THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a licensed securities dealer or registered institution in securities, a bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **National United Resources Holdings Limited**, you should at once hand this circular to the purchaser or transferee or to the bank, licensed securities dealer, registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

This circular appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for the securities of the Company.

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)

MAJOR TRANSACTION
INVOLVING THE ISSUE OF CONVERTIBLE BONDS

Financial adviser

八方 金融有限公司
OCTAL Capital Limited

A letter from the Board is set out on pages 5 to 26 of this circular.

A notice convening the general meeting of the Company ("GM") to be held at 11:00 a.m. on Friday, 16 October 2015 at Suite 5208, 52/F., Central Plaza, 18 Harbour Road, Wanchai, Hong Kong is set out on pages GM-1 to GM-3 of this circular. Whether or not you intend to attend the GM, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the registered office of the Company at Suite 5208, 52/F., Central Plaza, 18 Harbour Road, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time of the meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting or any adjournment thereof should you so wish, and in such case, the form of proxy previously submitted shall be deemed to be revoked.

30 September 2015

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In this circular, the following expressions have the following meanings unless the context requires otherwise:

"Acquisition"	the proposed acquisition by the Purchaser of the 70% equity interest in the entire issued share capital of the BVI Co
"Board"	the board of Directors
"Business Day"	any day (other than Saturdays, Sunday or public holidays) on which commercial banks in Hong Kong are open to the public for general banking business in general
"BVI"	British Virgin Islands
"BVI Co"	Million Fortune International Investment Limited, a company limited by shares incorporated in the BVI
"Completion"	completion of the Acquisition
"Company"	National United Resources Holdings Limited, a company incorporated in Hong Kong, the shares of which are listed on the Stock Exchange (Stock Code: 254)
"connected persons"	has the meaning ascribed to it under the Listing Rules
"Convertible Bond I"	the convertible bonds in the aggregate principal amount of up to HK$120,000,000 to be issued by the Company convertible to the Conversion Shares at the Conversion Price
"Convertible Bond II"	the convertible bonds in the aggregate principal amount of up to HK$280,000,000 (subject to downward adjustments) to be issued by the Company convertible to the Conversion Shares at the Conversion Price
"Convertible Bonds"	the Convertible Bond I and the Convertible Bond II
"Conversion Price"	HK$0.40 per Conversion Share

"Conversion Rights"	the rights attached to the Convertible Bonds to convert the same or a part thereof into Conversion Shares
"Conversion Shares"	the 1,000,000,000 new Shares to be allotted and issued by the Company upon exercise of the Conversion Rights
"Director(s)"	the director(s) of the Company
"Enlarged Group"	the Group and the Target Group
"GM"	the general meeting of the Company to be convened and held to consider and approve, among other things, the Acquisition and the transactions contemplated under the Sale and Purchase Agreement
"Group"	the Company and its subsidiaries
"Guarantors"	collectively, (i) Ms. Sun Jianjing; (ii) Mr. Zhang Zhijie and (iii) Mr. Sun Xiaoyang
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"HK Co"	Most Billion Corporation Limited, a company incorporated in Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Independent Third Party(ies)"	party(ies) who is/are independent of, and not connected with, the Company or any of its connected person
"Latest Practicable Date"	25 September 2015, the latest practicable date for the identification of certain information in this circular prior to the despatch of this circular
"Listing Rules"	The Rules Governing the Listing of Securities on the Stock Exchange
"Macau Co"	Well Link Logistics Co., Ltd, a company incorporated in Macau Special Administrative Region of the PRC

