 2017 Unaudited Management Accounts may not accurately reflect the financial performance and position of the Group. Therefore, the Board is of the view that the publication of the 2017 Unaudited Management Accounts at this stage would be misleading and confusing to the Shareholders and potential investors of the Company.

Depending on the findings of the Second Stage Investigation, the Company may need to make adjustments to its 2015 Interim Report or 2015 Annual Report. After the report of the Second Stage Investigation was issued, the Company will consult the Company's accountants to decide whether accounting adjustments should be made and start preparing the financial statements for the years ended 31 December 2016 and 31 December 2017 as soon as practicable.

At the same time, the Company will co-operate with its auditor to assist them in completing the audit of the financial statements for the years ended 31 December 2016 and 31 December 2017.

INTERNAL CONTROL REVIEW

In light of the internal control deficiencies identified by KLC at its first stage of investigation, the Board is minded to engage an internal control adviser to conduct a comprehensive assessment of the internal control system of the Group and provide recommendations to the Company.

The Company will make further announcements regarding the engagement of an internal control adviser as and when appropriate.

MONTHLY UPDATE REGARDING SUSPENSION OF TRADING

Pursuant to Rule 13.24A of the Listing Rules, an issuer must publish periodic announcements of its developments after trading in its listed securities has been suspended.

As of the date of this announcement, the Company has been proactively taking steps to address the Commission's concerns. The Company will continue to address the concerns of the Commission to its satisfaction in order to apply for resumption of trading. The Company will keep its shareholders and potential investors informed of any material development in connection with the above matters by way of periodic announcements and/or further announcements as and when appropriate.

CONTINUED SUSPENSION OF TRADING OF THE SHARES

Trading in the shares of the Company on the Stock Exchange, which was suspended with effect from 9:00 a.m. on 1 August 2016, remains suspended and will continue to be so until further notice.

By Order of the Board
National United Resources Holdings Limited
Ji Kaiping
Executive Director

Hong Kong, 31 May 2018

As at the date of this announcement, the executive Directors are Mr. Ji Kaiping and Mr. Guo Peiyuan, the non-executive Director is Ms. Mou Ling, and the independent non-executive Director is Mr. Li Wen.