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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 OF UNAUDITED ANNUAL RESULTS
FOR THE YEAR ENDED 31 DECEMBER 2021

Due to the recent coronavirus disease (COVID-19) outbreak in Mainland China and Hong Kong, the audit progress and procedures of the consolidated financial statements of National United Resources Holdings Limited (the “**Company**” together with its subsidiaries, the “**Group**”) for the year ended 31 December 2021 has been affected due to a number of factors, including (i) delays in receiving bank confirmations and audit confirmations from business partners of the Group, including customers and suppliers resulting from delays in postal services within the People’s Republic of China (the “**PRC**”) and Hong Kong; and (ii) closure of the Company’s office in Hong Kong from time to time in March 2022 and members of the Company’s auditors require additional time for collecting necessary documentation and completing their audit work, which affected the ability to access and gather necessary documents and information required for the audit on a timely basis. Barring unforeseen circumstances, the board (the “**Board**”) of directors (the “**Directors**”) of the Company expects the audited annual results announcement and the annual report for the year ended 31 December 2021 will be published on or before 30 April 2022. The Company will publish further announcement(s) in accordance with the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (“**Stock Exchange**”) as and when appropriate.

In order to keep the shareholders of the Company (the “**Shareholders**”) and the public informed of the business operation and financial position of the Group, the Board would like to provide the Shareholders and the public with the following unaudited consolidated financial information of the Group for the year ended 31 December 2021, which has been reviewed by the audit committee of the Company (“**Audit Committee**”) but have not been agreed with the Company’s auditors, together with the audited comparative figures for the year ended 31 December 2020, as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2021

	<i>Notes</i>	2021 <i>HK\$'000</i> (Unaudited)	2020 <i>HK\$'000</i> (Audited)
Revenue	4	142,814	134,527
Cost of revenue		<u>(108,012)</u>	<u>(103,568)</u>
Gross profit		34,802	30,959
Other income		86,181	69,472
Administrative and other operating expenses		<u>(37,069)</u>	<u>(33,229)</u>
Profit from operations		83,914	67,202
Finance cost	5	(21,595)	(23,943)
Loss on disposal of subsidiaries		<u>–</u>	<u>(1,101)</u>
Profit before tax		62,319	42,158
Income tax expense	6	<u>(3,064)</u>	<u>(2,147)</u>
Profit for the year	7	<u>59,255</u>	<u>40,011</u>
Attributable to:			
Owners of the Company		54,567	36,726
Non-controlling interests		<u>4,688</u>	<u>3,285</u>
		<u>59,255</u>	<u>40,011</u>
			(Restated)
Earnings per share attributable to owners of the Company			
Basic (<i>HK cents per share</i>)	8	<u>8.51</u>	<u>5.73</u>
Diluted (<i>HK cents per share</i>)		<u>8.51</u>	<u>5.73</u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2021

		2021	2020
	<i>Notes</i>	HK\$'000	HK\$'000
		(Unaudited)	(Audited)
Profit for the year	7	59,255	40,011
Other comprehensive income:			
<i>Items that may be reclassified to profit or loss:</i>			
Exchange differences on translation of foreign operations		(4,414)	(3,176)
Exchange differences reclassified to profit or loss on disposal of subsidiaries		—	1,258
		<u> </u>	<u> </u>
Total comprehensive income for the year		<u>54,841</u>	<u>38,093</u>
Total comprehensive income for the year attributable to:			
Owners of the Company		50,173	36,438
Non-controlling interests		4,668	1,655
		<u> </u>	<u> </u>
		<u>54,841</u>	<u>38,093</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2021

		2021	2020
	<i>Notes</i>	HK\$'000	HK\$'000
		(Unaudited)	(Audited)
Non-current assets			
Property, plant and equipment		94,337	109,804
Right-of-use assets		74,258	88,987
Deferred tax asset		7,046	6,859
Intangible assets		123	238
Goodwill		36,887	36,547
		<u>212,651</u>	<u>242,435</u>
Current assets			
Trade receivables	9	68,116	52,912
Prepayments, deposits and other receivables		41,848	27,453
Bank and cash balances		2,136	4,567
		<u>112,100</u>	<u>84,932</u>
Current liabilities			
Other payables and accruals		199,231	171,360
Borrowings	10	69,218	160,476
Convertible bonds	11	265,086	259,693
Non-convertible bonds		90,500	90,500
Lease liabilities		162,028	154,644
Tax payable		7,500	5,333
		<u>793,563</u>	<u>842,006</u>
Net current liabilities		<u>(681,463)</u>	<u>(757,074)</u>
Total assets less current liabilities		<u>(468,812)</u>	<u>(514,639)</u>

