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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 YEAR ENDED 30 JUNE 2024**

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 year ended 30 June 2024 (the “**Current Year**”), which have been reviewed by the audit committee of the Company (the “**Audit Committee**”), together with the comparative figures for the eighteen months ended 30 June 2023 (the “**Corresponding Period**”) as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 30 June 2024

		Year ended 30 June 2024	1 January 2022 to 30 June 2023
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue	5	84,738	116,293
Cost of revenue		<u>(78,427)</u>	<u>(143,056)</u>
Gross profit/(loss)		6,311	(26,763)
Other income	6	33,526	331,830
Administrative and other operating expenses		(32,434)	(51,290)
Impairment losses on various assets		<u>(7,838)</u>	<u>(94,977)</u>
(Loss)/profit from operations		(435)	158,800
Share of loss of associates		–	(201)
Finance cost	7	(6,882)	(12,630)
Gain on disposal of subsidiaries		–	37,660
Fair value loss on financial liabilities at FVTPL		<u>(728)</u>	–
(Loss)/profit before tax		(8,045)	183,629
Income tax expense	8	<u>(2,178)</u>	<u>(1,546)</u>
(Loss)/profit for the year/period	9	<u>(10,223)</u>	<u>182,083</u>
Attributable to:			
Owners of the Company		(8,629)	201,759
Non-controlling interests		<u>(1,594)</u>	<u>(19,676)</u>
		<u>(10,223)</u>	<u>182,083</u>
(Losses)/earnings per share attributable to owners of the Company	10		
Basic (HK cents per share)		<u>(0.21)</u>	<u>6.63</u>
Diluted (HK cents per share)		<u>(0.21)</u>	<u>6.63</u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2024

		Year ended 30 June 2024	1 January 2022 to 30 June 2023
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
(Loss)/profit for the year/period	9	(10,223)	182,083
Other comprehensive income/(loss):			
<i>Items that may be reclassified to profit or loss:</i>			
Exchange differences on translation of foreign operations		3,423	(10,667)
Exchange differences reclassified to profit or loss on disposal of subsidiaries		—	65
Total comprehensive (loss)/income for the year/period		<u>(6,800)</u>	<u>171,481</u>
Total comprehensive (loss)/income for the year/period attributable to:			
Owners of the Company		(5,741)	187,109
Non-controlling interests		<u>(1,059)</u>	<u>(15,628)</u>
		<u>(6,800)</u>	<u>171,481</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2024

		As at 30 June 2024	As at 30 June 2023
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Non-current assets			
Property, plant and equipment		131,144	29,647
Right-of-use assets		32,159	37,920
Deferred tax asset		5,380	4,786
Intangible assets		27,931	–
Goodwill		26,488	10,685
Investments in associates		–	–
Prepayments		31,539	97,813
		<u>254,641</u>	<u>180,851</u>
Current assets			
Trade receivables	12	78,107	20,305
Prepayments, deposits and other receivables		93,577	8,412
Bank and cash balances		45,758	135,575
		<u>217,442</u>	<u>164,292</u>
Current liabilities			
Other payables and accruals		116,119	125,104
Contract liabilities	13	3,236	–
Financial liabilities at FVTPL	14	20,108	–
Borrowings	15	68,934	38,550
Lease liabilities		146,832	145,942
Tax payable		9,560	5,372
		<u>364,789</u>	<u>314,968</u>
Net current liabilities		<u>(147,347)</u>	<u>(150,676)</u>
Total assets less current liabilities		<u>107,294</u>	<u>30,175</u>

		As at 30 June 2024 <i>HK\$'000</i>	As at 30 June 2023 <i>HK\$'000</i>
	<i>Notes</i>		
Non-current liabilities			
Deferred tax liabilities		3,767	–
Lease liabilities		<u>278</u>	<u>526</u>
		<u>4,045</u>	<u>526</u>
NET ASSETS		<u>103,249</u>	<u>29,649</u>
Capital and reserves			
Share capital	16	3,587,769	3,507,369
Reserves		<u>(3,444,532)</u>	<u>(3,438,791)</u>
Equity attributable to owners of the Company		143,237	68,578
Non-controlling interests		<u>(39,988)</u>	<u>(38,929)</u>
TOTAL EQUITY		<u>103,249</u>	<u>29,649</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

1. GENERAL INFORMATION

The Company was incorporated in Hong Kong with limited liability. The address of its registered office and principal place of business 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 August 2016 and has been resumed on 10 March 2022.

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

2. BASIS OF PREPARATION

During the period ended 30 June 2023, 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 cover a twelve months period ended 30 June 2024 and the comparative financial statements cover an eighteen months period ended 30 June 2023. The comparative amounts are therefore not entirely comparable.

Going concern

The Group incurred a loss of approximately HK\$10,223,000 and net cash outflow from operating activities of approximately HK\$111,687,000 for the year ended 30 June 2024, and as at 30 June 2024, the Group had net current liabilities of approximately HK\$147,347,000. These conditions indicate 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 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 be 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 issuing 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 Year, the Group has adopted all the new and revised Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants that are relevant to its operations and effective for its accounting period beginning on 1 July 2023. 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 consolidated financial statements and amounts reported for the Current Year and prior periods.

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

During the financial year ended 30 June 2024, the Group is organised into business units based on their products and services and has two reportable operating segments for management purposes.

Car rental and shuttle bus business – (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.

Information technology business – (i) engaging in provision of cloud computing, global traffic operations and digital transformation services via private owned constructed data analytics infrastructure with system application software of computational analytics and processing center ("CAPC") and (ii) engaging in research and development, production, sales and services of industry information solutions.

