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)

INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30 JUNE 2019

The board (the "**Board**") of directors (the "**Directors**") of National United Resources Holdings Limited (the "**Company**", together with its subsidiaries, the "**Group**") announces the unaudited condensed consolidated results of the Company for the six months ended 30 June 2019.

This announcement, containing the full text of the 2019 Interim Report of the Company, complies with the relevant requirements of the Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") in relation to information to accompany preliminary announcements of interim results.

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CORPORATE INFORMATION

DIRECTORS

Executive Directors

Mr. Ji Kaiping *(Chairman)*
Mr. Guo Peiyuan

Non-executive Director

Mr. An Jingwen

Independent Non-executive Directors

Mr. Li Wen
Mr. Qiu Ke
Ms. Chen Yen Yung

COMPANY SECRETARY

Ms. Chan Pui Shan, Bessie

AUDIT COMMITTEE

Mr. Li Wen *(Committee Chairman)*
Mr. An Jingwen
Mr. Qiu Ke
Ms. Chen Yen Yung

REMUNERATION COMMITTEE

Mr. Qiu Ke *(Committee Chairman)*
Mr. An Jingwen
Mr. Li Wen
Ms. Chen Yen Yung

NOMINATION COMMITTEE

Mr. Ji Kaiping *(Committee Chairman)*
Mr. Li Wen
Mr. Qiu Ke
Ms. Chen Yen Yung

AUTHORISED REPRESENTATIVES

Mr. Ji Kaiping
Ms. Chan Pui Shan, Bessie

LEGAL ADVISOR

Baker & McKenzie

INDEPENDENT AUDITOR

ZHONGHUI ANDA CPA Limited

PRINCIPAL BANKER

Industrial and Commercial Bank of China (Asia) Limited

REGISTERED OFFICE

Unit 2806, 28th Floor, Wu Chung House
213 Queen's Road East
Wanchai, Hong Kong

SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Abacus Limited
Level 54, Hopewell Centre
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COMPANY WEBSITE

www.nur.com.hk

STOCK CODE

254

RESULTS

The board (the "Board") of directors (the "Directors") of National United Resources Holdings Limited (the "Company") hereby presents the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively, the "Group") for the six months ended 30 June 2019 (the "Current Period").

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2019

	Notes	Six months ended 30 June 2019 HK$'000 (unaudited)	 2018 HK$'000 (unaudited)
Revenue	5	**30,918**	27,690
Cost of sales		**(7,073)**	(5,888)
Gross profit		**23,845**	21,802
Other income	6	**7**	17
Administrative and other operating expenses		**(16,787)**	(9,503)
Profit from operations		**7,065**	12,316
Finance cost	7	**(23,409)**	(26,522)
Loss before tax		**(16,344)**	(14,206)
Income tax expense	8	**–**	–
Loss for the period	9	**(16,344)**	(14,206)
Attributable to:			
Owners of the Company		**(16,183)**	(13,711)
Non-controlling interests		**(161)**	(495)
		(16,344)	(14,206)
Loss per share attributable to owners of the Company	10		
Basic (HK cents per share)		**(0.25)**	(0.21)
Diluted (HK cents per share)		**(0.25)**	(0.21)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2019

	Notes	Six months ended 30 June 2019 HK$'000 (unaudited)	2018 HK$'000 (unaudited)
Loss for the period	9	**(16,344)**	(14,206)
Other comprehensive (loss)/income:			
Items that may be reclassified to profit or loss:			
Exchange differences on translation of foreign operations		**(1,555)**	12,274
Total comprehensive loss for the period		**(17,899)**	(1,932)
Total comprehensive loss for the period attributable to:			
Owners of the Company		**(17,743)**	(1,240)
Non-controlling interests		**(156)**	(692)
		(17,899)	(1,932)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2019

	Notes	**As at 30 June 2019 HK$'000 (unaudited)**	As at 31 December 2018 HK$'000 (audited)
Non-current assets			
Property, plant and equipment	12	**163,572**	168,491
		163,572	168,491
Current assets			
Trade receivables	13	**3,160**	559
Prepayments, deposits and other receivables	14	**170,387**	195,117
Bank and cash balances		**8,016**	1,119
		181,563	196,795
Current liabilities			
Trade payables	15	**38,591**	38,590
Other payables and accruals	16	**227,071**	237,795
Borrowings	17	**159,315**	159,035
Convertible bonds	18	**246,344**	232,551
Non-convertible bonds	19	**90,500**	90,500
Lease liabilities	20	**113,810**	97,929
Tax payable		**23,166**	22,651
		898,797	879,051
Net current liabilities		**(717,234)**	(682,256)
Total assets less current liabilities		**(553,662)**	(513,765)

	Notes	As at 30 June 2019 HK$'000 (unaudited)	As at 31 December 2018 HK$'000 (audited)
Non-current liabilities			
Lease liabilities	20	**63,625**	85,623
		63,625	85,623
NET LIABILITIES		**(617,287)**	(599,388)
Capital and reserves			
Share capital	21	**3,178,754**	3,178,754
Reserves		**(3,795,901)**	(3,778,158)
Equity attributable to owners of the Company		**(617,147)**	(599,404)
Non-controlling interests		**(140)**	16
TOTAL EQUITY		**(617,287)**	(599,388)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2019

	Attributable to owners of the Company (unaudited)							
	Share capital HK$'000	Share-based payment reserve HK$'000	Equity component of convertible bonds HK$'000	Foreign currency translation reserve HK$'000	Accumulated losses HK$'000	**Total HK$'000**	Non-controlling interests HK$'000	**Total equity HK$'000**
At 1 January 2018 (audited)	3,178,754	14,028	62,077	(4,418)	(3,846,797)	**(596,356)**	1,001	**(595,355)**
Loss for the period	–	–	–	–	(13,711)	**(13,711)**	(495)	**(14,206)**
Other comprehensive income/(loss) for the period	–	–	–	12,471	–	**12,471**	(197)	**12,274**
Total comprehensive income/(loss) for the period	–	–	–	12,471	(13,711)	**(1,240)**	(692)	**(1,932)**
Lapsed of share options	–	(14,028)	–	–	14,028	**–**	–	**–**
At 30 June 2018 (unaudited)	**3,178,754**	**–**	**62,077**	**8,053**	**(3,846,480)**	**(597,596)**	**309**	**(597,287)**
At 1 January 2019 (audited)	3,178,754	–	62,077	7,207	(3,847,442)	**(599,404)**	16	**(599,388)**
Loss for the period	–	–	–	–	(16,183)	**(16,183)**	(161)	**(16,344)**
Other comprehensive income/(loss) for the period	–	–	–	(1,560)	–	**(1,560)**	5	**(1,555)**
Total comprehensive income/(loss) for the period	–	–	–	(1,560)	(16,183)	**(17,743)**	(156)	**(17,899)**
At 30 June 2019 (unaudited)	**3,178,754**	**–**	**62,077**	**5,647**	**(3,863,625)**	**(617,147)**	**(140)**	**(617,287)**

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2019

	Six months ended 30 June	
	2019	2018
	HK$'000	HK$'000
	(unaudited)	(unaudited)
Net cash generated from operating activities	**28,125**	1,117
Cash flows from investing activities		
Interest received	**7**	3
Purchases of property, plant and equipment	**(41)**	(248)
Net cash used in investing activities	**(34)**	(245)
Cash flows from financing activities		
Repayment of lease liabilities	**(19,164)**	(12,865)
Net cash used in financing activities	**(19,164)**	(12,865)
Net increase/(decrease) in cash and cash equivalents	**8,927**	(11,993)
Effect of foreign exchange rate changes	**(2,030)**	7,131
Cash and cash equivalents at beginning of period	**1,119**	6,580
Cash and cash equivalents at end of period	**8,016**	1,718
Analysis of cash and cash equivalents		
Bank and cash balances	**8,016**	1,718

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2019

1. GENERAL INFORMATION

The Company was incorporated in Hong Kong with limited liability. The address of its registered office and principal place of business is Unit 2806, 28th Floor, Wu Chung House, 213 Queen's Road East, Wanchai, Hong Kong. The Company's shares (the "Shares") are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The Group was principally engaged in car rental during the Current Period.

