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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 ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2014

FINAL RESULTS

The board (the "Board") of directors (the "Director(s)") of National United Resources Holdings Limited (the "Company") hereby announces the consolidated results of the Company and its subsidiaries (collectively, the "Group") for the year ended 31 December 2014 together with the comparative figures for the six months ended 31 December 2013 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2014

	Notes	**Year ended 31 December 2014 HK$'000**	Six months ended 31 December 2013 HK$'000
Revenue	4	**364,876**	194,531
Cost of sales and services		**(298,893)**	(139,679)
Gross profit		**65,983**	54,852
Other income	5	**8,936**	781
One-off gain from a bargain purchase		**–**	4,073
Amortisation of intangible assets		**(5,400)**	(450)
Administrative and other operating expenses		**(109,678)**	(21,262)
Finance costs	6	**(17,101)**	(49)
Share of profits and losses of associates		**419**	–
(Loss)/profit before tax	7	**(56,841)**	37,945
Income tax expense	8	**(12,004)**	(10,061)
(Loss)/profit for the year/period		**(68,845)**	27,884
Attributable to:			
Owners of the Company		**(68,647)**	31,945
Non-controlling interests		**(198)**	(4,061)
		(68,845)	27,884
(Loss)/earnings per share attributable to ordinary equity holders of the Company	10		
Basic		**HK(2.60) cents**	HK1.43 cents
Diluted		**HK(2.60) cents**	HK1.43 cents

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2014

	Year ended 31 December 2014 *HK$'000*	Six months ended 31 December 2013 *HK$'000*
(Loss)/profit for the year/period	**(68,845)**	27,884
Other comprehensive income/(loss)		
Item that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of foreign operations	**258**	(23)
Other comprehensive income/(loss) for the year/period, net of tax	**258**	(23)
Total comprehensive (loss)/income for the year/period	**(68,587)**	27,861
Attributable to:		
Owners of the Company	**(68,389)**	31,922
Non-controlling interests	**(198)**	(4,061)
	(68,587)	27,861

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2014

	Notes	2014 HK$'000	2013 HK$'000
Non-current assets			
Property, plant and equipment		**7,923**	3,808
Goodwill	*11*	**5,245**	5,245
Intangible assets	*12*	**102,150**	107,550
Club membership		**150**	150
Interests in associates		**28,743**	–
Deposits for acquisition of property, plant and equipment		**2,147**	–
		146,358	116,753
Current assets			
Trade receivables	*13*	**32,489**	91,102
Prepayments, deposits and other receivables	*14*	**530,663**	67,405
Cash and bank balances		**2,879**	46,936
		566,031	205,443
Current liabilities			
Trade payables	*15*	**84,124**	32,570
Other payables and accruals	*16*	**64,305**	58,193
Tax payable		**31,237**	16,802
Other borrowings		**46,473**	31,286
Finance lease payables		**794**	152
Convertible bonds	*17*	**28,135**	–
Non-convertible bonds	*18*	**48,171**	–
		303,239	139,003
Net Current Assets		**262,792**	66,440

	Notes	**2014**	2013
		HK$'000	*HK$'000*
Total assets less current liabilities		**409,150**	183,193
Non-Current Liabilities			
Non-convertible bonds	*18*	**181,155**	20,860
Finance lease payables		**2,834**	536
Deferred tax liabilities		**25,538**	26,888
		209,527	48,284
NET ASSETS		**199,623**	134,909
Capital and reserves			
Share capital		**2,321,311**	130,115
Other statutory capital reserves		**–**	2,101,620
Share capital and other statutory capital reserves		**2,321,311**	2,231,735
Other reserves		**(2,122,719)**	(2,082,980)
Equity attributable to owners of the Company		**198,592**	148,755
Non-controlling interests		**1,031**	(13,846)
EQUITY		**199,623**	134,909

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2014

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 Suite 5208, 52/F., Central Plaza, 18 Harbour Road, Wanchai, 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").

Pursuant to a resolution of the Board dated 12 December 2013, the Company's financial year end date was changed from 30 June to 31 December, for the sake of aligning the financial year end date of the Company with that of its subsidiaries which were incorporated in the People's Republic of China ("PRC"). The comparative figures of this consolidated financial statements presented, therefore, covered a six– months period from 1 July 2013 to 31 December 2013.

In addition, pursuant to a special resolution passed at the extraordinary general meeting of the Company held on 10 January 2014 ("2014 EGM") and approved by the Registrars of Companies of Hong Kong, the name of the Company was changed from "China Outdoor Media Group Limited 中國戶外媒體集團有限公司" to "National United Resources Holdings Limited 國家聯合資源控股有限公司", for presenting a more precise image in its diversifying development progress of the Group.

2. BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and accounting principles generally accepted in Hong Kong. These consolidated financial statements also comply with the applicable requirements of the Hong Kong Companies Ordinance relating to the preparation of consolidated financial statements in accordance with transitional and saving arrangements for Part 9 of the Hong Kong Companies Ordinance (Cap. 622) ("New CO"). The consolidated financial statements have been prepared under the historical cost convention. These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") and are presented in Hong Kong dollars ("HK$") and all values are rounded to the nearest thousand except when otherwise indicated.

These consolidated financial statements have also been prepared on a going concern basis notwithstanding the existence of substantial operating losses of HK$68,845,000, and negative operating cash flows of HK$354,998,000 for the year ended 31 December 2014. The ongoing operation of the Group is dependent on the performance of the businesses of the Group and the availabilities of financing activities of the Group.

The directors have prepared cash flow projections that support the ability of the Group to continue as a going concern. These cash flow projections assume that the Group is able to maintain the current performance of the Group's business and obtain additional funding from various financing activities. The Group's ability to operate as a going concern is largely dependent on the positive operating results of the Group and the net cash flows from such financing activities to enable the Group to meet its financial obligations as and when they fall due. The directors thus believe that the Group has sufficient cash flows to meet its liabilities and financial obligations as and when they fall due in the coming twelve months from the date of these consolidated financial statements. Accordingly, the directors consider it is appropriate to prepare these consolidated financial statements on a going concern basis.

Basis of Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 December 2014. The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described in the accounting policy for subsidiaries below. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

3. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has two reportable operating segments: (i) media and advertising segment; and (ii) trading of coking coal segment.

