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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)

ANNOUNCEMENT

QUARTERLY UPDATE ON THE RECENT DEVELOPMENT OF SUSPENSION OF TRADING

This announcement is made by National United Resources Holdings Limited (the “**Company**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

Reference is made to the announcements of the Company dated 19 August 2016, 10 October 2017, 24 April 2018, 31 May 2018, 29 June 2018, 31 July 2018, 14 August 2018 and 12 October 2018 (the “**Announcements**”). Unless otherwise defined herein, terms used in this announcement shall have the same meanings as those defined in the Announcements dated 31 May 2018, 29 June 2018 and 31 July 2018.

This announcement provides updates on (i) the Company's resumption plan and the expected timeline in fulfilling the Resumption Conditions, (ii) the negotiation with SouthGobi Sands LLC regarding an outstanding payment pursuant to an arbitral award and (iii) the business operations of the Group.

RESUMPTION PLAN AND EXPECTED TIMETABLE

The following table sets forth the major items for resumption of trading of the Company (both completed and pending).

Key events	Completion date / expected timeline	Current status
(1) IIC was established to engage KLC and oversee the forensic investigation.	IIC was established in August 2016.	As of the date of this announcement, the members of the IIC are Mr Li Wen and Mr Qiu Ke.
(2) KLC was engaged to carry out the First Stage Investigation.	A preliminary report was issued on 29 March 2017.	The First Stage Investigation was completed. Key findings of the First Stage Investigation were set forth in the Company's announcement dated 10 October 2017.
(3) KLC was engaged to conduct the Second Stage Investigation to sufficiently address the SFC's concerns.	A preliminary draft of the second stage investigation report (" Second Investigation Report ") was provided to the IIC on 11 October 2018.	The IIC is considering the preliminary draft of the Second Investigation Report.
(4) After considering the preliminary draft of the Second Investigation Report and providing its comments (if any), the IIC shall instruct KLC to finalise the Second Investigation Report.	The IIC currently expects to convene a meeting in November 2018 for adopting the Second Investigation Report (subject to IIC's comments on the Second Investigation Report (if any) and the time required to finalise the Second Investigation Report).	
(5) Publish an announcement setting out the major findings of the Second Stage Investigation.	As soon as practicable after the Second Investigation Report is finalised and adopted, the Company will proceed to publish the announcement.	
(6) Consult the Company's accountants to decide whether accounting adjustments should be made and commence preparation of financial statements for the years ended 31 December 2016 and 31 December 2017.	As soon as practicable after the Second Investigation Report is finalised and adopted, the Company will proceed to consult the Company's accountants and commence preparation of the financial statements.	

(7) Engage an internal control adviser to ensure that the Company has adequate internal control systems.	As soon as practicable after the IIC resolved to engage an internal control adviser.
(8) Apply for resumption of trading.	As soon as practicable prior to 31 July 2019.

The Company will keep its shareholders and potential investors informed of any material development in connection with the above matters by way of announcements as and when appropriate.

UPDATE ON THE HONG KONG ARBITRATION CASE

Reference is made to the announcement of the Company dated 6 April 2018. As disclosed in the said announcement, SouthGobi Sands LLC was ordered to pay the sum of US\$11.5 million (together with interests accrued) (the “**Outstanding Sum**”) to First Concept.

First Concept has been negotiating with SouthGobi Sands LLC in relation to the payment arrangements for the Outstanding Sum. In the event that the negotiation is unsuccessful, First Concept will proceed to enforce the partial arbitral award against SouthGobi Sands LLC. Further announcements will be made by the Company if there is any material update.

BUSINESS OPERATIONS

Up to the date of this announcement, there is no material update in relation to the Group's business operations. As previously disclosed, the operation of the Group's resources trading business has been suspended due to the Second Stage Investigation.

The Group's major business remains to be the tour bus services, passenger operation and car rental services provided by the TMTC Group. As at the date of this announcement, the TMTC Group has a fleet size of approximately 810 vehicles, approximately 800 chauffeurs and around 60 other staff members. For the 12 months ended 31 December 2017, the total revenue of the TMTC Travel was approximately RMB100 million.

This announcement is made only based on the Board's preliminary review of the relevant unaudited management accounts (where applicable) and the information currently available, which has not been confirmed or reviewed by the Company's auditor. Therefore, the information in this announcement may be subject to change and is for reference only.

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, 30 October 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 Directors are Mr. Li Wen and Mr. Qiu Ke.