During the period from 1 January 2022 to 30 June 2023, the Group has only one operating segment of provision of car rental and shuttle bus business.

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 (loss)/profit, which is a measure of adjusted (loss)/profit before tax. The adjusted (loss)/profit before tax is measured consistently with the Group's (loss)/profit before tax except that interest and other income, impairment loss on various assets, share of loss of associates, fair value changes on financial liabilities at FVTPL, gain on disposal of subsidiaries, 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 borrowings, tax payable, deferred tax liabilities, financial liabilities at FVTPL and other unallocated corporate liabilities as these liabilities are managed on a group basis.

During the year ended 30 June 2024 and period from 1 January 2022 to 30 June 2023, there were no inter-segment sales.

(a) Information about reportable segment profit or loss, assets and liabilities are summarised as follows:

	Cat rental and shuttle bus business HK\$'000	Information technology business HK\$'000	Total HK\$'000
Year ended 30 June 2024			
Revenue from external customers	62,569	22,169	84,738
Segment (loss)/profit	(14,499)	6,828	(7,671)
Depreciation and amortisation	11,767	6,742	18,509
Other material non-cash items:			
Impairment losses on various assets	7,144	694	7,838
Additions to segment non-current assets	27,622	80,397	108,019
As at 30 June 2024			
Segment assets	153,897	219,975	373,872
Segment liabilities	<u>(179,419)</u>	<u>(49,902)</u>	<u>(229,321)</u>
	Cat rental and shuttle bus business HK\$'000	Information technology business HK\$'000	Total HK\$'000
Period from 1 January 2022 to 30 June 2023			
Revenue from external customers	116,293	–	116,293
Segment loss	(42,873)	–	(42,873)
Depreciation and amortisation	28,194	–	28,194
Other material non-cash items:			
Impairment losses on various assets	94,977	–	94,977
Additions to segment non-current assets	–	–	–
As at 30 June 2023			
Segment assets	128,490	–	128,490
Segment liabilities	<u>(276,944)</u>	<u>–</u>	<u>(276,944)</u>

	Year ended 30 June 2024 HK\$'000	1 January 2022 to 30 June 2023 HK\$'000
Revenue from external customers	84,738	116,293
Segment result	(7,671)	(42,873)
Interest income on bank deposits	2,064	622
Other income	31,462	331,208
Impairment losses on various assets	(7,838)	(94,977)
Unallocated expenses	(18,452)	(35,180)
(Loss)/profit from operations	(435)	158,800
Finance cost	(6,882)	(12,630)
Share of loss of associates	–	(201)
Fair value loss on financial liabilities at FVTPL	(728)	–
Gain on disposal of subsidiaries	–	37,660
(Loss)/profit before tax	(8,045)	183,629
Income tax expense	(2,178)	(1,546)
(Loss)/profit for the year/period	(10,223)	182,083
Depreciation and amortisation	18,509	28,194

	As at 30 June 2024 <i>HK\$'000</i>	As at 30 June 2023 <i>HK\$'000</i>
Segment assets	373,872	128,490
Unallocated assets	<u>98,211</u>	<u>216,653</u>
	<u>472,083</u>	<u>345,143</u>
Segment liabilities	(229,321)	(276,944)
Unallocated liabilities	<u>(139,513)</u>	<u>(38,550)</u>
	<u>(368,834)</u>	<u>(315,494)</u>

(b) Geographical information:

The Group's revenue analysed by geographical location and information about its non-current assets excluded deferred tax assets by geographical location are detailed below:

	Revenue		Non-current assets	
	Year ended 30 June 2024 <i>HK\$'000</i>	1 January 2022 to 30 June 2023 <i>HK\$'000</i>	As at 30 June 2024 <i>HK\$'000</i>	As at 30 June 2023 <i>HK\$'000</i>
PRC	<u>84,738</u>	<u>116,293</u>	<u>249,261</u>	<u>176,065</u>

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 is set out below:

	Year ended 30 June 2024 <i>HK\$'000</i>	1 January 2022 to 30 June 2023 <i>HK\$'000</i>
Customer A	12,585	16,267
Customer B	11,412	N/A
Customer C	<u>N/A</u>	<u>13,785</u>

5. REVENUE

The principal activity of the Group are (i) provision of car rental and shuttle bus services; (ii) provision of cloud computing, global traffic operations and digital transformation services via CAPC and (iii) the research and development, production, sales and service of industry information solutions. All revenue generated by the Group were derived from the PRC.

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

	Year ended 30 June 2024 HK\$'000	1 January 2022 to 30 June 2023 HK\$'000
Overtime		
CAPC services income	11,412	–
Industry information solution services income	<u>10,757</u>	<u>–</u>
	22,169	–
Point in time		
Car rental and shuttle bus services income	<u>62,569</u>	<u>116,293</u>
	<u>84,738</u>	<u>116,293</u>

Car rental and shuttle bus services income

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

CAPC services income

Revenue from provision of online platform service in CAPC is recognised overtime by daily average over the contracted amount towards completion of Group's performance obligation as set out in respective contracts.

Industry information solution services income

Revenue from provision of industry information solution services is recognised overtime by daily average over the contracted amount towards completion of Group's performance obligation as set out in respective contracts.