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 profit/(loss), which is a measure of adjusted profit/(loss) before tax. The adjusted profit/(loss) before tax is measured consistently with the Group's profit/(loss) before tax except that interest and other income, finance costs, unallocated corporate expenses, share option expenses as well as share of profits and losses of associates 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 other borrowings, tax payable, deferred tax liabilities and other unallocated corporate liabilities as these liabilities are managed on a group basis.

There were no inter-segment sales in the current year (six months ended 31 December 2013: Nil).

	Media and advertising		**Trading of coking coal**		**Total**	
	Year ended 31 December 2014	Six months ended 31 December 2013	**Year ended 31 December 2014**	Six months ended 31 December 2013	**Year ended 31 December 2014**	Six months ended 31 December 2013
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Segment revenue:						
Sales to external customers	**30,872**	8,093	**334,004**	186,438	**364,876**	194,531
Segment results	**2,085**	(13,731)	**48,046**	60,519	**50,131**	46,788
Reconciliation:						
Interest income					**24**	5
Other income					**8,912**	776
Corporate and other unallocated expenses					**(71,524)**	(9,575)
Finance costs					**(17,101)**	(49)
Share option expenses					**(27,702)**	–
Share of profits and losses of associates					**419**	–
(Loss)/profit before tax					**(56,841)**	37,945

	Media and advertising		Trading of coking coal		Total	
	2014	2013	**2014**	2013	**2014**	2013
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Segment assets	**33,363**	48,453	**478,849**	108,252	**512,212**	156,705
Reconciliation:						
Corporate and other unallocated assets					**200,177**	165,491
Total assets					**712,389**	322,196
Segment liabilities	**15,438**	30,542	**107,978**	54,847	**123,416**	85,389
Reconciliation:						
Corporate and other unallocated liabilities					**389,350**	101,898
Total liabilities					**512,766**	187,287
Other segment information:						
Depreciation and amortisation	**5,825**	498	**1,816**	300	**7,641**	798
Capital expenditure*	**1,167**	404	**5,191**	2,613	**6,358**	3,017

* *Capital expenditure consists of additions to property, plant and equipment and intangible assets, including assets from the acquisition of subsidiaries.*

Geographical information

(a) Revenue from external customers

	Year ended 31 December 2014	Six months ended 31 December 2013
	HK$'000	*HK$'000*
Hong Kong	**51,883**	107,396
PRC	**309,893**	2,856
Mongolia	**3,100**	5,237
Singapore	**–**	79,042
	364,876	194,531

The above revenue information is based on the locations of the customers.

(b) Non-current assets

	2014	2013
	HK$'000	*HK$'000*
Hong Kong	**8,306**	3,217
PRC	**121,996**	113,536
Mongolia	**16,056**	–
	146,358	116,753

The above non-current assets information is based on the locations of the assets.

(c) Information about major customers

Revenue from operations of approximately HK$104,428,000, HK$78,603,000, HK$51,883,000 and HK$41,550,000 (six months ended 31 December 2013: HK$107,396,000 and HK$79,042,000) was derived from sales income from trading of coking coal segment to four (six months ended 31 December 2013: two) customers which contributed 10% or more to the Group's revenue for the year ended 31 December 2014.

4. REVENUE

Revenue, which is also the Company's turnover, represents the net invoiced value of goods sold and the value of services rendered during the year/period.

	Year ended 31 December 2014	Six months ended 31 December 2013
	HK$'000	*HK$'000*
Sales of goods	**334,004**	186,438
Media and advertising services income	**30,872**	8,093
	364,876	194,531

5. OTHER INCOME

An analysis of other income and gains is as follows:

	Year ended 31 December 2014 *HK$'000*	Six months ended 31 December 2013 *HK$'000*
Bank interest income	**24**	5
Foreign exchange gains, net	**1,139**	1
Reversal of impairment of trade receivables	**–**	252
Sundry income	**7,773**	523
	8,936	781

6. FINANCE COSTS

An analysis of finance costs is as follows:

	Year ended 31 December 2014 *HK$'000*	Six months ended 31 December 2013 *HK$'000*
Bank charges	**467**	6
Interest on convertible bonds	**390**	–
Interest on non-convertible bonds	**13,071**	23
Interest on finance lease	**160**	20
Interest on receivable factoring without recourse arrangement	**3,013**	–
	17,101	49

7. (LOSS)/PROFIT BEFORE TAX

The Group's (loss)/profit before tax is arrived at after charging:

	Year ended 31 December 2014	Six months ended 31 December 2013
	HK$'000	*HK$'000*
Cost of inventories sold	**255,597**	84,227
Depreciation	**2,241**	348
Minimum lease payments under operating leases in respect of:		
– Land and buildings	**10,244**	1,451
– Office equipment	**56**	12
– Outdoor billboards	**14,561**	13,537
	24,861	15,000
Auditors' remuneration	**710**	498
Employee benefit expense (including directors' remuneration)		
– Salaries, allowances and benefits in kind	**24,242**	2,867
– Equity-settled share option expense	**27,702**	–
– Retirement benefit schemes contributions	**625**	50
	52,569	2,917

8. INCOME TAX EXPENSE

	Year ended 31 December 2014	Six months ended 31 December 2013
	HK$'000	*HK$'000*
Current – Hong Kong		
Charge for the year/period	**9,602**	10,097
Current – PRC		
Charge for the year/period	**3,752**	76
Deferred tax	**(1,350)**	(112)
Total tax charge for the year/period	**12,004**	10,061

Hong Kong Profits Tax is calculated at the rate of 16.5% (six months ended 31 December 2013: 16.5%) on the estimated assessable profits arising in Hong Kong during the year/period.

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% (six months ended 31 December 2013: 25%).

A reconciliation of the tax expense applicable to (loss)/profit before tax at the statutory tax rate of 16.5% to the tax expense at the effective tax rate is as follows:

	Year ended 31 December 2014	Six months ended 31 December 2013
	HK$'000	*HK$'000*
(Loss)/profit before tax	**(56,841)**	37,945
Tax at the statutory tax rate of 16.5%	**(9,379)**	6,260
Profits and losses attributable to associates	**(69)**	–
Income not subject to tax	**(1,199)**	(950)
Expenses not deductible for tax	**19,674**	4,815
Unrecognised temporary differences	**–**	(80)
Tax losses not recognised	**2,578**	–
Effect of different tax rates of subsidiaries operating in the PRC	**399**	26
Others	**–**	(10)
Tax charge at the Group's effective rate	**12,004**	10,061

9. DIVIDENDS

The Board does not recommend the payment of any dividend for the year ended 31 December 2014 (six months ended 31 December 2013: Nil).

