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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)**

**(1) TERMINATION OF MAJOR TRANSACTION  
IN RELATION TO  
THE ACQUISITION OF THE ENTIRE ISSUED  
SHARE CAPITAL OF  
ABLE NICE INTERNATIONAL LIMITED;  
AND  
(2) DISCLOSEABLE TRANSACTION  
IN RELATION TO  
THE ACQUISITION OF THE ENTIRE ISSUED  
SHARE CAPITAL OF  
ABLE NICE INTERNATIONAL LIMITED**

**Financial Adviser to the Company**

**AMASSE CAPITAL**  
**寶 積 資 本**

**THE TERMINATION AND THE ACQUISITION**

On 21 October 2014 (after trading hours of the Stock Exchange), the Purchaser, the Vendor and the Guarantors entered into the Deed of Termination to terminate the Precedent Sale and Purchase Agreement with effect from 21 October 2014.

Immediately after the Termination, the Purchaser, the Vendor and the Guarantors entered into the Sale and Purchase Agreement, pursuant to which the Purchaser conditionally agreed to purchase from the Vendor, and the Vendor conditionally agreed to sell to the Purchaser, the Sale Shares, representing the entire issued share capital of the Target Company, at a consideration of HK\$150,000,000, which will be satisfied partial in cash and partial by the issue of the Promissory Note.

## **IMPLICATIONS OF THE ACQUISITION UNDER THE LISTING RULES**

As certain applicable percentage ratios (as defined under the Listing Rules) in respect of the Acquisition exceed 5% but all of them are less than 25%, the Acquisition constitutes a discloseable transaction under Chapter 14 of the Listing Rules and is subject to reporting and announcement requirements but is exempted from Shareholders' approval requirement under the Listing Rules.

**As Completion is subject to the fulfillment of certain conditions precedent, the issue of this announcement should not be regarded in any way as implying that the Acquisition will be completed. Therefore, the Shareholders and investors in general should exercise caution when dealing in the Shares.**

References are made to the announcements of the Company dated 13 June 2014 and 29 August 2014 in relation to the Acquisition.

## **THE TERMINATION AND THE ACQUISITION**

The Purchaser has been conducting due diligence on the business, assets, liabilities and financial position of the Target Group in the past months. With better understanding of the Target Group, the Purchaser renegotiated the terms and conditions of the Acquisition with the Vendor and the Guarantors.

On 21 October 2014 (after trading hours of the Stock Exchange), the Purchaser, the Vendor and the Guarantors entered into the Deed of Termination to terminate the Precedent Sale and Purchase Agreement with effect from 21 October 2014.

Immediately after the Termination, the Purchaser, the Vendor and the Guarantors entered into the Sale and Purchase Agreement, pursuant to which the Purchaser conditionally agreed to purchase from the Vendor, and the Vendor conditionally agreed to sell to the Purchaser, the Sale Shares at a consideration of HK\$150,000,000.

### **The Sale and Purchase Agreement**

***Date:*** 21 October 2014 (after trading hours of the Stock Exchange)

#### ***Parties***

**Purchaser:** Glory Gain Global Limited, a company incorporated in the BVI with limited liability and a wholly-owned subsidiary of the Company

**Vendor:** Power Able Holdings Group Limited, a company incorporated in the BVI with limited liability, which is owned as to 20% by Wang Haixu, as to 25% by Fu Jiang, as to 20% by Xie Yulin and as to 35% by Li Yibing

**Guarantors:** Wang Haixu, Fu Jiang, Xie Yulin and Li Yibing

To the best knowledge, information and belief of the Directors and having made all reasonable enquiry, the Vendor and its beneficial owners (i.e. the Guarantors) are the Independent Third Parties.

#### ***Assets to be acquired***

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

## ***Consideration***

The Consideration shall be HK\$150,000,000, which will be satisfied in the following manners:

- (i) HK\$75,000,000 to be paid by the Purchaser to the Vendor (or its nominee(s)) by cash upon Completion; and
- (ii) HK\$75,000,000 to be paid by the Purchaser procuring the Company to issue to the Vendor (or its nominee(s)) the Promissory Note upon Completion.

