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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)**

**ISSUE OF NEW SHARES UNDER GENERAL MANDATE**

**THE SUBSCRIPTION**

On 28 October 2014 (after trading hours), the Company entered into a conditional Subscription Agreement with the Subscriber. Pursuant to the Subscription Agreement, the Subscriber has conditionally agreed to subscribe for and the Company conditionally agreed to allot and issue a total of 389,460,000 Subscription Shares at a price of HK\$0.23 per Subscription Share.

The issue of the Subscription Shares is not subject to the Shareholders' approval as the Subscription Shares will be allotted and issued under the General Mandate. The 389,460,000 Subscription Shares to be allotted and issued to the Subscriber represent (i) approximately 14.97% of the existing issued share capital of the Company of 2,602,307,000 Shares as at the date of this announcement; and (ii) approximately 13.02% of the Company's issued share capital of 2,991,767,000 Shares as enlarged by the issue and allotment of the Subscription Shares. The Subscription Shares will be issued under the General Mandate granted to the Directors by a resolution of the Shareholders passed at the AGM.

The Subscription Price of HK\$0.23 per Subscription Share was negotiated and agreed at arm's length between the Company and the Subscriber with reference to the recent trading price of the Shares immediately prior to the date of the Subscription Agreement, representing (i) a premium of approximately 0.88% to the closing price of HK\$0.228 per Share as quoted on the Stock Exchange on 28 October 2014, being the date of the Subscription Agreement; and (ii) a discount of approximately 1.12% to the average closing price of HK\$0.2326 per Share as quoted on the Stock Exchange for the last 5 consecutive trading days up to and including 27 October 2014, being the last trading day immediately prior to the date of the Subscription Agreement.

The gross proceeds arising from the Subscription will be HK\$89.5 million and the net proceeds arising from the Subscription will amount to approximately HK\$89.4 million which is intended to use HK\$75 million as the partial consideration for the discloseable transaction in relation to the acquisition of the entire issued share capital of Able Nice International Limited (Details of the transaction are set out in the announcement of the Company dated 21 October 2014), and the remaining HK\$14.4 million is intended to be used for the general working capital of the Group. The net proceeds arising from the Subscription will be approximately HK\$0.23 per Subscription Share.

**Completion of the Subscription is subject to the fulfilment of the conditions precedent under the Subscription Agreement. As the Subscription may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

## THE SUBSCRIPTION

Date: 28 October 2014 (after trading hours)

Issuer: the Company

Subscriber under Elite Fortune Global Limited  
the Subscription Agreement:

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

It is expected that the Subscriber will become a substantial Shareholder (as defined under the Listing Rules) of the Company immediately after the Subscription.

## **The Subscription Shares**

The 389,460,000 Subscription Shares to be allotted and issued to the Subscriber represent (i) approximately 14.97% of the existing issued share capital of the Company of 2,602,307,000 Shares as at the date of this announcement; and (ii) approximately 13.02% of the Company's issued share capital of 2,991,767,000 Shares as enlarged by the issue and allotment of the Subscription Shares.

## **Ranking of the Subscription Shares**

The Subscription Shares will be allotted and issued free of any Encumbrance, and will rank pari passu with all other issued Shares as at the Completion Date in all respects, including the right to receive all dividends declared or payable or distribution made or proposed to be made at any time by reference to a record date falling on or after the Completion Date.

## **Refundable Deposit and Subscription Price**

Pursuant to the Subscription Agreement, the Subscriber shall pay to the Company a Refundable Deposit in the amount equivalent to the full Subscription Price (i.e. HK\$89.5 million). The Subscriber who has paid the Refundable Deposit in full is deemed, on the Completion Date, to have paid the Subscription Price in full and fully discharged its payment obligation under the Subscription Agreement. The Refundable Deposit is only refundable by the Company to the Subscriber in full if:

- (i) any condition precedent under the Subscription Agreement is not fulfilled by the Long Stop Date; or
- (ii) there is a material breach of the Subscription Agreement by the Company.

The Subscription Price of HK\$0.23 represents:

- (i) a premium of approximately 0.88% to the closing price of HK\$0.228 per Share as quoted on the Stock Exchange on 28 October 2014, being the date of the Subscription Agreement; and

- (ii) a discount of approximately 1.12% to the average closing price of HK\$0.2326 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including 27 October 2014, being the last trading day immediately prior to the date of the Subscription Agreement.