2. BASIS OF PREPARATION

The financial information relating to the financial year ended 31 December 2018 that is included in this interim report as comparative information does not constitute the Company's statutory annual consolidated financial statements for that financial year but is derived from those financial statements. Further information relating to these statutory financial statements disclosed in accordance with section 436 of the Hong Kong Companies Ordinance (Cap. 622) is as follows:

The Company will deliver the consolidated financial statements for the year ended 31 December 2018 to the Registrar of Companies in accordance with section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance (Cap. 622).

The Company's auditor has reported on those financial statements. The auditor disclaimed their opinion in the auditor's reports dated 9 July 2019; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; did not contain a statement under section 406(2) of the Hong Kong Companies Ordinance; and contained a statement under section 407(2) and 407(3) of the Hong Kong Companies Ordinance.

Going concern

The Group incurred a loss of approximately HK$16,344,000 for the six months ended 30 June 2019 and as at 30 June 2019 the Group had net current liabilities of approximately HK$717,234,000 and net liabilities of approximately HK$617,287,000 respectively. These conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern. Therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

Trading in the shares of the Company on The Stock Exchange of Hong Kong Limited was suspended on 1 August 2016.

The condensed consolidated interim financial statements have been prepared on a going concern basis on the basis that the restructuring of the Group will be successfully completed, and that, following the restructuring, the Group will continue to meet in full its financial obligation as they fall due in the foreseeable future.

Deconsolidation of subsidiaries

The financial statements have been prepared based on the books and records currently maintained by the Group. However, due to the loss of contact with former directors, the Directors considered that the control over the following subsidiaries has been lost from 1 January 2016. The results, assets and liabilities and cash flows of these subsidiaries were deconsolidated from the financial statements of the Group from 1 January 2016:

– Shandong Yaoqi Economic and Trade Company Limited*（山東耀齊經貿有限公司）
– Shenzhen Star Rain Media Company Limited*（深圳市星星雨傳媒有限公司）
– Beijing Chuangxian Zhishang Asset Management Company Limited*（北京創先智尚資產管理有限公司）
– Beijing Chaoshun Information Consulting Company Limited*（北京市潮順信息諮詢有限公司）
– Beijing Mega TV Media Advertisement Company Limited*（北京巨屏傳媒廣告有限公司）
– Guoheyuan Finance Leasing Company Limited*（國合源融資租賃有限公司）

- Shandong Guoyuan International Trade Company Limited*（山東國源國際貿易有限公司）
- Yunhan (Shanghai) Investment Management Company Limited*（蘊翰（上海）投資管理有限公司）
- Beijing Kaida Ruichi Investment Management Company Limited*（北京凱大瑞馳投資管理有限公司）
- Changji Ningchang Aluminum Industry Company Limited*（昌吉州寧常鋁業有限公司）
- Xiaxing (Shanghai) Investment Management Company Limited*（遐興（上海）投資管理有限公司）
- Beijing Kaida Junbo Technology Company Limited*（北京凱大駿博科技有限公司）
- Shenzhen Zhenhui Culture Development Company Limited*（深圳市臻輝文化發展有限公司）

The condensed consolidated interim financial statements for the six months ended 30 June 2019 have been prepared in accordance with Hong Kong Accounting Standard 34 Interim Financial Reporting ("HKAS 34") issued by the Hong Kong Institute of Certified Public Accountants as well as with the applicable disclosure requirements of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules").

These condensed consolidated financial statements should be read in conjunction with the Group's 2018 annual financial statements. The accounting policies and methods of computation used in the preparation of these condensed consolidated interim financial statements are consistent with those used in the annual financial statements for the year ended 31 December 2018 except as stated below.

Leases

The Group as lessee

Leases are recognised as right-of-use assets and corresponding lease liabilities when the leased assets are available for use by the Group. Right-of-use assets are stated at cost less accumulated depreciation and impairment losses. Depreciation of right-of-use assets is calculated at rates to write off their cost over the shorter of the asset's useful life and the lease term on a straight-line basis. The principal annual rates are as follows:

Land and buildings	50%

Right-of-use assets are measured at cost comprising the amount of the initial measurement of the lease liabilities, lease payments prepaid, initial direct costs and the restoration costs. Lease liabilities include the net present value of the lease payments discounted using the interest rate implicit in the lease if that rate can be determined, or otherwise the Group's incremental borrowing rate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease term so as to produce a constant periodic rate of interest on the remaining balance of the lease liability.

Payments associated with short-term leases and leases of low-value assets are recognised as expenses in profit or loss on a straight-line basis over the lease terms. Short-term leases are leases with an initial lease term of 12 months or less. Low-value assets are assets of value below US$5,000.

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

In the current period, the Group has adopted all the new and revised Hong Kong Financial Reporting Standards ("HKFRSs") issued by the HKICPA that are relevant to its operations and effective for its accounting period beginning on 1 January 2019. 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 financial statements and amounts reported for the current and prior periods.

HKFRS 16 "Leases"

On adoption of HKFRS 16, the Group recognised right-of-use assets (included in property, plant and equipment) and lease liabilities in relation to leases which had previously been classified as 'operating leases' under HKAS 17 "Leases."

HKFRS 16 has been applied and resulted in changes in the consolidated amounts reported in the financial statements as follows:

	HK$'000
At 1 January 2019:	
Increase in lease liabilities	183,552
Decrease in finance lease payables	183,552

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.

4. OPERATING SEGMENT INFORMATION

Management monitors the results of the Group's operating segments separately 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 other borrowings, tax payable, deferred tax liabilities and other unallocated corporate liabilities as these liabilities are managed on a group basis.

(a) The Group has only one operating segment of provision of car rental services. Information about reportable segment profit or loss and segment assets:

	Six months ended 30 June	
	2019	2018
	HK$'000	HK$'000
	(unaudited)	(unaudited)
Revenue from external customers	**30,918**	27,690
Segment result	**22,553**	19,578
Interest income on bank deposits	**7**	3
Other income	**–**	14
Unallocated expenses	**(15,495)**	(7,279)
Profit from operations	**7,065**	12,316
Finance cost	**(23,409)**	(26,522)
Loss before tax	**(16,344)**	(14,206)
Income tax expense	**–**	–
Loss for the period	**(16,344)**	(14,206)

	As at 30 June 2019	As at 31 December 2018
	HK$'000	HK$'000
	(unaudited)	(audited)
Segment assets	**192,580**	205,093
Segment liabilities	**(302,916)**	(321,156)

(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 Six months ended 30 June		Non-current assets	
			At 30 June	At 31 December
	2019 HK$'000 (unaudited)	2018 HK$'000 (unaudited)	**2019 HK$'000 (unaudited)**	2018 HK$'000 (audited)
Hong Kong	**–**	–	**878**	–
The People's Republic of China (the "PRC")	**30,918**	27,690	**157,852**	162,819
Mongolia	**–**	–	**4,842**	5,672
	30,918	27,690	**163,572**	168,491

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

(c) Information about major customers

Revenue from operations of HK$23,594,000 (six months ended 30 June 2018: HK$26,788,000) was derived from one customer in rental income from car rental segment which individually contributed 10% or more to the Group's revenue for the six months ended 30 June 2019.