10. (LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of basic (loss)/earnings per share amounts is based on the (loss)/profit for the year/period attributable to ordinary equity holders of the Company of approximately HK$68,647,000 (six months ended 31 December 2013: profit of HK$31,945,000) and the weighted average number of ordinary shares of 2,635,384,000 (six months ended 31 December 2013: 2,237,420,000) in issue during the year/period.

The weighted average number of ordinary shares for the six months ended 31 December 2013 were adjusted for the effect of share consolidation on 13 November 2013.

The computation of diluted (loss)/earnings per share does not assume the exercise of the Company's share options outstanding during the year as the exercises price of those options were higher than the average market price for shares for the year.

No adjustment has been made to the basic (loss)/earnings per share amounts presented for the year ended 31 December 2014 and six months ended 31 December 2013 in respect of a dilution as the impact of the share options and convertible bonds outstanding had an anti-dilutive effect on the basic (loss)/earnings per share amounts presented.

11. GOODWILL

	At 31 December	
	2014	2013
	HK$'000	*HK$'000*
Cost:		
At beginning and end of the year/period	**1,252,228**	1,252,228
Accumulated impairment:		
At beginning of the year/period	**1,246,983**	1,246,983
Provided during the year/period	**–**	–
At end of the year/period	**1,246,983**	1,246,983
Net carrying amount	**5,245**	5,245

Impairment test on goodwill

Goodwill acquired through business combinations has been allocated to the following cash-generating units ("CGU") for impairment testing:

– Media and advertising services – outdoor billboards; and

– Media and advertising services – others

The carrying amount of goodwill allocated to each of the CGUs is as follows:

	At 31 December	
	2014	2013
	HK$'000	*HK$'000*
Media and advertising services – outdoor billboards	**5,245**	5,245
Media and advertising services – others	**–**	–
	5,245	5,245

Media and advertising services – outdoor billboards

For the year ended 31 December 2014, the recoverable amount of this CGU has been determined based on the fair value less costs of disposal with reference to the price in the binding sales and purchase agreement entered between a subsidiary of the Company and an independent third party on 9 March 2015 in relation to the disposal of this CGU adjusted for incremental costs that would be directly attributable to the disposal of this CGU. The fair value of the CGU is categorised within Level 2 of the fair value hierarchy. No significant adjustment to Level 2 input is assumed as the end of the reporting period and the date of binding agreement entered is a short period of time and there is no any significant changes during that period.

For the six months ended 31 December 2013, the recoverable amount of this CGU had been determined based on a value in use calculation using cash flow projections based on financial budgets covering a three-year period approved by senior management. The discount rate applied to the cash flow projections is 21.64% per annum. The growth rate used to extrapolate the cash flows of this group of cash-generating units beyond the three-year period is 2.8% per annum. Senior management believes that any reasonably possible change in the key assumptions on which the recoverable amount is based would not cause the carrying amount of this unit to exceed its recoverable amount.

The calculation of value in use for this CGU is most sensitive to the following key assumptions:

(i) Discount rates

Discount rates represent the current market assessment of the risks specific to this CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and its operating segments and is derived from its weighted average cost of capital ("WACC"). The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the Group's investors. The cost of debt is based on the interest bearing borrowings the Group is obliged to service. Segment specific risk is incorporated by applying individual beta factors. The beta factors are evaluated annually based on publicly available marked data.

(ii) Growth rate used to extrapolate cash flows beyond the budget period

Growth rate is based on senior management expectations on long-term growth rate for the CGU operates. Accordingly, in the opinion of senior management, the growth rates used would not exceed the long-term average growth rates for the industries, or countries in which the entity operates, or for the market to which the unit (group of units) is dedicated.

(iii) Budget gross margin and revenue

Budgeted gross margin and revenue are based on past practices and expectations on market development.

12. INTANGIBLE ASSETS

	At 31 December	
	2014	2013
	HK$'000	*HK$'000*
Cost:		
At beginning of the year/period	**108,000**	–
Acquisition of a subsidiaries *(note 19)*	**–**	108,000
At end of the year/period	**108,000**	108,000
Accumulated amortisation:		
At beginning of the year/period	**450**	–
Provided during the year/period	**5,400**	450
At end of the year/period	**5,850**	450
Net carrying amount	**102,150**	107,550

13. 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 31 December 2014, three (six months ended 31 December 2013: one) customers attributable to the Group's total trade receivables were 95% (31 December 2013: 86%). The Group does not hold any collateral or other credit enhancement over its trade receivable balances. Trade receivables are non-interest bearing.

An aged analysis of the trade receivables, based on the invoice date, is as follows:

	At 31 December	
	2014	2013
	HK$'000	*HK$'000*
Within 30 days	**–**	84,305
31 – 60 days	**9,367**	25
61 – 90 days	**6,209**	25
Over 90 days but within 1 year	**15,174**	102
Over 1 year	**1,739**	6,645
	32,489	91,102

The aged analysis of the trade receivables that are not individually nor collectively considered to be impaired is as follows:

	At 31 December	
	2014	2013
	HK$'000	*HK$'000*
Neither past due nor impaired	**–**	84,305
1 – 30 days past due	**9,367**	25
31 – 60 days past due	**6,209**	25
Over 60 days but within 1 year past due	**15,174**	102
Over 1 year past due	**1,739**	6,645
	32,489	91,102

Receivables that were neither past due nor impaired relate to those customers for whom there was no recent history of default.

Receivables that were past due but not impaired relate to those customers that have a good track record with the Group. Based on past experience, the Directors are of the opinion that no provision for impairment is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable.

14. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	At 31 December	
	2014	2013
	HK$'000	*HK$'000*
Other receivables	**60,632**	38,700
Deferred expenses	**2,557**	9,259
Prepayments and deposits	**481,733**	33,705
	544,922	81,664
Impairment	**(14,259)**	(14,259)
	530,663	67,405

The movements in provision for impairment of prepayments, deposits and other receivables are as follows:

	At 31 December	
	2014	2013
	HK$'000	*HK$'000*
At beginning of the year/period	**14,259**	14,209
Exchange realignment	**–**	50
	14,259	14,259

No impairment loss (31 December 2013: Nil) was provided for the year ended 31 December 2014. Other than the above mentioned, the financial assets included in the prepayments, deposits and other receivables relate to receivables for which there was no recent history of default, and none of them is either past due or impaired.

