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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)

**DISCLOSEABLE TRANSACTION IN RELATION TO
THE ACQUISITION OF
THE ENTIRE ISSUED SHARE CAPITAL OF
CITY GEAR LIMITED AND THE LOAN**

THE PROPOSED ACQUISITION

The Board announces that on 27 December 2023 (after trading hours), the Purchaser, an indirect wholly-owned subsidiary of the Company, entered into the SPA with the Vendor, an Independent Third Party, pursuant to which the Purchaser has conditionally agreed to purchase, and the Vendor has conditionally agreed to sell, the Sale Shares and the Loan at the Consideration of up to HK\$90,000,000.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as calculated under Chapter 14 of the Listing Rules) in respect of the Proposed Acquisition exceed 5% but all applicable percentage ratios are less than 25%, the Proposed Acquisition constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules, and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

As Completion is subject to satisfaction and/or waiver of a number of conditions precedent, the Proposed Acquisition may or may not proceed. Shareholders and investors should exercise caution when dealing in the Shares.

INTRODUCTION

The Board announces that on 27 December 2023 (after trading hours), the Purchaser, an indirect wholly-owned subsidiary of the Company, entered into the SPA with the Vendor, an Independent Third Party, pursuant to which the Purchaser has conditionally agreed to purchase, and the Vendor has conditionally agreed to sell, the Sale Shares and the Loan at the Consideration of up to HK\$90,000,000.

THE SPA

Date

27 December 2023

Parties

- (1) Million Best International Enterprise Limited 萬昌國際企業有限公司, an indirect wholly-owned subsidiary of the Company, as the purchaser
- (2) Mr. Xie Minxiong (謝民雄), as the vendor

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, the Vendor is an Independent Third Party.

Assets to be acquired

Pursuant to the SPA, the Purchaser has conditionally agreed to purchase, and the Vendor has conditionally agreed to sell, the Sale Shares and the Loan at the Consideration of up to HK\$90,000,000.

The Sale Shares represent the entire issued share capital of the Target Company.

As at the date of this announcement, the Loan amounted to approximately RMB25,000,000 and it is expected that the entire sum of the Loan shall be assigned by the Vendor to the Purchaser upon Completion.

Consideration

The Consideration of up to HK\$90,000,000 (which may be subject to downward adjustments as described below) shall be settled by the Purchaser to the Vendor in the following manner:

- (1) HK\$50,000,000 shall be payable by the Purchaser to the Vendor in cash on the Completion Date; and
- (2) HK\$40,000,000 shall be payable by the Purchaser by the issuance of the Promissory Note to the Vendor on the Completion Date.

The Vendor guarantees and warrants to the Purchaser that the Net Profit for the Relevant Period shall meet the Guaranteed Profit (i.e. HK\$14,000,000). In the event that the Net Profit for the Relevant Period does not meet the Guaranteed Profit, the Promissory Note shall be cancelled upon maturity and the Purchaser shall not be liable for the repayment of the principal or any other fees payable by the Purchaser to the Vendor or the holder of the Promissory Note thereunder. Under the aforementioned circumstance, the final Consideration shall be deemed to be adjusted downward to HK\$50,000,000.

The Group intends to finance the Consideration through the proceeds generated from previous subscription of Shares which was completed on 8 December 2023, the Group's internal resources, or a combination of them by reference to the then prevailing circumstances.

The Consideration has been arrived at after arm's length negotiations between the Purchaser and the Vendor with reference to, among others, (a) the net asset value of the Target Group as at 30 November 2023; (b) the business prospects of the Target Group taking into account the current prevailing business contracts on hand; (c) the Guaranteed Profit; (d) the payment terms of the Consideration; and (e) the reasons for and benefits of the Proposed Acquisition as set out in the section headed "Reasons for and Benefits of the Proposed Acquisition" in this announcement.

