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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)

UPDATE ON LISTING STATUS

**DECISION OF THE STOCK EXCHANGE
ON THE RESUMPTION PROPOSAL
AND REVIEW REQUEST OF THE DECISION**

Despite the fulfilment by the Company of the HKEx Pre Set Conditions as set out in the Resumption Proposal, the Listing Department recommended the Listing Committee to cancel the listing of the securities of the Company, and the Listing Committee concurred on 29 August 2019 without giving the Company a fair opportunity to make representations and submissions. The Board is of the view that the conduct of the Listing Department and the Listing Committee were abusive in the process of handling the cancellation of listing of the securities of the Company, have complete and total disregard for a fair process and were grossly unfair to the Company.

The Company is seeking legal advice from Senior Counsel on the possible remedies against the Listing Committee.

Without prejudice to the Company's right to file a complaint against and/or to review the procedural unfairness in handling our case, the Company has submitted a formal request to the Stock Exchange for a review of the Listing Committee Decision by the Listing Review Committee of the Stock Exchange pursuant to Rule 2B.06 on 16 September 2019.

Reference is made to the announcements of National United Resources Holdings Limited (the “**Company**”) dated 19 August 2016, 10 October 2017, 24 April 2018, 31 May 2018, 29 June 2018, 31 July 2018, 14 August 2018, 12 October 2018, 30 October 2018, 3 December 2018, 25 January 2019, 31 January 2019, 29 March 2019, 30 April 2019, 20 June 2019, 10 July 2019, 26 July 2019, 28 July 2019 and 31 July 2019 (the “**Announcements**”). Unless otherwise defined herein, terms used in this announcement shall have the same meanings as those defined in the Announcements.

BACKGROUND

Back on 26 July 2018, the Stock Exchange issued a letter to the Company setting out the following resumption conditions (“**HKEx Pre Set Conditions**”), failing which would result in the delisting of the securities of the Company on the Stock Exchange (the “**Delisting**”):–

- (i) publish all outstanding financial results in accordance with the Listing Rules and address any audit modifications; and
- (ii) demonstrate that the Company has put in place adequate internal control systems.

As disclosed in the Announcements, following the Company’s submission of the June Proposal, the Company received comments from the Stock Exchange and further submitted a supplemental resumption proposal to the Stock Exchange on 30 July 2019 (together with the June Proposal, the “**Resumption Proposal**”). The Resumption Proposal mainly deals with the Delisting based on the HKEx Pre Set Conditions.

The Board is of the view that the Resumption Proposal has demonstrated its full compliance with all the HKEx Pre Set Conditions as detailed below, therefore the Company is entitled to have its Shares resume trading on the Stock Exchange:–

(i) All Financials Published

The Company has published all the outstanding annual results for the financial year ended 31 December 2016, 2017 and 2018 on 9 July 2019, and interim results for the six months ended 30 June 2016, 2017 and 2018 on 26 July 2019.

(ii) Audit Disclaimer Opinion Addressed

All the matters leading to the audit disclaimer opinion have been resolved and addressed. After Resumption, apart from the disclaimer on comparative figures of prior year on resolved matters leading to audit qualifications, the audit opinion on the consolidated financial statements of the Group is expected to be unmodified.

(iii) Adequate Internal Control System Restored

The internal control adviser, Netis Advisory Limited, confirmed that the Company has put in place internal control procedures which are in line with its recommendation provided to the Group to address the relevant internal control deficiencies and confirmed that it is not aware of any material internal control deficiency of the Group subsequent to the completion of the follow-up review. The Company understands that the internal control review and measure now in place are commensurate with those used in new listing application.

(iv) No Management Integrity Issue Due to Complete Change of New Management Team

The current Board and management team of the Company has been completely changed and unrelated to the management team when problematic transactions occurred back in 2015.

New and Separate Issue Raised by The Stock Exchange

Recently on 7 July 2019, the Listing Department raised its concern for the first time on the issue of sufficient operation under Rule 13.24 (the “**Sufficient Operation Issue**”) and requested the Company to respond.

The Board is of the view that the Sufficient Operation Issue is a completely new matter separate from and outside of the HKEx Pre Set Conditions. The Sufficient Operation Issue was a new and separate issue raised by the Listing Department and it should be dealt with separately from the HKEx Pre Set Conditions and the Delisting. The reason is that the Sufficient Operation Issue is itself a complex issue requiring extensive understanding of the Group's business model by the Listing Department. In light of the complexity of the issue, the Company should be given a separate deadline not related to the Delisting deadline, and an opportunity to make detailed submission.

