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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 AUDITED ANNUAL RESULTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

**AUDITED ANNUAL RESULTS**

Reference is made to the announcement of National United Resources Holdings Limited (the “**Company**”, together with its subsidiaries, collectively the “**Group**”) dated 31 March 2020 in relation to the unaudited financial information (“**Unaudited Financial Information**”) of the Group for the year ended 31 December 2019 (“**Unaudited Financial Information Announcement**”).

The board (the “**Board**”) of directors (the “**Director(s)**”) of the Company hereby announces that the Group has completed the audit process of the annual results for the year ended 31 December 2019. As the Group has made certain adjustments to the Unaudited Financial Information as set out in the Unaudited Financial Information Announcement, according to Rule 13.49(3)(ii)(b) of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), differences between the Unaudited Financial Information and the audited annual results for the year ended 31 December 2019 (the “**Audited Annual Results**”) contained in this announcement are set out in “Material Differences between the Unaudited Financial Information and Audited Annual Results” section of this announcement. The Audited Annual Results of the Group for the year ended 31 December 2019, which have been reviewed by the audit committee of the Company (the “**Audit Committee**”), together with the comparative figures for the year ended 31 December 2018 are as follows:

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS

*For the year ended 31 December 2019*

		2019	2018
	<i>Notes</i>	<b>HK\$'000</b>	<i>HK\$'000</i>
<b>Revenue</b>	3	97,767	54,697
Cost of sales		<u>(44,955)</u>	<u>(12,369)</u>
Gross profit		52,812	42,328
Other income		500	15,619
Administrative and other operating expenses		<u>(42,961)</u>	<u>(22,841)</u>
<b>Profit from operations</b>		10,351	35,106
Finance cost	5	(38,299)	(51,753)
Gain on disposal of subsidiaries		100,212	–
Reversal of impairment loss on property, plant and equipment		<u>–</u>	<u>1,339</u>
<b>Profit/(loss) before tax</b>		72,264	(15,308)
Income tax expense	6	<u>(2,899)</u>	<u>–</u>
<b>Profit/(loss) for the year</b>	7	<u><u>69,365</u></u>	<u><u>(15,308)</u></u>
<b>Attributable to:</b>			
Owners of the Company		61,556	(14,673)
Non-controlling interests		<u>7,809</u>	<u>(635)</u>
		<u><u>69,365</u></u>	<u><u>(15,308)</u></u>
<b>Earnings/(loss) per share attributable to owners of the Company</b>	8		
Basic ( <i>HK cents per share</i> )		<u>0.96</u>	<u>(0.23)</u>
Diluted ( <i>HK cents per share</i> )		<u>0.96</u>	<u>(0.23)</u>

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2019

		<b>2019</b>	2018
	<i>Notes</i>	<b>HK\$'000</b>	<i>HK\$'000</i>
<b>Profit/(loss) for the year</b>	7	<b>69,365</b>	(15,308)
<b>Other comprehensive income:</b>			
<i>Items that may be reclassified to profit or loss:</i>			
Exchange differences on translation of foreign operations		727	11,275
Exchange differences reclassified to profit or loss on disposal of subsidiaries		<u>724</u>	<u>–</u>
<b>Total comprehensive income/(loss) for the year</b>		<b><u>70,816</u></b>	<b><u>(4,033)</u></b>
<b>Total comprehensive income/(loss) for the year attributable to:</b>			
Owners of the Company		63,783	(3,048)
Non-controlling interests		<u>7,033</u>	<u>(985)</u>
		<b><u>70,816</u></b>	<b><u>(4,033)</u></b>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

*As at 31 December 2019*

	<i>Notes</i>	<b>2019</b>	2018
		<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
<b>Non-current assets</b>			
Property, plant and equipment		<b>120,866</b>	168,491
Right-of-use assets		<b>88,951</b>	–
Deferred tax asset		<b>8,448</b>	–
Intangible assets		<b>335</b>	–
Goodwill		<b>34,265</b>	–
		<hr/> <b>252,865</b>	<hr/> 168,491
<b>Current assets</b>			
Trade receivables	<i>9</i>	<b>41,847</b>	559
Prepayments, deposits and other receivables		<b>83,929</b>	195,117
Bank and cash balances		<b>3,309</b>	1,119
		<hr/> <b>129,085</b>	<hr/> 196,795
<b>Current liabilities</b>			
Trade payables	<i>10</i>	<b>320</b>	38,590
Other payables and accruals		<b>246,666</b>	237,795
Borrowings	<i>11</i>	<b>166,367</b>	159,035
Convertible bonds	<i>12</i>	<b>253,802</b>	232,551
Non-convertible bonds		<b>90,500</b>	90,500
Finance lease payable		–	97,929
Lease liabilities		<b>139,400</b>	–
Tax payable		<b>6,861</b>	22,651
		<hr/> <b>903,916</b>	<hr/> 879,051
<b>Net current liabilities</b>		<hr/> <b>(774,831)</b>	<hr/> (682,256)
<b>Total assets less current liabilities</b>		<hr/> <b>(521,966)</b>	<hr/> (513,765)