Based on the aforesaid, the Directors (including the independent non-executive Directors) are of the view that the Consideration is fair and reasonable and on normal commercial terms and that the entering into of the SPA is in the interests of the Company and the Shareholders as a whole.

Guaranteed Profit

The Guaranteed Profit for the Relevant Period is HK\$14,000,000.

In the event that the Net Profit for the Relevant Period is equal to or greater than the Guaranteed Profit, the Purchaser shall repay the principal amount of the Promissory Note upon its maturity.

In the event that the Net Profit for the Relevant Period is less than the Guaranteed Profit, the Promissory Note shall be cancelled upon maturity and the Purchaser shall not be liable for the repayment of the principal or any other fees payable by the Purchaser to the Vendor or the holder of the Promissory Note thereunder.

Conditions precedent to the Proposed Acquisition

Completion is conditional upon the following conditions precedent having been fulfilled or waived by the Purchaser (as the case may be):

- (1) the completion of the due diligence review of the Target Company and the Target Group (in respect of its licences, permits, operations and management, etc.), the Sale Shares and the Loan to the satisfaction of the Purchaser;
- (2) the Purchaser has, in compliance with its articles of association, obtained approvals in relation to the Proposed Acquisition (including but not limited to the transactions contemplated under the SPA) from its board of directors;
- (3) the delivery of a legal due diligence report issued by the PRC legal advisers appointed by the Purchaser in respect of the PRC Subsidiaries, in such form and contents to the satisfaction of the Purchaser;

- (4) with regard to the entering into and performance of the SPA, each of the Vendor, the Purchaser, the Target Company and its subsidiaries having obtained and completed all necessary consents, approvals and filings from or with any relevant governmental or regulatory authorities in the PRC, Hong Kong or other jurisdictions;
- (5) since the date of the SPA, there being no material adverse effect to the Target Group which may affect the transactions contemplated under the SPA; and
- (6) all the warranties and representations provided by the Vendor under the SPA remaining true and accurate and not misleading as at the date of Completion.

The Purchaser has the right to waive any of the above conditions precedent in part or in full. In the event that any of the above conditions precedent is not fulfilled (or as the case may be, waived by the Purchaser) on or before the Long Stop Date, the SPA shall cease and terminate and none of the parties shall have any obligations towards the other parties.

The Directors confirm that as at the date of this announcement, none of the above conditions precedent have been fulfilled and the Company has no intention to waive any of the above conditions precedent.

Completion

Completion shall take place on the Completion Date.

Upon Completion, (a) the Target Company will become an indirect wholly-owned subsidiary of the Company and the financial results, assets and liabilities of the Target Group will be consolidated into the consolidated financial statements of the Company; and (b) the Vendor shall assign the Loan owing to him by the Target Group to the Purchaser.

Core management of the Target Group

Pursuant to the SPA, the Vendor has unconditionally and irrevocably undertaken to the Purchaser that he shall procure (a) the Target Group to enter into service agreements with each of the Core Management prior to Completion; and (b) each of the Core Management shall remain as an employee of the Target Group for a minimum of three years after Completion, unless such employment is terminated by the Target Group in accordance with applicable labour laws and regulations.

Indemnity

Pursuant to the SPA, the Vendor has unconditionally and irrevocably undertaken to indemnify the Purchaser for any loss, damages, costs and any other forms of liabilities suffered by the Purchaser (including any professional fees and expenses) in respect of the following matters:

- (1) the failure on the part of the Vendor to fulfil his undertakings or obligations under the SPA which constitutes a breach of the SPA;
- (2) the legality and validity of the establishment and existence of the Target Group being affected due to any reasons;
- (3) all liabilities, fine, penalty, interests accrued thereon, fees and expenses, etc. to be borne by the Target Group or the Purchaser which are related to any non-compliance matters involving the Target Group that happens on or before the Completion Date; and
- (4) any other matters provided in the SPA.

