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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)

**VOLUNTARY ANNOUNCEMENT
DISPOSAL OF SUBSIDIARIES**

This is a voluntary announcement made by the Company.

The Board is pleased to announce that on 24 July 2019, (i) the Vendor I entered into the Sale and Purchase Agreement I; and (ii) the Vendors II entered into the Sale and Purchase Agreement II, with the Purchaser I, pursuant to which the Vendor I and Vendors II agreed to sell, and the Purchaser I agreed to purchase, the Sale Shares I and the Sale Shares II, respectively.

On the even date, the Vendor III and the Purchaser II entered into the Sale and Purchase Agreement III, pursuant to which the Vendor III agreed to sell and the Purchaser II agreed to purchase the Sale Shares III.

THE SALE AND PURCHASE AGREEMENT I

Date: 24 July 2019

Parties to the Sale and Purchase Agreement I:

- (a) Billions Achieve Limited, a wholly-owned subsidiary of the Company, as the Vendor I;
- (b) Forever Nice Corporation Limited, as the Purchaser I;
- (c) Placid Expression Limited, as the Target Company I; and
- (d) First Concept Industrial Group Limited, as the Target Company I(A).

Assets to be disposed of

Pursuant to the Sale and Purchase Agreement I, the Vendor I agreed to sell its entire interests in Target Company I, which in turn holds the entire interest in Target Company I(A), Target Company I(AI) and Target Company I(AII) (collectively, the “Target Group I”), and the Purchaser I agreed to purchase, the Sale Shares I, free from all encumbrances together with all rights attaching thereto including but not limited to the right to receive all dividends and distributions declared, made or paid on or after the date of the Sale and Purchase Agreement I.

Sale Shares I represent the entire issued share capital of Target Company I.

Consideration

The consideration for the Sale Shares I is HK\$1, which is determined after arm’s length negotiation between the Purchaser I and the Vendor I with reference to the financial position of the Target Group I as at 31 December 2018. Due to insufficiency of supporting documentation and explanations for accounting books and records of Target Company I(A) for the years ended 31 December 2017 and 2018, the auditor of the Company was unable to carry out audit procedures to satisfy itself as to whether the consolidated financial statements of Target Company I(A) have been accurately recorded and properly accounted for.

Warrants and undertakings

Pursuant to the Sale and Purchase Agreement I, Target Company I(A) warrants and undertakes to the Vendor I and the Company that it shall after completion of the Sale and Purchase Agreement I, and the Purchaser I and the Target Company I warrant and undertake to the Vendor I and the Company that it shall after completion of the Sale and Purchase Agreement I procure Target Company I(A) to:

- (i) forthwith return to the Vendor I or the Company all sums paid by SGS to Target Company I(A) after completion of the Sale and Purchase Agreement I under the Settlement Deed;
- (ii) take all reasonable and necessary steps to pursue the claim made under High Court Action No. HCA 175 of 2019 commenced by Target Company I(A) and the Group (other than Target Company I(A)) on 31 January 2019 at the High Court of Hong Kong against Mr. Li Tao, Mr. Yang Fan, Mr. Li Hui, Mr. Feng Tao, Mr. Chan Chon Hong, Sincere Logistics Limited, China Wish Limited, Sino King Trading (HK) Co., Limited and Huge Power Co., Ltd (the “HC Action”), at the costs of the Company;
- (iii) forthwith return, transfer and assign to the Vendor I or the Company all kinds of benefit, rights and titles (whether monetary or proprietary) given in favour of Target Company I(A) in the HC Action without any consideration;
- (iv) assume all liabilities attributable to Target Company I(A) including all legal costs and expenses ordered to be paid by Target Company I(A) to the defendants under the HC Action; and
- (v) take all reasonable and necessary steps including commencing any legal actions, to preserve the benefit of and recover any sum payable to Target Company I(A) if there be any dispute between Target Company I(A) and SGS in connection with the Settlement Deed after completion of the Sale and Purchase Agreement I, at the costs of the Company.