	2019	2018
<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>Non-current liabilities</b>		
Finance lease payable	–	85,623
Lease liabilities	<u>41,808</u>	<u>–</u>
	<u>41,808</u>	<u>85,623</u>
<b>NET LIABILITIES</b>	<b><u>(563,774)</u></b>	<b><u>(599,388)</u></b>
<b>Capital and reserves</b>		
Share capital	3,178,754	3,178,754
Reserves	<u>(3,714,375)</u>	<u>(3,778,158)</u>
Equity attributable to owners of the Company	(535,621)	(599,404)
Non-controlling interests	<u>(28,153)</u>	<u>16</u>
<b>TOTAL EQUITY</b>	<b><u>(563,774)</u></b>	<b><u>(599,388)</u></b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

*For the year ended 31 December 2019*

## 1. BASIS OF PREPARATION

The financial information relating to the years ended 31 December 2019 and 2018 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. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Hong Kong Companies Ordinance is as follows:

The Company has delivered the financial statements for the year ended 31 December 2018 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance and will deliver the financial statements for the year ended 31 December 2019 in due course. ZHONGHUI ANDA CPA Limited has reported on those financial statements of the Group for the years ended 31 December 2018 and 2019. The auditor disclaimed their opinion in the auditor's reports both dated 13 July 2020; 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**

As at 31 December 2019, the Group had net current liabilities of approximately HK\$774,831,000 and net liabilities of approximately HK\$563,774,000. 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 (the "Shares") on The Stock Exchange of Hong Kong Limited was suspended with effect from 1 August 2016.

The consolidated 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 consolidated 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 of the Company, 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 consolidated financial statements of the Group from 1 January 2016 and were disposed of or had its business licence revoked during the year ended 31 December 2019:

山東耀齊經貿有限公司  
深圳市星星雨傳媒有限公司  
北京創先智尚資產管理有限公司  
北京市潮順信息諮詢有限公司  
北京巨屏傳媒廣告有限公司  
國合源融資租賃有限公司  
山東國源國際貿易有限公司  
蘊翰(上海)投資管理有限公司  
北京凱大瑞馳投資管理有限公司  
昌吉州寧常鋁業有限公司  
遐興(上海)投資管理有限公司  
北京凱大駿博科技有限公司  
深圳市臻輝文化發展有限公司

## 2. 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 Hong Kong Institute of Certified Public Accountants 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 consolidated financial statements and amounts reported for the current and prior periods except as stated below.

### HKFRS 16 “Leases”

The Group has first adopted HKFRS 16 “Lease” from 1 January 2019, but has not restated comparatives figures for the year ended 31 December 2018, as permitted under the specific transitional provisions in the standard. The Group has elected to apply the modified retrospective approach for the application HKFRS 16 as lessee and will recognize the right-of-use assets at the date of initial application equal to the lease liability, adjusted by the amount of related prepaid or accrued lease payments recognised in the consolidated statement of financial position immediately before the date of initial application.

**(a) Adjustments recognised on adoption of HKFRS 16 “Leases”**

On adoption of HKFRS 16, the Group recognised lease liabilities in relation to leases which had previously been classified as “operating leases” under the principles of HKAS 17 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee’s incremental borrowing rate as of 1 January 2019. The weighted average lessee’s incremental borrowing rate applied to the lease liabilities on 1 January 2019 was 5.14%.

In applying HKFRS 16 for the first time, the Group has used the following practical expedients permitted by the standard:

- (i) the use of a single discount rate to a portfolio of leases with reasonably similar characteristics;
- (ii) reliance on previous assessments on whether leases are onerous;
- (iii) the exclusion of initial direct costs for the measurement of the right-of-use asset at the date of initial application; and
- (iv) the use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

The Group has also elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the Group relied on its assessment made applying HKAS 17 and HK(IFRIC) 4 “Determining whether an Arrangement contains a Lease”.

As a lessee, the Group’s leases are mainly rentals of offices. The right-of-use assets were measured at the amount equal to the lease liability and there were no onerous lease contracts that would have required an adjustment to the right-of-use assets at the date of initial application. The following table shows the adjustments recognised for each individual line item. Line items that were not affected by the changes have not been included.



**At 1 January 2019:**

	<i>HK\$'000</i>
Increase in lease liabilities	185,967
Decrease in finance lease payables	183,552
Increase in right-of-use assets	111,537
Decrease in property, plant and equipment	109,122

*The reconciliation of operation lease commitment to lease liabilities*

	<i>HK\$'000</i>
Operating lease commitments disclosed as at 31 December 2018	2,503
Discounting of 5.14%	<u>(88)</u>
Lease liabilities discounted at relevant incremental borrowing rates at 1 January 2019	<u>2,415</u>
Analysed as:	
Current	1,159
Non-current	<u>1,256</u>
	<u><u>2,415</u></u>

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. REVENUE

The principal activities of the Group are car rental service. All revenue generated by the Group were derived from the People's Republic of China ("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:

	<b>2019</b>	2018
	<b>HK\$'000</b>	HK\$'000
Car rental service income	<u><b>97,767</b></u>	<u>54,697</u>

### 4. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has only one reportable operating segment of car rental services for the year ended 31 December 2019. There were three reportable operating segments for the year ended 31 December 2018:

Resources trading	–	trading of coking coal, aluminium rod and fuel oil
Car rental service	–	provision of car rental services
Online platform	–	provision of online platform for the trading and deferred spot delivery services of precious metals

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

During the years ended 31 December 2019 and 2018, there were no inter-segment sales.