15. TRADE PAYABLES

An aged analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	At 31 December	
	2014	2013
	HK$'000	*HK$'000*
Within 30 days	**1,954**	29,970
31 – 60 days	**–**	–
61 – 90 days	**–**	2,600
over 90 days but within 1 year	**82,170**	–
	84,124	32,570

The trade payables are non-interest-bearing and have an average 30-day terms.

16. OTHER PAYABLES AND ACCRUALS

	At 31 December	
	2014	2013
	HK$'000	*HK$'000*
Other payables	**20,410**	2,877
Receipt in advance	**23,450**	29,242
Accruals	**20,445**	26,074
	64,305	58,193

17. CONVERTIBLE BONDS

On 25 November 2014, the Company issued 6% convertible bonds (the "CB") with a nominal value of HK$30,000,000. The CB are convertible at the option of the bondholders into ordinary shares of the Company within twelve months from the date of issue, at a conversion price of HK$0.23 (subject to adjustment), and maximum of 130,434,782 conversion shares can be issued. Any CB not converted will be fully redeemed on the redemption date at nominal value. The CB carry interest at a rate of 6% per annum, which is payable on the redemption date.

The fair value of the liability component was estimated at the issuance date using an equivalent market interest rate for a similar bond without a conversion option. The residual amount is assigned as the equity component and is included in shareholders' equity.

The CB issued during the year have been split into the liability and equity components as follows:

	HK$'000
Nominal value of CB issued during the year	30,000
Equity component	(948)
Direct transaction costs	(1,125)
Liability component at the issuance date	27,927
Interest expense	208
Liability component at 31 December 2014	28,135

18. NON-CONVERTIBLE BONDS

During the year, the Company issued thirty-two (six months ended 31 December 2013: three) 6% non-convertible bonds (the "Bonds") with a nominal value of HK$212,000,000 (six months ended 31 December 2013: HK$21,500,000). The Bonds are redeemable at the discretion of the Company at 100% of the principal amount of such Bonds together with payment of interests accrued up to date of such early redemption by serving at least ten calendar days written notice at any time before the maturity date. The Bonds will be redeemed on the date immediately following the twelve to twenty-four months after the first date of issue of the Bonds. The Bonds carry interest at a rate of 6% per annum, which is payable annually in arrears.

	At 31 December	
	2014	2013
	HK$'000	*HK$'000*
Net carrying amount:		
At beginning of the year/period	**21,500**	–
Nominal value of the Bonds issued during the year/period	**212,000**	21,500
	233,500	21,500
Directly attributable transaction costs	**(5,550)**	(645)
Interest expense	**1,376**	5
At end of the year/period	**229,326**	20,860
Portion classified as current liabilities	**(48,171)**	–
Non-current portion	**181,155**	20,860

19. BUSINESS COMBINATIONS

On 2 December 2013, the Group acquired 100% equity interests in Placid Expression Limited ("Placid Expression") and its subsidiaries (collectively "Placid Group") (the "Acquisition"). Placid Group is principally engaged in media and advertisement production and promotion and marketing, general trading and logistics in the PRC. The Acquisition was made as part of the Group's strategy to strength its advertising and media business in the PRC. The purchase consideration for the Acquisition was satisfied by the allotment and issuance of 433,600,000 new Shares (the "Consideration Shares"), credited as fully paid, with fair value of HK$75,013,000. Details of the Acquisition are set out in announcements issued by the Company dated 16 September 2013 and 27 November 2013.

On 2 December 2013, the Company issued the Consideration Shares to the vendor. The fair value of one Consideration Share of HK$0.173 was determined by reference to the Stock Exchange closing price of the Shares on the date of issue.

The fair values of the identifiable assets and liabilities of Placid Group acquired at the date of the Acquisition were as follows:

	HK$'000
Property, plant and equipment	601
Intangible assets *(note 12)*	108,000
Inventories	52,540
Prepayments, deposits and other receivables	76,347
Cash and bank balances	23,774
Other payables and accruals	(135,176)
Deferred tax liabilities	(27,000)
Vendor's Loan	(20,000)
Total identifiable net assets at fair value	79,086
Gain on bargain purchase recognised in the consolidated statement of profit or loss	(4,073)
Satisfied by:	
Fair value of Consideration Shares issued	75,013

An analysis of the cash flows in respect of the Acquisition is as follows:

	HK$'000
Cash consideration	–
Cash and bank balances acquired	23,774
Net inflow of cash and cash equivalents included in cash flows from investing activities	23,774

Pursuant to the sale and purchase agreement for the Acquisition, the vendor's loan amounted to HK$20,000,000 ("Vendor's loan") should be advanced by the Vendor after the date of the Acquisition. In fact, the Vendor's Loan advanced to Placid Group before the date of the Acquisition as working capital.

The Acquisition has been accounted for using the purchase method. Gain from bargain purchase arose from the excess of fair values of identifiable assets and liabilities of the acquired Placid Group over the fair value of the consideration transferred.

For the year ended 31 December 2014, Placid Group contributed HK$364,519,000 (six months ended 31 December 2013: HK$191,676,000) to the Group's revenue and HK$40,739,000 (six months ended 31 December 2013: HK$53,223,000) to the consolidated (loss)/profit for the year ended 31 December 2014.

MANAGEMENT DISCUSSION AND ANALYSIS

CHANGE OF COMPANY NAME

The name of the Company has been changed from "China Outdoor Media Group Limited 中國戶外媒體集團有限公司" to "National United Resources Holdings Limited 國家聯合資源控股有限公司", effective on 21 January 2014, for presenting a more precise image in its diversifying development progress of the Group.

