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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 EIGHTEEN MONTHS ENDED 30 JUNE 2023**

The board (the “**Board**”) of directors (the “**Director(s)**”) of National United Resources Holdings Limited (the “**Company**”) hereby announces the audited consolidated financial results of the Company and its subsidiaries (collectively, the “**Group**”) for the eighteen months ended 30 June 2023 (the “**Current Period**”), 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 2021 (the “**Previous Year**”) as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the eighteen months ended 30 June 2023

		1 January 2022 to 30 June 2023	Year ended 31 December 2021
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue	5	116,293	142,814
Cost of revenue		<u>(143,056)</u>	<u>(105,886)</u>
Gross (loss)/profit		(26,763)	36,928
Other income	6	331,830	86,181
Administrative and other operating expenses		(51,290)	(35,881)
Impairment losses on various assets		<u>(94,977)</u>	<u>(5,128)</u>
Profit from operations		158,800	82,100
Finance cost	7	(12,630)	(20,697)
Share of loss of associates		(201)	–
Gain on disposal of subsidiaries		<u>37,660</u>	–
Profit before tax		183,629	61,403
Income tax expense	8	<u>(1,546)</u>	<u>(2,792)</u>
Profit for the period/year	9	<u>182,083</u>	<u>58,611</u>
Attributable to:			
Owners of the Company		201,759	54,756
Non-controlling interests		<u>(19,676)</u>	<u>3,855</u>
		<u>182,083</u>	<u>58,611</u>
Earnings per share attributable to owners of the Company	10		
Basic (HK cents per share)		<u>6.63</u>	<u>8.54</u>
Diluted (HK cents per share)		<u>6.63</u>	<u>8.54</u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the eighteen months ended 30 June 2023

	2023 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Profit for the period/year	182,083	58,611
Other comprehensive (loss)/income:		
<i>Items that may be reclassified to profit or loss:</i>		
Exchange differences on translation of foreign operations	(10,667)	(3,647)
Exchange differences reclassified to profit or loss on disposal of subsidiaries	<u>65</u>	<u>–</u>
Total comprehensive income for the period/year	<u>171,481</u>	<u>54,964</u>
Total comprehensive income/(loss) for the period/year attributable to:		
Owners of the Company	187,109	52,037
Non-controlling interests	<u>(15,628)</u>	<u>2,927</u>
	<u>171,481</u>	<u>54,964</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2023

		As at 30 June 2023	As at 31 December 2021
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Non-current assets			
Property, plant and equipment		29,647	94,738
Right-of-use assets		37,920	73,271
Deferred tax asset		4,786	7,046
Intangible assets		–	123
Goodwill		10,685	37,546
Investments in associates		–	–
Prepayment		97,813	14,694
		<u>180,851</u>	<u>227,418</u>
Current assets			
Trade receivables	12	20,305	59,910
Prepayments, deposits and other receivables		8,412	25,076
Bank and cash balances		135,575	2,136
		<u>164,292</u>	<u>87,122</u>
Current liabilities			
Other payables and accruals		125,104	189,883
Borrowings	13	38,550	69,218
Convertible bonds	14	–	265,086
Non-convertible bonds		–	90,500
Lease liabilities		145,942	161,414
Tax payable		5,372	7,223
		<u>314,968</u>	<u>783,324</u>
Net current liabilities		<u>(150,676)</u>	<u>(696,202)</u>
Total assets less current liabilities		<u>30,175</u>	<u>(468,784)</u>

		As at 30 June 2023 <i>HK\$'000</i>	As at 31 December 2021 <i>HK\$'000</i>
	<i>Notes</i>		
Non-current liabilities			
Lease liabilities		<u>526</u>	<u>1,663</u>
NET ASSETS/(LIABILITIES)		<u>29,649</u>	<u>(470,447)</u>
Capital and reserves			
Share capital	<i>15</i>	3,507,369	3,178,754
Reserves		<u>(3,438,791)</u>	<u>(3,625,900)</u>
Equity attributable to owners of the Company		68,578	(447,146)
Non-controlling interests		<u>(38,929)</u>	<u>(23,301)</u>
TOTAL EQUITY		<u>29,649</u>	<u>(470,447)</u>

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the eighteen months ended 30 June 2023

1. GENERAL INFORMATION

The Company was incorporated in Hong Kong with limited liability. The address of its registered office is Suites 1106-08, 11th Floor, The Chinese Bank Building, 61-65 Des Voeux Road Central, 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**"); and trading in the shares of the Company had been suspended since 1 April 2016 and has been resumed on 10 March 2022.

The Company is an investment holding company. During the Current Period, the Group was engaged in car rental and shuttle bus services in the industry of commuter bus leasing market in the People's Republic of China (the "**PRC**").

2. BASIS OF PREPARATION

During the Current Period, the Company changed its financial year end date from 31 December to 30 June in order to rationalise and mobilise its resources with higher efficiency for the preparation of results announcement as well as reports. The consolidated financial statements of the Current Period cover an eighteen-month period ended 30 June 2023 and the comparative financial statements cover a twelve-month period ended 31 December 2021. The comparative amounts are therefore not entirely comparable.

Going concern

At 30 June 2023, the Group had net current liabilities of approximately HK\$150,676,000. This condition indicates the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern.

In view of these circumstances, the directors of the Company (the "**Directors**") have given careful consideration to the future liquidity and performance of the Group and its available sources of finance in assessing whether the Group will have sufficient financial resources to continue as a going concern.

The consolidated financial statements have been prepared on a going concern basis. In the opinion of the Directors, the Group should be able to continue as a going concern taking into consideration of the follows:

- (i) financial support from certain/some directors of the Company at a level sufficient to finance the working capital requirements of the Group;
- (ii) the Group is expected to remain profitable and continue to generate operating cash inflows from its future business operations; and
- (iii) the creditors intentionally agreed to settle the lease liabilities by convertible bonds of the Group.

Based on the aforesaid factors, the Directors are satisfied that the Group will have sufficient financial resources to meet all the Group's financial obligations and to sustain the Group's ability to continue as a going concern in the foreseeable future. The Directors are therefore of the opinion that it is appropriate to prepare the consolidated financial statements on a going concern basis. Should the Group be unable to continue as a going concern, adjustments would have to be made to the consolidated financial statements to adjust the value of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets and liabilities as current assets and liabilities, respectively.

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 2022. 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 Period and Previous Year.