The Consideration may be adjusted as set out in section “Profit Guarantee” below.

The Consideration was arrived at after arm’s length negotiations between the Purchaser and the Vendor, with reference to:–

- (i) the Profit Guarantee given by the Vendor and Guarantors; and
- (ii) the reasons and benefits for the Acquisition as described below.

The portion of the Consideration to be settled in cash will be satisfied internally and/or by proceeds from possible fund raising activities as may be conducted by the Company, such as placing of new Shares, rights issue, open offer, loan or other credit facilities to be extended to the Company, or a combination of any of the above which the Board considers as appropriate and in the best interest of the Company and Shareholders as a whole under the then market condition.

The Directors consider the Consideration together with the settlement terms are fair and reasonable, and in the interests of the Company and the Shareholders as a whole.

## ***Profit Guarantee***

Pursuant to the Sale and Purchase Agreement, the Vendor and the Guarantors, jointly and severally, guaranteed and warranted to the Purchaser that the audited consolidated net profit after taxation and minority interests of the Target Group for the financial year ended 31 December 2015 (the “**Actual Profit**”) shall be not less than HK\$36,300,000 (the “**Guaranteed Profit**”).

If the Shortfall (as defined hereunder) exists, the Vendor shall compensate the Purchaser for the compensation amount (“**Compensation Amount**”) by cash payment within 30 days after the issue of the audited financial statements of the Target Group for the financial year ended 31 December 2015, which shall be prepared in accordance with Hong Kong Financial Reporting Standards or International Financial Reporting Standards.

$$\text{Compensation Amount} = \text{Shortfall (Note)} / \text{HK\$36,300,000} \times \text{HK\$130,000,000}$$

*Note:* The shortfall (the “**Shortfall**”) shall be the balance between the Guaranteed Profit and the Actual Profit (i.e. the Guaranteed Profit minus the Actual Profit). If any loss occurs for the financial year ended 31 December 2015, the Actual Profit shall be set to zero for the purpose of the calculation of the Shortfall, which means the Shortfall shall not exceed the Guaranteed Profit.

### ***Conditions precedent***

Completion of the Sale and Purchase Agreement is conditional upon the satisfaction (or, if applicable, the waiver) of the following conditions precedent:

- (a) the Purchaser having completed due diligence on the business, assets, liabilities and financial position of the Target Group and having notified the Vendor in writing that the Purchaser is fully or substantially satisfied with the result of the due diligence;
- (b) the Purchaser having obtained a Mongolian legal opinion (in the form and substance satisfactory to the Purchaser) from a Mongolian adviser appointed by the Purchaser;
- (c) no material adverse change having occurred to the business, assets, financial position and performance of the Target Group and the Company;
- (d) the warranties on the Target Group given by the Vendor and/or the Guarantors having remained true and accurate in all material respects; and
- (e) (if necessary) all other approvals or consents of the relevant parties and authorities and all necessary procedures for the transactions contemplated under the Sale and Purchase Agreement having been obtained or completed.

The above conditions precedent are required to be fulfilled or waived on or before the Long Stop Date. The above condition precedent (e) cannot be waived. The Purchaser may waive the fulfillment of all the above conditions precedent except for condition precedent (e).

If the above conditions precedent have not been fulfilled or waived on or before the Long Stop Date, the Sale and Purchase Agreement shall terminate, whereupon all rights and obligations of parties thereof shall cease to have any effect except for, among others, any accrued rights and obligations.

### ***Completion***

Completion is scheduled to take place on the 5th business day following the date when all the conditions precedent to which completion is subject have been fulfilled or, if applicable, waived, or such other date as the Vendor and the Purchaser may agree.

### **PROMISSORY NOTE**

The principal terms of the Promissory Note are as follows:

Issuer:	The Company
Principal amount:	HK\$75,000,000
Issue date:	Completion Date
Maturity date:	the day falling on the expiry of six months from the date of issue of the Promissory Note (the “ <b>Maturity Date</b> ”)
Interest:	6% per annum calculated on the daily balances from time to time with payment in arrears on the repayment date of the Promissory Note
Transferability:	The holder(s) of the Promissory Note may freely transfer the Promissory Note, whether in whole or in part, provided that all necessary documents are delivered to the Company for registration.

