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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)

**FULFILMENT OF RESUMPTION CONDITIONS
AND
RESUMPTION OF TRADING**

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

FULFILMENT OF RESUMPTION CONDITIONS

Completion of the Subscription, the Open Offer and the Debt Restructuring took place on 9 March 2022. Upon completion of the Restructuring, the Company has fulfilled all the SFC Resumption Conditions and the Stock Exchange Resumption Conditions.

RESUMPTION OF TRADING

Trading in Shares was suspended from 9:00 a.m. on 1 August 2016. As all the SFC Resumption Conditions and the Stock Exchange Resumption Conditions have been fulfilled, the Company has made an application to the Stock Exchange for the resumption of trading in the Consolidated Shares (including the Subscription Shares, the Offer Shares and the Creditors Shares).

The SFC has notified the Stock Exchange that trading in the Consolidated Shares (including the Subscription Shares, the Offer Shares and the Creditors Shares) will be permitted to recommence pursuant to section 9(3) of the SMLR with effect from 9:00 a.m. on 10 March 2022 on the Stock Exchange.

References are made to (i) the announcements of the Company dated 18 September 2019, 5 November 2019, 25 November 2019, 31 January 2020, 19 February 2020, 27 February 2020, 31 March 2020, 2 April 2020, 29 April 2020, 13 July 2020, 31 July 2020, 17 September 2020, 30 October 2020, 29 January 2021, 26 March 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, 17 January 2022, 18 January 2022, 21 January 2022, 25 January 2022, 31 January 2022, 25 February 2022, 8 March 2022 and 9 March 2022; (ii) the circular of the Company dated 31 December 2021 (the “**Circular**”); and (iii) the open offer prospectus dated 9 February 2022 in relation to, among other things, the Restructuring involving the Capital Reorganisation, the Subscription, the Open Offer, the Debt Restructuring and the Whitewash Waiver. Capitalised terms used herein shall have the same meanings as those defined in the Circular, unless the context requires otherwise.

BACKGROUND

Trading in the Shares on the Stock Exchange has been suspended since 1 August 2016. On 5 August 2016, the SFC issued a direction under Rule 8(1) of the Securities and Futures (Stock Market Listing) Rules (Cap. 571V of the laws of Hong Kong) (“**SMLR**”) to suspend trading in the Shares at 1:00 p.m. on 5 August 2016 because it appeared to the SFC that (i) the interim report of the Company for the six months ended 30 June 2015 and the annual report of the Company for the year ended 31 December 2015, and other reports or statements published by the Company contained materially false or misleading information; (ii) it is necessary or expedient to do so in the interest of maintaining an orderly and fair market in the Shares; and (iii) it is in the interest of the investing public or in the public interest, or it is appropriate for the protection of investors generally or for the protection of investors in the Shares to do so.

On 19 June 2019 and 30 July 2019, the Company submitted the Resumption Proposal to the Stock Exchange. Key terms of the Resumption Proposal include the following elements:

- (a) Subscription – subscription of new Consolidated Shares by Mr. Ji and Mr. Guo, both being executive Directors, to provide new equity capital to the Company;
- (b) Open Offer – to provide existing Shareholders pre-emptive right to subscribe new Consolidated Shares at the same price of the Subscription Share should they so wish to provide new equity capital to the Company; and
- (c) Debt Restructuring – debt restructuring plan agreed with the Creditors to significantly reduce liabilities of the Company.

The GM to approve the Restructuring and transactions contemplated thereunder was held on 21 January 2022. At the GM, the necessary resolutions approving, among other things, the Share Consolidation, the Subscription, the Debt Restructuring, the Open Offer and the Whitewash Waiver were duly passed by the Independent Shareholders by way of poll.

Completion of the Subscription, the Open Offer and the Debt Restructuring took place on 9 March 2022.

FULFILMENT OF RESUMPTION CONDITIONS

Upon completion of the Restructuring, the Company has fulfilled all the SFC Resumption Conditions and the Stock Exchange Resumption Conditions, details of which are set out below.

SFC Resumption Conditions

As disclosed in the announcement of the Company dated 18 January 2022, in order to alleviate the SFC's concerns and enable trading in Shares to resume, the Company has agreed to fulfil the following conditions imposed by the SFC (the "**SFC Resumption Conditions**"):-

- (1) the Company shall publish an announcement in relation to the resumption conditions imposed by the SFC;

- (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, the Open Offer and the Debt Restructuring) as disclosed in the Company's announcement dated 24 June 2021.