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 are excluded from such measurement.

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 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 and shuttle bus services. Information about reportable segment profit or loss and segment assets is as follows:

	1 January	
	2022 to	Year ended
	30 June	31 December
	2023	2021
	HK\$'000	HK\$'000
Revenue from external customers	<u>116,293</u>	<u>142,814</u>
Segment result	(42,873)	13,569
Interest income on bank deposits	622	8
Other income	331,208	86,173
Impairment losses on various assets	(94,977)	(5,128)
Unallocated expenses	<u>(35,180)</u>	<u>(12,522)</u>
Profit from operations	158,800	82,100
Finance cost	(12,630)	(20,697)
Share of loss of associates	(201)	–
Gain on disposal of subsidiaries	<u>37,660</u>	<u>–</u>
Profit before tax	183,629	61,403
Income tax expense	<u>(1,546)</u>	<u>(2,792)</u>
Profit for the period/year	<u>182,083</u>	<u>58,611</u>
Depreciation and amortisation	<u>28,194</u>	<u>24,437</u>

	As at 30 June 2023 <i>HK\$'000</i>	As at 31 December 2021 <i>HK\$'000</i>
Segment assets	128,490	302,673
Unallocated assets	216,653	11,867
	345,143	314,540
Segment liabilities	276,944	360,183
Unallocated liabilities	38,550	424,804
	315,494	784,987

(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	
	1 January 2022 to 30 June 2023 <i>HK\$'000</i>	Year ended 31 December 2021 <i>HK\$'000</i>	As at 30 June 2023 <i>HK\$'000</i>	As at 31 December 2021 <i>HK\$'000</i>
PRC	116,293	142,814	180,851	227,418

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

(c) Information about major customers

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

	1 January	
	2022 to	Year ended
	30 June	31 December
	2023	2021
	HK\$'000	HK\$'000
Customer A	N/A	20,900
Customer B	13,785	21,766
Customer C	16,267	N/A
	<u>16,267</u>	<u>N/A</u>

5. REVENUE

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

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

	1 January	
	2022 to	Year ended
	30 June	31 December
	2023	2021
	HK\$'000	HK\$'000
Car rental and shuttle bus services income	116,293	142,814
	<u>116,293</u>	<u>142,814</u>

Car rental and shuttle bus services income

The Group provides car rental and shuttle bus services to the customers. Service income is recognised when service is rendered.

6. OTHER INCOME

	1 January	
	2022 to	Year ended
	30 June	31 December
	2023	2021
	HK\$'000	HK\$'000
Bank interest income	622	8
Gain on debt restructuring (<i>Note</i>)	328,461	–
Gain on disposal of property, plant and equipment	2,267	–
Gain on a waiver of other loan	–	85,786
Sundry income	480	387
	<u>331,830</u>	<u>86,181</u>

Note: The gain on debt restructuring represents the aggregate amount of outstanding debt owed by the Company settled under the debt restructuring after haircut from the creditors and finance costs related to such outstanding loan incurred, less (i) the cash settlement paid to the creditors; and (ii) fair value of creditors shares issued by the Company. Details of the debt restructuring were disclosed in circular of the Company dated 31 December 2021.

7. FINANCE COST

	1 January	
	2022 to	Year ended
	30 June	31 December
	2023	2021
	HK\$'000	HK\$'000
Bank charges	13	22
Interest expenses on borrowings		
– interest on convertible bonds	899	5,393
– interest on non-convertible bonds	905	5,430
– interest on lease liabilities	8,753	9,358
– interest on bank borrowings	83	273
– interest on other borrowings	1,977	221
	<u>12,630</u>	<u>20,697</u>

8. INCOME TAX EXPENSE

	1 January	Year ended
	2022 to	31 December
	30 June	2021
	2023	2021
	HK\$'000	HK\$'000
Current tax – the PRC Enterprise		
Provision for the period/year	–	2,792
Deferred tax	<u>1,546</u>	<u>–</u>
	<u>1,546</u>	<u>2,792</u>

Hong Kong Profits Tax is calculated at the rate of 16.5% (2021: 16.5%) on the estimated assessable profits arising in Hong Kong during the Current 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% (2021: 25%).

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

	1 January	Year ended
	2022 to	31 December
	30 June	2021
	2023	2021
	HK\$'000	HK\$'000
Profit before tax	<u>183,629</u>	<u>61,403</u>
Tax at the domestic income tax rate of 16.5% (2021: 16.5%)	30,299	10,131
Effect of different tax rates of subsidiaries operating in the PRC	(12,270)	7,119
Income not subject to tax	(60,392)	(21,446)
Expenses not deductible for tax	29,507	1,469
Tax losses not recognised	<u>14,402</u>	<u>5,519</u>
	<u>1,546</u>	<u>2,792</u>

9. PROFIT FOR THE PERIOD/YEAR

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

	1 January 2022 to 30 June 2023 HK\$'000	Year ended 31 December 2021 HK\$'000
Staff costs (including Directors' remuneration)		
– Salaries and benefits	68,817	48,955
– Contributions to retirement benefit schemes	13,552	9,783
	82,369	58,738
Auditor's remuneration	930	1,268
Depreciation of property, plant and equipment	18,657	17,806
Depreciation of right-of-use assets	9,414	6,631
Amortisation of intangible assets	123	–
Impairment on goodwill	23,920	–
Impairment on trade receivables	10,081	2,804
Impairment on other receivables	3,118	2,324
Impairment on property, plant and equipment	38,832	–
Impairment on right-of-use assets	19,026	–

10. EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

Basic earnings per share

The calculation of basic earnings per share attributable to owners of the Company is based on the profit for the period attributable to owners of the Company of approximately HK\$201,759,000 (2021: profit of approximately HK\$54,756,000) and the weighted average number of ordinary shares of 3,041,195,738 (2021: 641,177,050) in issue during the period/year.

Diluted earnings per share

No diluted earnings per share are presented as the Company did not have any dilutive potential ordinary shares for the period from 1 January 2022 to 30 June 2023 and year ended 31 December 2021.

11. DIVIDENDS

The Directors do not recommend the payment of any dividend in respect of the Current Period (year ended 31 December 2021: Nil).

