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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 ANNOUNCEMENT ON
THE RESUMPTION PROGRESS**

Financial Advisors



禹銘投資管理有限公司
YU MING INVESTMENT MANAGEMENT LIMITED



英皇融資有限公司
Emperor Capital Limited

This announcement is made by National United Resources Holdings Limited (the “**Company**”) pursuant to Rules 13.09 and 13.24A 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).

References are made to the announcements of the Company dated 19 August 2016, 10 October 2017, 24 April 2018, 31 May 2018, 1 June 2018, 29 June 2018, 31 July 2018, 12 October 2018, 30 October 2018, 3 December 2018, 31 January 2019, 30 April 2019, 19 June 2019, 31 July 2019, 18 September 2019, 5 November 2019, 25 November 2019, 31 January 2020, 27 February 2020, 2 April 2020, 29 April 2020, 31 July 2020, 17 September 2020, 30 October 2020, 29 January 2021, 30 April 2021, 24 June 2021, 15 July 2021, 30 July 2021, 16 August 2021, 25 August 2021, 14 September 2021, 16 September 2021, 21 September 2021, 30 September 2021, 20 October 2021, 29 October 2021, 22 November 2021, 30 November 2021, 22 December 2021, 30 December 2021, 31 December 2021 and 17 January 2022 (the “**Announcements**”); and the circular of the Company dated 31 December 2021 (the “**Circular**”). Unless otherwise defined herein, terms used in this announcement shall have the same meanings as those defined in the Announcements and the Circular.

REASONS FOR SUSPENSION

As disclosed in the Company's announcements dated 19 August 2016 and 31 July 2018, the Securities and Futures Commission (the "**Commission**") exercised its power under section 8(1) of the Securities and Futures (Stock Market Listing) Rules (Cap. 571V) to direct the Stock Exchange to suspend all dealings in the Company's shares with effect from 5 August 2016 because it appeared to the Commission that:–

- (i) the Company's 2015 Annual Report and 2015 Interim Report, and other reports or statements published by the Company contained materially false or misleading information;
- (ii) it was necessary or expedient to do so in the interest of maintaining an orderly and fair market in the shares of the Company; and
- (iii) it was in the interest of the investing public or in the public interest, or it was appropriate for the protection of investors generally or for the protection of investors in the shares of the Company to do so.

By way of a letter from the Commission to the Company dated 29 July 2016, the Commission expressed its concerns about the genuineness of the sales figures as disclosed in the Company's 2015 Annual Report published on 28 April 2016. According to the Company's 2015 Annual Report, the Company recorded sales of HK\$305 million, representing 80% of its total sales in 2015, from a single new customer through trading of fuel oil (the "**2015 Sales**"). The Commission is concerned that (i) the new customer and the sole supplier which supplied the fuel oil to the Company for the 2015 Sales are not genuine parties; (ii) the bills of lading produced by the Company to the Commission in support of the 2015 Sales are not genuine; and (iii) the payments allegedly made by the customer to the Company (and the Company to the supplier) for the 2015 Sales were eventually returned to the customer and/or the Company for no apparent commercial reason.

STEPS TAKEN BY THE COMPANY

As disclosed in the Announcements, the Company has taken various steps with a view to addressing the issues and concerns raised by the Commission. Actions taken by the Company include, but not limited to:–

- (1) engagement of an independent forensic accountants firm, KLC Corporate Advisory and Recovery Limited (“**KLC**”), to carry out independent forensic investigations between 2016 and 2018 (two stages in total). KLC was of the view that the genuineness of the 2015 Sales was questionable. The key findings of KLC were disclosed in the Company’s announcements dated 10 October 2017 and 3 December 2018;
- (2) publication of all outstanding financial results and reports in accordance with the Listing Rules;
- (3) making accounting adjustments by way of a prior year restatement (on the 2015 figures involving the 2015 Sales) in the Company’s financial statements for the year ended 31 December 2016;
- (4) commencement of legal proceedings in the High Court of the Hong Kong Special Administrative Region against former directors/employees of the Company for breach of fiduciary/director/employee/contractual duties, conspiracy, dishonest assistance, fraud and breach of contract. Details of the proceedings were announced by the Company on 31 January 2019;
- (5) engagement of an internal control adviser, Netis Advisory Limited (“**Netis**”), to carry out internal control review in 2019. Netis confirmed that the Company has put in place internal control procedures which are in line with its recommendations 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 findings of the internal control review were announced by the Company on 31 July 2019; and