Tax indemnity

Pursuant to the SPA, the Vendor has unconditionally and irrevocably undertaken to indemnify the Purchaser upon demand against any loss or liability suffered by the Target Group in relation to taxation which are summarized as follows:

- (1) any tax liability of the Target Group arising from a material event occurring on or before the date of Completion, whether or not the tax is charged or attributed to any other person;
- (2) any tax liability of the Target Group that arises or occurs on or before the date of Completion as a result of any or a series of material event(s) whether or not such tax is chargeable against or attributable to any other person;

- (3) any tax liability of the Target Group that would not have been payable had there been no termination, reduction, amendment or cancellation on certain tax deduction as a result of any material event occurred on or before the date of Completion, and such tax deduction has been reflected in the management accounts of the Target Group or has been calculated as assets in the management accounts of the Target Group; or the management accounts of the Target Group have shown that such tax liability has been taken into account when calculating (and reducing) deferred tax or provision for other payables; or the management accounts have shown that no provision has been made for deferred tax as a result of such tax liability. In the event that the Target Group has to re-pay any tax which has already been fully paid, due to the occurrence of the material event on or before the Completion Date, resulting in the expropriation, reduction, elimination or cancellation of the rights arose from any tax paid in full, such tax being re-paid shall be deemed to be caused by the material event;
- (4) any current or future tax liability of the Target Group that would not have been payable for the use of deduction of or for the purpose of eliminating taxation, as a result of any material event which should have occurred on or before the date of Completion but the material event incurred after the Completion Date which relates to the Target Group being responsible for tax liability;
- (5) any tax liability of the Target Group recovered or estreated or demanded from any tax or regulatory authority in the PRC after the date of Completion resulting from any event occurred on or before the Completion Date which has not been paid or has been omitted to pay; and
- (6) any tax liability of the Target Group arising from damages, guarantee, mortgage or lien on or before the date of Completion.

The Vendor unconditionally and irrevocably undertakes to indemnify the Purchaser in full against any and all claims, proceedings, loss and damages (including any fine and interests accrued thereon) and all reasonable and appropriate costs (including but not limited to legal fees), expenses and disbursement as a result of or in connection with the tax indemnity and there is no limitation period on which the Purchaser may claim for tax indemnity.

THE PROMISSORY NOTE

Pursuant to the SPA, the Purchaser will issue to the Vendor the Promissory Note with a principal amount of HK\$40,000,000 upon Completion. The principal terms of the Promissory Note are summarized as follows:

Issuer

The Purchaser

Principal Amount

HK\$40,000,000

Non-interest bearing and maturity

The Promissory Note shall be non-interest bearing and shall mature upon expiry of the 15-month period commencing on the first date of the month immediately following the Completion Date.

Transferability

The Promissory Note is not transferable.

Early redemption or cancellation

No early redemption is allowed.

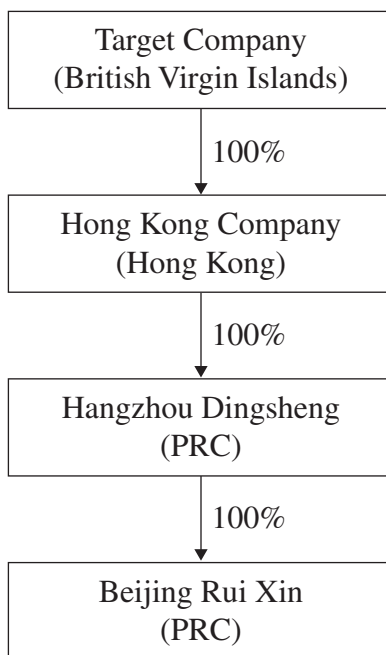
In the event that the Net Profit for the Relevant Period is equal to or greater than the Guaranteed Profit, the Purchaser shall repay the principal amount of the Promissory Note upon its maturity.

In the event that the Net Profit for the Relevant Period is less than the Guaranteed Profit, the Promissory Note shall be cancelled upon maturity and the Purchaser shall not be liable for the repayment of the principal or any other fees payable by the Purchaser to the Vendor or the holder of the Promissory Note thereunder.