6. OTHER INCOME

	Year ended	1 January
	30 June	2022 to
	2024	30 June
	HK\$'000	2023
		HK\$'000
Bank interest income	2,064	622
Gain on reversal of bad debt for other receivables	26,772	–
Gain on disposal of property, plant and equipment	1,414	2,267
Gain on debt restructuring (<i>note</i>)	–	328,461
Net foreign exchange gains	2,717	–
Sundry income	559	480
	<u>33,526</u>	<u>331,830</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

	Year ended	1 January
	30 June	2022 to
	2024	30 June
	HK\$'000	2023
		HK\$'000
Bank charges	29	13
Interest expenses on borrowings		
– interest on convertible bonds	–	899
– interest on non-convertible bonds	–	905
– interest on lease liabilities	2,381	8,753
– interest on other borrowings	3,512	1,977
– interest on bank borrowings	960	83
	<u>6,882</u>	<u>12,630</u>

8. INCOME TAX EXPENSE

	Year ended	1 January
	30 June	2022 to
	2024	30 June
	HK\$'000	2023
		HK\$'000
Current tax – Hong Kong Profits Tax		
Provision for the year/period	–	–
Current tax – the PRC Enterprise Income Tax		
Provision for the year/period	999	–
Deferred tax	1,179	1,546
	2,178	1,546

Hong Kong Profits Tax is calculated at the rate of 16.5% (period from 1 January 2022 to 30 June 2023: 16.5%) on the estimated assessable profits arising in Hong Kong during the year.

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% (period from 1 January 2022 to 30 June 2023: 25%).

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

	Year ended	1 January
	30 June	2022 to
	2024	30 June
	HK\$'000	2023
		HK\$'000
(Loss)/profit before tax	(8,045)	183,629
Tax at the domestic income tax rate of 16.5%	(1,327)	30,299
Effect of different tax rates of subsidiaries operating in the PRC	637	(12,270)
Income not subject to tax	(7,131)	(60,392)
Expenses not deductible for tax	3,195	12,705
Tax effect of temporary differences not recognised	1,607	17,229
Tax losses not recognised	5,197	13,975
	2,178	1,546

9. (LOSS)/PROFIT FOR THE YEAR/PERIOD

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

	Year ended	1 January
	30 June	2022 to
	2024	30 June
	HK\$'000	2023
		HK\$'000
Staff costs (including Directors' remuneration)		
– salaries, bonuses and allowances	39,260	68,817
– retirement benefits scheme contributions	7,351	13,552
	46,611	82,369
Auditor's remuneration	980	930
Depreciation of property, plant and equipment	11,194	18,657
Depreciation of right-of-use assets	3,963	9,414
Amortisation of intangible assets	3,352	123
(Reversal of impairment)/impairment on trade receivables	(3,450)	10,081
Impairment on other receivables	716	3,118
Impairment on goodwill	–	23,920
Impairment on property, plant and equipment	9,014	38,832
Impairment on right-of-use assets	1,558	19,026

10. (LOSSES)/EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

Basic (losses)/earnings per share

The calculation of basic (losses)/earnings per share attributable to owners of the Company is based on the loss for the year attributable to owners of the Company of approximately HK\$8,629,000 (period from 1 January 2022 to 30 June 2023: profit for the period of approximately HK\$201,759,000) and the weighted average number of ordinary shares of 4,081,617,480 (period from 1 January 2022 to 30 June 2023: 3,041,195,733 ordinary shares) in issue during the year/period.

Diluted (losses)/earnings per share

No diluted (losses)/earnings per share are presented as the Company did not have any dilutive potential ordinary shares during for the year ended 30 June 2024 and the period from 1 January 2022 to 30 June 2023.

11. DIVIDENDS

The Directors do not recommend the payment of any dividend in respect of the year ended 30 June 2024 and period from 1 January 2022 to 30 June 2023.

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. As at 30 June 2024, four (30 June 2023: three) customers attributable to the Group's total trade receivables were 81% (30 June 2023: 68%). 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 services provided date, is as follows:

	As at 30 June 2024 <i>HK\$'000</i>	As at 30 June 2023 <i>HK\$'000</i>
Within 30 days	6,860	9,258
31-90 days	15,186	5,537
Over 90 days but within 1 year	59,976	5,743
Over 1 year	6,907	14,116
Less: Impairments	<u>(10,822)</u>	<u>(14,349)</u>
	<u>78,107</u>	<u>20,305</u>

Reconciliation of impairment of trade receivables:

	Year ended 30 June 2024 <i>HK\$'000</i>	1 January 2022 to 30 June 2023 <i>HK\$'000</i>
At the beginning of the year/period	14,349	5,582
(Decrease)/increase in impairment for the year/period	(3,450)	10,081
Exchange differences	<u>(77)</u>	<u>(1,314)</u>
At the end of the year/period	<u>10,822</u>	<u>14,349</u>

The Group applies the simplified approach under HKFRS 9 to provide for expected credit losses using the lifetime expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected credit losses also incorporate forward looking information.