After deduction of relevant expenses of the Subscription, the net Subscription Price per Subscription Share is approximately HK\$0.23.

The Subscription Price was determined with reference to the recent trading price of the Shares immediately prior to the date of the Subscription Agreement and was negotiated on an arm's length basis between the Company and the Subscriber. The Directors consider that the terms of the Subscription are on normal commercial terms and are fair and reasonable.

### **General Mandate**

The issue of the Subscription Shares is not subject to Shareholders' approval as the Subscription Shares will be allotted and issued under the General Mandate granted to the Directors by a resolution of the Shareholders passed at the AGM subject to the limit of up to 20% of the then issued share capital of the Company of 2,602,307,000 Shares as at the date of the AGM. Under the General Mandate, the Directors are authorized to allot and issue up to 520,461,400 new Shares. Up to the date of this announcement, no new Shares have been allotted and issued under the General Mandate and the Directors are allowed to allot and issue up to 520,461,400 new Shares. Accordingly, the allotment and issue of the Subscription Shares is not subject to the Shareholders' approval.

### **Conditions of the Subscription**

The conditions precedent under the Subscription Agreement are as follows:

- (i) the Refundable Deposit duly received by the Company;
- (ii) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Subscription Shares; and
- (iii) all relevant approvals and consents (if required) from governmental or other competent authority or in accordance with applicable laws have been obtained for the Subscription Agreement.

Application will be made to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares to be issued.

In the event that any condition precedent is not fulfilled in full on or before the Long Stop Date:

- (i) the Company shall repay the Refundable Deposit, without interest, to the Subscriber; and
- (ii) the Subscription Agreement shall terminate and no party shall be liable to the other party save for antecedent breaches.

### **Termination**

Under the Subscription Agreement, an innocent party may after consultation with the defaulting party (to the extent that the same is reasonably practicable) terminate the Subscription Agreement without liability to defaulting party by giving notice in writing to the defaulting party if at any time prior to 3:00 p.m. on the Completion Date, there occurs any material breach of any provision of the Subscription Agreement.

In the event that the innocent party terminates the Subscription Agreement:

- (i) as a result of the default of the Company alone, the Company shall repay the Refundable Deposit, without interest, to the Subscriber; and
- (ii) all the obligations of the parties under the Subscription Agreement shall cease and determine and no party shall be liable to the other party save for antecedent breaches.

### **Completion**

Completion under the Subscription Agreement shall take place on the Completion Date. Upon completion of the Subscription, the Subscriber will be the beneficial owner of 389,460,000 Subscription Shares, representing approximately 13.02% of the issued share capital of the Company as enlarged by the issue and allotment of all Subscription Shares.

## REASONS FOR THE SUBSCRIPTION AND USE OF PROCEEDS

The Group is principally engaged in coking coal trading business, outdoor media advertising and media related services.

The gross proceeds arising from the Subscription will be HK\$89.5 million and the net proceeds arising from the Subscription, after the deduction of the related expenses, will amount to approximately HK\$89.4 million which is intended to use HK\$75 million as the partial consideration for the discloseable transaction in relation to the acquisition of the entire issued share capital of Able Nice International Limited (Details of the transaction are set out in the announcement of the Company dated 21 October 2014), and the remaining HK\$14.4 million is intended to be used for the general working capital of the Group. The net proceeds arising from the Subscription will be approximately HK\$0.23 per Subscription Share.

The Board is of the view that the Subscription will strengthen the financial position (in particular the working capital and cash flow position) of the Group. Having considered that the Company is exploring for business opportunities to diversify risk and broaden the sources of income of the Group, the Board is of the view that the Subscription would improve the cash reserve for the on-going development of the Group.

Based on the above, the Directors consider that the Subscription is in the interests of the Company and the Shareholders as a whole.