The Directors are of the view that the terms of the Promissory Note are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

INFORMATION ON THE TARGET GROUP

The Target Company is an investment holding company incorporated in the British Virgin Islands. Set out below is the corporate structure of the Target Group as at the date of this announcement:



As at the date of this announcement, the Target Company does not have any operations nor have any other major assets other than its indirect investment in the PRC Subsidiaries via the Hong Kong Company.

Beijing Rui Xin, the principal operating subsidiary of the Target Group was established in 2006 and is principally engaged in the research and development, production, sales and service of industry information solutions. Its customers include governmental authorities and state-owned enterprises as well as enterprises engaging in finance, cultural, education, medical and other industries. The services provided by the Target Group include but not limited to:

- (1) ***Information planning and consulting*** – the Target Group provides its customers with comprehensive information planning solutions, including business needs analysis, technical architecture design, business process optimization, etc.;
- (2) ***Software development and implementation*** – the Target Group develops various software systems for customers, including management software, business software, mobile applications, etc., to help customers realize the automation and intelligence of business processes;
- (3) ***System integration and maintenance*** – the Target Group provides its customers with system integration services, including hardware equipment, network systems, data centres, etc., to ensure the stable operation of the customers' information infrastructure;
- (4) ***Technical training and support*** – the Target Group provides technical training services to its customers, including technical lectures, training classes, etc., to help its customers improve their technical level and capabilities; and
- (5) ***Innovative technology research*** – the Target Group is committed to technological innovation research, exploring new technologies and applications, and providing its customers with more advanced and efficient information solutions.

Based on the unaudited management accounts of Beijing Rui Xin, the only operating subsidiary within the Target Group, as provided by the Vendor, set out below are the unaudited financial information of Beijing Rui Xin for the two years ended 31 December 2022 and the eleven months ended 30 November 2023:

	For the year ended/ As at 31 December		For the eleven months ended 30 November 2023/ As at 30 November 2023
	2021	2022	2023
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Revenue	7,498	23,461	16,688
Profit before taxation and extraordinary items	2,372	5,967	690
Profit after taxation and extraordinary items	2,285	4,842	103
Total assets	21,985	33,002	70,941
Net assets	9,121	13,963	14,065

INFORMATION ON THE PURCHASER AND THE VENDOR

The Purchaser is an indirect wholly-owned subsidiary of the Company and is principally engaged in the provision of management services.

The Vendor, Mr. Xie Minxiong, joined Beijing Rui Xin in 2006 and is currently the chairman of Beijing Rui Xin and is responsible for the overall management of the Target Group.

REASONS FOR AND BENEFITS OF THE PROPOSED ACQUISITION

The Group is principally engaged in the provision of car rental and shuttle bus services in the PRC.

The Company expects that the Proposed Acquisition will bring strategic advantages to the Company, broaden the business market for the Company and bring technical advantages of system platform integration to the Company's existing business to support the development of its existing business.

The management of the Group has been committed to developing multi-industry pillars to achieve stronger risk resistance since 2022. This year, the Company's management has been focusing on the development of digital economy and technology industry as the Company's management believes that digital economy will be an important direction for the future development of the PRC and globally. At the same time, the development of digital economy technology can also provide strong and relatively cost effective technical support and assistance to the Group's other businesses.

In the middle of this year, the Group has established a data analysis and processing center in Hangzhou and began to enter into the digital economy and technology industry. The Proposed Acquisition is also an important step in the Group's strategic planning in this regard. During the course of its operations, Beijing Rui Xin has successfully completed the establishment of management systems for campuses and school buses, and established dangerous goods management systems for enterprises. The Group's management expects that Beijing Rui Xin not only can provide strong IT management support to the Group's existing principal business, i.e. shuttle bus services, as well as the Group's planned expansion into the bulk commodity transportation business, the Proposed Acquisition is also expected to increase the Group's revenue source, conducive to the Group's sustainable development and benefit the Company and the Shareholders as a whole.