5. REVENUE

Revenue represents the net invoiced value of services rendered during the period.

	Six months ended 30 June	
	2019	2018
	HK$'000	HK$'000
	(unaudited)	(unaudited)
Car rental income	**30,918**	27,690

The major services are rental of car. The revenue is recognised at a point in time and the geographical market is located in PRC.

6. OTHER INCOME

	Six months ended 30 June	
	2019	2018
	HK$'000	HK$'000
	(unaudited)	(unaudited)
Bank interest income	**7**	3
Sundry income	**–**	14
	7	17

7. FINANCE COST

	Six months ended 30 June	
	2019	2018
	HK$'000	HK$'000
	(unaudited)	(unaudited)
Bank charges	**3**	–
Interest expenses on borrowings		
– interest on convertible bonds	**13,793**	16,501
– interest on non-convertible bonds	**2,715**	2,981
– lease interests	**6,833**	6,910
– interest on other borrowings	**65**	130
	23,409	26,522

8. INCOME TAX EXPENSE

No provision for taxation has been made since the Group has no assessable profit in the period.

Hong Kong Profits Tax is calculated at the rate of 16.5% (2018: 16.5%) on the estimated assessable profits arising in Hong Kong during the period.

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% (2018: 25%).

9. LOSS FOR THE PERIOD

The Group's loss for the period is stated after charging the following:

	Six months ended 30 June	
	2019	2018
	HK$'000	HK$'000
	(unaudited)	(unaudited)
Directors' remuneration	**2,845**	1,289
Other staff salaries and benefits	**586**	662
Contributions to retirement benefit schemes	**27**	34
	3,458	1,985
Depreciation	**6,632**	6,551

10. LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

Basic loss per share

The calculation of basic loss per share attributable to owners of the Company is based on the loss for the period attributable to owners of the Company of approximately HK$16,183,000 (2018: HK$13,711,000) and the weighted average number of ordinary shares of 6,411,770,500 (2018: 6,411,770,500) in issue during the period.

Diluted loss per share

No diluted loss per share for the six months ended 30 June 2019 and 2018 is presented as the effects of all convertible bonds and options are anti-dilutive for the period.

11. DIVIDENDS

The Directors do not recommend the payment of any dividend in respect of the six months ended 30 June 2019 and 2018.

12. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2019, property, plant and equipment approximately of HK$41,000 was acquired by the Group (six months ended 30 June 2018: HK$248,000).

13. TRADE RECEIVABLES

The Group's trading terms with customers are mainly on credit or received in advance. The credit period is generally 30 days. The Group seeks to maintain strict control over its outstanding receivables so as to minimise credit risk. Overdue balances are reviewed regularly by the directors of the Company. The Group has concentration of credit risk on certain customers. The Group does not hold any collateral or other credit enhancement over its trade receivable balances. Trade receivables are non-interest bearing.

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

	At 30 June 2019 HK$'000 (unaudited)	At 31 December 2018 HK$'000 (audited)
Within 30 days	**3,160**	559
Over 1 year	**770**	770
Less: Impairments	**(770)**	(770)
	3,160	559

14. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	At 30 June 2019 HK$'000 (unaudited)	At 31 December 2018 HK$'000 (audited)
Amount due from associates	79,867	70,302
Other receivables	10,417	7,100
Guarantee deposit for finance lease payables	32,773	32,709
Paid in advance	172,774	204,334
Prepayments and deposits	939	7,055
	296,770	321,500
Impairment	(126,383)	(126,383)
	170,387	195,117

15. TRADE PAYABLES

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

	At 30 June 2019 HK$'000 (unaudited)	At 31 December 2018 HK$'000 (audited)
Over 1 year	38,591	38,590

16. OTHER PAYABLES AND ACCRUALS

	At 30 June 2019 HK$'000 (unaudited)	At 31 December 2018 HK$'000 (audited)
Other payables	**181,075**	188,866
Receipt in advance	**35,215**	35,215
Accruals	**10,781**	13,714
	227,071	237,795

17. BORROWINGS

	At 30 June 2019 HK$'000 (unaudited)	At 31 December 2018 HK$'000 (audited)
Other payables	**159,315**	159,035

All borrowings are repayable on demand or within one year.

18. CONVERTIBLE BONDS

On 27 October 2015, the Company issued a convertible bonds in the principal amount of HK$65,735,900 which bear interest rate of 4.5% per annum (the "2015CB"). The 2015CB is 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 30 June 2019, the outstanding principal amount are HK$26,500,000.

On 10 November 2015, the Company issued a 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 will be redeemed by the Company at par on 9 November 2018. At 30 June 2019, the outstanding principal amount are HK$55,580,000.

On 6 September 2016, the Company issued a 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 30 June 2019, the outstanding principal amount are HK$140,000,000.

On 31 March 2017, the Company issued a zero-coupon convertible bonds in the principal amount of HK$13,220,218 (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 will be redeemed by the Company at par on 30 March 2020. At 30 June 2019, the outstanding principal amount are HK$13,220,018.

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

	HK$'000
Liability component	
At 1 January 2018 (audited)	198,920
Interest charged	33,631
At 31 December 2018 and 1 January 2019 (audited)	232,551
Interest charged	13,793
Liability component at 30 June 2019 (unaudited)	246,344

19. NON-CONVERTIBLE BONDS

The non-convertible bonds (the "Bonds") are redeemable at the discretion of the Company at 100% of the principal amount of such Bonds together with payment of interests accrued up to date of such early redemption by serving at least ten calendar days written notice at any time before the maturity date. The Bonds will be redeemed on the date immediately following twelve to twenty-four months after the first date of issue of the Bonds. The Bonds carry interest at a rate of 6% per annum, which is payable annually in arrears.

	At 30 June 2019 HK$'000 (unaudited)	At 31 December 2018 HK$'000 (audited)
At beginning of the period/year	**90,500**	90,352
Interest charged	**2,715**	5,815
Interest payable classify to other payables	**(2,715)**	(5,667)
At the end of the period/year	**90,500**	90,500

20. LEASE LIABILITIES

The Group leases certain of its motor vehicles. These leases are classified as finance leases and have remaining lease terms of 2 years (31 December 2018: 3 years). The effective borrowing rates were ranging from 6.4% to 7.3% (31 December 2018: 6.4% to 7.3%) per annum. The leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payment.

	Minimum lease payments		**Present value of minimum lease payments**	
	As at 30 June 2019 HK$'000 (unaudited)	As at 31 December 2018 HK$'000 (audited)	**As at 30 June 2019 HK$'000 (unaudited)**	As at 31 December 2018 HK$'000 (audited)
Within one year	**119,794**	105,323	**113,810**	97,929
In the second year	**50,970**	50,424	**47,926**	45,864
In the third to fifth years, inclusive	**21,852**	41,257	**15,699**	39,759
	192,616	197,004	**177,435**	183,552
Future finance charges	**(15,181)**	(13,452)	**N/A**	N/A
Present value of lease obligations	**177,435**	183,552	**177,435**	183,552
Less: Amount due for settlement within 12 months (shown under current liabilities)			**(113,810)**	(97,929)
Non-current portion			**63,625**	85,623

21. SHARE CAPITAL

	At 30 June 2019 HK$'000 (unaudited)	At 31 December 2018 HK$'000 (audited)
Issued and fully paid: 6,411,770,500 (2018: 6,411,770,500) ordinary shares	**3,178,754**	3,178,754

22. CONTINGENT LIABILITIES

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

	At 30 June 2019 HK$'000 (unaudited)	At 31 December 2018 HK$'000 (audited)
Indemnity related to a former subsidiary (note 23(b))	**6,934**	6,920

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 below possible claim.