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

	<b>Car rental service HK\$'000</b>
<b>Year ended 31 December 2019</b>	
Revenue from external customers	<u>97,767</u>
Segment result	42,245
Interest income on bank deposits	151
Other income	349
Unallocated expenses	<u>(32,394)</u>
Profit from operations	10,351
Finance cost	(38,299)
Gain on disposal of subsidiaries	<u>100,212</u>
Profit before tax	72,264
Income tax expense	<u>(2,899)</u>
Profit for the year	<u><u>69,365</u></u>
Depreciation and amortisation	18,081
Capital expenditure	<u>12,555</u>
<b>As at 31 December 2019</b>	
Segment assets	210,359
Unallocated assets	<u>171,591</u>
	<u><u>381,950</u></u>
Segment liabilities	(332,414)
Unallocated liabilities	<u>(613,310)</u>
	<u><u>(945,724)</u></u>

	Car rental service <i>HK\$'000</i>	Online platform <i>HK\$'000</i>	Resources trading <i>HK\$'000</i>	Total <i>HK\$'000</i>
<b>Year ended 31 December 2018</b>				
Revenue from external customers	<u>54,697</u>	<u>–</u>	<u>–</u>	<u>54,697</u>
Segment result	50,579	(1,709)	(7,520)	41,350
Interest income on bank deposits				39
Other income				15,580
Unallocated expenses				<u>(21,863)</u>
Profit from operations				35,106
Finance cost				(51,753)
Reversal of impairment losses on property, plant and equipment				<u>1,339</u>
Loss before tax				(15,308)
Income tax expense				<u>–</u>
Loss for the year				<u>(15,308)</u>
Depreciation and amortisation	11,126	310	1,660	13,096
Capital expenditure	<u>248</u>	<u>–</u>	<u>–</u>	<u>248</u>
<b>As at 31 December 2018</b>				
Segment assets	205,093	4,438	84,053	293,584
Unallocated assets				<u>71,702</u>
				<u>365,286</u>
Segment liabilities	(321,156)	(1,642)	(74,549)	(397,347)
Unallocated liabilities				<u>(567,327)</u>
				<u>(964,674)</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	
	2019	2018	2019	2018
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Hong Kong	–	–	649	–
PRC	97,767	54,697	252,216	162,819
Mongolia	–	–	–	5,672
	<u>97,767</u>	<u>54,697</u>	<u>252,865</u>	<u>168,491</u>

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

(c) **Information about major customers**

Revenue from operations of HK\$34,430,000 (2018: HK\$53,576,000) was derived from two customers (2018: one customer) in the car rental service segment which individually contributed 10% or more to the Group's revenue for the year ended 31 December 2019 and 2018.

5. **FINANCE COST**

	2019	2018
	<i>HK\$'000</i>	<i>HK\$'000</i>
Bank charges	9	46
Interest expenses on borrowings		
– interest on convertible bonds	21,251	33,631
– interest on non-convertible bonds	5,430	5,815
– interest on finance lease	–	12,131
– interest on lease liabilities	11,142	–
– interest on other borrowings	130	130
– interest on bank borrowings	337	–
	<u>38,299</u>	<u>51,753</u>

## 6. INCOME TAX EXPENSE

	2019 <i>HK\$'000</i>	2018 <i>HK\$'000</i>
Current tax – Hong Kong Profits Tax		
Provision for the year	–	–
Current tax – the PRC Enterprise Income Tax		
Provision for the year	<u>2,899</u>	<u>–</u>
	<u><b>2,899</b></u>	<u><b>–</b></u>

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 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% (2018: 25%).

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

	2019 <i>HK\$'000</i>	2018 <i>HK\$'000</i>
Profit/(loss) before tax	<u>72,264</u>	<u>(15,308)</u>
Tax at the domestic income tax rate of 16.5% (2018: 16.5%)	11,924	(2,526)
Effect of different tax rates of subsidiaries operating in the PRC	2,556	(3,160)
Income not subject to tax	(18,114)	–
Expenses not deductible for tax	6,028	5,061
Tax losses not recognised	<u>505</u>	<u>625</u>
	<u><b>2,899</b></u>	<u><b>–</b></u>

## 7. PROFIT/(LOSS) FOR THE YEAR

The Group's profit/(loss) for the year is stated after charging the following:

	2019 <i>HK\$'000</i>	2018 <i>HK\$'000</i>
Depreciation	10,295	13,096
Auditor's remuneration	800	800
Depreciation of right-of-use assets	7,786	–
Minimum lease payments under operating lease in respect of:		
– land and buildings	–	1,455
Staff costs (including Directors' remuneration):		
– salaries, bonuses and allowances	9,631	4,024
– retirement benefits scheme contributions	205	62
	9,836	4,086

## 8. EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

### Basic earnings/(loss) per share

The calculation of basic earnings (2018: loss) per share attributable to owners of the Company is based on the earnings (2018: loss) for the year attributable to owners of the Company of approximately HK\$61,556,000 (2018: loss for the year HK\$14,673,000) and the weighted average number of ordinary shares of 6,411,770,500 (2018: 6,411,770,500) in issue during the year.

### Diluted earning/(loss) per share

No diluted earnings per share for the years ended 31 December 2019 and 2018 is presented as the effects of all convertible bonds and options are anti-dilutive for the years.