12. 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. 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:

	As at 30 June 2023 HK\$'000	As at 31 December 2021 HK\$'000
Within 30 days	9,258	7,409
31-90 days	5,537	10,488
91-365 days	5,743	31,694
Over 1 year	14,116	15,901
Less: Impairments	<u>(14,349)</u>	<u>(5,582)</u>
	<u>20,305</u>	<u>59,910</u>

13. BORROWINGS

		As at 30 June 2023 <i>HK\$'000</i>	As at 31 December 2021 <i>HK\$'000</i>
Bank loans	(a)	–	2,996
Other loans	(b)	<u>38,550</u>	<u>66,222</u>
		<u>38,550</u>	<u>69,218</u>

- (a) Bank loans are secured, bear an interest rate of 6.175% and are repayable on demand or within one year.
- (b) Other loans are unsecured, in which of approximately HK\$33,000,000 bearing interest rate of 4%-4.5% (31 December 2021: 2% to 6%) are repayable on demand or within one year. The remaining balances are unsecured, interest free and repayable on demand.

14. CONVERTIBLE BONDS

On 27 October 2015, the Company issued convertible bonds in the principal amount of HK\$65,735,900 which bear interest rate of 4.5% per annum (the “**2015CB**”). The 2015CB are convertible into ordinary shares of the Company within 24 months from the date of issue at a conversion price of HK\$0.265 per conversion share (subject to adjustment), and a maximum of 248,060,000 conversion shares can be issued. The outstanding principal amount is HK\$26,500,000 and outstanding interests is HK\$7,571,000, the liability component of the 2015CB was extinguished with the corresponding convertible bonds reserve was transferred to the accumulated losses while the liability component of the 2015CB was reclassified as other loans.

On 10 November 2015, the Company issued zero-coupon convertible bonds in the principal amount of HK\$120,000,000 (the “**QDCB1**”) as part of the consideration for the acquisition of 70% equity interest in the entire issued share capital of Million Fortune International Investment Limited. The QDCB1 are convertible into ordinary shares of the Company at any time between the date of issue and its maturity date at a conversion price of HK\$0.40 per conversion share (subject to adjustment), and a maximum of 300,000,000 conversion shares can be issued. All the QDCB1 shall be redeemed by the Company at par on 9 November 2018. At 30 June 2023, QDCB1 was settled under the debt restructuring.

On 31 March 2017, the Company issued zero-coupon convertible bonds in the principal amount of HK\$13,220,018 (the “**QDCB2**”) as part of the consideration for the acquisition of 70% equity interest in the entire issued share capital of Million Fortune International Investment Limited. The QDCB2 are convertible into ordinary shares of the Company at any time between the date of issue and its maturity date at a conversion price of HK\$0.40 per conversion share (subject to adjustment), and a maximum of 33,050,045 conversion shares can be issued. All the QDCB2 shall be redeemed by the Company at par on 30 March 2020. At 30 June 2023, QDCB2 was settled under the debt restructuring.

On 6 September 2016, the Company issued convertible bonds in the principal amount of HK\$140,000,000 (the “**TMCB1**”) which bear interest rate of 3% per annum as part of the consideration for the acquisition of 100% equity interest in the entire issued share capital of Gear World Development Limited. The TMCB1 are convertible into ordinary shares of the Company at any time between the date of issue and its maturity date at a conversion price of HK\$0.30 per conversion share (subject to adjustment), and a maximum of 466,666,666 conversion shares can be issued. At 30 June 2023, TMCB1 was settled under the debt restructuring.

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

	2015CB	QDCB1	QDCB2	TMCB1	Total
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Liability component					
At 1 January 2021	32,679	55,581	13,220	158,213	259,693
At date of issue					
Interest charged	<u>1,193</u>	<u>–</u>	<u>–</u>	<u>4,200</u>	<u>5,393</u>
At 31 December 2021 and					
1 January 2022	33,872	55,581	13,220	162,413	265,086
Interest charged	199	–	–	700	899
Settled under debt restructuring	–	(55,581)	(13,220)	(163,113)	(231,914)
Transfer to other loans	<u>(34,071)</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>(34,071)</u>
At 30 June 2023	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>

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

15. SHARE CAPITAL

	30 June 2023 HK\$'000	31 December 2021 HK\$'000
Issued and fully paid:		
3,687,628,409		
(31 December 2021: 6,411,770,500) ordinary shares	<u>3,507,369</u>	<u>3,178,754</u>

A summary of the movements in the issued share capital of the Company is as follows:

	<i>Notes</i>	Number of shares issued	Share capital HK\$'000
At 1 January 2021, 31 December 2021 and 1 January 2022		6,411,770,500	3,178,754
Share consolidation	(a)	<u>(5,770,593,450)</u>	<u>–</u>
		641,177,050	3,178,754
Share subscriptions	(b)	2,198,000,000	240,603
Open offer	(c)	641,177,050	65,212
Debt restructuring	(d)	<u>207,274,309</u>	<u>22,800</u>
At 30 June 2023		<u>3,687,628,409</u>	<u>3,507,369</u>

Notes:

- (a) Effective on 25 January 2022, every ten issued ordinary shares of the Company were consolidated into one ordinary share of the Company (the “**Consolidated Share**”).

- (b) On 9 March 2022, the Company completed the allotment and issuance of a total of 1,588,000,000 ordinary shares to two subscribers at the subscription price of HK\$0.11 per subscription share raising a total proceeds of approximately HK\$170,573,000, net of share issue expenses of approximately HK\$4,107,000.

On 8 November 2022, the Company completed the allotment and issuance of a total of 610,000,000 ordinary shares to two subscribers at the subscription price of HK\$0.115 per subscription share raising a total proceeds of approximately HK\$70,030,000, net of share issue expenses of approximately HK\$120,000.

- (c) On 9 March 2022, the Company completed the allotment and issuance of a total of 641,177,050 ordinary shares by way of an open offer on the basis of one offer share for every one existing Consolidated Share held by the qualifying shareholders on 8 February 2022 at an offer price of HK\$0.11 per offer share. The Company raised a total proceeds of approximately HK\$65,212,000, net of share issue expenses of approximately HK\$5,317,000.
- (d) On 9 March 2022, the Company completed the allotment and issuance of a total of 207,274,309 ordinary shares (the “**Creditors Shares**”) to eleven creditors at the fair value amount of HK\$0.11 per Creditors Shares resulting in increase in share capital of approximately HK\$22,800,000.