23. PENDING LITIGATIONS

At the end of the reporting period, the Group had the following pending litigations:

(a) In September 2004, a Writ of Summons was served on the Company by an individual third party demanding immediate repayment of borrowings of approximately HK$1,600,000 together with the interest thereon. As the Company had never borrowed money from that individual third party, the Directors were of the opinion that the Company had no obligation to pay the demanded amount. In January 2005, an amended Writ of Summons was served on the Company by the lender of the Group to clarify that the individual third party acted as an agent of the lender. The Directors instructed the lawyer of the Company to handle this matter. The loan advanced by the lender of HK$1,523,000 together with interest and penalty of HK$1,149,000, totaling of approximately HK$2,672,000, were accrued in the financial statements (included in other borrowings and other payables and accruals respectively) and has not yet been settled as at 30 June 2019.

The Court has granted an order to adjourn sine die the plaintiffs' application to set down this case on 15 March 2006. That is to say, the lender and its agent have temporarily withheld the proceedings against the Company. This claim has not been settled up to the date of approval of these financial statements.

(b) According to an agreement entered into by the Company, two of its subsidiaries and two independent third parties in February 2003, the Group disposed of a subsidiary, World Giant Limited ("World Giant"), a company engaged in property investment in the PRC. In this connection, the Company has undertaken to indemnify World Giant for, among others, any increase in the liabilities of World Giant as a result of any claim for taxation arising from any transactions effected on or before the completion date of the disposal. In October 2004, World Giant received a payment request from the PRC tax authority in respect of PRC property taxes relating to the property held by World Giant, including the late payment surcharge levied by the tax authority, of which approximately an amount of RMB6,100,000 related to transactions on or before the completion date. The existing management of World Giant had indicated to the Directors that the amount in respect of transactions on or before the completion date should be paid by the Company.

In February 2005, a Writ of Summons was served on the Company demanding the payment of approximately RMB6,100,000. However, such amounts were covered by the amount accrued in the financial statements of World Giant at the time of disposal.

Accordingly, in the opinion of the Directors and having obtained an opinion from the Company's lawyer, the Group has no obligation to pay the above taxes. Because of the uncertainty of the outcome of this matter, the amount involved of approximately RMB6,100,000, equivalent to approximately HK$6,934,000 (31 December 2018: HK$6,920,000), has been shown as contingent liabilities in note 22 to the condensed consolidated interim financial statements.

The Writ of Summons was served on the Company in February 2005. The Company has not received further claims from the plaintiff up to the date of approval of these financial statements.

(c) In 2014, five customers of AVIC Guojin have taken civil actions against AVIC Guojin in the court in Qingdao claiming the contracts of trading precious metals on the platform of AVIC Guojin being invalid and recovery of the related losses totalling approximately RMB11,000,000, equivalent to approximately HK$13,131,000. In April 2015, the court in Qingdao handed down the judgment in favour of AVIC Guojin in one of the five cases and the successors of the deceased plaintiff in that case appealed against the judgment in May 2015. The court suspended the proceedings of the other four civil actions pending the results of the first case.

In May 2015, two customers of AVIC Guojin have taken civil actions against AVIC Guojin, Qingdao Xinshiyuan Precious Metal Limited (青島鑫世源貴金屬有限公司), and Qingdao Chengyang Sub-branch of China Construction Bank Corporation (中國建設銀行股份有限公司青島城陽支行) in court in Qingdao claiming the contracts of trading precious metals on the platform of AVIC Guojin being invalid and recovery of the related losses totalling approximately RMB1,600,000, equivalent to approximately HK$1,910,000. The hearing of the case is still in progress and the court has not handed down the judgment as at the date of this announcement.

Having considered the foregoing judgment in April 2015 by the court in favour of the AVIC Guojin and taken the legal advice, the existing management of AVIC Guojin had indicated to the Directors that it is not probable that material loss will be suffered by AVIC Guojin. Therefore, no provision has been made for the above claims.

(d) On 24 June 2015, First Concept Industrial Group Limited ("First Concept") served a notice of arbitration (the "Notice") on SGS, being a wholly owned subsidiary of SouthGobi Resources Ltd. In the Notice, First Concept sought the Advanced Payment from SGS, according to a coal supply agreement dated 19 May 2014 between First Concept and SGS, representing the prepayment amount advanced by First Concept for the supply of coking coal by SGS to First Concept under such agreement. The arbitral proceedings are deemed to have commenced on 24 June 2015, as the date when the respondent received the Notice. As at the date of this announcement, the arbitral proceedings are in progress.

First Concept paid in advance to SGS for purchasing coals from SGS. However, SGS supplied and First Concept collected zero tonne of coal in the contracted period. As such, SGS refused to repay the Advanced Payment to First Concept. It is justified for First Concept to recover the Advanced Payment from SGS by legal action, and First Concept proceeded accordingly as mentioned above.

SGS has been ordered to pay the sum of US$11.5 million (which SGS had received as a prepayment for the purchase of coal) to First Concept pursuant to an arbitration award dated 4 January 2018 ("Partial Award").

First Concept and SGS entered into a deed of settlement on 16 November 2018 ("Settlement Deed"), pursuant to which First Concept has agreed to accept the sum of US$14,282,070 as full and final satisfaction of the sums payable according to the Partial Award. Under the Settlement Deed, SGS shall pay the sum of US$14,282,070 to First Concept in 12 monthly instalments with the last instalment payable on or before 30 September 2019.

(e) On 15 January 2016, 北京市密雲縣勞動人事爭議仲裁院 (the Labour Dispute Arbitration Committee of Miyun County, Beijing City*) ruled that TMTC shall pay a compensation amount of RMB560,727 to the applicants in respect of an employee's death caused during the course of the employment and TMTC shall also pay the applicants an dependant pension on a monthly basis. TMTC has made an appeal against the arbitration decision to the People's Court of Miyun County, Beijing City which was rejected on 27 June 2016. TMTC had settled the compensation amount on 13 October 2016.

(f) On 31 January 2019, the Company, First Concept and NUR Clean Energy Investment Limited ("NUR Clean") (wholly-owned subsidiaries 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 ("Sincere Logistics"), China Wish Limited ("China Wish"), Sino King Trading (HK) Co., Limited ("Sino King"), and Huge Power Co., Ltd ("Huge Power").

* *For identification purpose only*

24. RELATED PARTY TRANSACTIONS

(a) In addition to the transactions detailed elsewhere in these condensed consolidated interim financial statements, the Group had the following transactions with related parties during the period:

	Six months ended 30 June	
	2019	2018
	HK$'000	HK$'000
	(unaudited)	(unaudited)
Car rental income received from an associate	**23,594**	26,788

(b) Compensation of key management personnel of the Group:

	Six months ended 30 June	
	2019	2018
	HK$'000	HK$'000
	(unaudited)	(unaudited)
Short term employee benefits	**2,845**	1,289

25. EVENTS AFTER THE REPORTING PERIOD

Suspension of Trading of Shares

Reference is made to the Company's announcements dated 1 August 2016, 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, 19 June 2019 and 31 July 2019 relating to, among others, the update of suspension of trading in the Shares on the Stock Exchange.