BUSINESS REVIEW AND PROSPECTS

For the year ended 31 December 2014, the Group has been operating the following major business segments:

Coking coal trading business

In 2014, as affected by substantial drop in global oil prices, the modest economic growth and with the trend of stricter environmental protection governance, coal price continued to decline which was in line with other minerals and natural resources. The Group commenced coking coal trading business since the second half of 2013, when the global coal price was already in a downward trend, since we believed that natural resources are necessities for human beings in the long run and the current price fluctuation is just a normal phenomenon in the industry cycle. The Group's current direction is to build up a concrete foundation in the market and acquire valuable assets with competitive prices while in the down side of the market. In this reporting period, the Group had achieved the following progress in this business segment:

- In March, 2014, the Company and 中航國際煤炭物流有限公司 (AVIC International Coal Logistics Company Limited*) entered into a strategic cooperation framework agreement, in which both parties have confirmed an intention to cooperate in respect of sale, logistic and storage management of specialty coal from Mongolia for 3 years and up to 15 million tons in aggregate; and

- In April 2014, a subsidiary of the Company entered into coal purchase agreements with Erdenes Tavan Tolgoi JSC, a Mongolian state-owned joint stock company, for securing supplies of 1,750,000 tons of coal in Mongolia.

* *For identification purpose only*

Besides securing coal supplies in Mongolia, the Group aimed at establishing a full supply chain of coal from Mongolia to the PRC. In April 2014, a subsidiary of the Company, entered into the joint venture agreement in relation to the formation of a joint venture company in the PRC to be engaged in the investment and development of a bonded logistics park located in the border crossing point of Ganqimaodu, Bayannur City, Inner Mongolia Autonomous Region, the PRC.

Media and advertising business

The Group operates outdoor advertisement mediums/billboards provision business, advertisement design and production, graphic and brand design services as well as corporate culture consultancy in the PRC and in Mongolia. In this reporting period, the Placid Group proceeded rendering advertisement design service and corporate image advisory to customers. Pursuant to the sales and purchase agreement of acquisition of Placid Group, the vendor has irrevocably warranted and guaranteed that the Placid Group a HK$15,000,000 profit for the twelve months period from 1 October 2013 to 30 September 2014 (the "Guaranteed Profit"). The auditor of the Company has confirmed the Guaranteed Profit was achieved.

BUSINESS DEVELOPMENT

In order to further develop and maintain the coking coal trading business, the Group was continue to explore investment opportunities during the financial period.

In July 2014, the Company and Turquoise Hill Resources Limited entered into the sale and purchase agreement, pursuant to which Turquoise Hill Resources agreed to sell, and the Company agreed to purchase, 56,102,000 common shares of SouthGobi Resources Limited ("SouthGobi Shares") which is primary listed on the Toronto Stock Exchange (stock symbol: SGQ) and secondary listed on the Stock Exchange (stock code: 1878) at the purchase price of 25,526,410 Canadian dollars and subject to the terms of the sale and purchase agreement. As this acquisition constitutes a very substantial acquisition of the Company under the Rules Governing the Listing of Securities on the Stock Exchange ("Listing Rules"), the acquisition is subject to approval by the shareholders of the Company (the "Shareholders"). Up to the date of this announcement, the acquisition has not been completed because some of the conditions for completing the acquisition have not yet been fulfilled.

On 21 October 2014, an indirectly wholly-owned subsidiary of the Company (the "Purchaser") entered into a conditional sale and purchase agreement (as supplemented by the side letters dated 31 December 2014 and 30 January 2015, collectively the "Sale and Purchase Agreement") to purchase the entire issued share capital of Able Nice International Limited, a company incorporated in the British Virgin Islands with limited liability, which indirectly holds approximately 90% equity interests in Takhidagkhairkhan Limited Liability Company with Foreign Investment, which is principally engaged in international trading, logistic and storage management of coal in Mongolia at a consideration of HK$150,000,000 (the "Discloseable Acquisition"), which will be satisfied partial in cash of HK$75,000,000 and partial by the issue of a six-month 6% promissory note of HK$75,000,000 by the Company. The Discloseable Acquisition constitutes a discloseable transaction of the Company under the Listing Rules. Up to the date of this announcement, the Purchaser has not yet completed due diligence on the target group to be acquired in the Discloseable Acquisition with a satisfactory result, one of the most important condition precedent in the Sale and Purchase Agreement. In addition, the Purchaser has no intention to waive the fulfillment of any condition(s) precedent in the Sale and Purchase Agreement, which shall be fulfilled or waived (if applicable) on or before 31 March 2015 (the "Long Stop Date"). The Company considered it would not be in the interest of the Company and the Shareholders to further extend the Long Stop Date and proceed with the Discloseable Acquisition. As a result, the Sale and Purchase Agreement will lapse and the Discloseable Acquisition will be terminated on 31 March 2015. The Company considered that the termination of the Discloseable Acquisition will not have any material adverse impact on the financial and operational position of the Group.

In order to diversify the business of the Group for maximizing returns to the Shareholders, the Group has explored business development opportunities in leasing business by setting up a joint venture company in May 2014 with several joint venture partners. 青島城市建設投資(集團)有限責任公司 (Qingdao City Construction Investment Group Company Limited*) is the key joint venture partner who is a state-owned enterprise under the Qingdao municipal government, engaging in the development and construction of urban and rural infrastructure and tourism.

Besides leasing business, in view of a huge development potential in Mongolia, the Group has also participated in a real estate development project located in Ulaanbaatar, the capital of Mongolia, by investing in real estate developer in this reporting period. This investment was accounted for as an associate of the Group.

* *For identification purpose only*

FINANCIAL REVIEW

Since the Company changed its financial year end date from 30 June to 31 December in 2013, the consolidated results of the Group for the year ended 31 December 2014 covered a twelve-months period from 1 January 2014 to 31 December 2014 while the corresponding comparative figures for the six months ended 31 December 2013 covered a six-months period from 1 July 2013 to 31 December 2013.

For the year ended 31 December 2014, the Group recorded a consolidated revenue of approximately HK$364,876,000, while the revenue for the six months ended 31 December 2013 was approximately HK$194,531,000. Loss attributable to Shareholders was approximately HK$68,647,000, against to a profit of approximately HK$31,945,000 for the six months ended 31 December 2013. Basic loss per share was approximately HK2.60 cent, against to a profit per share of approximately HK1.43 cents for the six months ended 31 December 2013.