16. CONTINGENT LIABILITIES

At the end of the Current Period, contingent liabilities not provided for in the consolidated financial statements were as follows:

	As at 30 June 2023 HK\$'000	As at 31 December 2021 HK\$'000
Indemnity related to a former subsidiary	<u>6,578</u>	<u>7,469</u>

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

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 a disposed subsidiary 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\$6,578,000 (31 December 2021: HK\$7,469,000), has been shown as contingent liabilities.

17. CAPITAL COMMITMENT

The Group's capital commitments at the balance sheet date are as follows:

	As at 30 June 2023 HK\$'000	As at 31 December 2021 HK\$'000
Property, plant and equipment – contracted but not provided for	26,304	–

Details of the Company's capital commitments in respect of investments in associates are as follows:

	As at 30 June 2023 HK\$'000	As at 31 December 2021 HK\$'000
Capital expenditure contracted but not provided for in the consolidated financial statements in respect of unpaid balance of capital contributions to associates	27,351	–

Pursuant to an equity joint venture agreement during the Current Period, the Company has a 35% investment in an associate named 內蒙古車馬同馳運輸有限公司 (the “**Associate A**”) which was incorporated in the PRC on 27 May 2022 for a period of fifty years. The Associate A is engaged in road transport service. The total investment cost of the Group in proportion to its respective interest in the Associate A is RMB3,500,000 which is to be financed in the form of cash by the Group. At 30 June 2023, the Group has fulfilled its investment obligation in the Associate A to the extent of nil.

Pursuant to an equity joint venture agreement during the Current Period, the Company has a 30% investment in an associate named 北京金達通馳企業管理有限公司 (the “**Associate B**”) which was incorporated in the PRC on 25 April 2023 for a period of fifty years. The Associate B is engaged in commercial services. The total investment cost of the Group in proportion to its respective interest in the Associate B is RMB15,000,000 which is to be financed in the form of cash by the Group. At 30 June 2023, the Group has fulfilled its investment obligation in the Associate B to the extent of nil.

Pursuant to an equity joint venture agreement during the Current Period, the Company has a 35% investment in an associate named 山西檢科融碳科技有限公司 (the “**Associate C**”) which was incorporated in the PRC on 19 August 2022 for a period of fifty years. The Associate C is engaged in technology promotion and application service. The total investment cost of the Group in proportion to its respective interest in the Associate C is RMB7,000,000 which is to be financed in the form of cash by the Group. At 30 June 2023, the Group has fulfilled its investment obligation in the Associate C to the extent of RMB175,000.

EXTRACT OF THE INDEPENDENT AUDITOR’S REPORT

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

Qualified Opinion

We have audited the consolidated financial statements of National United Resources Holdings Limited (the “**Company**”) and its subsidiaries (together, the “**Group**”) set out on the 2023 annual report, which comprise the consolidated statement of financial position as at 30 June 2023, 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 period from 1 January 2022 to 30 June 2023, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the consolidated financial statements give a true and fair view of the financial position of the Company as at 30 June 2023, and of its consolidated financial performance and its consolidated cash flows for the period from 1 January 2022 to 30 June 2023 in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

Basis for Qualified Opinion

Borrowings

No sufficient evidence has been provided to satisfy ourselves due to limited supporting documents provided by management and unable to obtain direct audit confirmation, in relation to the existence, rights and obligations and valuation of the borrowings of approximately HK\$43,235,000 as at 31 December 2021. We were also not able to satisfy ourselves as to whether the gain on disposal of subsidiaries of approximately HK\$37,660,000 in relation to the balance of other borrowing for the period ended 30 June 2023 is fairly stated.

ACTIONS TAKEN BY THE COMPANY TO ADDRESS RELEVANT QUALIFIED OPINION

The auditors of the Company, ZHONGHUI ANDA CPA Limited (“**Auditor**”), had issued qualified opinion on the consolidated financial statements of the Group for the year ended 31 December 2021. The Company has taken actions to address the relevant audit qualifications. Actions taken by the Company to address relevant qualified opinion in the consolidated financial statements of the Group for the eighteen months ended 30 June 2023 as follow:

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\$43,235,000 and HK\$42,257,000 as at 31 December 2021 and 2020 respectively. The borrowings have subsequently been verified and there were defect on its existence, right, obligations and valuation. As a result, the Company, its relevant subsidiaries and the creditors of the borrowings have entered into legal documents, pursuant to which that the Company shall dispose the subsidiary which held all the borrowings to an independent third party with minimal consideration and all the repayment obligation of the Company shall be released. The disposal was completed on 11 February 2022. The subsidiary disposed of only held the borrowings and did not have any asset or business operation. Since the borrowings in the qualification is no longer in the books of the Group, the Auditor have agreed that this qualification will be removed in the auditor’s report and except for the comparative figures for the financial year ending 30 June 2024.

MANAGEMENT DISCUSSION AND ANALYSIS

RESUMPTION OF TRADING

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

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

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

CHANGE OF FINANCIAL YEAR END DATE

In order to enable the Group to rationalise and mobilise its resources with greater efficiency, the Board announced on 2 December 2022 the change of financial year end date of the Company from 31 December to 30 June. In view of this change, the current audited consolidated financial statements covered a period of eighteen months from 1 January 2022 to 30 June 2023 (the “**Current Period**”) and the audited comparative figures covered a period of twelve months from 1 January 2021 to 31 December 2021 (the “**Previous Year**”). Due to the difference in the length of the reporting period, the audited comparative figures may not be fully comparable.

BUSINESS REVIEW AND OUTLOOK

Car Rental and Shuttle Bus Business

The Group has been engaged in providing car rental and shuttle bus services through 北京天馬通馳汽車租賃有限公司 (Beijing Tian Ma Tong Chi Car Rental Co., Ltd*) (“**TMTC Rental**”) and 北京天馬通馳旅遊客運有限公司 (Beijing Tian Ma Tong Chi Travel Transportation Co., Ltd*) (“**TMTC Travel**”, together with TMTC Rental, “**TMTC Group**”) since September 2016. TMTC Group operates through two major subsidiaries, TMTC Rental (an indirect wholly owned subsidiary of the Company) and TMTC Travel (a 49% owned subsidiary of TMTC Rental). To align with the current operation model and to implement management arrangements, on 1 September 2019, TMTC Travel was consolidated into TMTC Group’s account under HKFRS10 on the basis of full management control over TMTC Travel by TMTC Rental. For details, please refer to the announcement of the Company dated 2 March 2020. TMTC Group owns around 700 electric buses, fuel buses, and other vehicles in total, each with 5 to 59 seats. For car rental and shuttle bus services, (i) shuttle services between workplaces/schools and residential communities for employees/students of institutional customers; (ii) vehicle rental without chauffeur; and (iii) car rental with chauffeur for business and leisure travel and large government events based on the specific requirements on vehicle capacity, types of vehicles, point-to-point services, contracted bespoke services and routes/shuttle arrangements with specific timetables are provided. In addition, with our years of experience in transportation logistics and resource management, we also render resource management and planning services to our peers and other customers tailored to their needs.