	Current	Within 30 days past due	31-365 days past due	Over 1 year past due	Total
At 30 June 2024					
Weighted average expected loss rate	0%	3%	6%	88%	
Receivable amount (HK\$'000)	3,824	10,529	67,669	6,907	88,829
Loss allowance (HK\$'000)	–	320	4,394	6,108	10,822
At 30 June 2023					
Weighted average expected loss rate	0%	4%	5%	98%	
Receivable amount (HK\$'000)	9,258	2,852	8,428	14,116	34,654
Loss allowance (HK\$'000)	–	121	403	13,825	14,349

13. CONTRACT LIABILITIES

	As at 30 June 2024 HK\$'000	As at 30 June 2023 HK\$'000
Contract Liabilities-industry information solution services	<u>3,236</u>	<u>–</u>
Significant changes in contract liabilities during the year:		
	Year ended 30 June 2024	1 January 2022 to 30 June 2023
Increase due to business combinations	3,766	–
Transfer of contract liabilities to revenue	<u>(504)</u>	<u>–</u>

14. FINANCIAL LIABILITIES AT FVTPL

	As at 30 June 2024	As at 30 June 2023
Financial liabilities at FVTPL		
– contingent consideration for acquisition of subsidiaries	<u>20,108</u>	<u>–</u>

In the December of 2023, Million Best International Enterprise Limited (“**Purchaser**”), an indirect wholly-owned subsidiary of the Company, entered into the sale and purchase agreement (“**the SPA**”) with Mr. Xie Minxiong (“**Vendor**”), pursuant to which the Purchaser has conditionally agreed to purchase, and the Vendor has conditionally agreed to sell, the total shares of City Gear Limited (“**Target Group**”) and the loan owed by the Target Group to the Vendor, at the consideration of up to HK\$90,000,000. The SPA was completed on 28 March 2024 (“**Completion Date**”) and 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 promissory note is non-interest bearing and matures upon expiry of the 15-month period commencing on the first date of the month immediately following the Completion Date. No early redemption is allowed for the promissory note.

In the event that the net profit of the Target Group (“**Net Profit**”) for the 12-month period commencing on the first date of the month immediately following the Completion Date (“**Relevant Period**”) is equal to or greater than the guaranteed profit of HK\$14million (“**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.

15. BORROWINGS

		As at 30 June 2024 <i>HK\$'000</i>	As at 30 June 2023 <i>HK\$'000</i>
Included in current liabilities:			
Bank loans – secured	(a)	20,754	–
Bank loans – unsecured	(b)	9,630	–
Other loans	(c)	38,550	38,550
		<hr/>	<hr/>
Total borrowings		68,934	38,550
		<hr/> <hr/>	<hr/> <hr/>

- (a) Bank loans are secured property, plant and equipment, are at an annual rate of one-year LPR and are repayable by monthly installment in 4 years with repayable on demand clause and classified as current liabilities.
- (b) The bank loan are unsecured, at an annual rate of one-year LPR-0.65% to one-year LPR+0.53% and are repayable on demand or within one year.
- (c) Other loans are unsecured, approximately HK\$33,000,000 (30 June 2023: HK\$33,000,000) bears interest rate of 4% to 4.5% (30 June 2023: 4% to 4.5%) are repayable on demand or within one year. The remaining balances are unsecured, interest free and repayable on demand.

As at 30 June 2024, other loans amounted to approximately HK\$26,500,000 (30 June 2023: approximately HK\$26,500,000) were overdue by the Group.

16. SHARE CAPITAL

	As at 30 June 2024 <i>HK\$'000</i>	As at 30 June 2023 <i>HK\$'000</i>
Issued and fully paid:		
4,387,628,409 (30 June 2023: 3,687,628,409) ordinary shares	<u><u>3,587,769</u></u>	<u><u>3,507,369</u></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 <i>HK\$'000</i>
At 1 January 2022		6,411,770,500	3,178,754
Share consolidation	<i>(a)</i>	<u>(5,770,593,450)</u>	<u>–</u>
		641,177,050	3,178,754
Share subscriptions	<i>(b)</i>	2,198,000,000	240,603
Open offer	<i>(c)</i>	641,177,050	65,212
Debt restructuring	<i>(d)</i>	<u>207,274,309</u>	<u>22,800</u>
At 30 June 2023 and 1 July 2023		3,687,628,409	3,507,369
Share subscriptions	<i>(b)</i>	<u>700,000,000</u>	<u>80,400</u>
As at 30 June 2024		<u><u>4,387,628,409</u></u>	<u><u>3,587,769</u></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.

On 8 December 2023, the Company completed the allotment and issuance of a total of 700,000,000 ordinary shares to one subscriber at the subscription price of HK\$0.115 per subscription share raising a total proceeds of approximately HK\$80,400,000, net of share issue expenses of approximately HK\$100,000.

- (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.

17. CONTINGENT LIABILITIES

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

	As at 30 June 2024 HK\$'000	As at 30 June 2023 HK\$'000
Indemnity related to a former subsidiary	<u>6,527</u>	<u>6,578</u>

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

18. CAPITAL COMMITMENT

The Group’s capital commitments at the end of the reporting period are as follows:

	As at 30 June 2024 HK\$'000	As at 30 June 2023 HK\$'000
Property, plant and equipment Contracted but not provided for	<u>13,605</u>	<u>37,088</u>

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

	As at	As at
	30 June	30 June
	2024	2023
	HK\$'000	HK\$'000
Capital expenditure contracted but not provided for in the consolidated financial statements in respect of unpaid balance of capital contributions to associates	11,048	27,351

Pursuant to an equity joint venture agreement during the period, the Group 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 2024, the Group has fulfilled its investment obligation in the Associate A to the extent of nil (30 June 2023: nil).

Pursuant to an equity joint venture agreement during the period, the Group 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. The Associate B was terminated during the year ended 30 June 2024.

Pursuant to an equity joint venture agreement during the period, the Group 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 2024, the Group has fulfilled its investment obligation in the Associate C to the extent of RMB175,000 (30 June 2023: 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 2024 annual report, which comprise the consolidated statement of financial position as at 30 June 2024, 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 year then ended, and notes to the consolidated financial statements, including material accounting policy information.

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 consolidated financial position of the Group as at 30 June 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended 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, we were 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 eighteen months 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 (the “**Qualified Opinion**”) on the consolidated financial statements of the Group for the year ended 30 June 2024. The Company had taken actions to address the relevant audit qualifications.