	2021 <i>HK\$'000</i> (Unaudited)	2020 <i>HK\$'000</i> (Audited)
Non-current liabilities		
Lease liabilities	<u>1,634</u>	<u>10,772</u>
	<u>1,634</u>	<u>10,772</u>
NET LIABILITIES	<u><u>(470,446)</u></u>	<u><u>(525,411)</u></u>
Capital and reserves		
Share capital	3,178,754	3,178,754
Reserves	<u>(3,627,641)</u>	<u>(3,677,937)</u>
Equity attributable to owners of the Company	(448,887)	(499,183)
Non-controlling interests	<u>(21,559)</u>	<u>(26,228)</u>
TOTAL EQUITY	<u><u>(470,446)</u></u>	<u><u>(525,411)</u></u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2021

1. BASIS OF PREPARATION

The financial information relating to the years ended 31 December 2021 and 2020 included in this preliminary announcement of annual results does not constitute the Company's statutory annual consolidated financial statements for those years but is derived from those consolidated financial statements.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current year, the Group has adopted all the new and revised Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants that are relevant to its operations and effective for its accounting period beginning on 1 January 2021. HKFRSs comprise Hong Kong Financial Reporting Standards; Hong Kong Accounting Standards; and Interpretations. The adoption of these new and revised HKFRSs did not result in significant changes to the Group's accounting policies, presentation of the Group's consolidated financial statements and amounts reported for the current and prior years.

The Group has not applied the new HKFRSs that have been issued but are not yet effective. The Group has already commenced an assessment of the impact of these new HKFRSs but is not yet in a position to state whether these new HKFRSs would have a material impact on its results of operations and financial position.

3. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has one reportable operating segment of car rental and shuttle bus services for the years ended 31 December 2021 and 2020.

Management monitors the results of the Group's operating segment for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/(loss), which is a measure of adjusted profit/(loss) before tax. The adjusted profit/(loss) before tax is measured consistently with the Group's profit/(loss) before tax except that interest and other income, finance costs and unallocated corporate expenses.

Segment assets exclude cash and cash equivalents and other unallocated corporate assets as these assets are managed on a group basis.

Segment liabilities exclude borrowings, tax payable and other unallocated corporate liabilities as these liabilities are managed on a group basis.

During the years ended 31 December 2021 and 2020, there were no inter-segment sales.

4. REVENUE

The principal activities of the Group are provision of car rental and shuttle bus services. All revenue generated by the Group were derived from the PRC and recognised at a point in time.

Revenue represents the amounts received and receivable by the Group from business income, services rendered to customers, net of discounts, returns and sales related taxes are as follows:

	2021	2020
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Audited)
Car rental and shuttle bus service income	<u>142,814</u>	<u>134,527</u>

- (a) Information about reportable segment profit or loss, assets and liabilities is summarised as follow:

	Car rental and shuttle bus service HK\$'000 (Unaudited)
Year ended 31 December 2021	
Revenue from external customers	<u><u>142,814</u></u>
Segment result	11,117
Interest income on bank deposit	8
Other income	85,439
Unallocated expenses	<u>(12,650)</u>
Profit from operations	83,914
Finance cost	<u>(21,595)</u>
Profit before tax	62,319
Income tax expense	<u>(3,064)</u>
Profit for the year	<u><u>59,255</u></u>
Depreciation and amortisation	<u><u>28,923</u></u>
As at 31 December 2021	
Segment assets	312,884
Unallocated assets	<u>11,867</u>
	<u><u>324,751</u></u>
Segment liabilities	(279,622)
Unallocated liabilities	<u>(515,575)</u>
	<u><u>(795,197)</u></u>

Car rental and
shuttle bus
service
HK\$'000
(Audited)

Year ended 31 December 2020

Revenue from external customers	<u><u>134,527</u></u>
Segment result	16,884
Interest income on bank deposit	15
Other income	69,457
Unallocated expenses	<u>(19,154)</u>
Profit from operations	67,202
Finance cost	(23,943)
Loss on disposal of subsidiaries	<u>(1,101)</u>
Profit before tax	42,158
Income tax expense	<u>(2,147)</u>
Profit for the year	<u><u>40,011</u></u>
Depreciation and amortisation	<u><u>27,270</u></u>

As at 31 December 2020

Segment assets	319,745
Unallocated assets	<u>7,622</u>
	<u><u>327,367</u></u>
Segment liabilities	(280,701)
Unallocated liabilities	<u>(572,077)</u>
	<u><u>(852,778)</u></u>

(b) **Geographical information:**

The Group's revenue analysed by geographical location and information about its non-current assets by geographical location are detailed below:

	Revenue		Non-current assets	
	Year ended 31 December		As at 31 December	
	2021	2020	2021	2020
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
Hong Kong	–	–	–	581
PRC	142,814	134,527	212,651	241,854
	142,814	134,527	212,651	242,435

In presenting the geographical information, revenue is based on the locations of the customers.