"Macau Group"	Macau Co and its subsidiary
"MOU"	the memorandum of understanding dated 22 May 2015 entered into between the Company and the Vendors in relation to the Acquisition
"PRC"	the People's Republic of China, which for the purpose of this circular, shall exclude Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
"PRC Co"	青島國金匯通管理諮詢有限公司 (Qingdao Guojin Huitong Management Consulting co., Ltd*), a company established in the PRC
"Purchaser"	Dengyi Investments Limited, a company incorporated in BVI and an indirect wholly-owned subsidiary of the Company
"Reorganisation"	the structural reorganisation to be carried out among the Vendors, its subsidiaries and the Target Group prior to Completion
"RMB"	Renminbi, the lawful currency of the PRC
"Sale and Purchase Agreement"	a sale and purchase agreement dated 8 July 2015 and entered into between the Company, the Vendors and the Guarantors in respect of the Acquisition
"Sale Shares"	an aggregate of 7,000 ordinary shares of US$1 each of the BVI Co, representing 70% equity interest in the entire issued share capital of the BVI Co
"SFO"	Securities and Futures Ordinance (chapter 571 of the laws of Hong Kong)
"Share(s)"	ordinary share(s) in the capital of the Company
"Shareholder(s)"	holder(s) of the Shares
"Stock Exchange"	The Stock Exchange of Hong Kong Limited

"Target Company"	青島國金貴金屬交易中心股份有限公司 (Qingdao Guojin Precious Metal Exchange Centre Company Limited*), a company incorporated in the PRC
"Target Group"	the BVI Co and its subsidiaries (including the Target Company and its subsidiaries)
"Vendors"	collectively, (i) Antel Classification Limited; (ii) World Dragon Enterprises Limited; (iii) Guojin Holdings Co., LTD. and (iv) Nuts Technology Co., Ltd.
"%"	per cent.

* *For identification purpose only*

For illustration purposes, figures in RMB in this circular have been translated into HK$ at the exchange rate of RMB1.00 = HK$1.25. Such conversion shall not be construed as a representation that amounts in RMB were or may have been converted into HK$ using such exchange rate or any other exchange rate or at all.

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)

Executive Directors:
Mr. Lo Ka Wai
Mr. Feng Yongming
Mr. Li Hui
Mr. Tian Songlin

Non-executive Directors:
Ms. Mou Ling
Mr. Yang Liu

Independent non-executive Directors:
Mr. Wang Qun
Dr. Yang Zhi Shu
Mr. Lai Ho Man, Dickson

Registered Office:
Suite 5208, 52/F.
Central Plaza
18 Harbour Road
Wanchai
Hong Kong

30 September 2015

To the Shareholders

Dear Sir or Madam,

MAJOR TRANSACTION
INVOLVING THE ISSUE OF CONVERTIBLE BONDS

INTRODUCTION

Reference is made to the announcement of the Company dated 8 July 2015. On 8 July 2015 (after trading hours), the Purchaser (an indirect wholly-owned subsidiary of the Company), the Vendors and the Guarantors entered into the Sale and Purchase Agreement, pursuant to which the Vendors have conditionally agreed to sell and the Purchaser has conditionally agreed to purchase the Sale Shares, representing the 70% equity interest in the entire issued shares of the BVI Co at a consideration of HK$400,000,000 which shall be settled by way of issue of the Convertible Bonds in an aggregate principal amount of HK$400,000,000. The principal terms of the Sale and Purchase Agreement are set out below.

THE SALE AND PURCHASE AGREEMENT

Date: 8 July 2015

Parties:

(i) (a) Antel Classification Limited as Vendor I, (b) World Dragon Enterprise Limited as Vendor II, (c) Guojin Holdings Co., LTD as Vendor III, and (d) Nuts Technology Co., Ltd as Vendor IV, collectively as the Vendors;

(ii) Ms. Sun Jianjing, Mr. Zhang Zhijie and Mr. Sun Xiaoyang as the Guarantors; and

(iii) the Purchaser (an indirect wholly-owned subsidiary of the Company) as purchaser.

As at the Latest Practicable Date, each of (a) Vendor I (a limited company incorporated in the British Virgin Islands and wholly and beneficially owned by Ms. Sun Jianjing), (b) Vendor II (a limited company incorporated in the Republic of Seychelles and wholly and beneficially owned by Mr. Zhang Zhijie), (c) Vendor III (a limited company incorporated in the Republic of Seychelles and wholly and beneficially owned by Mr. Sun Xiaoyang), and (d) Vendor IV (a limited company incorporated in the Republic of Seychelles and wholly and beneficially owned by Mr. Sun Xiaoyang), is holding 24.5%, 51%, 14% and 10.5% of the issued share capital in the BVI Co respectively. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of the Vendors and the Guarantors is an Independent Third Party.