The Group operates its car rental services and tour bus rental services with a fleet of 860 passenger vehicles and 760 drivers, and an additional 30 staff members. It is apparently significant in operation scale. Customers include prominent corporations, international schools and governmental departments. The Board is of the view that there can be no doubt as to the genuineness of the business and the Group's business satisfies Rule 13.24.

LISTING DEPARTMENT RECOMMENDATION

However, without further communication with the Company, on 26 August 2019, the Listing Department informed the Company that it would recommend the Listing Committee to cancel the listing of the Company on 29 August 2019 under Rule 6.01A(2)(b)(ii) ("**Listing Department Recommendation**").

The Board finds it shocking that Listing Department did not bother to inform the Company as to the reasons behind the Listing Department Recommendation. The Listing Department simply concluded in that letter that "*we remain unsatisfied that the Company has fulfilled all the resumption conditions or that the Company is in compliance with Rule 13.24*". Despite the Company's request for a reason of the Listing Department Recommendation, the Listing Department ignored the Company.

It later transpired that the Listing Department had in fact prepared a detailed report dated 26 August 2019 to the Listing Committee (the "**Report**"), explaining the reasons for delisting the Company. Despite the Company's request for written reason, the Report has never been provided to the Company until after the Listing Committee has made the decision of delisting.

Furthermore, the Company informed the Listing Department that the Listing Department Recommendation is a decision which is subject to review under Rule 2B.06(1). But the response of the Listing Department was that a decision regarding cancellation of listing can only be made by the Listing Committee pursuant to Rule 2A.08. As such, a decision to cancel a listing will not give the Company the right of review at the Listing Committee. Dismissing the Company's protests, the Listing Department decided to unilaterally make its recommendation and submission to the Listing Committee and to attend the Listing Committee hearing without the presence of the Company. Therefore the Company is left with only one chance of review, at the next level Listing Review Committee.

The Company finds the position taken by the Listing Department a blatant abuse of process to deprive the right of the Company to be represented at the Listing Committee hearing scheduled to make a decision on the cancellation of listing, which is a decision that can bring upon detrimental impact on shareholders of the Company. The Company's objection is based on the reason that it is simply absurd that an issuer has two opportunities to review any decision, no matter how small, of the Listing Department; however, when it comes to cancellation of listing, which is the single most important matter to an issuer under the Listing Rules, an issuer has only one opportunity to review the matter. It cannot be the intention of the Listing Rules.

On 28 August 2019, feeling helpless as a result of the dismissive behaviour of the Listing Department, the Company wrote to the Listing Committee chairman and demanded a presence in the Listing Committee hearing, to make oral submissions to the Listing Committee members and address any question that any Listing Committee member may have (the "**Company's Request**").

LISTING COMMITTEE HEARING

On 29 August 2019, at about 3:17 p.m., shortly before the Listing Committee hearing, the Listing Committee emailed the Company's financial adviser, inviting the Company to send representatives to the Stock Exchange.

The Board considers that such a deliberate short notice was an insincere act of the Listing Committee in pretence of accommodating the Company's Request, while knowing full well that the Company would not possibly be able to properly prepare for the Listing Committee hearing.

Nevertheless, in order to preserve the position of the Company, the Board sent over the Company's financial adviser and legal adviser, who arrived at the Stock Exchange's office at about 5:05 p.m., with the intention to seek an adjournment of Listing Committee hearing on the ground that the Company deserves more time to prepare its submission. Regrettably, within a short while, the Company's representatives were asked to leave at 5:15 p.m. No reasons were given on why the Company was not allowed to make oral submissions before the Listing Committee, which is the usual practice at Listing Committee hearings.

The Board considers it was procedurally unfair for the Listing Committee to meet and make a major decision on cancellation of listing of the Company with only the Listing Department's presence and submission, and without the Company's representations and submissions to the members of the Listing Committee. In any event, even if the Company was allowed to make representations and submissions to the Listing Committee on 29 August 2019, the Company would not have been able to do so, when just an hour's notice was given to the Company to prepare for and to physically arrive at the venue of the Listing Committee hearing.

LISTING COMMITTEE DECISION

On 3 September 2019, the Company received a letter from the Stock Exchange dated 30 August 2019 informing the Company that, under Rule 6.01A(1) the Stock Exchange may cancel the listing of an issuer whose securities have been suspended from trading for a continuous period of 18 months. Under Rule 6.01A(2)(b)(ii), if trading in an issuer's securities has been continuously suspended for 12 months or more as at 1 August 2018, the 18 month period commences 6 months before 1 August 2018 (and hence ended on 31 July 2019).