Following the Company's submission of a resumption proposal to the Stock Exchange on 19 June 2019, the Company has received comments from the Stock Exchange. The Company submitted a supplemental resumption proposal to the Stock Exchange on 30 July 2019.

In addition, subject to the Stock Exchange's review. the Company considers it has fulfilled all resumption conditions imposed by the Stock Exchange as at the date of this report.

Submission resumption proposals

Following the Company's submission of a resumption proposal to the Stock Exchange on 19 June 2019 ("June Proposal"), the Company has received comments from the Stock Exchange afterward. Therefore, the Company submitted a supplemental resumption proposal ("July Proposal") to the Stock Exchange on 30 July 2019 (together with the June Proposal, "Resumption Proposals"). In the resumption proposals, the Company sets out the actions taken and to be taken with a view to fulfilling the resumption conditions and resuming trading of its shares.

The Company considers it has fulfilled all the Resumption Conditions imposed by the Stock Exchange. Including but not limited to, the Company has published all outstanding financial results and reports for the years ended 31 December 2016, 2017 and 2018 respectively during July 2019, in response to relevant disclaimer of opinion in the consolidated financial statements of the Group for the year ended 31 December 2018 and engaged an independent internal control expert to complete a follow-up review. The Group demonstrated the effectiveness of rectification measures that have been implemented.

On 25 January 2019, the Company engaged Netis Advisory Limited ("Netis") as its internal control adviser. Netis completed its initial review in April 2019. Corrective measures have been taken following Netis' recommendations. After reviewing the Group's strengthened internal control system and corrective measures, a internal control review report was issued by Netis and received by the Company on 30 July 2019. Netis confirmed that the Group has put in place the internal control procedures which are in line with its recommendations provided to the Group to address the relevant internal control deficiencies revealed in its initial review. Netis is satisfied himself that not aware of any material internal control deficiencies during its final review.

Reference is made to the announcement of the Company for the quarterly update for the recent development of suspension of trading of the Company dated on 31 July 2019.

Disposal of Subsidiaries

Reference is made to the Company's announcement dated 26 July 2019 for details of the disposals. Unless otherwise stated, definitions and terms used herein shall bear the same meanings as definited in this announcement dated 26 July 2019.

Pursuant to (i) dated on 24 July 2019, the Sale and Purchase Agreement I (the "SPA I"), Billions Achieve Limited (the "Vendors I") agreed to dispose, and the Purchaser I, Forever Nice Corporation Limited agreed to acquire, the equity interest of disposal targets which bound by the agreement with consideration of HK$1 after arm's length negotiation; (ii) dated on 24 July 2019, the Sale and Purchase Agreement II (the "SPA II"), NUR Enterprise Limited (the "Vendors II") and the Company agreed to dispose, and the Purchaser I agreed to acquire the equity interest of disposal targets which bound by the agreement with consideration of HK$1 after arm's length negotiation; and (iii) dated on 24 July 2019, the Sale and Purchase Agreement III (the "SPA III"), Ideal Honour Limited (the "Vendors III") agreed to dispose, and the Purchaser II, Weihong International Energy Technology (Beijing) Company Limited, agreed to acquire, the equity interest of disposal targets which bound by the agreement with consideration of HK$7 million after arm's length negotiation.

The Vendors I, II & III are wholly-owned subsidiary of the Company. The Purchaser I and II are not connected with the Company and its connected persons. The SPA I, II and III were entered into on 24 July 2019. Completion of the above disposals took place immediately after the execution of the SPA I, II and III, being 24 July 2019.

After the completion of the above SPA I, II & III, the Company did not hold any management responsibilities or controlling interest to the following companies, nor the following companies were no longer the subsidiaries or associates of the Company. They are:–

- Placid Expression Limited, a company incorporated in the British Virgin Islands and a wholly owned subsidiary of the Company immediately prior to SPA I;

- First Concept Industrial Group Limited, a company incorporated in Hong Kong and a wholly owned subsidiary prior to the SPA I;

- 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 immediately prior to the SPA I;

- 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 immediately prior to the SPA I;

- 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 SPA II;

- 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 SPA II;

- 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 SPA II;

- 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 immediately prior to the SPA II;

- 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 SPA II;

- 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 immediately prior to the SPA II;

- 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 immediately prior to the SPA II;

- 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 immediately prior to the SPA II;

- 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 SPA II;

- iFrontier LLC, a company incorporated in Mongolia and a 95% owned subsidiary of the Company immediately prior to the SPA III

Actions taken by the Company to address relevant disclaimer of opinion

The auditors of the Company, ZHONGHUI ANDA CPA Limited ("Auditor"), had disclaimed their opinion on the consolidated financial statements of the Group for the years ended 31 December 2016, 2017 and 2018. The Company has taken actions to address the relevant audit qualifications. Actions taken by the Company to address relevant disclaimer of opinion in the consolidated financial statements of the Group for the year ended 31 December 2018 are set out below:

a. Certain opening balances and corresponding figures

The Auditor's opinion on the consolidated financial statements of the Group for the year ended 31 December 2017 (the "2017 Financial Statements"), which forms the basis for the corresponding figures presented in the current year's consolidated financial statements, was disclaimed because of the significance of the possible effect of the limitations on the scope of the audit and the material uncertainty in relation to going concern, which relates to restatement of loss of the fuel oil transactions in the year ended 31 December 2015, and was calculated based on cash inflow and outflow of the transaction. Accordingly, the Auditor was unable to form an opinion on the 2017 Financial Statements.

This audit disclaimer will be removed in the year ended 31 December 2021 with opening and closing balances properly audited without limitation of scope.

b. *Limited accounting books and records of subsidiaries of the Company – First Concept Industrial Group Limited ("First Concept") and iFrontier LLC ("iFrontier")*

Due to the insufficiency of supporting documentation and explanations for accounting books and records in respect of First Concept and iFrontier for the years ended 31 December 2017 and 2018, the Auditor was unable to carry out audit procedures to satisfy itself as to whether the certain income and expenses for the years ended 31 December 2017 and 2018 and the assets and liabilities as at 31 December 2017 and 2018, and the segment information and other related disclosure notes in relation to the Group, which included in the consolidated financial statements of the Group, have been accurately recorded and properly accounted for in the consolidated financial statements.

Pursuant to the announcement of the Company dated 26 July 2019, First Concept and iFrontier have been disposed to independent third parties of the Company. As such, this balance sheet disclaimer will be removed in the year ending 31 December 2019, while the impact on the profit and loss account of this disclaimer will be removed in the year ending 31 December 2021.

c. *Loss on deconsolidation of the subsidiaries*

As explained in note 2 of the consolidated financial statements of the Group for the year ended 31 December 2018, certain subsidiaries of the Company have been deconsolidated from the Group since 1 January 2016. No sufficient evidence has been provided to satisfy the Auditor as to whether the Company had lost control of the aforesaid certain subsidiaries on 1 January 2016 and throughout the years ended 31 December 2017 and 2018. Accordingly, the Auditor was unable to satisfy itself as to the deconsolidated subsidiaries, as to the completeness of the transactions of the Group for the years ended 31 December 2017 and 2018 and the Group's financial position as at 31 December 2017 and 2018.