- (6) since April 2018, a number of experienced individuals (who have no connection with the former board of directors and senior management of the Company) have joined the Company as directors and senior management:
- (a) on 4 April 2018, Mr Guo Peiyuan was appointed as an executive Director;
 - (b) on 4 April 2018, Mr Li Wen was appointed as an independent non-executive Director. He is currently the chairman of the Audit Committee and a member of the Remuneration Committee and the Nomination Committee of the Company;
 - (c) on 4 April 2018, Ms Chan Pui Shan, Bessie was appointed as the company secretary and the authorised representative of the Company pursuant to Rule 3.05 of the Listing Rules;
 - (d) on 1 June 2018, Mr Qiu Ke was appointed to be an independent non-executive Director. He is currently the chairman of the Remuneration Committee and a member of the Audit Committee and Nomination Committee of the Company;
 - (e) on 3 December 2018, Mr An Jingwen was appointed as a non-executive Director. He is currently a member of the Audit Committee and Remuneration Committee of the Company; and
 - (f) on 17 April 2019, Ms Chen Yen Yung was appointed to be an independent non-executive Director. She is currently a member of the Audit Committee, Remuneration Committee and Nomination Committee of the Company.

RESUMPTION CONDITIONS OF THE COMMISSION

In order to alleviate the Commission's concerns and enable trading in the Company's shares to resume, the Company has agreed to fulfil the following conditions imposed by the Commission:–

- (1) the Company shall publish this announcement;
- (2) the Company shall obtain approval in a general meeting for the appointment of the incumbent Directors from independent shareholders who were not involved in the questionable transactions. Shares held by persons who were involved in the questionable transactions and persons connected with and/or related to such persons and/or their companies shall not be counted in the vote at the GM; and
- (3) the Company shall complete its fund raising and debt restructuring plan (including the Subscription, Open Offer and Debt Restructuring) as disclosed in the Company's announcement dated 24 June 2021.

The Commission has informed the Company that its investigation into the 2015 Sales is still on-going and that it intends to commence civil proceedings against certain members of the former management of the Company who were responsible for the disclosure of the figures relating to the 2015 Sales in the Company's 2015 Annual Report. Accordingly, any resumption of trading by the Company should not be taken as the Commission's confirmation that the concerns previously expressed by the Commission in relation to the 2015 Sales have been fully addressed or rectified.

As disclosed in the Circular, the Company will hold the GM on 21 January 2022 at 11:00 a.m. for the purpose of considering and, if thought fit, passing the resolutions to approve, among others, the Share Consolidation, the Subscription, the Open Offer, the Debt Restructuring, the Whitewash Waiver and the appointment of the incumbent Directors.

RESUMPTION CONDITIONS OF THE STOCK EXCHANGE

As disclosed in the Company's announcement dated 31 July 2018, the Stock Exchange requested the Company to fulfill the following resumption conditions:–

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

Further announcement(s) will be made to keep the Shareholders informed 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.

Shareholders and potential investors should note that the Capital Reorganisation, the Subscription, the Open Offer, the Debt Restructuring and the Whitewash Waiver are subject to various conditions which may or may not be fulfilled, and therefore may or may not materialise and proceed. The Company will keep the public informed of the latest development by making further announcements as and when appropriate.

The publication of this announcement does not mean the Resumption Proposal, which is subject to a number of conditions precedent, will be approved by the regulatory bodies or will be implemented in part or in full. Shareholders and investors are advised to exercise caution in dealing in the Shares or relevant securities of the Company.

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

Hong Kong, 18 January 2022

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.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm having made all reasonable inquiries, that to the best of their knowledge, their opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any statement in this announcement misleading.