Completion

The completion of the disposal of the Sale Shares I shall take place immediately after the execution of the Sale and Purchase Agreement I, subject to the terms of the Sale and Purchase Agreement I.

THE SALE AND PURCHASE AGREEMENT II

Date: 24 July 2019

Parties to the Sale and Purchase Agreement II:

- (a) (i) the Company; (ii) NUR Enterprise Limited, a wholly-owned subsidiary of the Company; (iii) NUR Industry (Hong Kong) Company Limited, a wholly-owned subsidiary of the Company; and (iv) NUR Clean Energy Investment Limited, a wholly-owned subsidiary of the Company (collectively, the “Vendors II”); and
- (b) Forever Nice Corporation Limited, as the Purchaser I.

Assets to be disposed of

Pursuant to the Sale and Purchase Agreement II, (i) the Company agreed to sell its entire interests in Target Company II; (ii) NUR Enterprise Limited agreed to sell its entire interests in the Target Company III, the Target Company IV and Target Company IV(A); (iii) NUR Clean Energy Investment Limited agreed to sell its entire interests in the Target Company V, Target Company V(A), Target Company V(B) and 51% interests in Target Company V(BI); and (iv) NUR Clean Energy Investment Limited agreed to sell its entire interests in the Target Company VI (collectively, the “Target Group II”) and the Purchaser I agreed to purchase, the Sale Shares II, free from all encumbrances together with all rights attaching thereto including but not limited to the right to receive all dividends and distributions declared, made or paid on or after the date of the Sale and Purchase Agreement II.

Sale Shares II represent the entire issued share capital of Target Company II, Target Company III, Target Company IV, Target Company V and Target Company VI.

Consideration

The consideration for the Sale Shares II is RMB1, which is determined after arm’s length negotiation between the Purchaser I and the Vendors II with reference to the financial position of the Target Group II as at 31 December 2018. The Target Group II has been deconsolidated from the Group since 1 January 2016. No sufficient evidence has been provided to satisfy the auditor of the Company as to whether the Company had lost control of the Target Group II on 1 January 2016 and throughout the year ended 31 December 2017 and 2018. Accordingly, the auditor of the Company was unable to satisfy itself to the deconsolidated subsidiaries, as to the completeness of the transactions of the Group for the year ended 31 December 2017 and 2018.

Completion

The completion of the disposal of the Sale Shares II shall take place immediately after the execution of the Sale and Purchase Agreement II, subject to the terms of the Sale and Purchase Agreement II.

THE SALE AND PURCHASE AGREEMENT III

Date: 24 July 2019

Parties to the Sale and Purchase Agreement III:

- (a) Ideal Honour Limited, a wholly-owned subsidiary of the Company, as the Vendor III;
- (b) Weihong International Energy Technology (Beijing) Company Limited* (緯泓國際能源科技(北京)有限公司), as the Purchaser II; and
- (c) Beijing Shentong Energy Technology Co., Ltd.* (北京伸通能源科技有限公司), as the Guarantor.

Assets to be disposed of

Pursuant to the Sale and Purchase Agreement III, the Vendor III agreed to sell its entire interests in Target Company VII, and the Purchaser II agreed to purchase, the Sale Shares III, free from all encumbrances together with all rights attaching thereto including but not limited to the right to receive all dividends and distributions declared, made or paid on or after the date of the Sale and Purchase Agreement III.

Sale Shares III represent the 95% issued share capital of Target Company VII.

Consideration

The consideration for the Sale Shares III is RMB7 million, which is determined after arm's length negotiation between the Purchaser II and the Vendor III with reference to the financial position in particular asset value of the Target Company VII as at 31 December 2018. Asset of Target Company VII consists of 50 coal trucks. The aggregate carrying value of the trucks was approximately RMB5 million as at 31 December 2018 and 30 June 2019, in which the carrying value of each truck was approximately RMB100,000. The Company has cross checked the carrying value of the trucks with latest available market value and obtained satisfactory results.