## 9. TRADE RECEIVABLES

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

	2019 <i>HK\$'000</i>	2018 <i>HK\$'000</i>
Within 30 days	9,710	559
31-90 days	12,471	–
Over 90 days but within 1 year	19,666	–
Over 1 year	1,286	770
Less: Impairments	<u>(1,286)</u>	<u>(770)</u>
	<u><u>41,847</u></u>	<u><u>559</u></u>

## 10. TRADE PAYABLES

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

	2019 <i>HK\$'000</i>	2018 <i>HK\$'000</i>
Over 1 year	<u><u>320</u></u>	<u><u>38,590</u></u>

## 11. BORROWINGS

		2019 <i>HK\$'000</i>	2018 <i>HK\$'000</i>
Bank loans	(a)	9,498	–
Other loans	(b)	<u>156,869</u>	<u>159,035</u>
		<u><u>166,367</u></u>	<u><u>159,035</u></u>

(a) Bank loans are secured, bears an interest rate of 5.15% and is repayable on demand or within one year.

(b) Other loans are unsecured, interest free and is repayable on demand or within one year.



## 12. 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 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 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. At 31 December 2019, the outstanding principal amount are HK\$55,580,000.

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 31 December 2019, the outstanding principal amount are HK\$13,220,018.

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 on 31 August 2019 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 2019, the outstanding principal amount are HK\$140,000,000.

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

	<b>2015CB</b> <i>HK\$'000</i>	<b>QDCB1</b> <i>HK\$'000</i>	<b>QDCB2</b> <i>HK\$'000</i>	<b>TMCB1</b> <i>HK\$'000</i>	<b>Total</b> <i>HK\$'000</i>
Liability component					
At 1 January 2018	29,101	46,870	9,369	113,580	198,920
Interest charged	<u>1,192</u>	<u>8,711</u>	<u>1,548</u>	<u>22,180</u>	<u>33,631</u>
At 31 December 2018 and 1 January 2019	30,293	55,581	10,917	135,760	232,551
Interest charged	<u>1,193</u>	<u>–</u>	<u>1,804</u>	<u>18,254</u>	<u>21,251</u>
Liability component at 31 December 2019	31,486	55,581	12,721	154,014	253,802
Portion classified as current liabilities	<u>(31,486)</u>	<u>(55,581)</u>	<u>(12,721)</u>	<u>(154,014)</u>	<u>(253,802)</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%, 15.9% and 14.2% to the liability component respectively.

### 13. DIVIDENDS

The Directors do not recommend the payment of any dividend in respect of the years ended 31 December 2019 and 2018.

### 14. CONTINGENT LIABILITIES

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

	<b>2019</b> <i>HK\$'000</i>	2018 <i>HK\$'000</i>
Indemnity related to a former subsidiary	<u><u>6,817</u></u>	<u><u>6,920</u></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.

## MATERIAL DIFFERENCES BETWEEN THE UNAUDITED FINANCIAL INFORMATION AND AUDITED ANNUAL RESULTS

### CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

*For the year ended 31 December 2019*

	<b>Audited Annual Results 2019 <i>HK\$'000</i></b>	<b>Unaudited Financial Information Disclosed in the Unaudited Financial Information Announcement 2019 <i>HK\$'000</i></b>	<b>Differences <i>HK\$'000</i></b>	<i>Notes</i>
<b>Revenue</b>	97,767	96,535	1,232	<i>(i)</i>
Cost of sales	(44,955)	(53,050)	8,095	<i>(i)</i>
Gross profit	52,812	43,485	9,327	
Other income	500	494	6	
Administrative and other operating expenses	(42,961)	(35,750)	(7,211)	<i>(ii)</i>
<b>Profit from operations</b>	10,351	8,229	2,122	
Finance cost	(38,299)	(34,279)	(4,020)	<i>(iii)</i>
Gain on disposal of subsidiaries	100,212	100,062	150	
<b>Profit before tax</b>	72,264	74,012	(1,748)	
Income tax expense	(2,899)	(1,555)	(1,344)	<i>(iv)</i>
<b>Profit for the year</b>	69,365	72,457	(3,092)	
<b>Other comprehensive income:</b>				
<i>Items that may be reclassified to profit or loss:</i>				
Exchange differences on translation of foreign operations	727	724	3	
Exchange differences reclassified to profit or loss on disposal of subsidiaries	724	(2,885)	3,609	
<b>Total comprehensive income for the year</b>	<u>70,816</u>	<u>70,296</u>	520	

	<b>Audited Annual Results 2019 <i>HK\$'000</i></b>	<b>Unaudited Financial Information Disclosed in the Unaudited Financial Information Announcement 2019 <i>HK\$'000</i></b>	<b>Differences <i>HK\$'000</i></b>	<i>Notes</i>
<b>Attributable to:</b>				
Owners of the Company	61,556	64,655	(3,099)	
Non-controlling interests	<u>7,809</u>	<u>7,802</u>	7	
	<u><u>69,365</u></u>	<u><u>72,457</u></u>	(3,092)	
<b>Total comprehensive income for the year attributable to:</b>				
Owners of the Company	63,783	62,340	1,443	
Non-controlling interests	<u>7,033</u>	<u>7,956</u>	(942)	
	<u><u>70,816</u></u>	<u><u>70,296</u></u>	520	