The following actions had taken by the Company to address the Qualified Opinion in the consolidated financial statements of the Group for the year ended 30 June 2024:

Borrowings

There was no sufficient evidence provided to satisfy the Auditor, in relation to the existence, rights and obligations and valuation of the borrowings.

The Company, its relevant subsidiaries and the creditors of the borrowings had 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 has removed this qualification in the auditor’s report and except for the comparative figures for the Current Year about the gain on disposal of subsidiaries of approximately HK\$37,660,000 during the eighteen months ended 30 June 2023.

The management’s view in respect of the Qualified Opinion

The management acknowledges the basis of the qualification made by the Auditors regarding the borrowings. The management of the Company has no objection to the Auditor’s view in respect of the Qualified Opinion and the removal of the audit qualification in the Current Year except for the comparative figures in the Current Year.

The Audit Committee’s and the Board’s view towards the Qualified Opinion

The Audit Committee and the Board reviewed the Qualified Opinion in the annual report of the Company for the Current Year and actions taken by the Company to address the Qualified Opinion and concurred with the view of the management of the Company.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND OUTLOOK

Car Rental and Shuttle Bus Business

The Group has been engaged in providing car rental and shuttle bus services business 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 800 electric buses, fuel buses, and other vehicles in total, each with 5 to 59 seats. For car rental and shuttle bus services business, (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, 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 years of experience in transportation logistics and resource management, the Company also renders resource management and planning services to its peers and other customers tailored to their needs.

In the second half of 2023, with the direct impact of the epidemic over, the Group's business gradually became more stable. The management of TMTC 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 Group continues to conduct vehicle inspections individually in the second half of 2023, and repaired, replaced or phased out vehicles with issues or potential issues. During this financial year, the Group purchased new vehicles for customers in need to provide services better tailored to their needs. However, as the Company is transitioning to higher quality development in its business operations, there have been certain setbacks in terms of revenue and profit, leading to a decline in profits and receivables. The Group is striving to weather through this difficult period in order to gather strength for a robust future.

In the first half of 2024, the Group was endeavoring to explore more customers with a view to achieving more turnover and profits. However, due to the overall industry environment, it failed to see significant increase in business volume. The management of the Group is still working hard to negotiate with a number of potential customers, with a view to achieving better growth in the next financial year. 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 the Group's 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 profits.

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. 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 business is expected to broaden the Group's scope of business and boost its risk resilience. The installation and commissioning of the equipment was completed and the provision of data traffic services to customers commenced in early 2024, which has already started to 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 data. 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 entered into a memorandum of understanding in relation to possible acquisition of a technology company (the “**Target Company**”) and published an announcement for such purpose. 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. On 27 December 2023, an announcement on a discloseable transaction in relation to the acquisition of the entire issued share capital of City Gear Limited (“**City Gear**”), of which the Target Company is an indirect wholly-owned subsidiary, and the relevant loan was issued by the Company, and the acquisition was completed on 28 March 2024. Currently, the Target Company is carrying on with its normal operations and has started to contribute revenue to the Group.

Bulk Commodity Trading and Transportation

On another front, the management of the Group believes that there are unlimited business opportunities in international/domestic bulk commodities trading and transportation. Compared with passenger transportation, the management of the Group believes that bulk commodities transportation and related trade are more stable in the wake of the pandemic. Under the impact of the pandemic or other disasters, regardless of lockdown or movement restrictions, the greatest impact will be on the passenger transportation, i.e., the people's movement. In contrast, bulk commodities such as energy-related natural resources, essential goods and foodstuffs will be relatively less affected. If the Group has a foothold in this segment and makes it one of its principal business lines, the Group's risk resilience and profitability will be greatly enhanced. The management of the Group has already engaged with several potential counterparties with a view to successfully tapping into this business segment for the Group. A voluntary announcement in relation to the development of the relevant business was also issued by the Company on 19 June 2024.

The Group intends to optimize and rectifying its existing business lines in the new financial year to increase operational efficiency. Meanwhile, the management of the Group also seeks to continue leveraging the momentum of the pandemic reopening to intensify the exploration of new business sectors, with a view to developing multiple profit points, providing 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 Year, the Group recorded revenue of approximately HK\$84,738,000 (Corresponding Period: approximately HK\$116,293,000), representing a decrease of approximately 27.1% as compared to the Corresponding Period. The decrease was primarily due to the decrease of car rental and shuttle bus business in Beijing China during the Current Year.

New segment of revenue amounted to approximately HK\$22,169,000 from Information Technology, which were introduced to the Group during the Current Year via acquisition of City Gear and its subsidiaries and purchase of equipment for the computational analytics and processing centre.

Cost of revenue decreased by approximately 45.2% from approximately HK\$143,056,000 for the Corresponding Period to approximately HK\$78,427,000 for the Current Year, which mainly due to the decrease of cost from car rental and shuttle bus business, with its variables cost, including fuel and electricity, repair and maintenance and parking fee etc, changed in line with the revenue.

Cost of revenue and services from Information Technology amounted to approximately HK\$9,316,000, which mainly attributable to amortization of intangible assets, system maintenance expenses and deprecation of fixed assets. The cost is of approximately 42.0% to the correspondence revenue, which brought high gross margin to the Group. The costs and benefits from Information Technology were introduced to the Group in second half of the financial year. Therefore, the economic benefits of the business were not fully reflected in financial data.