The Stock Exchange was of the view that trading in the Company's securities has been suspended since 1 August 2016, and the Company failed to resume trading in its securities by 31 July 2019, the Listing Committee decided to cancel the Company's listing under Rule 6.01A(2) ("**Listing Committee Decision**").

In response, the Company filed a complaint to the Listing Committee on 2 September 2019. On 5 September 2019, the Listing Committee replied that (i) only the Listing Committee has the power to decide whether to cancel the listing of a listed issuer, subject to the powers of review in the Listing Review Committee. For such purpose “*the Listing Committee may regulate its meeting(s) in such manner as it thinks fit*”. Under the Listing Rules, the Listing Committee is not required to allow a listed issuer to attend the meeting at which the issuer’s cancellation of listing is being considered and decided, nor does the issuer have the right to attend the meeting. At its meeting held on 29 August 2019, the Listing Committee duly considered the Company’s demand to attend the meeting and decided that the Company’s attendance was unnecessary; and (ii) the recommendation by the Listing Department is not a decision to cancel the Company’s listing, nor is it a decision on the Company which is reviewable under Rule 2B.06(1), as asserted.

THE COMPANY’S VIEW ON THE LISTING COMMITTEE’S ABUSE

The Board is of the view that the conduct of the Listing Department and the Listing Committee were abusive in the process of handling the cancellation of listing of the securities of the Company.

The Board notes that the Listing Committee has, inter alia, referred the Company to Rule 2A.08, which states:

“The Listing Committee has reserved to itself the power to cancel the listing of a listed issuer. This means that a listed issuer will not have its listing cancelled unless the listing committee has considered the matter.”

While the Company does not object that the power of cancellation of listing of a company vested with the Listing Committee, the Company is of the view that the Listing Committee can only exercise its power upon considering all submissions by the involving parties in a properly convened Listing Committee hearing. Nothing in Rule 2A.08 suggests that the Listing Committee should consider the matter in an unfair manner, such as denying the presence/submission of the Company (particularly upon the Company’s request), whilst having the Listing Department’s submission and presence at the Listing Committee hearing to answer questions the Listing Committee members may have, pleading and advocating the Listing Department’s own recommendation.

The Company emphasizes that Rule 2A.08 does not preclude the Company from being present at the Listing Committee hearing. In fact, even if the Listing Committee would have questions to clarify with the Company, the mere absence of the Company would deprive Listing Committee members' opportunity from raising such questions. Whether it is the established process adopted by the Listing Department and the Listing Committee is irrelevant, because the practice is obviously prejudicial for the entire process handling a delisting decision.

The Listing Committee's notion that it has total unrestrained power in the Listing Committee's hearing procedure is also misconceived. In order to "*regulate Listing Committee hearings in such manner as it thinks fit*", the Listing Committee must act fairly, equitably and consistently. The handling of the Listing Committee hearing on the cancellation of the listing of Company was unfair and inequitable, and was inconsistent with normal proceedings of Listing Committee hearings.

It was unfair and inequitable because the matter considered at the Listing Committee hearing was the single most important one affecting the welfare of all shareholders of the Company – cancellation of listing. Therefore, the Listing Committee is duty bound to provide the Company and its advisers with an opportunity to make sufficient representation to the Listing Committee, as in other Listing Committee hearings convened for decisions of much less significance to a listed company. In our case, the Company was denied such basic right.

It was inconsistent because it is a well-known fact that listed companies in any Listing Committee hearing are entitled to (i) make written submission to the Listing Committee; (ii) receive a copy of the recommendation/submission that the Listing Department makes to the Listing Committee; (iii) be present at the Listing Committee hearing; (iv) make an oral opening submission to the Listing Committee members and respond to the Listing Department's recommendation/submission; (v) answer questions the Listing Committee members may have; and (vi) make a closing oral submission to the Listing Committee members. The Company had no knowledge of the submission of the Listing Department, and was excluded from participating in the entire Listing Committee hearing, grossly prejudicing the Company in the proceeding.

The Board is of the view that the Listing Department and the Listing Committee have complete and total disregard for a fair process and were grossly unfair to the Company.

The Company is seeking legal advice from Senior Counsel on the possible remedies against the Listing Committee.

REVIEW OF LISTING COMMITTEE DECISION

Without prejudice to the Company's right to file a complaint against and/or to review the procedural unfairness in handling our case, the Company has submitted a formal request to the Stock Exchange for a review of the Listing Committee Decision by the Listing Review Committee of the Stock Exchange pursuant to Rule 2B.06 on 16 September 2019.

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
Chairman

Hong Kong, 18 September 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.