(c) **Information about major customers**

Revenue from major customers, each of whom accounted for 10% or more of the total revenue is set out below:

	2021	2020
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Audited)
Customer A	20,309	19,379

5. FINANCE COST

	2021 <i>HK\$'000</i> (Unaudited)	2020 <i>HK\$'000</i> (Audited)
Bank charges	21	164
Interest expenses on borrowings		
– interest on convertible bonds	5,393	5,891
– interest on non-convertible bonds	5,430	5,430
– interest on lease liabilities	10,257	11,710
– interest on other borrowings	221	310
– interest on bank borrowings	273	438
	<u>21,595</u>	<u>23,943</u>

6. INCOME TAX EXPENSE

	2021 <i>HK\$'000</i> (Unaudited)	2020 <i>HK\$'000</i> (Audited)
Current tax – Hong Kong Profits Tax		
Provision for the year	–	–
Current tax – the PRC Enterprise Income Tax		
Provision for the year	3,064	116
Deferred tax	–	2,031
	<u>3,064</u>	<u>2,147</u>

Hong Kong Profits Tax is calculated at the rate of 16.5% (2020: 16.5%) on the estimated assessable profits arising in Hong Kong during the year.

Under the Law of the PRC on Enterprise Income Tax, the applicable income tax rate of the Group's subsidiaries in the PRC is 25% (2020: 25%).

The reconciliation between the income tax and profit before tax multiplied by the Hong Kong profits tax rate is as follows:

	2021	2020
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Audited)
Profit before tax	<u>62,319</u>	<u>42,158</u>
Tax at the domestic income tax rate of 16.5% (2020: 16.5%)	10,283	6,956
Effect of different tax rates of subsidiaries operating in the PRC	7,259	2,086
Income not subject to tax	(21,446)	–
Expenses not deductible for tax	3,687	–
Tax effect of utilisation of tax losses not recognised	–	(10,398)
Tax losses not recognised	<u>3,281</u>	<u>3,503</u>
	<u>3,064</u>	<u>2,147</u>

7. PROFIT FOR THE YEAR

The Group's profit for the year is stated after charging the following:

	2021	2020
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Audited)
Depreciation	17,946	17,516
Auditor's remuneration	978	800
Depreciation of right-of-use assets	10,977	9,754
Staff costs (including Directors' remuneration and staff cost in cost of revenue):		
– salaries, bonuses and allowances	48,955	52,272
– retirement benefits scheme contributions	9,783	4,519
	<u>58,738</u>	<u>56,791</u>

8. EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

Basic earnings per share

The calculation of basic earnings per share attributable to owners of the Company is based on the profit for the year attributable to owners of the Company of approximately HK\$54,567,000 (2020: profit for the year of approximately HK\$36,726,000) and the weighted average number of ordinary shares of 641,177,050 (2020: 641,177,050 as adjusted to reflect the impact of share consolidation on 25 January 2022) in issue during the year.

Diluted earnings per share

No diluted earnings per share for the years ended 31 December 2021 and 2020 is presented as the effect of all convertible bonds are anti-dilutive for the years.

9. TRADE RECEIVABLES

The aging analysis of trade receivables, based on the invoice date, is as follows:

	2021 <i>HK\$'000</i> (Unaudited)	2020 <i>HK\$'000</i> (Audited)
Within 30 days	7,409	10,271
31-90 days	10,488	11,932
91-365 days	31,694	24,842
Over 1 year	28,485	8,527
Less: Impairments	<u>(9,960)</u>	<u>(2,660)</u>
	<u>68,116</u>	<u>52,912</u>

10. BORROWINGS

		2021 <i>HK\$'000</i> (Unaudited)	2020 <i>HK\$'000</i> (Audited)
Bank loans	(a)	2,996	6,888
Other loans	(b)	<u>66,222</u>	<u>153,588</u>
		<u>69,218</u>	<u>160,476</u>

- (a) Bank loans are secured, bear an interest rate of 6.175% and are repayable on demand or within one year.
- (b) Other loans are unsecured, bear interest rates range from 5% to 6.5% and are repayable on demand or within one year.

11. CONVERTIBLE BONDS

On 27 October 2015, the Company issued convertible bonds in the principal amount of HK\$65,735,900 which bear interest rate of 4.5% per annum (the “**2015CB**”). The 2015CB are convertible into ordinary shares of the Company within 24 months from the date of issue at a conversion price of HK\$0.265 per conversion share (subject to adjustment), and a maximum of 248,060,000 conversion shares can be issued. At 31 December 2021, the outstanding principal amount is HK\$26,500,000.

On 10 November 2015, the Company issued zero-coupon convertible bonds in the principal amount of HK\$120,000,000 (the “**QDCB1**”) as part of the consideration for the acquisition of 70% equity interest in the entire issued share capital of Million Fortune International Investment Limited. The QDCB1 are convertible into ordinary shares of the Company at any time between the date of issue and its maturity date at a conversion price of HK\$0.40 per conversion share (subject to adjustment), and a maximum of 300,000,000 conversion shares can be issued. All the QDCB1 shall be redeemed by the Company at par on 9 November 2018. At 31 December 2021, the outstanding principal amount is HK\$55,580,000.