The gross loss of approximately HK\$26,763,000 for the Corresponding Period turnout to gross profit of approximately HK\$6,311,000 for the Current Year was mainly due to combination of the aforesaid reasons. The gross profit margin were significantly improved from negative gross profit margin of approximately 23.0% for the Corresponding Period to gross profit margin of approximately 7.4% for the Current Year.

Other Income

Other income of the Group for the Current Year and the Corresponding Period were approximately HK\$33,526,000 and HK\$331,830,000 respectively, representing a decrease of approximately 89.9%. The decrease in other income was mainly due to a one-off gain of approximately HK\$328,461,000 from the debt restructuring in the Corresponding Period, and there was no such gain in the Current Year.

Administrative and Other Operating Expenses

Administrative and other operating expenses of the Group for the Current Year, 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\$32,434,000 (the Corresponding Period: approximately HK\$51,290,000), representing decrease of approximately 36.8%. The decrease mainly due to the Current Year was six months less than the Corresponding Period. The administrative and other operating expenses from new business of Information Technology did not incur significant expenditures in the Current Year.

Impairment Losses

Impairment of Property, Plant and Equipment (“PPE”) and Right of Use Assets (“ROU”)

The impairment loss on PPE and ROU for the Current Year amounted to approximately HK\$10,572,000. The impairment reviews of motor vehicles (“MV”) of TMTC Group and car rental business were performed in accordance with the requirements of the accounting standard when impairment indicator occurred.

The fair value measurement of MV was performed by an independent and professional valuer in Hong Kong. The market approach was adopted as valuation method. The key input of the second-hand price for comparable ranges from RMB5,600 to RMB480,000. In the measurement of fair value made by the valuer, the fair value of MV was referred to market comparable of similar MV available in the market. The valuations have been made on the assumption that the owner would sell the MV in the market in their existing states without the benefit of deferred term contracts, leasebacks, joint ventures or any similar arrangements which would serve to affect their values.

There were fair value measurement of MV was performed for the Corresponding Period. The impairment loss on PPE and ROU for the Corresponding Period amounted to approximately HK\$57,858,000. The decrease in impairment loss for the Current Year is in a result of the obsoleted MV being disposed more than new electric buses and fuel buses brought to the business.

Impairment of Trade Receivables

The Group recorded impairment reverse on trade receivables for the Current Year and impairment loss for Corresponding Period of approximately HK\$3,450,000 and HK\$10,081,000.

The impairment of trade receivables is based on (a) long outstanding amount due from customers by customers at least more than over 1 year of aging; (b) expected creditors loss (“ECL”) on overall trade receivables on their general balances as at balance sheet date. In cases of the operation of some customers will not recover very shortly in twelve months from the balance sheet date, and the feedback has been obtained from the customers for their operation and cash flow situation, full impairment were provided; and (c) in the case of recovery of trade receivables in the Current Year but the amount due from were impaired in previous financial year/period, reversal of impairment will occur.

The Group had assessed the expected credit loss on these receivables based on the following factors: (a) the likelihood of recovering the receivables in light of future market conditions and related impact on these customers; (b) the credit risks associated with these customers by reviewing their financial and business status; (c) the history defaults rate of these customers; and (d) the length of overdue period. No valuation report was prepared to support the impairment.

There were no significant changes in the basis of the inputs and assumptions from those previously adopted in the valuation method used.

Impairment of Other Receivables

The Group recorded impairment losses on other receivables for the Current Year and Corresponding period of approximately HK\$716,000 and HK\$3,118,000.

The impairment of other receivables is made based on long outstanding amount due from prepayment and deposit for operating activities at least more than over 1 year of aging.

No valuation report was prepared for the impairment assessment as situation is same as accounts receivables.

There were no significant changes in the basis of the inputs and assumptions from those previously adopted in the valuation method used.

Finance Cost

The decrease in finance costs by approximately 45.5% from approximately HK\$12,630,000 for the Corresponding Period to approximately HK\$6,882,000 for the Current Year was mainly due to the decrease in interests charged on convertible bonds, non-convertible bonds and lease liabilities.

(Loss)/profit attributable to the owners of the Company

Overall, the loss attributable to owners of the Company for the Current Year was approximately HK\$8,629,000 and profit attributable to owners of the Company for the Corresponding Period was approximately HK\$201,759,000. The basic loss per share for the Current Year was approximately HK\$0.21 cents compared to a basic earnings per share of approximately HK\$4.94 cents for the Corresponding Period.

Non-current Assets

The non-current assets were increased by approximately HK\$73,790,000 from HK\$180,851,000 as at 30 June 2023 to HK\$254,641,000 as at 30 June 2024. The increase in non-current assets was mainly attributable to the acquisition of motor vehicles from car rental and shuttle bus business, property, plant and equipment, intangible assets and goodwill via purchase from and acquisition of Information Technology during the Current Year.

Property, Plant and Equipment

As at 30 June 2024, property, plant and equipment amounted to approximately HK\$131,144,000, representing an increase of approximately 342.4% when compared to approximately HK\$29,647,000 as at 30 June 2023. The increase was mainly due to the purchase of 35 units of new electric buses and 16 units of new fuel-oil buses at an aggregate consideration of RMB27,976,000 (equivalent to approximately HK\$30,493,000) at the sale and purchase agreement dated on 9 August 2023. As at 30 June 2024, the property, plant and equipment from acquisition of City Gear and acquisition of assets and establishment of computational analytics and processing center (“CAPC”) in Information Technology business amounted to HK\$17,349,000 and HK\$80,397,000.