Assets to be acquired

Pursuant to the Sale and Purchase Agreement, the Vendors have conditionally agreed to sell and the Purchaser has conditionally agreed to purchase the Sale Shares, representing the 70% equity interest in the entire issued shares of the BVI Co. In other words, Vendor I, Vendor II, Vendor III and Vendor IV will sell 2,450 Sale Shares, 2,100 Sale Shares, 1,400 Sale Shares and 1,050 Sale Shares to the Purchaser respectively.

Consideration

The consideration for purchasing the Sale Shares shall be HK$400,000,000 subject to downward adjustments (as detailed in the section headed "Profit guarantee and adjustment mechanism" below) in accordance with the Sale and Purchase Agreement. The consideration was determined after arm's length negotiations between the Company and the Vendors after taking into account, among others, (i) the Profit Guarantee; (ii) the operating performance of the Target Company including but not limited to the number of members and clients using platform for trading of commodities and the leading position in the industry in the PRC; (iii) the business prospect of the Target Company; and (iv) the payment terms of the consideration of the Acquisition.

The consideration of HK$400,000,000 will be settled by issue of the Convertible Bonds by the Company in the following manner:

(a) as to the sum of HK$120,000,000 to be settled by way of issue of the Convertible Bond I in the principal amount of HK$120,000,000, which may be converted into 300,000,000 Shares upon the exercise of the Conversion Rights under the Convertible Bond I at a conversion price of HK$0.40 per Conversion Share, as part payment of the consideration upon Completion; and

(b) as to the sum of HK$280,000,000 to be settled by way of issue of the Convertible Bond II in the principal amount of HK$280,000,000, which may be converted into 700,000,000 Shares upon the exercise of the Conversion Rights under the Convertible Bond II at a conversion price of HK$0.40 per Conversion Share, as final payment of the consideration within fourteen (14) full calendar months period after Completion (subject to downward adjustments as detailed in the section headed "Profit guarantee and adjustment mechanism" below).

Profit guarantee and adjustment mechanism

Pursuant to the Sale and Purchase Agreement, each of the Vendors and the Guarantors undertakes that the consolidated net profit (after taxation and excluding any profit (loss) deriving from the discontinued operation(s) and activities not within the usual course of business of the Target Group) as shown in the audited accounts of the Target Group for the twelve(12) full calendar months period immediately after Completion (the "**Profit Guarantee Period**") of the Target Group as audited by the auditors to be appointed by the Company (the "**Profit Guarantee**") shall not be less than HK$45,000,000 (the "**Guaranteed Profit**").

Upon the 12 full calendar months period immediately after Completion but no later than 14 full calendar months period immediately after Completion, the Company shall procure the auditors to issue the audited accounts of the Target Group for the Profit Guarantee Period in accordance with the applicable Hong Kong Financial Reporting Standards and issue the confirmation letter to ratify audited consolidated net profit of the Target Group during the Profit Guarantee Period (the "**Actual Profit**").

In the event that the Actual Profit is equal to or more than the Guaranteed Profit, the Purchaser and the Vendors agree that the consideration shall not be adjusted.

In the event that the Actual Profit shall be less than the Guaranteed Profit, the Vendors and the Purchaser agree that the consideration for the Acquisition shall be adjusted in the following manner:

In the event that the Actual Profit falls short of the Guaranteed Profit, the consideration will be adjusted downward in an amount equal to the consideration of HK$400,000,000 multiplied by the percentage of the shortfall of the Guaranteed Profit, such percentage being equal to the percentage of the amount of the aforesaid shortfall bears to the Guaranteed Profit. The aforesaid adjusted amount shall firstly deduct from the Convertible Bonds II and in case that the principal amount of the Convertible Bond II is insufficient to cover the responding compensation amount arising from the shortfall of the Guaranteed Profit, the Vendors shall compensate the Purchaser or its designated person the loss in cash within 30 days after the auditors of the Company confirmed the compensation amount.

If any loss occurs during the Profit Guarantee Period, the Actual Profit is set as zero.

In any event, the Company will only issue the Convertible Bonds II with the amount after the adjustments in relation to the Profit Guarantee have been made (i.e. after deduction of compensation amount from the principal amount of the Convertible Bonds II).