Pursuant to the announcement of the Company dated 26 July 2019, these subsidiaries with limited books and records have been disposed to independent third parties of the Company. As such this balance sheet disclaimer will be removed in the year ending 31 December 2019, while the impact on the profit and loss account of this disclaimer will be removed in the year ending 31 December 2021.

d. Impairment losses on interests in associates

The Auditor has not been provided with sufficient appropriate audit evidence whether the impairment losses on interests in associates of approximately HK$208,944,000 for the year ended 31 December 2016 should be recorded in 2016 or 2017.

Such disclaimer would be removed in the year ended 31 December 2019 as there is no future impact on such impairment loss.

e. Borrowings

There was no sufficient evidence provided to satisfy the Auditor, in relation to the existence, rights and obligations and valuation of the borrowings of approximately HK$42,467,000 and HK$40,535,000 as at 31 December 2017 and 2018 respectively by the associate company mentioned in (d) above.

The Company will use proceeds from the subscription and the open offer to repay such debt after debt obligation is verified. This disclaimer will be removed upon repayment is made, which is expected to be removed in the year ending 31 December 2019.

f. Going Concern

The Group incurred a loss of approximately HK$15,308,000 for the year ended 31 December 2018. As at 31 December 2018, the Group had net current liabilities and net liabilities of approximately HK$682,256,000 and HK$599,388,000 respectively. These conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern.

The consolidated financial statements for the year ended 31 December 2018 have been prepared on a going concern basis on the assumption that the proposed restructuring of the Company will be successfully completed, and that, following the restructuring, the Group will continue to meet in full its financial obligations as they fall due in the foreseeable future.

The Company will undergo (i) the subscription; (ii) the open offer; and (iii) the debt restructuring, to reduce debt and raise capital for expansion and for working capital. Upon completion of the forgoing transactions, the disclaimer on going concern will be removed.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

During the Current Period, the Group has engaged in car rental business as core business based in the PRC. It is the main source of revenue of the Group.

Car rental

The Group engages in car rental services and tour bus rental services in the industry of commuter bus leasing market in the PRC. The car rental services includes (i) shuttle bus services for employees/students of institutional customers between the working places/schools to different residential communities by conventional energy vehicles and/or electric buses; (ii) car rental services without chauffeured service; and (iii) car rental services for different business and leisure purpose such as pick-up services requested by the institutional or individual customers. The total revenue was increased for the Current Period due to the consecutive increment in the number of buses leased.

The Group currently operates its car rental services and tour bus rental services through the TMTC Group (as hereinafter defined), which were merged into the Group by acquisition of all equity interest of Gear World Development Limited in the year 2016. The business contributed source of revenue of the Group since September 2016. The TMTC Group owns a fleet of 860 passenger vehicles and employs 760 drivers, and an additional 30 staffs. It is apparently significant in operation scale. Customers include prominent corporations such as Tencent, Alibaba, Baidu, Mercedes-Benz, DHL, BMC, governmental department and international schools, such as Yiuchong International Schools.

MATERIAL ACQUISITION, DISPOSAL AND SIGNIFICANT INVESTMENTS HELD

The Group did not have any material acquisition and disposal of subsidiaries, associates and joint ventures during the six months ended 30 June 2019 and did not have any significant investments held as at 30 June 2019. The followings are the updated information.

Acquisition of Gear World

In 2016, Nation Spirit Limited and Blissful Elite Limited, as vendors, their respective beneficial owners, as guarantors, and NUR New Energy Management Company Limited, wholly-owned subsidiary of the Company, as purchaser ("NUR New Energy") entered into the sale and purchase agreement dated 15 January 2016 (as amended by a supplemental agreement dated 24 June 2016) (the "Sale and Purchase Agreement") to acquire all equity interest of Gear World Development Limited ("Gear World") (the "Acquisition of Gear World"). On 31 August 2016, the Company announced that the completion of the Acquisition of Gear World took place. Upon completion of the Acquisition of Gear World, Gear World became a wholly-owned subsidiary of the Company, and the subsidiaries of Gear World, being 北京天馬通馳汽車租賃有限公司 (Beijing Tian Ma Tong Chi Car Rental Co., Ltd*) ("TMTC") 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 Gear World and TMTC, the "TMTC Group") became an indirect wholly-owned subsidiary and a 49%-owned associate of the Company respectively.

In relation to the acquisition by NUR New Energy of entire issued share capital of Gear World at a consideration of HK$800,000,000, subject to downward adjustments as set out in the Sale and Purchase Agreement, ultimately, the consideration of the Acquisition of Gear World of HK$200,000,000 was settled by cash of HK$60,000,000 (in which HK$20,000,000 was yet to be paid as at 30 June 2019) and issued convertible bonds on 6 September 2016 in the principal amount of HK$140,000,000 which bear interest at the rate of 3% per annum.

* *For identification purpose only*

NUR New Energy confirmed with the vendors that NUR New Energy was not obligated to pay any further consideration since the TMTC Group achieved no profit in guarantee periods.

Relevant disclosure was made in the Company's announcements dated 15 January 2016, 30 March 2016, 31 May 2016, 24 June 2016, 18 July 2016, 31 August 2016, 14 February 2017, 22 February 2017 and 23 July 2019, and the circular of the Company dated 30 June 2016.

Disposal of Subsidiaries

On 24 July 2019, (i) Billions Achieve Limited, a wholly-owned subsidiary of the Company, as vendor entered into a sale and purchase agreement ("Sale and Purchase Agreement I") with, among others, Forever Nice Corporation Limited ("Purchaser I") as purchaser in respect of the entire issued share capital of Placid Expression Limited, a wholly owned subsidiary of the Company immediately prior to the Sale and Purchase Agreement I, at consideration of HK$1; and (ii) the Company, NUR Enterprise Limited, NUR Industry (Hong Kong) Company Limited and NUR Clean Energy Investment Limited, the wholly-owned subsidiaries of the Company, as vendors entered into a sale and purchase agreement ("Sale and Purchase Agreement II") with the Purchaser I as purchaser in respect of the entire issued share capital of five wholly-owned subsidiaries of the Company immediately prior to the Sale and Purchase Agreement II, namely, Guoheyuan Finance Leasing Company Limited*（國合源融資租賃有限公司）, Beijing Kaida Junbo Technology Company Limited*（北京凱大駿博科技有限公司）, Yunhan (Shanghai) Investment Management Company Limited*（蘊翰（上海）投資管理有限公司）, Shandong Yaoqi Economic and Trade Company Limited*（山東耀齊經貿有限公司）, Xiaxing (Shanghai) Investment Management Company Limited*（遐興（上海）投資管理有限公司）, at consideration of RMB1.

On the even date, Ideal Honour Limited, a wholly-owned subsidiary of the Company, as vendor entered into a sale and purchase agreement ("Sale and Purchase Agreement III") with, among others, Weihong International Energy Technology (Beijing) Company Limited*（緯泓國際能源科技（北京）有限公司）as purchaser in respect of 95% issued share capital of iFrontier LLC, a 95% owned subsidiary of the Company immediately prior to the Sale and Purchase Agreement III, at consideration of RMB7 million.

* *For identification purpose only*

Completion of the above disposals took place immediately after the execution of the Sale and Purchase Agreement I, the Sale and Purchase Agreement II and the Sale and Purchase Agreement III, being 24 July 2019.

Please refer to the Company's announcement dated 26 July 2019 for details of the above disposals.

FINANCIAL REVIEW

Revenue

The Group's revenue generated from car rental business amounted to HK$30.9 million for the six months ended 30 June 2019, representing an increase of approximately HK$3.2 million or 11.7% compared to the six months ended 30 June 2018.