Due to insufficiency of supporting documentation and explanations for accounting books and records of Target Company VII for the years ended 31 December 2017 and 2018, the auditor of the Company was unable to carry out audit procedures to satisfy itself as to whether the consolidated financial statements of Target Company IX have been accurately recorded and properly accounted for.

The consideration for the Sale Shares III has been/will be paid by the Purchaser II to the Vendor III as follows:

- (i) RMB1 million has been paid upon the signing of the Sale and Purchase Agreement III;
- (ii) RMB1 million will be paid before 31 July 2019;
- (iii) RMB1 million will be paid before 15 August 2019;
- (iv) RMB1 million will be paid before 31 August 2019;
- (v) RMB1 million will be paid before 30 September 2019;
- (vi) RMB1 million will be paid before 31 October 2019; and
- (vii) the remaining RMB1 million will be paid before 30 November 2019.

Completion

The completion of the disposal of the Sale Shares III shall take place immediately after the execution of the Sale and Purchase Agreement III, subject to the terms of the Sale and Purchase Agreement III.

Corporate Information of the Disposal Targets

Name		Place of incorporation
Target Company I	Placid Expression Limited	British Virgin Islands
Target Company I(A)	First Concept Industrial Group Limited	Hong Kong
Target Company I(AI)	Shenzhen Zhenhui Culture Development Company Limited* (深圳市臻輝文化發展有限公司)	PRC
Target Company I(AII)	Shenzhen Star Rain Media Company Limited* (深圳市星星雨傳媒有限公司)	PRC
Target Company II	Guoheyuan Finance Leasing Company Limited* (國合源融資租賃有限公司)	PRC
Target Company III	Beijing Kaida Junbo Technology Company Limited* (北京凱大駿博科技有限公司)	PRC
Target Company IV	Yunhan (Shanghai) Investment Management Company Limited* (蘊翰(上海)投資管理有限公司)	PRC
Target Company IV(A)	Beijing Kaida Ruichi Investment Management Company Limited* (北京凱大瑞馳投資管理有限公司)	PRC

Name		Place of incorporation
Target Company V	Shandong Yaoqi Economic and Trade Company Limited* (山東耀齊經貿有限公司)	PRC
Target Company V(A)	Beijing Chuangxian Zhishang Asset Management Company Limited* (北京創先智尚資產管理有限公司)	PRC
Target Company V(B)	Shandong Guoyuan International Trade Company Limited* (山東國源國際貿易有限公司)	PRC
Target Company V(BI)	Changji Ningchang Aluminum Industry Company Limited* (昌吉州寧常鋁業有限公司)	PRC
Target Company VI	Xiaxing (Shanghai) Investment Management Company Limited* (遐興(上海)投資管理有限公司)	PRC
Target Company VII	iFrontier LLC	Mongolia

INFORMATION RELATING TO THE PURCHASERS

Purchaser I

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, Purchaser I is a company incorporated in Hong Kong and is engaged in investment and its ultimate beneficial owners are third parties independent of and are not connected with the Company and its connected persons as at the date of this announcement.

Purchaser II

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, Purchaser II is a company established in the PRC and is principally engaged in coal trading and its ultimate beneficial owners are third parties independent of and are not connected with the Company and its connected persons as at the date of this announcement.

REASONS FOR ENTERING INTO THE SALE AND PURCHASE AGREEMENTS

Pursuant to the annual results announcement of the Company for the year ended 31 December 2018 dated 9 July 2019, the auditor of the Company has expressed disclaimer of opinion on the Disposal Targets.

For Target Company I(A) and Target Company VII, due to insufficiency of supporting documentation and explanations for accounting books and records of Target Company I(A) and Target Company VII for the years ended 31 December 2017 and 2018, the auditor of the Company was unable to carry out audit procedures to satisfy itself as to whether the consolidated financial statements of Target Company I(A) and Target Company VII have been accurately recorded and properly accounted for.