In 2022, the ongoing impact of COVID-19 lockdowns and controls resulted in a reduction in the frequency and use of shuttle buses by TMTC Group’s customers in Beijing, causing some slowdown in the demand for shuttle bus business and thus affecting the Company’s operations to a certain extent. However, in our view, customers’ demand for shuttle buses will gradually recover to the pre-pandemic level with the full reopening and gradual recovery of society. To this end, TMTC Group further improved and enhanced its internal resources and strived to gradually overcome the difficulties encountered during the pandemic and prepare for the post-pandemic era.

In the first half of 2023, with the direct impact of the epidemic over, the Company's business gradually became more stable. The management of TMTC Group adhered to the concept of maintaining stability first and then forging ahead, striving to adapt the fleet of vehicles to the current business environment. The Company conducted vehicle inspections individually in the first half of 2023, and repaired, replaced or phased out vehicles with issues or potential issues. During the second quarter of 2023, the Company purchased new vehicles for customers in need to provide services better tailored to their needs.

We now plan to improve our fleet in terms of hardware and software to better position ourselves in the highly competitive post-pandemic era. In the future, TMTC Group will explore new business opportunities, broaden its customer base, and exploit its strengths in resource planning and control to increase the usage rate of shuttles and surpass the limitations of having one business model for one location. We will provide commuters in Beijing with a more convenient shuttle service by marching into untapped markets for offering shuttle bus services to SMEs in the same region that do not have enough employees for their own shuttle buses and allowing them to share costs, with a view to achieving business expansion. Meanwhile, we will also explore the Passenger Transport Plus operation model to provide customers with more value-added services and create more value for them during their commute. This project was shelved during the pandemic, but we are now ready to continue with its development to achieve our goal of generating more profit.

Other new business developments

Information Technology

On 5 June 2023, after a long period of preparation and research, the Group entered into an acquisition agreement with a company for the purchase of equipment for the computational analytics and processing centre, with the delivery of the equipment scheduled to be completed by the end of 2023. The acquisition is for the establishment of a computational analytics and processing centre, and enables the Group to penetrate into the market of data management and big data analytics services. This new business is expected to broaden the Group's scope of business and boost its risk resilience. The project is currently progressing on track and is expected to be delivered on time and generate revenue for the Group.

Moreover, the Group explores the business of resource planning and control integration and vigorously develops other promising business areas to improve the risk resilience and profitability of its business. On top of the car rental and shuttle bus business, the management of the Group also strives to expand the application of established business lines on the same technology level to develop the relevant business lines in a further sense.

Through our years of cultivation in the car rental and shuttle bus services segment, we are sophisticated in resource planning and control, like resource management of vehicle and transportation materials. In the future, we will leverage our existing data and strengths in resource planning and control to vigorously develop more promising business areas and identify suitable business entry points.

We seek to constantly enhance our technical know-how and experience in resource planning and control to improve the efficiency of resource management across our business lines. In January 2023, we released a voluntary announcement regarding a memorandum of understanding in relation to possible acquisition of a technology company. The target company has extensive experience and technical know-how in resource planning and control, and the acquisition of the target company will provide the Group with more stable technical support and lower costs for its logistics and transportation management system, which will make the Group more competitive in the market.

Bulk Commodity Trading and Transportation

On another front, the management of the Company believes that there are infinite business opportunities in international and domestic bulk commodities trading and transportation. Compared with passenger transportation, the management of the Company believes that bulk commodities transportation and related trade are more stable in the wake of the pandemic. As a result of the pandemic or other disasters, regardless of lockdown or restricted movement, the greatest impact will be at the passenger transportation level, i.e., the people's movement. The impact on energy-based natural resources, daily necessities, foodstuffs and other bulk commodities will be relatively small. If the Company has a foothold in this segment and makes it one of its principal business lines, the Company's risk resilience and profitability will be greatly enhanced. The management of the Company has already engaged with several potential counterparties with a view to successfully tapping into this business segment for the Company.

The Group intends to revamp and enhance the Group's existing business lines in 2023/2024 for greater operational efficiency. Meanwhile, the management of the Group also seeks to continue to leverage the momentum of the reopening after the pandemic to step up efforts in the exploration of new business segments, with a view to developing some promising areas for more stable support for the Group's revenue and maximal interests of the Group's shareholders and investors.

FINANCIAL REVIEW

Revenue, Cost and Gross Profit or loss

During the Current Period, the Group recorded revenue of approximately HK\$116,293,000 (Previous Year: approximately HK\$142,814,000), representing a decrease of approximately 18.6% as compared to the Previous Year. The decrease was primarily due to the resurgence of COVID-19 pandemic in China during the Current Period which placed cities including Beijing into lockdown for several times during the Current Period. Therefore, the commuting services to clients were suspended from time to time during the lockdown periods imposed by the local authorities.

Cost of revenue increased by approximately 35.1% from approximately HK\$105,886,000 for the Previous Year to approximately HK\$143,056,000 for the Current Period, which mainly due to the fixed costs, namely depreciation of vehicles and salaries of drivers, were counted on monthly basis and the Current Period covered a period of eighteen months which was six months more than the Previous Year.

The gross profit of approximately HK\$36,928,000 for the Previous Year falling back to gross loss of approximately HK\$26,763,000 for the Current Period was mainly due to combination of the aforesaid reasons. Consequently, the gross profit margin decreased from gross profit margin of approximately 25.9% for the Previous Year to negative gross profit margin of approximately 23.0% for the Current Period.

Other Income

Other income of the Group for the Current Period and the Previous Year were approximately HK\$331,830,000 and HK\$86,181,000 respectively, representing an increase of approximately 285.0%. Such increase was mainly due to (i) gain on disposal of property, plant and equipment of approximately HK\$2,267,000, and (ii) a one-off gain of approximately HK\$328,461,000 from the debt restructuring in the first half of year 2022, and there were no such gains in the Previous Year.

