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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)

SUPPLEMENTAL ANNOUNCEMENT

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

Reference is made to the announcement of National United Resources Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 27 December 2023 (the “**Announcement**”) in relation to a discloseable transaction relating to the Group’s proposed acquisition of City Gear Limited and the Loan. Terms used herein shall have the same meanings as those defined in the Announcement, unless otherwise stated.

The Board would like to provide the Shareholders and investors of the Company with additional information relating to the basis upon which the Consideration was determined.

As disclosed in the Announcement, the Consideration comprises two instalments, namely:

- (a) HK\$50,000,000 shall be payable by the Purchaser to the Vendor in cash on the Completion Date (the “**1st Instalment**”); and
- (b) 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 “**2nd Instalment**”).

In the event the Net Profit for the Relevant Period does not meet the Guaranteed Profit, the Promissory Note shall be cancelled upon maturity and the final Consideration shall be deemed to be adjusted downward to HK\$50,000,000.

As further disclosed in the Announcement, based on the unaudited management accounts of Beijing Rui Xin, the only operating subsidiary of the Target Group, its net asset value as at 30 November 2023 was approximately RMB14 million. Prior to the entering into of the SPA, in December 2023, Hangzhou Dingsheng completed its capital injection into Beijing Rui Xin in the sum of RMB25 million and the net asset value of Beijing Rui Xin increased to approximately RMB39 million in December 2023.

Having considered the expected benefits and strategy advantages brought by the Proposed Acquisition to the Group as detailed in the section headed “Reasons for and Benefits of the Proposed Acquisition” in the Announcement, the Board considers it fair and reasonable for the Purchaser to pay the 1st Instalment (which amounted to HK\$50,000,000) in cash upon Completion which represents an approximate 16% premium to the net asset value of Beijing Rui Xin immediately before the entering into of the SPA (i.e. approximately RMB39 million, equivalent to approximately HK\$43 million).

Based on the information provided by the Vendor, the Target Group’s current business contracts on hand represent a total contract sum of over RMB140 million of which approximately RMB68 million is expected to materialise in the financial year ending 31 December 2024. Given the Purchaser is only required to settle the 2nd Instalment (i.e. HK\$40,000,000) by repaying the principal amount of the Promissory Note as and when the Net Profit for the Relevant Period meets the Guaranteed Profit (i.e. HK\$14,000,000), the Proposed Acquisition’s price-earning ratio (calculated using the maximum Consideration payable by the Purchaser, i.e. HK\$90,000,000) is approximately 6.43x, which the Board considers it reasonable and acceptable for investment in the industry which the Target Group is operating in.

As the Consideration shall be deemed to be adjusted downward to HK\$50,000,000 in the event the Guaranteed Profit is not met, the Directors consider that the payment mechanism of the Consideration provides necessary safeguards to the Group and the Shareholders even in the unexpected scenario where the Guaranteed Profit is not met.

Save as disclosed above, all other information and content set out in the Announcement remain unchanged and shall continue to be valid for all purposes. This supplemental announcement is supplemental to and should be read in conjunction with the Announcement.

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

Hong Kong, 5 January 2024

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.