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION COMPREHENSIVE INCOME

*For the year ended 31 December 2019*

	<b>Audited Annual Results 2019</b>	<b>Unaudited Financial Information Disclosed in the Unaudited Financial Information Announcement 2019</b>	<b>Differences</b>	<b>Notes</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	
<b>Non-current assets</b>				
Property, plant and equipment	120,866	221,245	(100,379)	<i>(v)</i>
Right-of-use assets	88,951	–	88,951	<i>(vi)</i>
Deferred tax asset	8,448	–	8,448	<i>(vii)</i>
Intangible assets	335	339	(4)	
Goodwill	34,265	16,444	17,821	<i>(vii)</i>
	<u>252,865</u>	<u>238,028</u>	14,837	
<b>Current assets</b>				
Trade receivables	41,847	56,812	(14,965)	<i>(viii)</i>
Prepayments, deposits and other receivables	83,929	72,023	11,906	<i>(ix)</i>
Bank and cash balances	3,309	3,319	(10)	
	<u>129,085</u>	<u>132,154</u>	(3,069)	
<b>Current liabilities</b>				
Trade payables	320	–	320	
Other payables and accruals	246,666	239,244	7,422	<i>(x)</i>
Borrowings	166,367	156,554	9,813	<i>(xi)</i>
Convertible bonds	253,802	253,803	(1)	
Non-convertible bonds	90,500	90,500	–	
Lease liabilities	139,400	132,226	7,174	<i>(xii)</i>
Tax payable	6,861	4,471	2,390	<i>(vii)</i>
	<u>903,916</u>	<u>876,798</u>	27,118	
<b>Net current liabilities</b>	<u>(774,831)</u>	<u>(744,644)</u>	(30,187)	
<b>Total assets less current liabilities</b>	<u>(521,966)</u>	<u>(506,616)</u>	(15,350)	

	<b>Audited Annual Results 2019 HK\$'000</b>	<b>Unaudited Financial Information Disclosed in the Unaudited Financial Information Announcement 2019 HK\$'000</b>	<b>Differences HK\$'000</b>	<i>Notes</i>
<b>Non-current liabilities</b>				
Lease liabilities	41,808	39,815	1,993	<i>(xii)</i>
	<u>41,808</u>	<u>39,815</u>	1,993	
<b>NET LIABILITIES</b>	<b><u>(563,774)</u></b>	<b><u>(546,431)</u></b>	<b>(17,343)</b>	
<b>Capital and reserves</b>				
Share capital	3,178,754	3,178,754	–	
Reserves	<u>(3,714,375)</u>	<u>(3,715,818)</u>	1,443	
Equity attributable to owners of the Company	(535,621)	(537,064)	1,443	
Non-controlling interests	<u>(28,153)</u>	<u>(9,367)</u>	(18,786)	<i>(vii)</i>
<b>TOTAL EQUITY</b>	<b><u>(563,774)</u></b>	<b><u>(546,431)</u></b>	<b>(17,343)</b>	

*Notes:*

- (i) The difference in revenue was approximately HK\$1.2 million, mainly due to the cut-off date for recognising ad hoc income and the difference in cost of sales was approximately HK\$8.1 million, mainly due to the reclassification from administrative and other operating expenses.
- (ii) The difference in administrative and other operating expenses was approximately HK\$7.2 million, mainly due to the reclassification to cost of sales.
- (iii) The difference in finance costs was approximately HK\$4 million, mainly due to the underprovision of interest for lease liabilities and non-convertible bonds.
- (iv) The difference in income tax expense was approximately HK\$1.3 million, mainly due to the adjustment for tax loss available as per tax assessment.

- (v) The difference in property, plant and equipment was approximately HK\$100.4 million, mainly due to the (i) reclassification to right-of-use assets; (ii) adjustments for depreciation; and (iii) adjustments for the finalized valuation of the newly consolidated subsidiary.
- (vi) The difference in right-of-use assets was approximately HK\$89.0 million, mainly due to the (i) reclassification from property, plant and equipment; and (ii) adjustments for depreciation.
- (vii) The difference in deferred tax asset was approximately HK\$8.4 million, the difference in goodwill was approximately HK\$17.8 million, the difference in tax payable was approximately HK\$2.4 million and the difference in non-controlling interests was approximately HK\$18.8 million, mainly due to the adjustments for the finalized valuation of the newly consolidated subsidiary.
- (viii) The difference in trade receivables was approximately HK\$15.0 million, mainly due to the (i) reclassification of accounts to prepayments, deposits and other receivables; and (ii) adjustments for the finalized valuation of the newly consolidated subsidiary.
- (ix) The difference in prepayments, deposits and other receivables was approximately HK\$11.9 million, mainly due to the reclassification between prepayments, deposits and other receivables and other payables and accruals trade receivables.
- (x) The difference in other payables and accruals was approximately HK\$7.4 million, mainly due to the reclassification other payables and accruals and prepayments, deposits and other receivables.
- (xi) The difference in borrowings was approximately HK\$9.8 million, mainly due to the reclassification from other payables and accruals.
- (xii) The difference in total lease liabilities was approximately HK\$9.2 million, mainly due to the (i) underprovision of interest; and (ii) reclassification borrowings and other payables and accruals.

## **EXTRACT OF INDEPENDENT AUDITOR’S REPORT**

The following is extract of the independent auditor’s report from the auditor of the Company:

### **Disclaimer of Opinion**

We were engaged to audit the consolidated financial statements of National United Resources Holdings Limited (the “**Company**”) and its subsidiaries (together, the “**Group**”) set out on the 2019 annual report, which comprise the consolidated statement of financial position as at 31 December 2019, and the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

We do not express an opinion on the consolidated financial statements of the Group. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements. In all other respects, in our opinion, the consolidated financial statements have been properly prepared in compliance with the Hong Kong Companies Ordinance.