In the Previous Year, a one-off gain on a waiver of other loan amounted to approximately HK\$85,786,000 and there was no such gain during the Current Period.

Administrative and Other Operating Expenses

Administrative and other operating expenses, mainly consist of audit fee, depreciation of property, plant and equipment, depreciation of right-of-use assets, legal and professional fee, salaries of staff, directors remuneration and utility expenses, amounted to approximately HK\$51,290,000 for the Current Period (Previous Year: approximately HK\$35,881,000), representing an increase of approximately 42.9%, mainly due to the Current Period was six months more than the Previous Year.

Impairment Losses

The Group recorded impairment losses on various assets of approximately HK\$94,977,000 in the Current Period (Previous Year: approximately HK\$5,128,000), mainly comprised: (i) impairment on trade receivables of approximately HK\$10,081,000 (Previous Year: approximately HK\$2,804,000) for long outstanding balance; (ii) impairment on other receivables of approximately HK\$3,118,000 (Previous Year: approximately HK\$2,324,000) for long outstanding balance; (iii) impairment on goodwill of approximately HK\$23,920,000 (Previous Year: nil) incurred by the depressed actual performance of the business in the COVID-19 Pandemic which led to a conservative future projection. The current business environment of TMTC Group's was not yet back to as good as pre-COVID-19 Pandemic; (iv) impairment on property, plant and equipment of approximately HK\$38,832,000 (Previous Year: HK\$ nil) due to second hands price of the electric vehicles being undervalued in the markets and lower than the net carrying value and (v) impairment on right-of-use assets of approximately HK\$19,026,000 (Previous Year: nil) due to the same situation of electric vehicles.

Finance Cost

The decrease in finance costs by approximately 39.0% from approximately HK\$20,697,000 for the Previous Year to approximately HK\$12,630,000 for the Current Period was mainly due to the fully settlement of interest beared convertible bonds and non-convertible bonds according to debt restructuring after resumption of trading in the trading in the shares of the company in the first half of year 2022.

Gain on Disposal of Subsidiaries

The Group recorded a one-off gain of approximately HK\$37,660,000 from the disposal of subsidiaries with net liabilities, which were out of operating segment, during the Current Period (Previous Year: nil)

Profit for the Period

Overall, the profit attributable to owners of the Company for the Current Period was approximately HK\$201,759,000 (Previous Year: approximately HK\$54,756,000). The basic earnings per share for the Current Period was approximately HK\$6.63 cents compared to a basic earnings per share of approximately HK\$8.54 cents for the Previous Year.

Property, Plant and Equipment

Property, plant and equipment amounted to approximately HK\$29,647,000, representing a decrease of approximately 68.7% when compared to approximately HK\$94,738,000 as at 31 December 2021. The decrease was mainly due to (i) the impairment loss on property, plant and equipment of approximately HK\$38,832,000 (Previous Year: HK\$ nil) as mentioned under paragraph “Impairment Loss”; (ii) the depreciation of property, plant and equipment of approximately HK\$18,657,000 (Previous Year: approximately HK\$17,806,000) and (iii) the loss on exchange difference of property, plant and equipment of approximately HK\$7,602,000 (Previous Year: HK\$1,490,000) due to the assets being Renminbi-denominated, during the Current Period.

Prepayment, Deposit and Other Receivables

As at 30 June 2023, prepayment, deposit and other receivables of HK\$106,225,000 mainly represented the prepayments for the data analytics equipment comprising microcomputers, external devices and a series of auxiliary components with system application software, which are related to establishment of computational analytics and processing center as disclosed on announcement of the Company on 5 June 2023 and 4 July 2023, and motor vehicles of approximately HK\$72,210,000 and deposits for acquisition of property, plant and equipment of approximately HK\$16,706,000.

Goodwill

The Group's goodwill was arisen from consolidation of TMTC Travel in the year of 2019. As at 30 June 2023, the Group's goodwill amounted to approximately HK\$10,685,000, representing a decrease of approximately HK\$26,861,000 compared to approximately HK\$37,546,000 as at 31 December 2021, mainly due to the impairment loss of approximately HK\$23,920,000 and loss on exchange difference of approximately HK\$2,941,000 during the Current Period. The impairment was due to the conservative estimation of business of the car rental services in future.

Right-of-use Assets

As at 30 June 2023, the Group's right-of-use assets amounted to approximately HK\$37,920,000 including office, carpark and motor vehicles on lease, of which the motor vehicles being used in the car rental services business. During the Current Period, an impairment loss and depreciation of approximately HK\$19,026,000 and HK\$9,414,000 were provided for right-of-use assets respectively. The impairment was due to the conservative estimation of business of the car rental services in future.

Trade Receivables

As at the balance sheet date, the Group's impairment provided for trade receivables increased by approximately HK\$7,277,000 to approximately HK\$10,081,000 as comparing to the Previous Year. The increase was mainly due to the slowdown of recovery of long outstanding of trade receivables. The trade receivables balance decreased from approximately HK\$59,910,000 as at 31 December 2021 to approximately HK\$20,305,000 as at 30 June 2023 was mainly due to increase in impairment and improvement in repayment by customers during the late Current Period.

Convertible bonds and Non-convertible Bonds

During the Current Period, the convertible bonds and non-convertible bonds under debt restructuring were settled and recognised gain because of haircut. The un-settled balance of convertible bonds of approximately HK\$34,071,000 was regarded as other loans.

CAPITAL STRUCTURE, LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2023, the issued share capital of the Company was approximately HK\$3,507,369,000 divided into 3,687,628,409 Shares. During the Current Period, the Group finances its operations by cash flow from operating activities and proceeds from (i) the first share subscription (the “**First Subscription**”) and the open offer (the “**Open Offer**”) took place on 9 March 2022 and (ii) the second share subscription (the “**Second Subscription**”) took place on 8 November 2022. As at 30 June 2023, the cash and bank balances of the Group amounted to approximately HK\$135,575,000 (31 December 2021: HK\$2,136,000). As at 30 June 2023, the Group had current assets of approximately HK\$164,292,000 (31 December 2021: HK\$87,122,000), while its current liabilities were approximately HK\$314,968,000 (31 December 2021: HK\$783,324,000). The current ratio of the Group was approximately 0.52 times (31 December 2021: 0.11 times) and gearing ratio (debts/total assets) was 53.6% (31 December 2021: 186.9%).