On 31 March 2017, the Company issued zero-coupon convertible bonds in the principal amount of HK\$13,220,018 (the “**QDCB2**”) as part of the consideration for the acquisition of 70% equity interest in the entire issued share capital of Million Fortune International Investment Limited. The QDCB2 are convertible into ordinary shares of the Company at any time between the date of issue and its maturity date at a conversion price of HK\$0.40 per conversion share (subject to adjustment), and a maximum of 33,050,045 conversion shares can be issued. All the QDCB2 shall be redeemed by the Company at par on 30 March 2020. At 31 December 2021, the outstanding principal amount is HK\$13,220,018.

On 6 September 2016, the Company issued convertible bonds in the principal amount of HK\$140,000,000 (the “**TMCB1**”) which bear interest rate of 3% per annum as part of the consideration for the acquisition of 100% equity interest in the entire issued share capital of Gear World Development Limited. The TMCB1 are convertible into ordinary shares of the Company at any time between the date of issue and its maturity date at a conversion price of HK\$0.30 per conversion share (subject to adjustment), and a maximum of 466,666,666 conversion shares can be issued. At 31 December 2021, the outstanding principal amount is HK\$140,000,000.

The liability component of convertible bonds recognised at the end of the reporting period is analysed as follows:

	2015CB	QDCB1	QDCB2	TMCB1	Total
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Liability component					
At 1 January 2020 (Audited)	31,486	55,581	12,721	154,014	253,802
Interest charged	<u>1,193</u>	<u>–</u>	<u>499</u>	<u>4,199</u>	<u>5,891</u>
At 31 December 2020					
and 1 January 2021 (Audited)	32,679	55,581	13,220	158,213	259,693
Interest charged	<u>1,193</u>	<u>–</u>	<u>–</u>	<u>4,200</u>	<u>5,393</u>
Liability component					
at 31 December 2021					
(Unaudited)	33,872	55,581	13,220	162,413	265,086
Portion classified					
as current liabilities	<u>(33,872)</u>	<u>(55,581)</u>	<u>(13,220)</u>	<u>(162,413)</u>	<u>(265,086)</u>
Non-current portion	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>

The interest charged for the year of 2015CB, QDCB1, QDCB2 and TMCB1 are calculated by applying an effective interest rate of 4.5%, 0%, 0% and 3% to the liability component respectively.

12. DIVIDENDS

The Directors do not recommend the payment of any dividend in respect of the years ended 31 December 2021 and 2020.

13. CONTINGENT LIABILITIES

At the end of the reporting period, contingent liabilities not provided for in the financial statements were as follows:

	2021	2020
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Audited)
Indemnity related to a former subsidiary	<u>7,469</u>	<u>7,271</u>

At the end of the reporting period, the Directors do not consider it probable that a claim will be made against the Group under the above possible claim.

MANAGEMENT DISCUSSION AND ANALYSIS

RESUMPTION OF TRADING

Trading in the shares of the Company (the “**Shares**”) on the Stock Exchange has been suspended since 1 August 2016. On 5 August 2016, the Securities and Futures Commission of Hong Kong issued a direction pursuant to Rule 8(1) of the Securities and Futures (Stock Market Listing) Rules (Cap. 571V of the Laws of Hong Kong) to suspend the trading in the Shares from 1:00 p.m. on 5 August 2016.

After the new members of the Board and the management joined the Company, the Company submitted a proposal and a supplemental proposal for resumption of trading to the Stock Exchange on 19 June 2019 and 30 July 2019, respectively. The Restructuring and the transactions contemplated thereunder were approved at the general meeting of the Company held on 21 January 2022, and the independent Shareholders passed by way of poll, amongst others, the resolutions regarding the Share Consolidation, the Subscription, the Debt Restructuring, the Open Offer and the Whitewash Waiver. Details of the Restructuring and the transactions contemplated thereunder, including the Share Consolidation, the Subscription, the Debt Restructuring, the Open Offer and the Whitewash Waiver, are set out in the circular of the Company dated 31 December 2021.

After years of unremitting efforts of the Directors and management of the Company and following the completion of the Restructuring, the Company made the announcement in relation to the fulfilment of resumption conditions and resumption of trading on 9 March 2022, and trading in the Shares on the Stock Exchange recommenced from 9:00 a.m. on 10 March 2022.

BUSINESS REVIEW

The Group operates its bus transportation, passenger operation and car rental services through 北京天馬通馳汽車租賃有限公司 (Beijing Tian Ma Tong Chi Car Rental Co., Ltd*) (“**TMTC Rental**”) and 北京天馬通馳旅遊客運有限公司 (Beijing Tian Ma Tong Chi Travel Transportation Co., Ltd*) (“**TMTC Travel**”, together with TMTC Rental, the “**TMTC Group**”). As at 31 December 2021, TMTC Group had a vehicle fleet of more than 800 vehicles.