Early Repayment: The Company shall have the right at any time before the Maturity Date to repay the whole or part of the principal sum of the Promissory Note and interest accrued thereon provided that the Company shall have given to the holder(s) of the Promissory Note at least 2 days' prior notice.

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 OF THE GROUP, THE PURCHASER AND THE VENDOR**

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

The Purchaser is an indirectly wholly-owned subsidiary of the Company and its principal business is investment holding.

The principal business of the Vendor is investment holding.

## **INFORMATION OF THE TARGET GROUP**

The Target Company is an investment holding company. It holds the entire issued share capital of Golden Star Logistics Limited, which is an investment holding company incorporated in Hong Kong. Golden Star Logistics Limited in turn holds 90% equity interest in Takhidagkhairkhan Limited Liability Company with Foreign Investment, which is the principal operating subsidiary of the Target Group in Mongolia.

The Target Group is principally engaged in international trading, logistic and storage management of coal in Mongolia. The Target Group is licensed to operate international logistic business between the Tavan Tolgoi coal mine in the South Gobi Province in Mongolia and the port of Gan Qi Mao Du for years, with self-owned trucks and garages. Besides, the Target Group has established a 12.5 hectares customs surveillance zone in Tsagaan Had of the South Gobi Province and a 3 hectares service zone next to the Tavan Tolgoi coal mine, with comprehensive infrastructure setups, for supporting the expanding coal trading, transportation and storage volumes.

## Financial information on the Target Company

The unaudited net asset of the principal operating subsidiary of the Target Company as at 31 December 2013 was approximately HK\$5,600,000. The Target Company and its direct wholly-owned subsidiary are investment holding companies with no material assets. There is no consolidated account for the Target Group as at the date of this announcement.

The unaudited net profits before and after taxation of the principal operating subsidiary of the Target Company for the two years ended 31 December 2012 and 2013 are set out below:

	<b>For the year ended 31 December 2013 (approximately)</b>	<b>For the year ended 31 December 2012 (approximately)</b>
Net profit before taxation	HK\$1,400,000	HK\$520,000
Net profit after taxation	HK\$1,200,000	HK\$480,000

The Target Company will become a wholly-owned subsidiary of the Company and the financial information of the Target Group will be consolidated into the accounts of the Group upon Completion.

## REASONS FOR THE ACQUISITION

The Group is principally engaged in coking coal trading business and outdoor media advertising and media related services. The Group commenced trading of coking coal in 2013, which produced a brilliant result for the six months period ended 31 December 2013 and the six months period ended 30 June 2014 and helped turnaround the Group's financial results into profit making.

In March 2014, the Group entered into the strategic cooperation framework agreement with 中航國際煤炭物流有限公司 (AVIC International Coal Logistics Co., Ltd\*) in respect of the sale, logistic and storage management for an aggregate of 15,000,000 tons of specialty coal from Mongolia for 3 years.



In April 2014, the Group successfully secured the source of coal from Erdenes Tavan Tolgoi JSC, a Mongolian state-owned joint stock company, for the purchase of an aggregate of 1,750,000 tons of coal in Mongolia within the coming 12 months. In May 2014, the Group successfully secured another source of coal from IKH Gobi Energy LLC for the purchase of an aggregate of 1,000,000 tons of specialty coal in Mongolia to be delivered by 31 December 2014.

As a result of the above business developments, the Directors consider it is of paramount importance from a strategic point of view to acquire the Target Group, which is principally engaged in the logistic and storage management of coal in Mongolia, and thus is complementary to the current coal trading business of the Group, without which, the coal trading business with 中航國際煤炭物流有限公司 (AVIC International Coal Logistics Co., Ltd\*) might not be effectively carried out.

The Group is expected to benefit from the Acquisition for the following principal reasons:

- (a) the Acquisition will allow the Company to pursue its long term business diversification strategy by entering into the coal trading business, which was proved to be a business with potential given the positive financial results in this segment for the six months period ended 31 December 2013 and the six months period ended 30 June 2014, so as to further enhance its revenue sources as well as to bring positive return to its Shareholders; and
- (b) the Vendors and Guarantors have guaranteed the Guaranteed Profit and it would bring positive contribution to the Group if such Guaranteed Profit is achieved in the future.