USE OF PROCEEDS FROM SHARE SUBSCRIPTIONS AND OPEN OFFER

The First Subscription, the Open Offer and the Debt Restructuring are integral parts of the Resumption Proposal to facilitate Resumption. During the Current Period, the Company completed its restructuring including the Capital Reorganisation, the First Subscription, the Debt Restructuring and the Open Offer. Details are as follows:

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

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

The First Subscription

On 30 July 2019, the Company entered into the Subscription Agreement (as supplemented by a supplemental agreement dated 29 September 2020) with Mr. Ji Kaiping (“**Mr. Ji**”) and Mr. Guo Peiyuan (“**Mr. Guo**”). On 24 February 2021, 24 June 2021 and 24 December 2021, the Company, Mr. Ji, Thousand Joy Limited (“**Thousand Joy**”), Mr. Guo and Hontin Ocean Resources Limited (“**Hontin**”) entered into the Revised Subscription Agreement to amend and restate the Subscription Agreement, pursuant to which 1,588,000,000 new Consolidated Shares (“**Subscription Shares**”) in aggregate would be subscribed by Thousand Joy and Hontin in which (i) Thousand Joy has conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue a total of 972,500,000 new Consolidated Shares; and (ii) Hontin has conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue a total of 615,500,000 new Consolidated Shares at the Subscription Price of HK\$0.11 per Subscription Share. The gross proceeds of the First Subscription were HK\$174,680,000. The Subscription Price of HK\$0.11 per Subscription Share represents a discount of approximately 92.3% to the theoretical closing price of HK\$1.42 per Consolidated Share as adjusted for the effect of the Share Consolidation based on the closing price of HK\$0.142 per Share as quoted on the Stock Exchange on the Last Trading Day (i.e. 29 July 2016, being the last trading day of the Shares immediately prior to the suspension of trading of the Shares). The First Subscription completed on 9 March 2022. The 1,588,000,000 Subscription Shares were issued under a specific mandate obtained at the GM held on 21 January 2022. The net proceeds arising from the First Subscription after deducting related expenses amounted to approximately HK\$170,573,000 (equivalent to a net price of approximately HK\$0.107 per Subscription Share).

The Open Offer

As part of the fund raising plan under the Resumption Proposal, the Company and Emperor Securities Limited (“**Underwriter**”) entered into the Underwriting Agreement on 24 June 2021, and the Supplemental Underwriting Agreements on 20 September 2021, 20 October 2021 and 30 November 2021 respectively. Pursuant to the Underwriting Agreement (as supplemented by the Supplemental Underwriting Agreements), the Underwriter conditionally agreed to fully underwrite 641,177,050 Consolidated Shares at the offer price of HK\$0.11 per Offer Share on the basis of one Offer Share for every one then existing Consolidated Share held by Qualifying Shareholder on the Open Offer Record Date (i.e. 8 February 2022). The Offer Shares not taken up by the Qualifying Shareholders will first be placed out by the Placing Agent under the Unsubscribed Shares Arrangement, and any Untaken Shares will then be taken up by the Underwriter, sub-underwriter(s) or subscriber(s) procured by them. The gross proceeds of the Open Offer were HK\$70,529,475.5. The Offer Price of HK\$0.11 per Offer Share was the same as the Subscription Price. The Open Offer completed on 9 March 2022. The Offer Shares were issued under a specific mandate obtained at the GM held on 21 January 2022. The net proceeds arising from the Open Offer after deducting related expenses amounted to approximately HK\$65,212,000 (equivalent to a net price per Offer Share of approximately HK\$0.102). The Company intends to utilise the entire net proceeds from the Open Offer for the settlement of debt under the Debt Restructuring.

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

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

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

Capitalised terms used in the sub-sections headed “The First Subscription” and “The Open Offer” shall have the same meanings as those defined in the circular issued by the Company dated 31 December 2021, unless the context requires otherwise. For more details, please refer to the announcements of the Company dated 21 January 2022, 25 January 2022, 25 February 2022, 8 March 2022 and 9 March 2022, the circular of the Company dated 31 December 2021 and the prospectus of the Company dated 9 February 2022.

The Second Subscription

To strengthen the financial position (in particular the working capital and cash flow position) of the Group, on 26 October 2022, the Company entered into two separate conditional Subscription Agreements with Mr. Fan Lian and Mr. Tian Xin to proceed with the Second Subscription. Pursuant to the Subscription Agreements, Mr. Fan Lian and Mr. Tian Xin have conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue, an aggregate of 610,000,000 Subscription Shares at a price of HK\$0.115 per Subscription Share. The completion of the Second Subscription took place on 8 November 2022. The 610,000,000 Subscription Shares were issued under the general mandate obtained at the annual general meeting of the Company held on 28 June 2022.

The gross proceeds arising from the Second Subscription were HK\$70,150,000. The Subscription Price of HK\$0.115 per Subscription Share was the same as the closing price of HK\$0.115 per Share as quoted on the Stock Exchange on 26 October 2022, being the date of the Subscription Agreements. After deduction of relevant expenses of the Second Subscription, the net proceeds arising from the Second Subscription amounted to approximately HK\$70,030,000 (equivalent to a net price per Subscription Share of approximately HK\$0.1148). The net proceeds arising from the Second Subscription would be used by the Company (i) as to approximately 70% or more of the net proceeds for enhancement of existing business of the Group and for business expansion of the Company, including but not limited to investment in freight and logistics services, digital economy related business, highway service and/or other potential business development when such opportunities arise; and (ii) the remaining net proceeds as general working capital of the Group.

Capitalised terms used in this sub-section headed “The Second Subscription” shall have the same meanings as those defined in the announcement of the Company dated 26 October 2022, unless the context requires otherwise.

Details of the breakdown and description of the use of net proceeds arising from the First Subscription, the Open Offer and the Second Subscription are set out below:

Intended use of net proceeds	Total planned amount <i>HK\$'000</i>	Net Proceeds		Expected timeline for the unutilised Net Proceeds
		Utilised amount during the Current Period <i>HK\$'000</i>	Unutilised amount as at 30 June 2023 <i>HK\$'000</i>	
Proceeds from the First Subscription and the Open Offer				
Settlement of debt under the Debt Restructuring	160,000	53,092	106,908	Year 2023/2024
Business expansion	51,185	51,185	–	Year 2023
General working capital	24,600	24,600	–	Year 2023
Proceeds from the Second Subscription				
Business enhancement and business expansion	49,030	49,030	–	Year 2023
General working capital	21,000	18,101	2,899	Year 2023
Total	<u>305,815</u>	<u>196,008</u>	<u>109,807</u>	Year 2023/2024

The net proceeds arising from the First Subscription, the Open Offer and the Second Subscription were used according to the intentions previously disclosed by the Company. Nevertheless, the Directors will constantly evaluate the Group's business objectives and may change or modify the plan against changing market conditions to ascertain the business growth of the Group.