Revenue

During the year ended 31 December 2014, the revenue of the Group was principally derived from the following business segments:

(i) Coking coal trading business

The revenue for the year ended 31 December 2014 generated from the coking coal business amounted to approximately HK$334,004,000 (six months ended 31 December 2013: HK$186,438,000). The gross profit of this business was approximately 17.6% (six months ended 31 December 2013: 33.4%). Sluggish demand from downstream industries led to weakened demand in coking coal and so as a significant drop in gross profit margin was resulted in the year ended 31 December 2014. During the year ended 31 December 2014, the Group had sold approximately 557,000 tons of coal, when compare to approximately 268,000 tons for the six months ended 31 December 2013.

(ii) Media and advertising business

The revenue for the year ended 31 December 2014 generated from the media and advertising business amounted to approximately HK$30,872,000 (six months ended 31 December 2013: HK$8,093,000). This segment result was a profit of approximately HK$2,085,000 as compared to a loss of approximately HK$13,731,000 for the six months ended 31 December 2013.

Other Income

The Group's other income increased from approximately HK$781,000 for the six months ended 31 December 2013 to approximately HK$8,936,000 for the year 31 December ended 2014. The increase was mainly attributable to a written back of provision for tax surcharge in the PRC.

Administrative and other operating expenses

The Group's administrative and other operating expenses mainly comprised employment expenses and rentals for offices located in the PRC and Hong Kong. Administrative and other operating expenses were approximately HK$109,678,000 for the year ended 31 December 2014, as compared to approximately HK$21,262,000 for the six months ended 31 December 2013. The significant increase in administrative expenses was primarily due to increase in staff cost of approximately HK$15,621,000, increase in Directors' remuneration of approximately HK$6,329,000, increase in the share-based payment expenses of approximately HK$27,702,000 and rental expenses of approximately HK$8,648,000 as a result of the expansion of the Group.

The amortisation of intangible asset relating to the Acquisition was approximately HK$5,400,000 as compared to HK$450,000 for the six months ended 31 December 2013.

Finance Costs

The finance costs for the year ended 31 December 2014 amounted to approximately HK$17,101,000 as compared to approximately HK$49,000 for the six months ended 31 December 2013. During the year, the Group's finance costs comprised bank handling charges for oversea trading of coking coal amounted to approximately HK$3,480,000, accrued interest for the non-convertible bonds and convertible bonds totally amounted to approximately HK$13,461,000 and interest payments for finance lease amounted to approximately HK$160,000.

Loss for the year

Owing to reduction in gross profit margin of the coal trading business and significant increase in costs listed above, as well as an non-occurrence of an one-off gain from a bargain purchase of approximately HK$4,073,000 arising from the acquisition of the entire issued share capital of Placid Expression, the Group recorded loss attributable to owners of the Company of approximately HK$68,647,000 for the year ended 31 December 2014 against to a profit attributable to owners of the Company of approximately 31,945,000 for the six months ended 31 December 2013.

Property, plant and equipment

Property, plant and equipment amounted to approximately HK$7,923,000, representing an increase of approximately 108% when compared to HK$3,808,000 as at 31 December 2013. The increase was mainly due to the additions in leasehold improvement, office equipment and motor vehicles made in this financial period.

Intangible assets

On 2 December 2013, the Group acquired 100% equity interests in Placid Group, an intangible asset of related customer relationships, amounted to HK$108,000,000 in fair value, was recognized as parts of the assets and liabilities of the Placid Group that the Group had acquired. This intangible asset is amortized on the straight-line method over its estimated useful life of 20 years.

Trade receivables

Trade receivables amounted to approximately HK$32,489,000, representing a decrease of approximately 64% when compared to HK$91,102,000 as at 31 December 2013. In order to minimize the credit risk for the trade receivables, the Group has implemented strict control on the determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts.

Prepayments, deposits and other receivables

Prepayments, deposits and other receivables amounted to approximately HK$530,663,000 as at 31 December 2014, an increase of approximately 687% when compared to HK$67,405,000 as at 31 December 2013. The increase was mainly attributable to prepayments to certain suppliers and transporters for goods and services in the coking coal trading business.

Trade payables

Trade payables amounted to approximately HK$84,124,000 as at 31 December 2014, representing an increase of approximately 158% when compared to HK$32,570,000 as at 31 December 2013, which was attributable to the coking coal trading business in this financial period.

Other payables and accruals

Other payables and accruals amounted to approximately HK$64,305,000 as at 31 December 2014, an increase of approximately 11% when compared to HK$58,193,000 as at 31 December 2013.

Borrowings

As at 31 December 2014, our Group recorded other borrowings of approximately HK$46,473,000 (31 December 2013: HK$31,286,000), of which HK$20,000,000 was a loan from the vendor in the acquisition of Placid Group during the year 2013.

EMPLOYEE INFORMATION

As at 31 December 2014, the Group had 83 employees (including Directors) in Hong Kong and the PRC (31 December 2013: 40). 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 revised 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. The Group also adopted two share option scheme whereby qualified participants may be granted options to acquire shares of the Company. In September 2014, the Company had granted a total of 204,900,000 share options, of which 177,700,000 share options to certain Directors and employees. There has been no major change in staff remuneration policies during the year ended 31 December 2014.

CAPITAL STRUCTURE, LIQUIDITY AND FINANCIAL RESOURCES

During the year ended 31 December 2014, the Group financed its operations by (i) cash flow from operating activities; (ii) funding through issuance of the non-convertible bonds and convertible bonds; and (iii) funding through issuance of new shares. As at 31 December 2014, the cash and bank balances of the Group amounted to approximately HK$2,879,000 (31 December 2013: HK$46,936,000), without any deposit pledged to banks. During the year ended 31 December 2014, the Group has net cash outflow of approximately HK$354,998,000 (six months ended 31 December 2013: HK$9,421,000) used in its operating activities, net cash outflow of approximately HK$33,192,000 (six months ended 31 December 2013: inflow of HK$22,119,000) used in/from its investing activities and net cash inflow of approximately HK$344,142,000 (six months ended 31 December 2013: HK$30,294,000) from its financing activities.

As at 31 December 2014, the Group had current assets of approximately HK$566,031,000 (31 December 2013: HK$205,443,000), while its current liabilities were approximately HK$303,239,000 (31 December 2013: HK$139,003,000). The current ratio (current assets over current liabilities) of the Group was approximately 1.87 (31 December 2013: 1.48); and its gearing ratio (total borrowings over total assets) was approximately 43.17% (31 December 2013: 16.40%). Net asset value per share was approximately HK$0.07 as at 31 December 2014 (31 December 2013: HK$0.05).