The Board is pleased to inform that the Company has fulfilled all the SFC Resumption Conditions, details of which are set out below:

SFC Resumption Condition (1) – the Company published the related announcement on 18 January 2022.

SFC Resumption Condition (2) – the appointment of incumbent Directors, namely Mr. Ji Kaiping and Mr. Guo Peiyuan as executive Directors, Mr. An Jingwen as non-executive Director, Mr. Li Wen, Mr. Qiu Ke and Ms. Chen Yen Yung as independent non-executive Directors were confirmed and ratified by independent Shareholders who were not involved in the questionable transactions at the GM on 21 January 2022. As disclosed in the poll results announcement of the Company dated 21 January 2022, based on the voting records, none of the Excluded Shareholders had casted votes on the resolution to appoint the incumbent Directors at the GM.

SFC Resumption Condition (3) – The Subscription, the Open Offer and the Debt Restructuring were completed on 9 March 2022.

The Company has been informed by the SFC that after considering the above actions taken by the Company to satisfy the SFC Resumption Conditions, it is satisfied that all the SFC Resumption Conditions have been fulfilled, and that the SFC has, by notice to the Stock Exchange and pursuant to section 9(3) of the SMLR, permitted the dealings in the Consolidated Shares (including the Subscription Shares, the Offer Shares and the Creditors Shares) to recommence.

Stock Exchange Resumption Conditions

On 26 July 2018, the Stock Exchange issued a letter to the Company setting out the following resumption conditions (the “**Stock Exchange Resumption Conditions**”):-

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

The Board is pleased to inform that the Company has fulfilled all the Stock Exchange Resumption Conditions, details of which are set out below:

Stock Exchange Resumption Condition (1) – the Company has appointed Netis Advisory Limited as Internal Control Advisor to conduct a review on the effectiveness of the risk management and internal control systems of the Group and provide recommendations to the Company.

The Internal Control Advisor conducted an initial review to identify weaknesses of the Group’s risk management and internal control systems in 2019, and a follow-up review on the weaknesses identified in the initial review which required further remedial actions.

The key internal control weaknesses identified by the Internal Control Advisor in the reviews, corresponding recommendations for rectification, the Company’s response and the remediation status are summarised as follows:

No.	Key internal control weakness	Rectification recommendation	Company’s response and remediation status
1	The Company failed to publish interim and annual financial results announcements and reports within the permitted period under the Listing Rules for the financial periods of 2016, 2017 and 2018	The Company shall issue all outstanding financial results announcements and reports as soon as practicable	The Company has published all outstanding interim and annual financial results announcements and reports

No.	Key internal control weakness	Rectification recommendation	Company's response and remediation status
2	The Company failed to provide management discussion and analysis in the annual report within the specified period under the Listing Rules for the financial years of 2016, 2017 and 2018	The Company shall issue all outstanding financial results reports as soon as practicable	Management discussion and analysis of each financial year have been disclosed in the published annual results announcements and reports
3	TMTC Rental and TMTC Travel had ceased to pay housing provident fund for its employees since August 2018, which violates the regulations of the Several Provisions of Beijing Municipality on Implementation of the Regulations on Management of Housing Provident Fund	TMTC Rental and TMTC Travel shall repay all outstanding housing provident fund	TMTC Rental and TMTC Travel had been directly paying the housing provident fund to its employees as housing subsidy since August 2018. TMTC Rental and TMTC Travel requested employees to pay the housing provident fund themselves and consent letters has been signed by the employees
4	TMTC Rental and TMTC Travel failed to pay wages on time, which violated the Social and Labor Law of the PRC	TMTC Rental and TMTC Travel shall comply with Social and Labor Law of the PRC and pay wages on a timely basis by bank transfer	TMTC Rental and TMTC Travel have been paying wages in accordance with the Social and Labor Law of the PRC since June 2019
5	Repayment of certain finance lease loans of TMTC Group have not been repaid in accordance with loan agreement since 2017, which may result in claims from the creditor	TMTC Group shall repay all outstanding debt immediately to avoid any claims from the creditor	In May 2019, the Company and the creditor agreed to settle the outstanding debt through the Debt Restructuring