TMTC Group operates through two major subsidiaries, TMTC Rental (an indirect wholly owned subsidiary of the Company) and TMTC Travel (a 49% owned subsidiary of TMTC Rental). To be consistent with the current operation model and to formalise the management arrangement, on 1 September 2019, TMTC Travel were consolidated into TMTC Group’s account under HKFRS10 on the basis of full management control over TMTC Travel by TMTC Rental. For details, please refer to the announcement of the Company dated 2 March 2020.

TMTC Rental is engaged in non-chauffeured vehicle rental business only, leasing its vehicles mainly to TMTC Travel. TMTC Travel is principally engaged in car rental and shuttle bus services business, including the provision of (i) routed shuttle/commuter bus transportation; (ii) chauffeured vehicles rental; (iii) non-chauffeured vehicles rental; and (iv) chauffeurs hire service.

TMTC Group offers customise transportation solutions to satisfy different needs of its customers. According to research, in term of revenue, TMTC Group was one of the largest non-state-owned shuttle/commuter bus transportation provider with a market share of approximately 7.0% in 2020 in the Beijing shuttle/commuter bus service market (including both state-owned and non-state-owned companies). Through investing in quality vehicles and provide outstanding services, TMTC Group has built a prestigious brand image. Customers of TMTC Group include prominent institutional cooperations, as well as the PRC government and prestigious educational institutes.

FINANCIAL REVIEW

Revenue, Cost and Gross Profit

The Group's revenue generated from the car rental and shuttle bus services business amounted to approximately HK\$142,814,000 for the year 2021, representing an increase by approximately HK\$8,287,000 or 6.2% compared to the year 2020 which was approximately HK\$134,527,000.

The cost of revenue of the Group for the year 2021 of approximately HK\$108,012,000 was increased by approximately HK\$4,444,000 or 4.3%, compared to the cost of revenue of the Group for the year 2020 of approximately HK\$103,568,000, such increase in line with the increase in revenue and related variable costs.

The gross profit margin were 24.4% and 23.0% and the gross profit amounted to HK\$34,802,000 and HK\$30,959,000 for the year 2021 and year 2020 respectively. The increase in gross profit of HK\$3,843,000 or 12.4% represent TMTC Group maintains its profitability during the hard time with COVID-19 situation.

Other Income

Other income for the year 2021 and 2020 amounted to approximately HK\$86,181,000 and HK\$69,472,000 respectively. Other income mainly includes bank interest income, reversal of impairment in trade receivables and collected other receivables over carrying amount, gain on liabilities written off and sundry income. During the year 2021, gain on other loan written off amounted to HK\$85,786,000.

During the year 2020, the aggregate amount collected over carrying amount of approximately HK\$48,352,000 was recorded. Details were stated in the section of "Update of a Litigation" in the 2020 annual report of the Company published on 29 April 2021.

Administrative and Other Operating Expenses

Administrative and other operating expenses for the year 2021 and 2020 were approximately HK\$37,069,000 and HK\$33,229,000 respectively, representing an increase of approximately HK\$3,840,000 or 11.6%. The administrative expenses comprised auditor's remuneration, depreciation of property, plant and equipment, impairment of trade receivables and other receivables, legal and professional fees incurred for resumption, minimum lease payments under operating lease, staff costs with Directors emoluments and other administrative expenses.

If taking out the impairment of trade receivables and other receivables, the administrative expenses for the year 2021 would be decreased as compared to that for the year 2020, which was mainly due to the professional fees involved in the Restructuring are to be recognized in 2022.

Finance Cost

Finance cost of the Group for the year 2021 and year 2020 amounted to approximately HK\$21,595,000 and HK\$23,943,000 respectively. The finance cost comprises interest expenses on convertible bonds, non-convertible bonds, lease liabilities, bank borrowings, other borrowings and bank charges. The decrease in finance cost mainly due to the decrease in interest on convertible bonds and the lease liabilities charged.

Profit for the Year

As a result, the Group's profit for the year increased by HK\$19,244,000 or 48.1% from HK\$40,011,000 for the year ended 31 December 2020 to HK\$59,255,000 for the year ended 31 December 2021. The Group's net profit margin increased from 29.7% for the year ended 31 December 2020 to 41.5% for the year ended 31 December 2021.

Non-current Assets

The non-current assets were decreased by approximately HK\$29,784,000 from HK\$242,435,000 as at 31 December 2020 to HK\$212,651,000 as at 31 December 2021. The decrease in non-current assets was mainly attributable to the depreciation of property, plant and equipment and right-of-use assets.

Current Assets

The current assets of the Group increased from approximately HK\$84,932,000 as at 31 December 2020 to approximately HK\$112,100,000 as at 31 December 2021. The increase in current assets was mainly due to the increase in trade receivables and prepayments.