For Target Group II, it has been deconsolidated from the Group since 1 January 2016. No sufficient evidence has been provided to satisfy the auditor of the Company as to whether the Company had lost control of the Target Group II on 1 January 2016 and throughout the year ended 31 December 2017 and 2018. Accordingly, the auditor of the Company was unable to satisfy itself to the deconsolidated subsidiaries, as to the completeness of the transactions of the Group for the year ended 31 December 2017 and 2018.

Upon completion, all the disclaimers in relation to the above will be resolved and rectified. However, related disclaimers will be carried forward until financial year ended 31 December 2021 due to the qualification on comparative figures.

Having considered the above, in particular the disposal of the Disposal Targets would be beneficial to the Group in terms of addressing the basis for disclaimer of opinion of the auditor of the Company, as well as its positive effect on the business and financial performance of the Group, the Directors are of the view that the terms of the Sale and Purchase Agreements are fair and reasonable so far as the Company and its Shareholders are concerned, and are in the interests of the Company and its Shareholders as a whole.

GENERAL

As none of the applicable percentage ratio calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Disposal exceeds 5%, the Disposal does not constitute a notifiable transaction of the Company under Rule 14.06 of the Listing Rules and is not subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

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.

DEFINITIONS

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

“Board”	the board of Directors;
“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;
“connected person(s)”	has the meaning ascribed to it under the Listing Rules;
“Director(s)”	director(s) of the Company;
“Disposal”	the disposal of the Disposal Targets;
“Disposal Targets”	the Target Group I, the Target Group II and the Target Company VII;
“Guarantor”	Beijing Shentong Energy Technology Co., Ltd.* (北京伸通能源科技有限公司);
“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 PRC;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“PRC”	the People’s Republic of China, and for the purpose of this announcement excluding Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan;

“Purchaser I”	Forever Nice Corporation Limited, a company incorporated in Hong Kong and the purchaser of the Sale and Purchase Agreement I and the Sale and Purchase Agreement II;
“Purchaser II”	Weihong International Energy Technology (Beijing) Company Limited* (緯泓國際能源科技(北京)有限公司), a company established in PRC and the purchaser of the Sale and Purchase Agreement III;
“RMB”	Renminbi, the lawful currency of the PRC;
“Sale and Purchase Agreements”	the Sale and Purchase Agreement I, the Sale and Purchase Agreement II and the Sale and Purchase Agreement III;
“Sale and Purchase Agreement I”	a sale and purchase agreement dated 24 July 2019 entered into between the Vendor I, the Purchaser I, the Target Company I and Target Company I(A) in respect of the Sale Shares I;
“Sale and Purchase Agreement II”	a sale and purchase agreement dated 24 July 2019 entered into between the Vendors II and the Purchaser I in respect of the Sale Shares II;
“Sale and Purchase Agreement III”	a sale and purchase agreement dated 24 July 2019 entered into between the Vendor III and the Purchaser II in respect of the Sale Shares III;
“Sale Shares I”	the entire issued share capital of the Target Company I;
“Sale Shares II”	the entire issued share capital of the Target Company II, the Target Company III, the Target Company IV, the Target Company V and the Target Company VI;
“Sale Shares III”	95% issued share capital of the Target Company VII owned by the Vendor III;