## EFFECTS ON SHAREHOLDING STRUCTURE

The existing and enlarged shareholding structure of the Company immediately before and after the completion of the Subscription is set out below:

Shareholders	As at the date of this announcement		Immediately after completion of the Subscription (Note 2)	
	<i>Number of Shares</i>	<i>Approximate percentage</i>	<i>Number of Shares</i>	<i>Approximate percentage</i>
Choi Chung Lam	333,600,000	12.82	333,600,000	11.15
Yang Fan (Note 1)	588,186,432	22.60	588,186,432	19.66
Subscriber	27,000,000	1.04	416,460,000	13.92
Public shareholders	<u>1,653,520,568</u>	<u>63.54</u>	<u>1,653,520,568</u>	<u>55.27</u>
Total	<u><u>2,602,307,000</u></u>	<u><u>100</u></u>	<u><u>2,991,767,000</u></u>	<u><u>100</u></u>

*Notes:*

1. Mr. Yang Fan is currently an executive Director and Chairman of the Company; and
2. This does not include any Shares which may be issued pursuant to the (i) exercise of options of the Company in place as at the date of this announcement; and (ii) exercise of the conversion rights attaching to the convertible bonds in the aggregate principal amount of up to HK\$30,130,000 to be issued by the Company pursuant to the placing agreement dated 28 October 2014 entered into between the Company and Ping An Securities Limited in relation to the placing of the said convertible bonds (the “Placing”), details are set out in the another announcement of the Company dated 28 October 2014.

## **FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS**

Save for the Placing, the Company has not carried out any equity fund raising exercise in the 12 months immediately preceding the date of this announcement.

## **GENERAL**

**Completion of the Subscription is subject to the fulfilment of the conditions precedent under the Subscription Agreement. As the Subscription may or may not proceed, Shareholders and potential investors are advised to 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.

“AGM”	the annual general meeting of the Company held on 23 May 2014
“Board”	board of Directors
“Business Day(s)”	any day (excluding Saturday, Sunday and public holidays in Hong Kong) on which licensed banks generally are open for business in Hong Kong

“Company”	National United Resources Holdings Limited, a company incorporated in Hong Kong with limited liability, the issued Shares of which are listed on Main Board of the Stock Exchange
“Completion Date”	the date on which 389,460,000 Subscription Shares will be allotted and issued to the Subscriber by the Company, which shall be the date falling five Business Days after the date on which the conditions of the Subscription Agreement are fulfilled, but in any event no later than the Long Stop Date unless otherwise agreed between the Company and the Subscriber
“Director(s)”	director(s) of the Company
“Encumbrance”	a mortgage, charge, pledge, lien, option, restriction, right of first refusal, right of pre-emption, third-party right or interest, other encumbrance or security interest of any kind, or any other type of preferential arrangement (including, without limitation, a title transfer or retention arrangement) having similar effect
“General Mandate”	the general mandate to allot, issue and deal with up to 520,461,400 new Shares (representing 20% of the issued share capital of the Company as at the date of the AGM) granted to the Directors by a resolution of the Shareholders passed at the AGM
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China



“Independent Third Parties”	any person(s) or company(ies) and their respective ultimate beneficial owner(s), to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are third parties independent of the Company and its connected person(s) (as defined under the Listing Rules)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	the day falling 20 Business Days after the date of the Subscription Agreement or such other date as may be mutually agreed between the parties
“Refundable Deposit”	the refundable deposit payable by the Subscriber pursuant to the Subscription Agreement, being an amount equivalent to the full Subscription Price payable by the Subscriber for the subscription of the Subscription Shares
“Share(s)”	the ordinary share(s) in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber”	Elite Fortune Global Limited
“Subscription”	the subscription by the Subscriber of the Subscription Shares pursuant to the Subscription Agreement
“Subscription Agreement”	the subscription agreement dated 28 October 2014 entered into between the Company and the Subscriber in relation to the Subscription
“Subscription Price”	HK\$0.23 per Subscription Share

“Subscription Share(s)”	new Share(s) to be allotted and issued to the Subscriber pursuant to the Subscription Agreement, comprising a total of 389,460,000 new Shares to be allotted and issued to the Subscriber
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

By Order of the Board  
**National United Resources Holdings Limited**  
**Yang Fan**  
*Chairman*

Hong Kong, 28 October 2014

*As at the date of this announcement, the executive Directors are Mr. Yang Fan (Chairman), Mr. Lo Ka Wai, Mr. Aminbuhe, Mr. Feng Yongming and Mr. Tang Lap Chin, Richard, the non-executive Director is Ms. Mou Ling and the independent non-executive Directors are Mr. Wang Qun, Mr. Chow Hiu Tung and Dr. Yang Zhi Shu.*