### **Basis for Disclaimer of Opinion**

#### ***1. Certain opening balances and corresponding figures***

Our audit opinion on the consolidated financial statements of the Group for the year ended 31 December 2018 (the “**2018 Financial Statements**”), which form 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 our audit and the material uncertainty in relation to going concern, details of which are set out in our audit report dated 9 July 2019. Accordingly, we were then unable to form an opinion on the 2018 Financial Statements.



**2. Limited accounting books and records of two subsidiaries – First Concept Industrial Group Limited and iFrontier LLC**

Due to the insufficiency of supporting documentation and explanations for accounting books and records in respect of the First Concept Industrial Group Limited and iFrontier LLC for the years ended 31 December 2019 and 2018, we were unable to carry out audit procedures to satisfy ourselves as to whether the following income and expenses for the years ended 31 December 2019 and 2018 and the assets and liabilities as at 31 December 2018, and the segment information and other related disclosure notes in relation to the Group, as included in the consolidated financial statements of the Group, have been accurately recorded and properly accounted for in the consolidated financial statements. These two subsidiaries were disposed of during the reporting period. Due to the insufficiency of supporting documentation and explanations for accounting books and records, we were unable to carry out audit procedures to satisfy ourselves whether the gain on disposal of subsidiaries of approximately HK\$100,212,000 for the year ended 31 December 2019 have been accurately recorded and properly accounted for in the consolidated financial statements.

	<b>For the year ended</b>	
	<b>31 December</b>	
	<b>2019</b>	<b>2018</b>
	<b><i>HK\$'000</i></b>	<b><i>HK\$'000</i></b>
<b>Income and expenses:</b>		
Other income	<u>100,212</u>	<u>–</u>
<b>Total comprehensive income for the year</b>	<b><u>100,212</u></b>	<b><u>–</u></b>

As at 31  
December  
2018  
*HK\$'000*

**Assets and liabilities:**

Prepayments, deposits and other receivables	634
Bank and cash balances	925
Trade payables	(38,266)
Other payables and accruals	<u>(39,724)</u>
Net liabilities	<u><u>(76,431)</u></u>

**3. *Loss on deconsolidation of the subsidiaries***

As explained in note 1 to the consolidated financial statements, certain subsidiaries of the Company have been deconsolidated from the Group since 1 January 2016. No sufficient evidence has been provided to satisfy ourselves as to whether the Company had lost control of the aforesaid certain subsidiaries on 1 January 2016 and throughout the years ended 31 December 2018 and 2019. Accordingly we were unable to satisfy ourselves to the deconsolidated subsidiaries, as to the completeness of the transactions of the Group for the years ended 31 December 2018 and 2019 and the Group's financial position for the year ended 31 December 2018.

**4. *Borrowings***

No sufficient evidence has been provided to satisfy ourselves, in relation to the existence, rights and obligations and valuation of the borrowings of approximately HK\$40,025,000 and HK\$40,535,000 as at 31 December 2019 and 2018 respectively.

## **5. *Going Concern***

We draw attention to note 1 to the consolidated financial statements which mentions that the Group as at 31 December 2019 the Group has net current liabilities and net liabilities of approximately HK\$774,831,000 and HK\$563,774,000 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 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 consolidated financial statements do not include any adjustments that would result from a failure to complete the restructuring. We consider that the disclosures are adequate. However, in view of the extent of the uncertainty relating to the completion of the restructuring, we disclaim our opinion in respect of the material uncertainty relating to the going concern basis.

Any adjustments to the figures as described from points 1 to 5 above might have a significant consequential effect on the Group's results and cash flows for the years ended 31 December 2019 and 2018 and the financial positions of the Group as at 31 December 2019 and 2018, and the related disclosures thereof in the consolidated financial statements.

## **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 2019. 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 2019 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 2018 (the “**2018 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 2018 Financial Statements.

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

### ***b. Limited accounting books and records of two subsidiaries – 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 2018 and 2019, 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 2018 and 2019 and the assets and liabilities as at 31 December 2018 and 2019, 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 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 2019, 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 2018 and 2019. 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 2018 and 2019 and the Group's financial position as at 31 December 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 disclaimer will be removed in the year ending 31 December 2021.

**d. *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\$40,025,000 and HK\$40,535,000 as at 31 December 2019 and 2018 respectively by the associate company mentioned in (d) above.

The Company will use proceeds from proposed subscription and proposed open offer to repay such debt after debt obligation is verified. This disclaimer will be removed upon repayment is made.

**e. *Going Concern***

As at 31 December 2019, the Group had net current liabilities and net liabilities of approximately HK\$774,831,000 and HK\$563,774,000 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 2019 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) proposed subscription; (ii) proposed open offer; and (iii) proposed 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

For the year ended 31 December 2019, the Group has engaged in car rental service business as core business based in the PRC. It is the main source of revenue of the Group.

#### Car rental service

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. 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

#### Consolidation of TMTC Travel

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**”) became an indirect wholly-owned subsidiary of the Company in 2016. It held 49% equity interest in 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**”). TMTC Group engaged in bus transportation services, passenger operating and car rental services.