Total Liabilities

The total of non-current and current liabilities of the Group decreased from approximately HK\$852,778,000 as at 31 December 2020 to approximately HK\$795,197,000 as at 31 December 2021 which was mainly due to the settlement of part of the borrowings and other loans, and lease liabilities during the year 2021.

Net Current Liabilities and Net Liabilities

As consequences, the Group recorded a decrease in net current liabilities from approximately HK\$757,074,000 as at 31 December 2020 to approximately HK\$681,463,000 as at 31 December 2021, and a decrease in net liabilities from approximately HK\$525,411,000 as at 31 December 2020 to approximately HK\$470,446,000 as at 31 December 2021.

CAPITAL STRUCTURE, LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2021, the issued share capital of the Company was HK\$3,178,754,000 divided into 6,411,770,500 Shares. During the year ended 31 December 2021, the Group finances its operations by cash flow from operating activities. As at 31 December 2021, the cash and bank balances of the Group amounted to approximately HK\$2,136,000 (31 December 2020: HK\$4,567,000).

As at 31 December 2021, the Group had current assets of approximately HK\$112,100,000 (31 December 2020: HK\$84,932,000), while its current liabilities were approximately HK\$793,563,000 (31 December 2020: HK\$842,006,000). The current ratio of the Group was approximately 0.14 times (31 December 2020: 0.10 times) and gearing ratio (debts/total assets) was 181.2% (31 December 2020: 206.5%)

MATERIAL ACQUISITION, DISPOSAL AND SIGNIFICANT INVESTMENTS HELD

The Group did not have material acquisition and disposal of subsidiaries, associates and joint ventures during the year ended 31 December 2021 and did not have any significant investments held as at 31 December 2021.

FOREIGN EXCHANGE EXPOSURE

During the year ended 31 December 2021, the majority of the Group's income and expenses were denominated in Renminbi and Hong Kong dollars. Up to 31 December 2021, the management of the Company was of the opinion that the Group has insignificant exposure to foreign exchange risk. The Group did not use any financial instruments for hedging against fluctuation in foreign exchange for the year ended 31 December 2021. Nevertheless, the management of the Company will closely monitor and from time to time reassess the exchange risk exposures of the Group and enter into non-speculative hedging arrangements if considered necessary.

EMPLOYEE INFORMATION

As at 31 December 2021, the Group had 530 employees (including the Directors) in Hong Kong and the PRC (31 December 2020: 637 employees). The Group continues to provide remuneration packages to employees according to market practices, their experience and performance. Remuneration policy is basically determined with reference to individual performance as well as the financial results of the Group. Remuneration to staff will be reviewed from time to time when warranted considering the performances of staff. Other benefits include medical insurance scheme and contribution of statutory mandatory provident fund for the employees. The Group also adopted a share option scheme whereby qualified participants may be granted options to acquire Shares. There has been no major change in staff remuneration policies during the year ended 31 December 2021.

UPDATE OF A LITIGATION

On 31 January 2019, the Company, First Concept Industrial Group Limited (“**First Concept**”) (a former wholly-owned subsidiary of the Company which was disposed of in 2019) and NUR Clean Energy Investment Limited (“**NUR Clean**”) (a wholly-owned subsidiary of the Company) issued a writ of summons in the High Court of the Hong Kong Special Administrative Region against 9 defendants for (i) breach of fiduciary/director/employee/contractual duties; (ii) conspiracy; (iii) dishonest assistance; (iv) fraud; and (v) breach of contract. The defendants are Mr. Li Tao, Mr. Yang Fan (former Director and chairman of the Company), Mr. Li Hui (former director of the Company, First Concept and NUR Clean), Mr. Feng Tao (former director and deputy general manager of First Concept), Mr. Chan Chon Hong (former employee of First Concept), Sincere Logistics Limited, China Wish Limited, Sino King Trading (HK) Co., Limited, and Huge Power Co., Ltd.

BORROWINGS AND CHARGES ON THE GROUP'S ASSETS

As at 31 December 2021, the Group recorded the borrowings of approximately HK\$69,218,000 (31 December 2020: HK\$160,476,000) in which of approximately HK\$2,996,000 (31 December 2020: HK\$6,888,000) represents loan from bank and bear interest rate 6.175% per annum with motor vehicles in carrying amount of approximately HK\$9,477,000 (31 December 2020: approximately HK\$10,416,000) being pledged to secure the bank loan. All borrowings are repayable on demand or within the year.

CAPITAL COMMITMENTS

The Group had no significant capital commitments outstanding as at 31 December 2021 and 2020.

CONTINGENT LIABILITIES

Details of contingent liabilities were disclosed in note 13 to the unaudited consolidated financial statements in this announcement.