Conditions

Completion shall be conditional upon the fulfillment or waiver (as the case may be) of the following conditions precedent, including:

(A) the Purchaser being satisfied with the due diligence review together with the support of legal opinion(s) to be issued by reputable law firm(s) and acceptable to the Purchaser;

(B) the due and proper completion of the Reorganisation including obtaining approvals and consents from all the relevant governmental departments and authorities in the PRC thereto, upon such terms and conditions, to the sole and absolute satisfaction of the Purchaser before Completion;

(C) compliance with all other applicable laws, rules and regulations including but not limited to the Listing Rules of the transactions contemplated under the Acquisition (which may include approval of the Sale and Purchase Agreement, the Acquisition, the issue of the Convertible Bonds, the allotment and issue of the Conversion Shares upon exercise of the Conversion Rights and the transactions contemplated thereunder by Shareholders at the GM);

(D) the issue of a legal opinion or legal opinions by a PRC practising law firm addressed to the Purchaser in such form and contents as may be acceptable to the Purchaser dealing with, inter alia, the due incorporation, power and capacity of the Target Company and its subsidiaries, the Reorganisation, any necessary governmental or regulatory consent, licences and approvals and compliance with all the relevant laws, rules and regulations in respect of the transactions contemplated thereunder and matters relating thereto;

(E) the issue of audited consolidated/combined financial statements of the Target Group by an auditor appointed by the Company for the three financial years ended 31 December 2012, 31 December 2013, 31 December 2014 and for the five months ended 31 May 2015 prepared in accordance with the Hong Kong Financial Reporting Standards;

(F) the issue of a valuation report prepared by an independent professional valuer engaged by the Company on the Target Group in respect of the valuation on its business and other assets (if applicable);

(G) the Purchaser not being aware of any material adverse change of the Target Group having occurred prior to the Completion or being likely to occur whether on or before the Completion;

(H) the grant of any necessary approvals, consents and/or waivers by the relevant governmental or regulatory authorities or bodies, whether in Hong Kong, the PRC or elsewhere (including but not limited to the Stock Exchange);

(I) the Stock Exchange granting or agreeing to grant listing of and permission to deal in the Conversion Shares;

(J) the Proposed Acquisition and the transactions contemplated thereunder will not be treated as a reverse takeover under the Listing Rules; and

(K) prior to Completion, the Vendors, the BVI Co and the Target Group have not breached the terms and conditions of the Sale and Purchase Agreement.

If the above conditions have not fulfilled or waived by the Purchaser (except conditions (B), (C), (H), (I) and (J) which are not waivable) on 31 December 2015 or such later date as may be agreed by the parties to the Sale and Purchase Agreement in writing, the Sale and Purchase Agreement will be lapsed and any obligations of the parties under the Sale and Purchase Agreement will be terminated (save for any antecedent breaches). As at the Latest Practicable Date, conditions (A), (F) and (J) have been fulfilled and the parties to the Sale and Purchaser Agreement do not have intention to waive any condition. The waiver of the conditions which are waivable (including conditions (A), (D), (E), (F), (G) and (K)) is sought for the purpose that the Acquisition will not fall through as a result of insignificant divergence from such condition. The waiver of the above conditions will be determined by the Purchaser after considering the interest of the Purchaser, the Company and the Shareholders as a whole. The Board is of the view that the term entitling the Purchaser to exercise its discretion to waive such conditions is fair and reasonable and in the interests of the Purchase, the Company and the Shareholders as a whole, and the waiver of such conditions (if exercised) will not affect the substance of the Sale and Purchase Agreement.

Completion

Completion shall take place on the fifth Business Day after the date on which all the conditions have been satisfied or otherwise waived or such other date as the parties to the Sale and Purchase Agreement may mutually agree in writing.