No.	Key internal control weakness	Rectification recommendation	Company's response and remediation status
6	The Company did not have complete records of vouchers and prepare financial statements in accordance with the latest International Financial Reporting Standards 16 on rental income and expenditure, which led to failure in preparing the consolidated financial statements	The Company shall record vouchers and prepare financial statements in accordance with the latest International Financial Reporting Standards 16 and review the existing records and financial statements	The Company has prepared relevant financial statements on the Group's consolidated financial statements since 2019 in accordance with the relevant provisions of International Financial Reporting Standards 16
7	Certain computer software used by TMTC Group were not licensed, which may give rise to legal risks	TMTC Group shall acquire license for all software used by TMTC Group	All software used by TMTC Group as at the date of this announcement are fully licensed
8	The Group has not provided insurance cover for potential legal action against its Directors	The Group shall provide insurance cover for its Directors	The Company requested insurance companies to provide relevant insurance but is given to understand such insurance can only be obtained after Resumption. The Company will obtain insurance cover immediately upon Resumption

The Internal Control Advisor does not consider note 8 above constitutes a principally material internal control weakness.

Save as note 8 above, the Internal Control Advisor confirmed that the key internal control weaknesses of the Group were rectified during its follow-up review.

Having considered (i) the lack of insurance cover is not a principally material internal control weakness; and (ii) it will be rectified upon Resumption when insurance cover can be obtained, the Directors and the Audit Committee are of the view that the Company has in place internal control systems which enable the Group to achieve objectives regarding effectiveness and efficiency of operations, reliability of financial reporting and compliance with applicable laws and regulations.

Stock Exchange Resumption Condition (2) – the Group has published all the outstanding annual results for the financial years ended 31 December 2016, 2017, 2018, 2019 and 2020, and interim results for the six months ended 30 June 2016, 2017, 2018, 2019, 2020 and 2021.

As for audit modifications, the Auditors did not express an opinion on the consolidated financial statements of the Group for the financial year ended 31 December 2020. The basis of disclaimer opinion are (i) limited accounting books and records of two subsidiaries – First Concept Industrial Group Limited (“**First Concept**”) and iFrontier LLC (“**iFrontier**”); (ii) loss on deconsolidation of the subsidiaries; (iii) borrowings; and (iv) going concern.

No.	Basis of disclaimer opinion	Actions taken
1	Limited accounting books and records of two subsidiaries	<p>First Concept and iFrontier were disposed of in July 2019.</p> <p>This disclaimer will be removed in the auditors’ report for financial year ended 31 December 2021 (“FY2021”).</p>
2	Loss on deconsolidation of subsidiaries	<p>Subject subsidiaries were disposed of in July 2019. Other subsidiaries that not been disposed of, have been dissolved by the PRC government.</p> <p>This disclaimer will be removed in the auditors’ report for FY2021.</p>
3	Borrowings	<p>There were insufficient evidence as to the existence, right, obligations and valuation, etc. of borrowings of approximately HK\$42.3 million and HK\$40.0 million as at 31 December 2020 and 2019 respectively (the “Borrowings”).</p>

No.	Basis of disclaimer opinion	Actions taken
4	Going Concern	<p>The Borrowings have subsequently been verified and there were defect on its existence, right, obligations and valuation. As a result, the Company, its relevant subsidiaries and the creditors of the Borrowings have entered into legal documents, pursuant to which that the Company shall dispose the subsidiary which held all the Borrowings to an Independent Third Party with minimal consideration and all the repayment obligation of the Company shall be released. The disposal was completed on 11 February 2022. The subsidiary disposed of only held the Borrowings and did not have any asset or business operation.</p> <p>Since the Borrowings in the disclaimer is no longer in the books of the Group, the Auditors have agreed that this disclaimer will be removed in the auditors' report for financial year ending 31 December 2022.</p> <p>The Group had net liabilities of approximately HK\$525,411,000 for the year ended 31 December 2020, the Company has completed (i) the Subscription; (ii) the Open Offer; and (iii) the Debt Restructuring, to reduce debt and raise capital for expansion and for working capital to improve the financial position of the Company.</p> <p>This disclaimer will be removed in the auditors' report for FY2021.</p>

RESUMPTION OF TRADING

Trading in Shares was suspended from 9:00 a.m. on 1 August 2016.

As all the SFC Resumption Conditions and the Stock Exchange Resumption Conditions have been fulfilled, the Company has made an application to the Stock Exchange for the resumption of trading in the Consolidated Shares (including the Subscription Shares, the Offer Shares and the Creditors Shares).

The SFC has notified the Stock Exchange that trading in the Consolidated Shares (including the Subscription Shares, the Offer Shares and the Creditors Shares) will be permitted to recommence pursuant to section 9(3) of the SMLR with effect from 9:00 a.m. on 10 March 2022 on the Stock Exchange.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares and relevant securities of the Company.

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

Hong Kong, 9 March 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.