On 1 September 2019, TMTC Rental and 北京鼎岩盛世科技發展有限公司 (Beijing Dingyan Shengshi Technology Development Co., Ltd.\*) (“**Beijing Dingyan**”), which owns 51% equity interest in TMTC Travel, entered into an agreement (the “**Shareholder Control Agreement**”), pursuant to which Beijing Dingyan irrevocably delegated its management rights over TMTC Travel to TMTC Rental.

To reflect the management control over TMTC Travel by TMTC Rental through the Shareholder Control Agreement, the articles of TMTC Travel have been amended to that effect and the financial results of TMTC Travel has been consolidated into TMTC Rental’s account pursuant to HKFRS 10 commencing from 1 September 2019.

### **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.



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 all from car rental business amounted to HK\$97,767,000 for the year ended 31 December 2019, representing an increase of approximately HK\$43,070,000 or 78.7% compared to the year ended 31 December 2018.

### **Cost of sales**

The Group's cost of sales for the year ended 31 December 2019 and 2018 were approximately HK\$44,955,000 and HK\$12,369,000 respectively, representing an increase of approximately HK\$32,586,000 or 263.4% compared to the year ended 31 December 2018. The increase in cost of sales due to an associate of the Group, TMTC Travel, turned into wholly owned subsidiary of the Group by change of management controlling power in August 2019. The books of accounts of the subsidiary has been consolidated to the Group since September 2019.

### **Gross profit**

The car rental business generated gross profit with 54.0% and 77.4% for the year ended 31 December 2019 and 2018 respectively. The changes of gross margin results from consolidating TMTC Travel which has borne lower margin but relatively massive gross income.

## **Other income**

Other income of the Group for the year ended 2019 and 2018 were approximately HK\$500,000 and HK\$15,619,000 respectively, representing a decrease of approximately HK\$15,119,000 or 96.8% compared to the year ended 31 December 2018. The decrease was due to approximately HK\$112,000 bank interest income received more than the year 2018, gain on derecognition of other payables of approximately HK\$15,133,000 recorded in the year 2018 only and decrease in sundry income by HK\$98,000.

## **Administrative and other operating expenses**

Administrative and other operating expenses for the year 2019 and 2018 were approximately HK\$42,961,000 and HK\$22,841,000 respectively, representing an increase of HK\$20,120,000 or 88.1%. The increase in administrative and other operating expenses was attributed to the increase in staff costs, vehicles repair and maintenances, legal and professional fees and other operating expenses by consolidated TMTC Travel's accounts.

## **Finance cost**

Finance cost of the Group for the current year amounted to approximately HK\$38,299,000, represented a decrease of 26.0% compared to the corresponding period in 2018, including banking charges, interest charged on borrowings, convertible bonds, non-convertible bonds, finance lease and lease liabilities. Interest charged on convertible bonds was most significant finance cost for the current, amounted to approximately HK\$21,251,000 and HK\$33,631,000 for the year ended 2019 and 2018.

## **Profit or Loss attributable to the owners of the Company**

As the loss for the year 2018 turning to profit for the year 2019, the TMTC Travel contributes most to the Group. The profit attributable to the owners of the Company and the profit for the year 2019 were approximately HK\$61,556,000 and HK\$69,365,000 respectively. The loss attributable to the owners of the Company and loss for the year 2018 were approximately HK\$14,673,000 and HK\$15,308,000 respectively.

## **Non-current assets**

As at 31 December 2019, the non-current assets were increased by HK\$84,374,000 from HK\$168,491,000 as at 31 December of 2018 to HK\$252,865,000 as at 31 December 2019. The increase in non-current assets was mainly attributable to the consolidation of TMTC Travel, which brought property, plant and equipment of approximately HK\$37,911,000, right-of use assets of approximately HK\$460,000, deferred tax asset of approximately HK\$8,286,000, intangible assets of approximately HK\$329,000 and goodwill of approximately HK\$33,607,000.

## **Current assets**

The current assets of the Group decreased from approximately HK\$196,795,000 as at 31 December 2018 to approximately HK\$129,085,000 as at 31 December 2019 although TMTC Travel contribute the trade receivable and bank and cash balances to the Group. The decrease of current asset is mainly due to the decrease in paid in advance of TMTC Rental.

## **Liabilities**

The total of non-current and current liabilities of the Group decreased from approximately HK\$964,674,000 as at 31 December 2018 to approximately HK\$945,724,000 as at 31 December 2019 which was mainly due to the decrease in trade payable, finance lease payable and tax payable by repayment during the year of 2019.

## **Net liabilities**

As consequences, the Group recorded an increase in net current liabilities from approximately HK\$682,256,000 as at 31 December 2018 to approximately HK\$774,831,000 as at 31 December 2019, and a decrease in net liabilities from approximately HK\$599,388,000 as at 31 December 2018 to approximately HK\$563,774,000 as at 31 December 2019. The consolidation of TMTC Travel does improve the financial performance and financial position of the Group.

## **CAPITAL STRUCTURE**

As at 31 December 2019, 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 2019, the Group financed its operations by cash flow from operating activities. As at 31 December 2019, the cash and bank balances of the Group amounted to approximately HK\$3,309,000 (31 December 2018: HK\$1,119,000).