Intangible assets

As at 30 June 2024, the intangible assets of approximately HK\$27,931,000 represented various copy right with registration on Data Management Technology Service Operation And Maintenance Support System Development, Data Accuracy And Quality Improvement And Service System Development, Real-time Data Analysis System Development etc, which support system operation to performing contracted obligation to customers on information technology business. The intangible obtained by acquisition of City Gear and its subsidiaries during the financial year, therefore no comparative figure for the Corresponding Period. The valuation of intangible assets, by an independent and professional valuer in Hong Kong regarded as identifiable assets, were obtained via the acquisition of City Gear by the Group. Income approach was applied in valuation initial recognition at the acquisition completed date. Under the income approach, the Multi-period Excess Earnings Method (“MEEM”) was adopted. The intangible assets would be amortised in straight line method according to the estimated useful live.

Prepayment, Deposit and Other Receivables

The prepayment, deposit and other receivables in total of current and non-current assets amounted to approximately HK\$125,116,000 and HK\$106,225,000 as at 30 June 2024 and 2023 respectively. The decrease in non-current assets was due to the prepayment and deposit incurred in Corresponding Period for the data analytics infrastructure with system application software of CAPC business were satisfied in functioning and to performing tasks requested during the Current Year, therefore transformed as property, plant and equipment. The increase in current assets of prepayment, deposit and other receivable was due to the amount due from for purchase of commodities incurred during the Current Year which the Group intends to explore and expand into the international and domestic trade, transportation and storage business of natural resources, bulk commodities and other goods.

Right-of-use Assets

As at 30 June 2024, the Group’s right-of-use assets amounted to approximately HK\$32,159,000 including office, carpark and motor vehicles on lease, of which the motor vehicles being used in the car rental services business. During the Current Year and Corresponding Period, depreciation of approximately HK\$3,963,000 and HK\$9,414,000 were provided for right-of-use assets respectively. The impairment of HK\$1,558,000 and HK\$19,026,000 for the Current Year and Corresponding Period was due to the conservative estimation of business of the car rental services.

Goodwill

As at 30 June 2024, Goodwill of the Group consist of two business, (i) one is from the consolidation of TMTC Travel in the year of 2019, which engages car rental and shuttle bus business, and (ii) other one is from the acquisition of City Gear in business of Information Technology completed on 28 March 2024, which engages in the research and development, production, sales and service of industry information solutions.

The goodwill arisen from consolidation of TMTC Travel in the year of 2019, as at 30 June 2023 and 30 June 2024 amounted to approximately HK\$10,685,000 and HK\$26,488,000 respectively, representing an increase of approximately HK\$15,803,000, which consist of the (i) impairment loss of approximately HK\$23,920,000 and loss on exchange difference of approximately HK\$2,941,000 during the Corresponding Period. The impairment was due to the conservative estimation of business of the car rental services business and (ii) arisen from acquisition of City Gear amounted to approximately HK\$15,886,000 as at 30 June 2024 from Information Technology business. The valuation of two components of goodwill were appraised of value in use of cash generating unit performed by an independent and professional valuer in Hong Kong. No impairment loss was provided for the Current Year.

Trade Receivables

The trade receivables balance increased by approximately HK\$57,802,000 from HK\$20,305,000 as at 30 June 2023 to HK\$78,107,000 as at 30 June 2024. The increase was mainly due to the Information Technology business.

As at the balance sheet date, the Group's impairment provided for trade receivables decreased by approximately HK\$3,527,000 to approximately HK\$10,822,000 as comparing to the Corresponding Period amounted to approximately HK\$14,349,000. The decrease was mainly attributable to the settlement of overdue trade receivables with long outstanding.

Contract Liabilities

As at 30 June 2024, the contact liabilities of approximately HK\$3,236,000 represented contracted operating services amounts received in advance, from industry information solution services which recognised as revenue overtime when services is delivered.

Financial Liabilities at FVTPL

As at 30 June 2024, the financial liabilities at FVTPL of approximately HK\$20,108,000 represented an contingent consideration in purchase of City Gear and its subsidiaries. The promissory note in principle amount of HK\$40,000,000 shall be payable to the vendor in case of guaranteed profit shall reach of HK\$14,000,000 for the 12-months from acquisition completed date on 28 March 2024.

CAPITAL STRUCTURE, LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2024, the issued share capital of the Company was approximately HK\$3,587,769,000 divided into 4,387,628,409 Shares. During the Current Year, the Group finances its operations by cash flow from operating activities and proceeds from the share subscription took place on 8 December 2023. As at 30 June 2024, the cash and bank balances of the Group amounted to approximately HK\$45,758,000 (30 June 2023: HK\$135,575,000). As at 30 June 2024, the Group had current assets of approximately HK\$217,442,000 (30 June 2023: HK\$164,292,000), while its current liabilities were approximately HK\$364,789,000 (30 June 2023: HK\$314,968,000). The current ratio of the Group was approximately 0.60 times (30 June 2023: 0.52 time) and gearing ratio (debts/total assets) was 50.7% (30 June 2023: 53.6%).

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. Relevant details are as follows:

On 31 December 2021, a circular containing, among other things, a notice convening the general meeting (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. 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.

The Third Subscription

To further strengthen financial position of the Company, the Company entered into a separate conditional subscription agreement (the “**2023 Subscription Agreement**”) with Hot Mediatech Group Pte. Ltd. (“**Hot Mediatech**”), which is wholly-owned by Ms. Li Jiayi, on 24 November 2023 to proceed with the Third Subscription. Pursuant to the 2023 Subscription Agreement, Hot Mediatech has conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue, an aggregate of 700,000,000 Subscription Shares at a price of HK\$0.115 per Subscription Share. The completion of the Third Subscription took place on 8 December 2023. The 700,000,000 Subscription Shares were issued under the general mandate obtained at the general meeting of the Company held on 3 April 2023.