THE CONVERTIBLE BONDS

The consideration of HK$400,000,000 will be satisfied by the issue of the Convertible Bonds by the Company to the Vendors in two tranches. The principal terms of the Convertible Bonds are as follows:

Issuer: The Company

Principal amount: Up to HK$400,000,000

Interest: Zero coupon rate

Conversion price: The price at which each Share shall be issued upon conversion shall be HK$0.40 subject to adjustment. The Conversion Price represents:

(i) a discount of approximately 28.57% to the closing prices of HK$0.560 per Share (unadjusted) as quoted on the Stock Exchange on 22 May 2015, being the date of the MOU (or a discount of approximately 13.04% to the closing prices of HK$0.460 per Share (adjusted) as quoted on the Stock Exchange on 22 May 2015);

(ii) a discount of approximately 31.51% to the average closing prices of HK$0.584 per Share as quoted on the Stock Exchange for the five trading days up to and including the date of the MOU (or a discount of approximately 15.97% to the average closing prices of HK$0.476 per Share (adjusted) as quoted on the Stock Exchange for the five trading days up to and including the date of the MOU);

(iii) a premium of approximately 42.86% over the closing price of HK$0.280 per Share as quoted on the Stock Exchange on 8 July 2015, being the date of the Sale and Purchase Agreement;

(iv) a discount of approximately 8.11% to the average of the closing prices of approximately HK$0.370 per Share as quoted on the Stock Exchange for the last five trading days immediately prior to and including the date of the Sale and Purchase Agreement; and

(v) a premium of approximately 42.86% over the closing price of approximately HK$0.280 per Share as quoted on the Stock Exchange on the Latest Practicable Date.

Maturity: The Company shall repay such principal moneys outstanding under the Convertible Bonds to the bondholder accrued up to and including the date of repayment on the third anniversary of the date of issue of the Convertible Bonds.

Transferability:	The Convertible Bond may only be assigned or transferred (i) to any wholly-owned subsidiary or holding company of the bondholder, subject to any requirements of the Stock Exchange and consent from the Company. However, if such wholly-owned subsidiary or holding company ceases to be a subsidiary or holding company of the bondholder, the Convertible Bond should be transferred back to the bondholder, or (ii) to any other party who is not a connected person of the Company. Subject thereto, the Convertible Bond may be assigned or transferred in whole or in part of its principal amount outstanding and the Company shall facilitate any such assignment or transfer of the Convertible Bond, including making any necessary applications to the Stock Exchange for the said approval.
Conversion prerequisites:	The bondholder shall not be entitled to exercise the Conversion rights unless in compliance with all the following conditions: (i) Bondholder confirmation No Conversion Rights may be exercised by the bondholder unless (i) prior written confirmation has been given by the bondholder to the Company that all the Shares (including the Conversion Shares issued or to be issued) held by the bondholder, its associates and persons acting in concert with it on the conversion date will not become obliged to make a mandatory offer in accordance with Rules 26 of the Takeovers Code and (ii) the bondholder further provides, to the reasonable satisfaction of the Company, evidence that such bondholder and persons acting in concert with it will not be beneficially interest in 30% or more of the then issued share capital and/or the voting rights of the Company immediately upon conversion.

(ii) Sufficient public float

No Conversion Rights may be exercised by the bondholder unless immediately after exercise of such conversion rights, the Company will be able to comply with the public float requirements under Rule 8.08 of the Listing Rules.

Conversion Shares: Assuming that the Convertible Bond is fully converted into Conversion Shares at the initial conversion price of HK$0.40, a total of 1,000,000,000 Conversion Shares will be issued which represent approximately 17.84% of the issued share capital of the Company as at the Latest Practicable Date and approximately 15.13% of the issued share capital of the Company as enlarged by the allotment and issue of the Conversion Shares.

Adjustments to Conversion Price: The Conversion Price of the outstanding Convertible Bonds will be adjusted in accordance with the occurrence of the following events:

(i) If and whenever there shall be a consolidation or subdivision of Shares, the Conversion Price in force immediately prior thereto shall be adjusted by multiplying it by the former total number of Shares and dividing the result by the total number of Shares after such alternation. Each such adjustment shall be effective from the close of business in Hong Kong on the day immediately preceding the date on which the consolidation or subdivision becomes effective.

(ii) If and whenever the Company shall issue (other than in lieu of a cash dividend) any Shares credited as fully paid by way of capitalisation of profits or reserves (including any share premium account or capital redemption reserve), the Conversion Price in force immediately prior to such issue shall be adjusted by multiplying it by the former total number of Shares and dividing the result by the revised total number of Shares following such issue. Each such adjustment shall be effective (if appropriate retroactively) from the commencement of the day next following the date of issue of such Shares.