EVENTS AFTER THE REPORTING PERIOD

Since suspension of trading in Shares on 1 August 2016, trading in the Consolidated Shares (including the Subscription Shares, the Offer Shares and the Creditors Shares) was permitted to recommence pursuant to section 9(3) of the Securities and Futures (Stock Market Listing) Rules (Cap. 571V of the laws of Hong Kong) with effect from 9:00 a.m. on 10 March 2022 on the Stock Exchange.

The Resumption progress after the reporting period set out as following:

On 31 December 2021, a circular containing, among other things, a notice convening the general meeting of the Company (“GM”) held on 21 January 2022 and the information relating to (a) the Capital Reorganisation; (b) the Subscription; (c) the Open Offer; and (d) the Debt Restructuring, was despatched to the Shareholders. On 21 January 2022, resolutions as set out in the GM notice were duly passed by the Shareholders or independent Shareholders (as the case may be).

The Capital Reorganisation comprises the Share Consolidation and the Change in Board Lot Size. Every 10 issued existing Shares were consolidated into one Consolidated Share with effect from 25 January 2022 and the Change in Board Lot Size from 10,000 Shares to 20,000 Consolidated Shares took effect on 10 March 2022.

As disclosed in the announcement of the Company dated 25 February 2022, a total of 7 valid applications had been received for a total of 108,260,129 Offer Shares as at 4:00 p.m. on 23 February 2022, representing approximately 16.88% of the total number of Offer Shares available for subscription under the Open Offer. The remaining 532,916,921 Unsubscribed Shares, representing approximately 83.12% of the total number of Offer Shares available for subscription under the Open Offer, were subject to the Unsubscribed Shares Arrangement. As at 4:00 p.m. on 4 March 2022, 4,360,000 Unsubscribed Shares had been placed by the Placing Agent. Accordingly, an aggregate of 528,556,921 Untaken Shares were taken up by the Underwriter/Sub-underwriters and their respective sub-underwriters and independent places procured by them pursuant to the terms of the Underwriting Agreement. The results of the Open Offer was announced on 8 March 2022 and the Offer Shares had been issued and allotted on 9 March 2022.

On 9 March 2022, the Board announced that (i) all the conditions precedent to the Subscription had been fulfilled and 972,500,000 Subscription Shares and 615,500,000 Subscription Shares had been allotted and issued to the First Subscriber and the Second Subscriber, respectively in accordance with the terms of the Revised Subscription Agreement; and (ii) all the conditions precedent to the Debt Restructuring had been fulfilled and a total of 207,274,309 Creditors Shares had been allotted and issued to 11 Creditors under the Debt Restructuring.

Upon Completion of the Subscription, the Open Offer and the Debt Restructuring on 9 March 2022, the Company had fulfilled all the SFC Resumption Conditions and the Stock Exchange Resumption Conditions, trading in Shares resumed on 10 March 2022.

Capitalised terms used herein shall have the same meanings as those defined in the circular issued by the Company dated 31 December 2021, unless the context requires otherwise. For details, please refer to the announcements of the Company dated 21 January 2022, 25 January 2022, 25 February 2022, 8 March 2022 and 9 March 2022, the circular of the Company dated 31 December 2021 and the prospectus of the Company dated 9 February 2022.

OUTLOOK

Looking back to the COVID-19 outbreak in Beijing, except for the two rounds of stricter pandemic control in June 2021 and early 2022, respectively, the pandemic situation was relatively moderate for the remaining periods. Residents' daily life and economic activities have recovered significantly. The Group's main business, the shuttle bus in Beijing, has gradually become normalized. Generally, the Group's overall performance in 2021 was still good with stable customers.

After the outbreak in early 2022, however, the management of the Company came to realize that the pandemic is not over yet and there is possibility of recurrence at any time. The pandemic will pose various impacts on the Company's existing and potential customers, which will then affect the business expansion progress of the Company, and the Company's management has been alert to this. The management of the Company believes that the Company should take advantage of the favorable momentum of resumption of trading to expand the Company's business scope to several directions related to its own industry on top of its existing businesses, aiming to diversify the Group's principal business and strengthen its resilience to fend off risks.

The Company will carry out in-depth cultivation of the industry, and strive to develop the national market outside Beijing, so as to avoid the sudden impact of the pandemic in a certain place and cause an excessive impact on the business of the entire company. Currently, the Company is conducting investigation and research in other cities and is preparing to expand into several cities. As the Company has already established a good reputation in Beijing, one of the cities with the highest service standards across the country, and the customers it serves are also among the leading enterprises in China, this will bring great advantages to the Company during its expansion into other cities. As each local government put in place different regulations on the passenger transportation industry, the Company may choose to cooperate with or acquire local original transportation companies to obtain local operating licenses based on local policies.