The gross proceeds arising from the Third Subscription were HK\$80,500,000. The subscription price of HK\$0.115 per Subscription Share was at premium of 40.24% to the closing price of HK\$0.087 per Share as quoted on the Stock Exchange on 24 November 2023, being the date of the 2023 Subscription Agreement. After deduction of relevant expenses of the Third Subscription, the net proceeds arising from the Third Subscription amounted to approximately HK\$80,400,000 (equivalent to a net price per Subscription Share of approximately HK\$0.1149). The net proceeds arising from the Third Subscription would be used by the Company as to (i) approximately 74.63% for investment activities when such investment opportunities arise; and (ii) approximately 25.37% for general working capital.

Capitalised terms used in this sub-section headed “The Third Subscription” shall have the same meanings as those defined in the announcement of the Company dated 24 November 2023, 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, the Second Subscription and the Third Subscription are set out below:

Intended use of net proceeds	Total planned amount <i>HK\$'000</i>	Net Proceeds		Utilised amount during the Current Year <i>HK\$'000</i>	Unutilised amount as at 30 June 2024 <i>HK\$'000</i>	Expected timeline for the unutilised Net Proceeds
		Unutilised amount as at 1 July 2023 <i>HK\$'000</i>	Net proceeds received during the Current Year <i>HK\$'000</i>			
Proceeds from the First Subscription and the Open Offer						
Settlement of debt under the Debt						
Restructuring	160,000	106,908	–	65,002	41,906	Year 2024
Business expansion	51,185	–	–	–	–	–
General working capital	24,600	–	–	–	–	–
Proceeds from the Second Subscription						
Business enhancement and business expansion	49,030	–	–	–	–	–
General working capital	21,000	2,899	–	2,899	–	–
Proceeds from the Third Subscription						
Investment activities	60,000	–	60,000	60,000	–	Year 2024
General working capital	20,400	–	20,400	20,400	–	Year 2024
Total	386,215	109,807	80,400	148,301	41,906	Year 2024

The net proceeds arising from the First Subscription, the Open Offer, the Second Subscription and the Third 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

On 27 December 2023, Million Best International Enterprise Limited (“**Million Best**”), an indirect wholly-owned subsidiary of the Company, entered into a sale and purchase agreement with Mr. Xie Minxiong (“**Mr. Xie**”), pursuant to which Million Best has conditionally agreed to purchase, and Mr. Xie has conditionally agreed to sell, the entire issued shares of City Gear and the unsecured, non-interest-bearing loan owed by City Gear and its subsidiaries to Mr. Xie at a consideration of up to HK\$90,000,000 (the “**Acquisition**”). Following the completion of the Acquisition on 28 March 2024, City Gear and its subsidiaries have become indirect wholly-owned subsidiaries of the Company.

Save as the Acquisition disclosed above, the Group did not have any material acquisition and disposal of subsidiaries, associates and joint ventures during the Current Year and did not have any significant investments held as at 30 June 2024.

FOREIGN EXCHANGE EXPOSURE

During the Current Year, the majority of the Group's income and expenses were denominated in Renminbi and Hong Kong dollars. Up to 30 June 2024, 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 Current Year. 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 2024, the Group had 335 employees (including the Directors) in Hong Kong and the PRC (30 June 2023: 382 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 year ended 30 June 2024.

BORROWINGS AND CHARGES ON THE GROUP'S ASSETS

As at 30 June 2024, the Group recorded the borrowings of approximately HK\$68,934,000, in which of approximately HK\$30,384,000 represented loan from banks and bears interest rate of LPR -0.65% to LPR +0.53% per annum with motor vehicles in carrying amount of approximately HK\$16,912,000 being pledged to secure the loan from banks. All borrowings repayable on demand or within one year.

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 Corresponding Period. All borrowings are repayable on demand or within one year.

CONTINGENT LIABILITIES

Details of contingent liabilities were disclosed in note 17 to the consolidated financial statements in this announcement.

EVENTS AFTER THE REPORTING PERIOD

There were no material events subsequent to 30 June 2024 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 C1 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 Current Year, 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 C3 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 Current Year.

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 Current Year.

FINAL DIVIDEND

The Board did not recommend the payment of a final dividend for the Current Year (For the eighteen months ended 30 June 2023: Nil).

CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the forthcoming annual general meeting of the Company scheduled to be held on Wednesday, 4 December 2024 (“**2024 AGM**”), the register of members of the Company will be closed from Friday, 29 November 2024 to Wednesday, 4 December 2024, both days inclusive, during which period no transfer of Shares will be registered. In order to be eligible to attend and vote at the 2024 AGM, all transfer of Shares accompanied by the relevant share certificates must be lodged with the Company’s branch share registrar and transfer office in Hong Kong, Tricor Abacus Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong by 4:30 p.m. on Thursday, 28 November 2024.

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

Except for the issue of 700,000,000 Shares by the Company to Hot Mediatech on 8 December 2023, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company’s listed securities during the Current Year.

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 Current Year 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 Current Year as set out in this preliminary announcement have been agreed by the Group's Auditor, ZHONGHUI ANDA CPA Limited, to the amounts set out in the Group's audited consolidated financial statements for the Current Year. 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 of the Company for the Current Year will be dispatched to the shareholders of the Company on or before 31 October 2024, 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, 30 September 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.