As at 31 December 2014, the Company has 2,991,767,000 Shares in issue.

On 28 October 2014, the Company entered into a conditional subscription agreement with Elite Fortune Global Limited ("Elite Fortune") (the "Subscription") whereby the Company agreed to allot and issue a total of 389,460,000 new Shares under general mandate to Elite Fortune at a price of HK$0.23 per subscription share, representing a premium of approximately 0.88% to the closing price of HK$0.228 per Share as quoted on the Stock Exchange on 28 October 2014. The Company intended to use the proceeds arising from the Subscription (i) as to HK$75,000,000 as the partial consideration for the Discloseable Transaction; and (ii) as to the remaining HK$14,400,000 as general working capital of the Group. The reason for carrying out the issue was to strengthen the financial position (in particular the working capital and cash flow position) of the Group. The gross proceeds and the net proceeds from the Subscription were approximately HK$89,576,000 and HK$89,400,000 respectively. The net issue price per subscription share was approximately HK$0.23. The Subscription was completed on 1 December 2014. Details of the Subscription were set out in the Company's announcements dated 28 October 2014, 29 October 2014 and 25 November 2014. As at 31 December 2014, the net proceeds were utilized as the Group's working capital.

FOREIGN EXCHANGE EXPOSURE

During the year ended 31 December 2014, the majority of the Group's income and expenses were denominated in United States dollars, Renminbi ("RMB") and Hong Kong dollars. Up to 31 December 2014, the management of the Company was of the opinion that the Group has insignificant exposure to foreign exchange risk. As a result, the Group did not use any financial instruments for hedging against fluctuation in foreign exchange for the year ended 31 December 2014. 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.

CHARGES ON GROUP ASSETS

As at 31 December 2014, the Group had pledged property, plant and equipment with the net carrying amount of approximately HK$3,809,000 (31 December 2013: HK$730,000) to secure the finance lease payables of approximately HK$3,628,000 (31 December 2013: HK$688,000).

CONTINGENT LIABILITIES

As at 31 December 2014, the Group had contingent liabilities as possible claims arising from indemnity related to a former subsidiary of approximately RMB6,100,000, being equivalent to HK$7,690,000 (31 December 2013: RMB6,100,000 being equivalent to HK$7,751,000). In the opinion of management of the Company, it is not necessary for recording any provisions for the above contingent liabilities as at 31 December 2014.

CAPITAL COMMITMENTS

At the end of the reporting period, the capital commitments of the Group were approximately HK$86,022,000. The capital commitments were mainly related to contracted capital contribution in respect of the Group's investment in setting up a joint venture company and contracted but not yet provided for the acquisition of property, plant and equipment.

Convertible Bonds

On 25 November 2014, the Company issued 6% CB with a nominal value of HK$30,000,000. There was no movement in the number of the CB during the year. The CB are convertible at the option of the bondholders into ordinary shares of the Company within twelve months from the date of issue, at a conversion price of HK$0.23 (subject to adjustment), and maximum of 130,434,782 conversion shares can be issued. Any CB not converted will be fully redeemed on the redemption date at nominal value. The CB carry interest at a rate of 6% per annum, which is payable yearly in arrears on the redemption date. Details of the CB are set out in Note 17.

Non-convertible Bonds

The Bonds with an aggregate nominal value of HK$212,000,000 (six months ended 31 December 2013: 21,500,000) were subscribed during the year ended 31 December 2014. The Bonds are redeemable at the discretion of the Company at 100% of the principal amount of such Bonds together with payment of interests accrued up to date of such early redemption by serving at least ten calendar days written notice at any time before the maturity date. The maturity date of the Bonds is on the date immediately following twelve to twenty-four months after the first date of issue of the Bonds. The Bonds carry interest at a rate of 6% per annum, which is payable annually in arrears. Details of the Bonds are set out in Note 18.

EVENTS AFTER THE REPORTING PERIOD

(a) On 12 January 2015, the Company and Heng Xin China Holdings Limited ("Heng Xin"), the shares of which are listed on the Growth Enterprise Market of the Stock Exchange, entered into a subscription agreement (the "HX Bond Subscription Agreement") in relation to the subscription of the 11% coupon bond in the principal amount of HK$80,000,000 to be issued by Heng Xin (the "HX Bond"). Pursuant to the HX Bond Subscription Agreement, the Company has conditionally agreed to subscribe for the HX Bond in the principal amount of up to HK$80,000,000 to be issued by Heng Xin with a maturity of 12 months with coupon rate of 11% per annum.

On 12 January 2015, the Company also entered into a subscription agreement (the "Bond Subscription Agreement") with Sandmartin International Holdings Limited (the "Subscriber"), the shares of which are listed on the Main Board of the Stock Exchange. Pursuant to Bond Subscription Agreement, the Subscriber has conditionally agreed to subscribe for the 6% coupon bond in the principal amount of up to HK$80,000,000 to be issued by the Company with a maturity of 12 months from the date of issue.

Details of the transactions are set out in the announcement of the Company dated 12 January 2015.

Up to the date of this announcement, both the subscriptions mentioned above have not been fully completed because some of the conditions for completing the subscriptions have not yet been fully fulfilled.

(b) Certain convertible bondholders exercised their conversion rights to convert the CB into new shares of the Company, in which 30,420,000 and 43,900,000 shares were issued and allotted by the Company on 12 January 2015 and 26 January 2015 respectively.

(c) Besides the Bonds with an aggregate nominal value of HK$212,000,000 were subscribed during the year ended 31 December 2014, further HK$11,000,000 in aggregate were subscribed after the end of the reporting period and up to the date of this announcement.

DIVIDEND

The Board does not recommend the payment of a final dividend for the year ended 31 December 2014 (six months ended 31 December 2013: Nil).

OUTLOOK

Effective from 1 January 2015 the PRC government implemented a regulation proposed by the National Development and Reform Commission. The regulation is mainly to promote use of cleaner coal and restrict the sale and import of low-quality coal with high ash or sulfur content. There must be interruptions to coal trading activities in the short run upon the execution of such stricter environmental control in the PRC, but this can promote the consumption of cleaner coals and eventually lead to more demand for high-valued coal types which are actually beneficial to the market in the long run.