MATERIAL ACQUISITION, DISPOSAL AND SIGNIFICANT INVESTMENTS HELD

The Group did not have material acquisition and disposal of subsidiaries, associates and joint ventures during the Current Period and did not have any significant investments held as at 30 June 2023.

FOREIGN EXCHANGE EXPOSURE

During the Current Period, the majority of the Group's income and expenses were denominated in Renminbi and Hong Kong dollars. Up to 30 June 2023, the management of the Company was of the opinion that the Group has insignificant exposure to foreign exchange risk. The Group did not use any financial instruments for hedging against fluctuation in foreign exchange for the period ended 30 June 2023. 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 2023, the Group had 382 employees (including the Directors) in Hong Kong and the PRC (31 December 2021: 530 employees). The Group continues to provide remuneration packages to employees according to market practices, their experience and performance. Remuneration policy is basically determined with reference to individual performance as well as the financial results of the Group. Remuneration to staff will be reviewed from time to time when warranted considering the performances of staff. Other benefits include medical insurance scheme and contribution of statutory mandatory provident fund for the employees. There has been no major change in staff remuneration policies during the eighteen months ended 30 June 2023.

BORROWINGS AND CHARGES ON THE GROUP'S ASSETS

As at 30 June 2023, the Group recorded the borrowings of approximately HK\$38,550,000. No assets had been pledged to banks for securing banking or other financing facilities granted to the Group since loan from bank was fully settled during the Current Period. All borrowings are repayable on demand or within one year.

As at 31 December 2021, the Group recorded the borrowings of approximately HK\$69,218,000 in which of approximately HK\$2,996,000 represented loan from bank and bears interest rate of 6.175% per annum with motor vehicles in carrying amount of approximately HK\$9,477,000 being pledged to secure the bank loan. All borrowings are repayable on demand or within one year.

CONTINGENT LIABILITIES

Details of contingent liabilities were disclosed in note 16 to the consolidated financial statements in this announcement.

EVENTS AFTER THE REPORTING PERIOD

Purchase of Vehicles

On 9 August 2023, Beijing Tian Ma Tong Chi New Energy Vehicle Service Co., Ltd.* (“**TMTC**”), an indirect wholly-owned subsidiary of the Company entered into the sale and purchase agreement with Xiamen Golden Dragon Bus Co. Ltd.* (being the supplier, “**Supplier**”), a limited company established under the laws of the PRC, pursuant to which TMTC agreed to purchase the 35 units of new electric buses and 16 units of new fuel-oil buses from the Supplier at an aggregate consideration of RMB27,976,000 (equivalent to approximately HK\$30,493,000) (“**Purchase of Vehicles**”). The Directors have had of the view that the Purchase of Vehicles was entered into in the ordinary and usual course of business of the Group and for the sake of maintaining the quality of shuttle bus services rendered to customers by replacing aged buses with new ones from time to time. Details of the Purchase of Vehicles were set out in the announcement of the Company dated 9 August 2023.

Except for above mentioned, there were no material events subsequent to 30 June 2023 which would materially affect the Group’s operating and financial performance as of the date of this announcement.

CORPORATE GOVERNANCE PRACTICES

The Board and the management of the Company 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 (the “**CG Code**”) as set out in part 2 of Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) (the “**Listing Rules**”) as its own code of corporate governance. During the eighteen months ended 30 June 2023, the Company was in compliance with all relevant and applicable code provisions set out in the CG Code except for the deviation explained below.

Code provision C.2.1 of the CG Code requires the responsibilities between the chairperson and chief executive officer should be separated and should not be performed by the same individual. The Company has not appointed a chief executive officer as role and functions of chief executive officer have been performed by all the executive Directors collectively. The Board believes that this arrangement enables the Company to make and implement decisions promptly, and thus achieve the Company’s objectives effectively and efficiently in response to the changing environment. The Board will continuously assess whether any change to this arrangement is necessary.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix 10 to the Listing Rules as the code of conduct for securities transactions by the Directors. Having made specific enquiry of the Directors, all the Directors confirmed that they had complied with the required standards as set out in the Model Code throughout the eighteen months ended 30 June 2023.

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 eighteen months ended 30 June 2023.

FINAL DIVIDEND

The Board does not recommend the payment of a final dividend for the eighteen months ended 30 June 2023 (For the year ended 31 December 2021: Nil).

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

Save as disclosed in the announcements of the Company dated 17 January 2022, 25 February 2022, 8 March 2022, 9 March 2022, 26 October 2022, 3 November 2022 and 8 November 2022 and the circular of the Company dated 31 December 2021, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the eighteen months ended 30 June 2023.

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 Group's audited consolidated financial statements for the eighteen months ended 30 June 2023 have been reviewed by the Audit Committee.

SCOPE OF WORK OF ZHONGHUI ANDA CPA LIMITED

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income, and the related notes thereto for the eighteen months ended 30 June 2023 as set out in this preliminary announcement have been agreed by the Group's auditor, ZHONGHUI ANDA CPA Limited (the "Auditor"), to the amounts set out in the Group's audited consolidated financial statements for the Current Period. The work performed by the Auditor 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 the Auditor on this 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 and on the website of the Company at www.irasia.com/listco/hk/nur. The annual report for the eighteen months ended 30 June 2023 of the Company will be dispatched to the shareholders of the Company on or before 31 October 2023, and will be made available for viewing at the aforesaid websites.

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

Hong Kong, 27 September 2023

As at the date of this announcement, the executive Directors are Mr. Ji Kaiping (Chairman), Mr. Guo Peiyuan, Ms. Mao Na and Mr. Qiu Keshan, the non-executive Director is Mr. An Jingwen, and the independent non-executive Directors are Mr. Li Wen, Mr. Qiu Ke and Ms. Chen Yen Yung.

* *For identification purpose only*