“Settlement Deed”	the deed of settlement entered into between Target Company I(A) and SGS on 16 November 2018 in relation to the repayment of US\$14,282,070 arising from the arbitration award dated 4 January 2018, details of which are set out on the announcement of the Company dated 26 November 2018;
“SGS”	SouthGobi Sands LLC;
“Share(s)”	the ordinary share(s) in the share capital of the Company;
“Shareholder(s)”	holder(s) of the Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Target Company I”	Placid Expression Limited, a company incorporated in the British Virgin Islands and a wholly owned subsidiary of the Company immediately prior to the Sale and Purchase Agreement I;
“Target Company I (A)”	First Concept Industrial Group Limited, a company incorporated in Hong Kong and a wholly owned subsidiary of the Target Company I prior to the Sale and Purchase Agreement I;
“Target Company I (AI)”	Shenzhen Zhenhui Culture Development Company Limited* (深圳市臻輝文化發展有限公司), a company incorporated in the PRC and a wholly owned subsidiary of the Target Company I (A) immediately prior to the Sale and Purchase Agreement I;
“Target Company I (AII)”	Shenzhen Star Rain Media Company Limited* (深圳市星星雨傳媒有限公司), a company incorporated in the PRC and a wholly owned subsidiary of the Target Company I (AI) immediately prior to the Sale and Purchase Agreement I;
“Target Company II”	Guoheyuan Finance Leasing Company Limited* (國合源融資租賃有限公司), a company incorporated in the PRC and a wholly owned subsidiary of the Company immediately prior to the Sale and Purchase Agreement II;

“Target Company III”	Beijing Kaida Junbo Technology Company Limited* (北京凱大駿博科技有限公司), a company incorporated in the PRC and a wholly owned subsidiary of the Company immediately prior to the Sale and Purchase Agreement II;
“Target Company IV”	Yunhan (Shanghai) Investment Management Company Limited* (蘊翰(上海)投資管理有限公司), a company incorporated in the PRC and a wholly owned subsidiary of the Company immediately prior to the Sale and Purchase Agreement II;
“Target Company IV(A)”	Beijing Kaida Ruichi Investment Management Company Limited* (北京凱大瑞馳投資管理有限公司), a company incorporated in the PRC and a wholly owned subsidiary of the Target Company IV immediately prior to the Sale and Purchase Agreement II;
“Target Company V”	Shandong Yaoqi Economic and Trade Company Limited* (山東耀齊經貿有限公司), a company incorporated in the PRC and a wholly owned subsidiary of the Company immediately prior to the Sale and Purchase Agreement II;
“Target Company V(A)”	Beijing Chuangxian Zhishang Asset Management Company Limited* (北京創先智尚資產管理有限公司), a company incorporated in the PRC and a wholly owned subsidiary of Target Company V immediately prior to the Sale and Purchase Agreement II;
“Target Company V(B)”	Shandong Guoyuan International Trade Company Limited* (山東國源國際貿易有限公司), a company incorporated in the PRC and a wholly owned subsidiary of Target Company V immediately prior to the Sale and Purchase Agreement II;
“Target Company V(BI)”	Changji Ningchang Aluminum Industry Company Limited* (昌吉州寧常鋁業有限公司), a company incorporated in the PRC and 51% owned subsidiary of Target Company V(B) immediately prior to the Sale and Purchase Agreement II;

“Target Company VI”	Xiaxing (Shanghai) Investment Management Company Limited* (遐興 (上海) 投資管理有限公司), a company incorporated in the PRC and a wholly owned subsidiary of the Company immediately prior to the Sale and Purchase Agreement II;
“Target Company VII”	iFrontier LLC, a company incorporated in Mongolia and a 95% owned subsidiary of the Company immediately prior to the Sale and Purchase Agreement III;
“US\$”	United States dollars, the lawful currency of the United States of America;
“Vendor I”	Billions Achieve Limited, a wholly-owned subsidiary of the Company and the vendor of the Sale Shares I;
“Vendors II”	NUR Enterprise Limited, NUR Industry (Hong Kong) Company Limited and NUR Clean Energy Investment Limited, the wholly-owned subsidiaries of the Company, together with the Company, collectively being the vendors of the Sale Shares II;
“Vendor III”	Ideal Honour Limited, a wholly-owned subsidiary of the Company and the vendor of the Sale Shares III; and
“%”	per cent.

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

Hong Kong, 26 July 2019

As at the date of this announcement, the executive Directors are Mr. Ji Kaiping (Chairman) and Mr. Guo Peiyuan, the non-executive Director is Mr. An Jingwen, and the independent non-executive Directors are Mr. Li Wen, Mr. Qiu Ke and Ms. Chen Yen Yung.

** For identification purpose only*