The Group is optimistic about the long term prospects of the coal industry and will continue to explore business development and investment opportunities in the relevant industry.

CORPORATE GOVERNANCE PRACTICES

The Board and the management 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 Board continuously reviews and improves the corporate governance practices and standards of the Group from time to time to ensure that business activities and decision making possesses are regulated in a proper manner.

The Company had complied with the Corporate Governance Code and Corporate Governance Report (the "Code") as set out in Appendix 14 of the Listing Rules throughout the year ended 31 December 2014, except for the deviations from code provisions A.2.1, A.4.1, A.6.7, C.1.2, D.1.4 and E.1.2 of the Code, which are explained below.

Pursuant to code provision A.2.1 of the Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual, but the Company has not appointed a chief executive officer and the roles 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 also believes that the Company already has a strong corporate governance structure in place to ensure effective oversight of management. The Board will continuously review the effectiveness of the Group's corporate governance structure to assess whether any changes are necessary.

Pursuant to code provision A.4.1 of the Code, non-executive Director should be appointed for a specific term and subject to re-election. The Company did not enter into a new service contract with Ms. Tay Sheve Li (a former independent non-executive Director resigned on 22 January 2014) and Mr. Li Ning Qiao (a former independent non-executive Director resigned on 6 June 2014), upon the expiry of their respective service contract on 24 November 2013 and 27 December 2013. In addition, the Company did not enter into an appointment letter with Mr. Cheng Kwong Choi, Alexander (a former independent non-executive Director resigned on 22 January 2014). However, all the aforesaid Directors were subject to retirement by rotation and re-election in accordance by the articles of association (the "Articles") of the Company.

Pursuant to code provision A.6.7 of the Code, independent non-executive directors and other non-executive directors should attend general meetings and develop a balanced understanding of the views of shareholders. Dr. Yang Zhi Shu (an independent non-executive Director), Mr. Cheng Kwong Choi, Alexander (a former independent non-executive Director resigned on 22 January 2014) and Mr. Li Ning Qiao (a former independent non-executive Director who resigned on 6 June 2014) did not attend the 2014 EGM due to their engagement in their own official business. Due to their temporary activities and unexpected engagement, Ms. Mou Ling (a non-executive Director), Mr. Li Ning Qiao (a former independent non-executive Director who resigned on 6 June 2014) and Mr. Wang Qun (an independent non-executive Director) did not attend the 2014 annual general meeting of the Company held on 23 May 2014 (the "2014 AGM"). However, they had actively participated in the Board and committees' meetings to understand the affairs of the Company.

Pursuant to code provision C.1.2 of the Code, management should provide all members of the board with monthly updates giving a balanced and understandable assessment of the issuer's performance, position and prospects in sufficient detail to enable the board as a whole and each director to discharge their duties under Rule 3.08 and Chapter 13 of the Listing Rules. The management of the Company did not provide a regular monthly update to the members of the Board, but the management keeps providing information and update to the members of the Board irregularly.

Pursuant to code provision D.1.4 of the Code, issuers should have formal letters of appointment for directors setting out the key terms and conditions of their appointment. In addition to those as stated in the explanation for the deviation in code provision A.4.1 of the Code as disclosed above, the Company did not enter into a letter of appointment with Mr. Tang Lap Chin, Richard (an executive Director). However, all Directors were subject to retirement by rotation in accordance with the Articles. In addition, they have followed the guidelines set out in "A Guide on Directors' Duties" issued by the Companies Registry and "Guidelines for Directors" and "Guide for Independent Non-Executive Directors" (if applicable) published by the Hong Kong Institute of Directors in performing their duties and responsibilities as Directors. Besides, the Directors actively comply with the requirements under statute and common law, the Listing Rules, legal and other regulatory requirements and the Company's business and governance policies.

Pursuant to code provision E.1.2 of the Code, the chairman of the board should attend the annual general meeting. He should invite the chairperson of the audit, remuneration, nomination committee and any other committees (as appropriate) to attend the annual general meeting. In their absence, he should invite another member of the committee or failing this his duly appointed delegate, to attend. Due to his temporary activities and unexpected engagement, Mr. Wang Qun, the chairperson of the nomination committee of the Company (the "Nomination Committee") did not attend the 2014 AGM. However, Mr. Lo Ka Wai and Mr. Chow Hiu Tung (a former independent non-executive Director who resigned on 16 March 2015), the then members of the Nomination Committee, attended the 2014 AGM.

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 10 of the Listing Rules as the code of conduct for securities transactions by Directors. All the Directors had confirmed, following specific enquiries made by the Company that they had complied with the required standard as set out in the Model Code throughout the year ended 31 December 2014.

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 year ended 31 December 2014.

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

There was no purchase, sale or redemption by the Company or its subsidiaries, of the Company's listed securities during the year ended 31 December 2014.

AUDIT COMMITTEE

The audit committee of the Company (the "Audit Committee") was established with written terms of reference in compliance with the Code. The Audit Committee currently comprises three independent non-executive Directors, namely Mr. Lai Ho Man, Dickson (as chairperson), Mr. Wang Qun and Dr. Yang Zhi Shu.

The principal duties of the Audit Committee include the review of the Company's financial reporting procedure, internal controls and interim and annual results of the Group. The Group's annual results for the year ended 31 December 2014 have been reviewed by the Audit Committee.

SCOPE OF WORK OF MARTIN C.K. PONG & COMPANY

The figures in respect of the preliminary announcement of the Group's results for the year ended 31 December 2014 have been agreed by the Group's independent auditor, Martin C.K. Pong & Company, to the amounts set out in the Group's audited consolidated financial statements for the year ended 31 December 2014. The work performed by Martin C.K. Pong & Company 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 Martin C.K. Pong & Company on the preliminary announcement.

PUBLICATION ON ANNUAL RESULTS AND ANNUAL REPORT

This results announcement of the Group for the year ended 31 December 2014 is available for viewing on the website of the Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk and on the website of the Company at www.nur.com.hk. The annual report will be despatched to the Shareholders and will also be available for viewing at the aforesaid websites in due course.

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

Hong Kong, 30 March 2015

As at the date of this announcement, the executive Directors are Mr. Yang Fan (Chairman), Mr. Lo Ka Wai, 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, Dr. Yang Zhi Shu and Mr. Lai Ho Man, Dickson.