Cost of sales

The Group's cost of sales for the six months ended 30 June 2019 and 2018 were approximately HK$7.1 million and HK$5.9 million respectively, representing an increase of approximately HK$1.2 million or 20.1% compared to the six months ended 30 June 2018. The percentage increase in cost of sales was greater than the percentage increase in revenue.

Gross profit

To integrate the above-mentioned effect on revenue and cost of the sales, the car rental business generated gross profit of approximately 77.1% and 78.7% for the six months ended 30 June 2019 and 2018 respectively.

Other income

Other income of the Group for the six months ended 30 June 2019 and 2018 were approximately HK$7,000 and HK$17,000 respectively, representing a decrease of approximately HK$10,000 or 58.8% compared to the six months ended 30 June 2018. The decrease was due to only approximately $7,000 bank interest income recorded during the Current Period. There were approximately HK$3,000 bank interest income and approximately HK$14,000 sundry income recorded during the corresponding period in 2018.

Administrative and other operating expenses

Administrative and other operating expenses for the six months ended 30 June 2019 and 2018 were approximately HK$16.8 million and approximately HK$9.5 million respectively, representing an increase of approximately HK$7.3 million or 76.6%. The increase in administrative and other operating expenses was due to the increase in staff costs and equipment and legal and professional fees.

Finance cost

Finance cost of the Group for the Current Period amounted to approximately HK$23.4 million, represented a decrease of approximately 11.7% compared to the corresponding period in 2018, including interests charged on borrowings, convertible bonds, non-convertible bonds, finance lease and lease. Interest charged on convertible bonds was most significant finance cost for the Current Period, amounted to approximately HK$13.8 million and HK$16.5 million for the six months ended 30 June 2019 and 2018.

Loss attributable to the owners of the Company

As a result of the aforesaid, the loss for the period and loss attributable to the owners of the Company for the Current Period were approximately HK$16.3 million and HK$16.2 million respectively. The loss for the period and loss attributable to the owners of the Company for the corresponding period in 2018 were approximately HK$14.2 million and HK$13.7 million respectively.

CAPITAL STRUCTURE

As at 30 June 2019, the issued share capital of the Company was HK$3,178,754,000 divided into 6,411,770,500 Shares.

During the Current Period, the Group finances its operations by cash flow from operating activities. As at 30 June 2019, the cash and bank balances of the Group amounted to approximately HK$8.0 million (31 December 2018: HK$1.1 million).

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2019, the Group had current assets of approximately HK$181.6 million (31 December 2018: HK$196.8million), while its current liabilities were approximately HK$898.8 million (31 December 2018: HK$879.1 million). The current ratio of the Group was approximately 0.2 times (31 December 2018: 0.2 times) and gearing ratio (i.e. total debt divided by total equity) was nil (31 December 2018: nil).

As at 31 December 2018, the Group had cash and cash equivalents of approximately HK$8.0 million (31 December 2018: HK$1.1 million).

FOREIGN EXCHANGE EXPOSURE

During the six months ended 30 June 2019, the majority of the Group's income and expenses were denominated in RMB and Hong Kong dollars. Up to 30 June 2019, the management of the Company was of the opinion that the Group has insignificant exposure to foreign exchange risk. As a result, the Group did not use any financial instruments for hedging against fluctuation in foreign exchange for the six months 30 June 2019. 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 30 June 2019, the Group had 724 employees (including the Directors) in Hong Kong and the PRC (31 December 2018: 779 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 revised 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 utilized policies during the six months ended 30 June 2019.

BORROWINGS

As at 30 June 2019, the Group recorded borrowings of approximately HK$159.3 million (31 December 2018: HK$159.0 million) and no bank loans (31 December 2018: nil). All borrowings are repayable on demand or within twelve months.

CAPITAL COMMITMENTS

The Group had no significant capital commitments outstanding as at 30 June 2019 and 31 December 2018.

CHARGE ON GROUP ASSETS

As at 30 June 2019, the Group pledged property, plant and equipment with the net carrying account of approximately HK$80.4 million to secure the finance lease payables of approximately HK$176.6 million. As at 31 December 2018, the Group pledged property, plant and equipment with the net carrying account of approximately HK$85.9 million to secure the finance lease payables of approximately HK$183.6 million.

LITIGATIONS

Details of the litigations of the Group are set out in note 23 to the financial statements.

CONTINGENT LIABILITIES

As at 30 June 2019, the Group had contingent liabilities as possible claims arising from indemnity related to a former subsidiary of approximately HK$6,934,000 being equivalent to RMB6,100,000 (31 December 2018: HK$6,920,000 being equivalent to RMB6,100,000). In the opinion of management of the Company, it is not necessary for recording any provisions for the above contingent liabilities as at 31 December 2018.

EVENTS AFTER THE REPORTING PERIOD

Save as disclosed in note 25 to the condensed consolidated interim financial statements, the Group had no other material event after the reporting period.

OUTLOOK

The Group exclusively focuses on car rental business. As commuter bus leasing market (the "Market") in the PRC with a steady growth in recent years, the Board expects the Market would be stable in the foreseeable future, specially the Market located in Beijing and its suburban without mass transit alternatives.

The Group not only concerns about the profitability of the core business but also environmental issue and compliance in domestic law and listing regulations. The Group actively engaged in an eco-friendly operation. In this regards, new model for new energy buses – electric vehicle is experiencing rapid growth in replacing the existing traditional vehicles. The Group is looking forward to invest a significant amount in such environmental-friendly assets.

Under the challenging economic situation in the PRC currently, the Group currently has committed simplifying group structures not only to enhance efficiency on executive and administrative hierarchy but also to put existing resources in generate profit in priority. The Group's current suppliers, customers and operating activities mainly situated in the PRC. The domestic economic changes would affect the business of the Group. The current situation of global trading issue may not directly affect the Group's business. However, any adverse changes of economic in the PRC in any financially significant export/import industry, the domino effect would finally bring the negative result to the Group in short term, since the income from TMTC Group sourced from various types of institutional customers, most of whom being multinational corporations or international schools with branches or offices in Beijing.

With threshold resources to maintain operations and development, the Group will continue to utilise internal recourses to serve operating activities and preserve identified stakeholder's interests.

OTHER INFORMATION

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ITS ASSOCIATED CORPORATIONS

As at 30 June 2019, none of the Directors or chief executive of the Company had any interest or short position in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) as recorded in the register required to be kept by the Company pursuant to section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules").

SHARE OPTION SCHEME

Pursuant to an ordinary resolution passed at an extraordinary general meeting of the Company held on 14 December 2012, a share option scheme of the Company (the "Share Option Scheme") was adopted by the Company. The Share Option Scheme, subject to earlier termination by the Company in general meeting, will remain in force for a period of ten years from its effective date and will expire on 13 December 2022.

The purpose of the Share Option Scheme is to provide incentive or reward to eligible participants for their contribution, and continuing efforts to promote the interests of the Company. The Board considers that the Share Option Scheme is in the interests of the Company and the shareholders of the Company as a whole as it provides the Company with more flexibility in providing incentives to those eligible participants by way of granting of options. Pursuant to the Share Option Scheme, the Board may grant options to any eligible participants who has contributed or may contribute to the development and growth of the Group or any entity in which the Group holds an equity interest. The options may be exercised in accordance with the terms of the Share Option Scheme at any time during the period to be determined by the Board at its absolute discretion and notified by the Board to each grantee as being the period during which options may be exercised and in any event, such period shall not be longer than 10 years from the date upon which any particular option is granted in accordance with the Share Option Scheme.