## **LIQUIDITY AND FINANCIAL RESOURCES**

As at 31 December 2019, The Group had current assets of approximately HK\$129,085,000 (2018: HK\$196,795,000), while its current liabilities were approximately HK\$903,916,000 (2018: HK\$879,051,000). The current ratio of the Group was approximately 0.1 times (2018: 0.2 times) and gearing ratio (total debt/total equity) was nil (2018: nil). As at 31 December 2019, the Group had cash and cash equivalents of approximately HK\$3,309,000 (31 December 2018: HK\$1,119,000).

## **FOREIGN EXCHANGE EXPOSURE**

During the year ended 31 December 2019, the majority of the Group's income and expenses were denominated in Renminbi and Hong Kong dollars. Up to 31 December 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 year ended 31 December 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 31 December 2019, the Group had 697 employees (including 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 of the Company. There has been no major change in staff utilized policies during the year ended 31 December 2019.

## **BORROWINGS**

As at 31 December 2019, the Group recorded borrowings of approximately HK\$166,367,000 (31 December 2018: HK\$159,035,000), in which of HK\$9,498,000 is loan from bank and bear interest rate 5.15% per annum with motor vehicles amounted to approximately HK\$11,869,000 being pledged. Other loans included in borrowings amounted to HK\$156,869,000, being unsecured and interest free. All borrowings are repayable on demand or within the year.

## **CAPITAL COMMITMENTS**

The Group had no significant capital commitments outstanding as at 31 December 2019.

## **CONTINGENT LIABILITIES**

As at 31 December 2019, the Group had contingent liabilities as possible claims arising from indemnity related to a former subsidiary of approximately HK\$6,817,000 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 2019.

## **EVENTS AFTER THE REPORTING PERIOD**

Trading in the shares of the Company was suspended since mid-2016. The Company fully devoted in its resumption process since 2018. The Company submitted its first resumption proposal to The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) in June 2019, and a supplemental resumption proposal in July 2019.

Despite the fulfilment by the Company of the resumption conditions set by the Stock Exchange, as set out in the aforesaid resumption proposals, the listing department of the Stock Exchange still recommended the listing committee of the Stock Exchange to cancel the listing of the securities of the Company, and the listing committee concurred on 29 August 2019. As such, the Company decided to request for a review of such delisting decision by the listing review committee of the Stock Exchange (the “**Listing Review Committee**”).

The Listing Review Committee conducted a hearing with the Company on 15 January 2020. Afterwards, the Listing Review Committee requested the Company to provide further information to the Listing Review Committee by making a further submission, and invited the Company for a further hearing. The Company had submitted a further submission to the Listing Review Committee as requested. Owing to the outbreak of COVID-19, the further hearing was postponed. The Company shall publish announcement for any update on the development of resumption progress as and when appropriate.

## **OUTLOOK**

The senior management of the Group believe challenges bringing opportunities. Leading to overcome every difficulty is mission of each brilliant decision maker in the Group. They are not for compliment but for the best interests of every stakeholders, existing and potential investors of the Group.

Since the outbreak of Coronavirus (COVID-19) pandemic, it is expected to have a significant adverse impact on the global economy. Up to the date of this announcement, the actual consequences to the Group’s business has not yet been concluded. However, the financial position of the Group are not vitally hit by the pandemic.

The Group consecutively and exclusively focuses on car rental business. As commuter bus leasing market (the “**Market**”) in the PRC with a steady growth in the past few years, the Board expects the Market would become stable after the pandemic and quarantine, especially the Market located in Beijing and its suburban without mass transit alternatives.

As at the date of this announcement, the Group and all its personnel are stand fast and remain at their post. Meanwhile everyone is ready to overcome and solving the problems in the foreseeable future and even looking forward to move in the opposite of worldwide economic downturn.

## **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 2019, the Company was in compliance with the relevant code provisions set out in the CG Code except for the deviations explained below.

<b>The code provisions</b>	<b>Reasons for the non-compliance and improvement actions took or to be taken</b>
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 year ended 31 December 2019.
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.

## **MODEL CODE FOR SECURITIES TRANSACTIONS**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules (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 year ended 31 December 2019.

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 2019.

## **FINAL DIVIDEND**

The Board does not recommend the payment of a final dividend for the year ended 31 December 2019 (2018: nil).

## **PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES**

There was no purchase, sale or redemption by the Company or its subsidiaries, of the Company's listed securities during the ended 31 December 2019.

## **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 Audit Committee has reviewed the audited annual results of the Group for the year ended 31 December 2019.



## **SCOPE OF WORK OF ZHONGHUI ANDA CPA LIMITED**

The figures in respect of the preliminary announcement of the Group's results for the year ended 31 December 2019 have been agreed by the Group's auditor, ZHONGHUI ANDA CPA Limited, to the amounts set out in the Group's audited consolidated financial statements for the year ended 31 December 2019. The work performed by ZHONGHUI ANDA CPA Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by ZHONGHUI ANDA CPA Limited on the preliminary announcement.

## **PUBLICATION ON ANNUAL RESULTS AND ANNUAL REPORT**

This audited annual results announcement is available for viewing on the website of the Stock Exchange at [www.hkex.com.hk](http://www.hkex.com.hk) and on the website of the Company at [www.nur.com.hk](http://www.nur.com.hk). The annual report for the year ended 31 December 2019 of the Company will be dispatched to the shareholders of the Company on or before 31 July 2020, and will be made available for viewing at the aforesaid websites.

## **CONTINUED SUSPENSION OF TRADING OF THE SHARES**

Trading in the Shares 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, 13 July 2020

*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.*