The Company is interested in possible investment and development in the logistics and freight markets, including but not limited to, land transportation logistics, railway transportation logistics, air transportation logistics and ship transportation logistics. The management considers that in the context of the pandemic, the flow of people, including commuting to work or going for a trip, may be affected. However, the flow of specific goods is rigidly needed and will not be greatly affected by the pandemic. In addition, as land transportation logistics and the Company's principal business share a lot in common, a great deal of our management experience can be drawn upon for reference, and the Directors and management of the Company also have extensive contacts and potential customers in such industries, which may help the Company in the early stages of entering the industries. The Company will carry out further analysis and investigation of the market in the future to minimize the risk of entering new industries. It is the Company's current idea to expand into the industries of, amongst others, daily necessities transportation, bulk commodity cargo transportation, energy and hazardous chemicals transportation. The Company will choose the most suitable entry method based on the results of the in-depth investigation. While developing horizontally and vertically, the Company may try to employ the Internet of Things (IOT) technology to further strengthen the Group's core competence by integrating high-tech elements into traditional industries.

In view of the above, 2022 will be a year of vigorous development for the Company. The Company will expand its business and lay a solid foundation for future development by capitalizing on the opportunity of resumption of its listing status.

CORPORATE GOVERNANCE PRACTICES

The Board and the management are committed to maintaining and ensuring high standards of corporate governance as good corporate governance can safeguard the interests of all shareholders and enhance corporate value. The Company has adopted the Corporate Governance Code (“CG Code”) as set out in Appendix 14 to the Listing Rules as its own code of corporate governance. During the year ended 31 December 2021, the Company was in compliance with the relevant code provisions set out in the prevailing CG Code except for the deviations explained below.

The code provisions

Reasons for the non-compliance and improvement actions took or to be taken

A.1.8 (which has been re-numbered as code provision C.1.8 under the new CG Code that came into effect on 1 January 2022)

The Company requested insurance companies to provide relevant insurance but is given to understand such insurance can only be obtained after resumption of trading in the shares of the Company on the Stock Exchange (the “**Resumption**”), therefore, the Company did not arrange appropriate insurance cover in respect of legal action against its Directors for the year ended 31 December 2021. Immediately upon the Resumption, the Company arranged appropriate insurance cover for Directors’ and officers’ liabilities in respect of legal actions against its Directors and senior management arising out of corporate activities with effect from 24 March 2022.

A.2.1 (which has been re-numbered as code provision C.2.1 under the new CG Code that came into effect on 1 January 2022)

The Company has not appointed a chief executive officer as role and functions of chief executive officer have been performed by all the executive Directors collectively. The Board believes that this arrangement enables the Company to make and implement decisions promptly, and thus achieve the Company’s objectives effectively and efficiently in response to the changing environment. The Board will continuously assess whether any changes are necessary.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix 10 to the Listing Rules as the code of conduct for securities transactions by the Directors. Having made specific enquiry of the Directors, all the Directors confirmed that they had complied with the required standards as set out in the Model Code throughout the year ended 31 December 2021.

The Company has also adopted the Model Code as the code of conduct for securities transactions by employees of the Company who are likely to be in possession of unpublished inside information of the Company. No incident of non-compliance of the Model Code by the relevant employees of the Company was noted by the Company during the year ended 31 December 2021.

FINAL DIVIDEND

The Board does not recommend the payment of a final dividend for the year ended 31 December 2021 (2020: Nil).

PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES

There was no purchase, sale or redemption by the Company or any of its subsidiaries, of the Company’s listed securities during the ended 31 December 2021.

AUDIT COMMITTEE

The Audit Committee was established with written terms of reference in compliance with the Listing Rules and the CG Code. The Audit Committee currently comprises three independent non-executive Directors, namely Mr. Li Wen (as the chairman of the Audit Committee), Mr. Qiu Ke and Ms. Chen Yen Yung, and one non-executive Director, namely Mr. An Jingwen.

The principal duties of the Audit Committee include the review and supervision of the Group’s financial reporting process, risk management and internal control systems, and review of the Group’s financial information. The Audit Committee has reviewed the unaudited annual results of the Group for the year ended 31 December 2021.

FURTHER ANNOUNCEMENT(S)

As mentioned above, the auditing process for the annual results for the year ended 31 December 2021 has not been completed. The unaudited annual results contained in this announcement have not been agreed with the Company's auditors. Following the completion of the auditing process, the Company will issue further announcement(s) in relation to the audited results for the year ended 31 December 2021 as agreed by the Company's auditors and the material differences (if any) as compared with the unaudited annual results contained herein. In addition, the Company will issue further announcement as and when necessary if there are other material development in the completion of the auditing process.

The Board wishes to emphasize that the unaudited financial information of the Group for the year ended 31 December 2021 set out above is based on the unaudited management accounts of the Group for the year ended 31 December 2021 and the information contained in this announcement has not been reviewed or audited by the auditors of the Company. Therefore, this unaudited financial information may be adjusted to meet the needs of the completion of the audit.

Shareholders and potential investors should exercise caution when dealing in the securities of the Company.

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

Hong Kong, 29 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.

* *For identification purpose only*