After taking into consideration the above factors and terms under both the Precedent Sale and Purchase Agreement and the Sale and Purchase Agreement, the Board is of the opinion that (i) the Termination will not have any material adverse impact on the existing business of the Group; (ii) the Sale and Purchase Agreement has been made on normal commercial terms and that its terms and conditions are fair and reasonable; and (iii) the Termination and the Acquisition under the Sale and the Purchase Agreement are in the interests of the Company and the Shareholders as a whole.

## **IMPLICATIONS OF THE ACQUISITION UNDER THE LISTING RULES**

As certain applicable percentage ratios (as defined under the Listing Rules) in respect of the Acquisition exceed 5% but all of them are less than 25%, the Acquisition constitutes a discloseable transaction under Chapter 14 of the Listing Rules and is subject to reporting and announcement requirements but is exempted from Shareholders' approval requirement under the Listing Rules.

**As Completion is subject to the fulfillment of certain conditions precedent, the issue of this announcement should not be regarded in any way as implying that the Acquisition will be completed. Therefore, the Shareholders and investors in general 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:

“Acquisition”	the acquisition of the Sale Shares by the Purchaser from the Vendor
“Board”	The board of directors of the Company
“business day”	a day (other than a Saturday, Sunday or public holiday in Hong Kong) on which banks in Hong Kong are generally open for business
“BVI”	the British Virgin Islands
“Company”	National United Resources Holdings Limited, a company incorporated in Hong Kong with limited liability, whose Shares are listed on the Stock Exchange
“Completion”	completion of the Acquisition pursuant to the terms and conditions of the Sale and Purchase Agreement

“Completion Date”	the 5th Business Day after the fulfillment or waiver of the conditions precedent under the Sale and Purchase Agreement or such other date as the Purchaser and the Vendor may agree
“connected person(s)”	has the meaning ascribed to it in the Listing Rules
“Consideration”	the consideration for the Acquisition, being HK\$150,000,000
“Deed of Termination”	the deed of termination dated 21 October 2014 and entered among the Purchaser, the Vendor and the Guarantors in relation to the termination of the Precedent Sale and Purchase Agreement
“Directors”	directors of the Company
“Group”	the Company and its subsidiaries
“Guarantors”	Wang Haixu, Fu Jiang, Xie Yulin and Li Yibing, and any one of them as a “Guarantor”
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	a party(ies) independent of and not connected with the Company and its connected persons
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	31 December 2014 (or such other date as the Purchaser and the Vendor may agree in writing)

“Precedent Sale and Purchase Agreement”	the sale and purchase agreement dated 13 June 2014 and entered among the Purchaser, the Vendor and the Guarantors in relation to the Acquisition
“Profit Guarantee”	the profit guarantee provided by the Vendor and Guarantors in favour of the Purchaser in respect of the profit of the Target Group during the financial year ended 31 December 2015
“Promissory Note”	the promissory note in a principal amount of HK\$75,000,000 at the interest rate of 6% per annum to be issued by the Company to the Vendor or its nominee(s) pursuant to the Sale and Purchase Agreement
“Purchaser”	Glory Gain Global Limited, a company incorporated in the BVI and a wholly-owned subsidiary of the Company
“Sale and Purchase Agreement”	the sale and purchase agreement dated 21 October 2014 and entered among the Purchaser, the Vendor and the Guarantors in relation to the Acquisition
“Sale Shares”	50,000 ordinary shares of US\$1.00 each in the share capital of the Target Company, representing its entire issued share capital
“Shareholders”	holders of Shares
“Shares”	ordinary shares in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Able Nice International Limited, a company incorporated in the BVI with limited liability
“Target Group”	the Target Company and its subsidiaries

“Termination”	the termination of the Precedent Sale and Purchase Agreement
“Vendor”	Power Able Holdings Group Limited, a company incorporated in the BVI with limited liability
“%”	per cent.

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

Hong Kong, 21 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.*

\* *For identification purpose only*