Based on the above, the Directors (including the independent non-executive Directors) consider that the SPA was entered into on normal commercial terms and on arm's length basis, the terms of the SPA are fair and reasonable, and the entering into of the SPA is in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as calculated under Chapter 14 of the Listing Rules) in respect of the Proposed Acquisition exceed 5% but all applicable percentage ratios are less than 25%, the Proposed Acquisition constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules, and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

As Completion is subject to satisfaction and/or waiver of a number of conditions precedent, the Proposed Acquisition may or may not proceed. Shareholders and investors should exercise caution when dealing in the Shares.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following respective meanings.

“Beijing Rui Xin”	北京銳信博通科技有限公司 (Beijing Rui Xin Bo Tong Technology Co., Ltd.*), a company established in the PRC on 6 March 2006 and is a wholly-owned subsidiary of Hangzhou Dingsheng
“Board”	the board of Directors
“Company”	National United Resources Holdings Limited, a company incorporated in Hong Kong with limited liability, the issued Shares of which are listed on the Main Board of the Stock Exchange
“Completion”	completion of the Proposed Acquisition

“Completion Date”	the third business day immediately after (a) the day where all the conditions precedent are fulfilled and/or waived (where applicable); or (b) the Long Stop Date, whichever is the earlier, or such later date as agreed in writing by the parties to the SPA
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Consideration”	up to HK\$90,000,000, being the maximum consideration payable by the Purchaser to the Vendor for the Proposed Acquisition
“Core Management”	includes the Vendor, the general manager cum business manager and the chief technology officer of Beijing Rui Xin
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries
“Guaranteed Profit”	HK\$14,000,000 for the Relevant Period
“Hangzhou Dingsheng”	杭州鼎笙科技有限公司 (Hangzhou Dingsheng Technology Co., Ltd.*), a company established in the PRC on 30 August 2022 and is an indirect wholly-owned subsidiary of the Target Company
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“Hong Kong Company”	Aslan Top Limited 鵬鼎有限公司， a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Target Company
“Independent Third Party”	any party who, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, is a third party independent of the Company and the connected person(s) of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan”	the unsecured, non-interest bearing loan owed by the Target Group to the Vendor as at the Completion Date
“Long Stop Date”	31 March 2024 or such later date as the Purchaser and the Vendor may agree in writing
“Net Profit”	the audited consolidated net profit after taxation of the Target Group prepared in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and audited by an auditor appointed by the Purchaser
“PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“PRC Subsidiaries”	collectively, Hangzhou Dingsheng and Beijing Rui Xin

“Promissory Note”	the promissory note in the principal amount of HK\$40,000,000 to be issued by the Purchaser to the Vendor as partial settlement of the Consideration pursuant to the terms of the SPA
“Proposed Acquisition”	the proposed acquisition of the Sale Shares and the Loan by the Purchaser from the Vendor pursuant to the SPA
“Purchaser”	Million Best International Enterprise Limited 萬昌國際企業有限公司, an indirect wholly-owned subsidiary of the Company
“Relevant Period”	the 12-month period commencing on the first date of the month immediately following the Completion Date
“RMB”	Renminbi, the lawful currency of the PRC
“Sale Shares”	100 shares in the Target Company, representing the entire issued share capital of the Target Company as at the date of this announcement
“Share(s)”	the ordinary share(s) in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“SPA”	the sale and purchase agreement dated 27 December 2023 and entered into between the Purchaser and the Vendor in relation to the Proposed Acquisition
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed thereto under the Listing Rules

“Target Company”	City Gear Limited, a company incorporated in the British Virgin Islands and is wholly-owned by the Vendor as at the date of this announcement
“Target Group”	the Target Company and its subsidiaries
“Vendor”	Mr. Xie Minxiong (謝民雄)
“%”	per cent.

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

Hong Kong, 27 December 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 purposes only*