The maximum number of Shares in respect of which options may be granted under the Share Option Scheme shall not exceed 10% of the Shares in issue as at its adoption date or the date of approval by the shareholders in general meeting where the limit is refreshed. At the annual general meeting of the Company held on 1 June 2015 (the "2015 AGM"), an ordinary resolution approving the refreshment of the scheme limit and authorizing the Directors to grant share options under the Share Option Scheme up to the refreshed limit (i.e. 372,096,700 Shares, representing 10% of the total number of Shares in issue as at the date of 2015 AGM) was passed. As such, the total number of Shares available for issue under the Share Option Scheme was 372,096,700 Shares.

There was no outstanding share options granted under the Share Option Scheme as at 30 June 2019. No option was granted, exercised, cancelled or lapsed during the six months ended 30 June 2019.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS IN SHARES AND UNDERLYING SHARES

At 30 June 2019, the interests or short positions of every person, other than a Director or chief executive of the Company, in the Shares and underlying shares of the Company as recorded in the register required to be kept by the Company under section 336 of the SFO, were as follows:

Name	Capacity/ Nature of interest	Long position/ short position	Number of Shares held	Number of underlying shares held (Note 1)	Approximately percentage of total number of Shares in issue
Nation Spirit Limited (Note 2)	Beneficial owner	Long position	–	933,333,333	14.56%
Gu Baorong (Note 2)	Interest of a controlled corporation	Long position	–	933,333,333	14.56%
Blissful Elite Limited (Note 3)	Beneficial owner	Long position	–	933,333,332	14.56%
Ji Sen (Note 3)	Interest of a controlled Corporation	Long position	–	933,333,332	14.56%
Yang Fan	Beneficial owner	Long position	810,759,648	–	12.64%
Upper Target Limited (Note 4)	Beneficial owner	Long position	596,900,000	–	9.31%
Liu Zidong (Note 4)	Interest of a controlled corporation	Long position	596,900,000	–	9.31%
	Beneficial owner	Long position	8,150,000	–	0.13%
Elite Fortune Global Limited (Note 5)	Beneficial owner	Long position	585,533,845	–	9.13%
Wang Yi (Note 5)	Interest of a controlled corporation	Long position	585,533,845	–	9.13%

Notes:

1. The number of underlying shares of the Company held includes the maximum number of conversion shares to be issued upon full exercise of the conversion rights attaching to the 3% coupon convertible bonds issued by the Company to the vendors as partial settlement of the consideration pursuant to the sale and purchase agreement dated 15 January 2016. Please refer to the Company's announcements dated 15 January 2016, 30 March 2016, 31 May 2016, 24 June 2016, 18 July 2016, 31 August 2016, 14 February 2017 and 22 February 2017, and the Company's circular dated 30 June 2016 for details of the acquisition.

2. Based on the notice of disclosure of interest of Nation Spirit Limited and Gu Baorong each filed with the Stock Exchange on 13 May 2016, these underlying shares held by Nation Spirit Limited, which is wholly-owned by Gu Baorong. Under Part XV of the SFO, Gu Baorong is interested in these 933,333,333 underlying shares in which Nation Spirit Limited is interested.

3. Based on the notice of disclosure of interest of Blissful Elite Limited and Ji Sen each filed with the Stock Exchange on 13 May 2016, these underlying shares held by Blissful Elite Limited, which is wholly-owned by Ji Sen. Under Part XV of the SFO, Ji Sen is interested in these 933,333,332 underlying shares in which Blissful Elite Limited is interested.

4. Based on the notice of disclosure of interest of Upper Target Limited and Liu Zidong each filed with the Stock Exchange on 12 May 2016, these Shares held by Upper Target Limited, which is wholly-owned by Liu Zidong. Under Part XV of the SFO, Liu Zidong is interested in these 596,900,000 Shares in which Upper Target Limited is interested.

5. Based on the notice of disclosure of interest of Elite Fortune Global Limited and Wang Yi each filed with the Stock Exchange on 10 March 2016, these Shares held by Elite Fortune Global Limited, which is wholly-owned by Wang Yi. Under Part XV of the SFO, Wang Yi is interested in these 585,533,845 Shares in which Elite Fortune Global Limited is interested.

Save as disclosed above, as at 30 June 2019, no person had registered an interest or short position in the Shares or underlying shares of the Company that was required to be recorded pursuant to Section 336 of the SFO.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

At no time during the six months ended 30 June 2019 were rights to acquire benefits by means of the acquisition of Shares in or debenture of the Company granted to any Director or their respective spouse or children under 18 years of age, or were any such rights exercised by them; or was the Company or any of its subsidiaries a party to any arrangement to enable the Directors to acquire such rights in any other body corporate.

DIRECTORS' INTEREST IN COMPETING BUSINESS

None of the Directors nor their respective associates was interested in any business which competes or is likely to compete, either directly or indirectly, with the businesses of the Group during the six months ended 30 June 2019.

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 six months ended 30 June 2019.

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 six months ended 30 June 2019, the Company was in compliance with the relevant code provisions set out in the 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	As it took time for the Company to solicit a suitable insurer at reasonable commercial terms and conditions, the Company did not arrange appropriate insurance cover in respect of legal action against its Directors for the six months ended 30 June 2019.

The code provisions	**Reasons for the non-compliance and improvement actions took or to be taken**
A.2.1	The Company has not appointed a chief executive officer and 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.

NON-COMPLIANCE WITH RULES 3.10(1), 3.10(2) AND 3.21 OF THE LISTING RULES

Following the resignation of Mr. Zhou Guangguo as independent non-executive Director on 29 August 2017, the Company only had two independent non-executive Directors and two members of the audit committee of the Company (the "Audit Committee"), the number of which falls below the minimum number required under Rule 3.10(1) and 3.21 of the Listing Rules.

Following the resignation of Ms. Zhou Zhan as independent non-executive Director on 20 October 2017, the Company failed to comply with Rule 3.10(2) of the Listing Rules with regard to at least one of the independent non-executive Directors must have appropriate professional qualifications or accounting or related financial management expertise.

Upon the appointment of Ms. Chen Yen Yung, who has appropriate professional qualifications or accounting or related financial management expertise, as independent non-executive Director on 17 April 2019, the number of independent non-executive Directors satisfied the minimum number required under Rule 3.10(1) of the Listing Rules. The Company also met the requirement set out in Rule 3.10(2) of the Listing Rules with regard to at least one of the independent non-executive Directors must have appropriate professional qualifications or accounting or related financial management expertise. In addition, the Company had complied with the requirements set out under Rule 3.21 of the Listing Rules with regard to the composition of the Audit Committee.

AUDIT COMMITTEE

The Audit Committee was established with written terms of reference in compliance with 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 unaudited condensed consolidated interim financial statements of the Company for the six months ended 30 June 2019 have been reviewed by the Audit Committee.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code 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 standard as set out in the Model Code throughout the six months ended 30 June 2019.

On Behalf of the Board
National United Resources Holdings Limited
Ji Kaiping
Chairman

Hong Kong, 30 August 2019

As at the date of this report, 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.

INTERIM DIVIDEND

The Board has resolved not to declare any interim dividend for the six months ended 30 June 2019 (six months ended 30 June 2018: Nil).

AUDIT COMMITTEE

The audit committee of the Company (the "**Audit Committee**") was established with written terms of reference in compliance with the Corporate Governance Code contained in Appendix 14 to the Listing Rules. As at the date of this interim results announcement, the Audit Committee 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 unaudited condensed consolidated financial statements of the Company for the six months ended 30 June 2019 have been reviewed by the Audit Committee.

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, 30 August 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.