(iii) If and whenever the Company shall make any capital distribution to holders (in their capacity as such) of Shares (whether on a reduction of capital or otherwise) or shall grant to such holders rights to acquire for cash assets of the Company or any of its subsidiaries, the Conversion Price in force immediately prior to such distribution or grant shall be adjusted by multiplying it by the following fraction:

$$\frac{A - B}{A}$$

where:

A = the market price on the date on which the capital distribution or, as the case may be, the grant is publicly announced or (failing any such announcement) the date preceding the date of the capital distribution or, as the case may be, of the grant;

B = the fair market value on the day of such announcement or (as the case may require) the next preceding day, as determined in good faith by an approved merchant bank, of the portion of the capital distribution or of such rights which is attributable to one Share.

(iv) If and whenever the Company shall offer to Shareholders new Shares by way of rights, or shall grant to Shareholders any rights, options, warrants or other rights to subscribe for or purchase any new Shares, in each case at less than 65% of the market price of the Shares (save and except such offer or issue is simultaneously made to the bondholder), the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before the date of the announcement of such offer or grant by the following fraction:

$$\frac{C + D}{C + E}$$

where:

C = the number of Shares in issue immediately before the date of such announcement;

D = the number of Shares which the aggregate of the two following amounts would purchase at such market price: the total amount (if any) payable for the rights, options or warrants being offered or granted, and the total amount payable for all of the new Shares being offered for conversion or comprised in the options or warrants being granted;

E = the aggregate number of Shares being offered for conversion or comprised in the options or warrants being granted.

(v) If and whenever the Company shall make an issue of securities convertible into or exchangeable for or carrying rights of subscription for Shares wholly for cash at a total Effective Consideration (as defined below) per Share which is less than 65% of the market price of the Shares, or the conversion, exchange or subscription rights of any such securities (other than in accordance with the terms applicable thereto) are altered or modified so that the total Effective Consideration (as defined below) per Share is less than 65% of the market price of the Shares, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before the date of such announcement by the following fraction:

$$\frac{F + G}{F + H}$$

where:

F = the number of Shares in issue immediately before the date of the issue of such securities (or such modification);

G = the number of Shares which the total Effective Consideration (as defined below) receivable for such securities (or the total Effective Consideration (as defined below) receivable for such securities at the modified conversion or exchange rate or conversion price) would purchase at such market price;

H = the maximum number of new Shares to be issued upon full conversion or exchange of, or the exercise in full of the conversion rights conferred by, such securities at their relative initial (or modified) conversion or exchange rate or conversion price.

The "total Effective Consideration" receivable for the securities issued shall be deemed to be the consideration receivable by the Company for any such securities plus the additional minimum consideration (if any) to be received by the Company upon (and assuming) the conversion or exchange thereof or the exercise of such subscription rights.

(vi) If and whenever the Company shall issue Shares at a price less than 65% of the market price of the Shares (save and except the issue of Shares as a result of the exercise of any conversion rights attached to any convertible or exchangeable securities), the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before the date of such announcement by the following fraction:

$$\frac{I + J}{I + K}$$

where:

I = the number of Shares in issue immediately before the date of such announcement;

J = the number of Shares which the aggregate amount payable for such issue would purchase at such market price;

K = the number of Shares allotted pursuant to such issue.

Status: The Conversion Shares will rank pari passu in all respects with all existing Shares in issue at the date of issue of Conversion Shares. The Conversion Shares will be issued pursuant to a specific mandate to be sought at the GM. The Company will make application to the Stock Exchange for the listing of and permission to deal in the Conversion Shares.

	The obligations of the Company arising under the Convertible Bond constitute general, unsecured obligations of the Company and rank, and will rank equally among themselves and pari passu with all other present and future unsecured and unsubordinated obligations of the Company except for obligations accorded preference by mandatory provisions of applicable law.
Application for listing:	No application will be made for the listing of the Convertible Bonds.
Voting rights:	The bondholder will not be entitled to attend or vote at any meetings of the Company by reason only of it being the bondholder.

INFORMATION ON THE BVI CO AND THE TARGET GROUP

The BVI Co is a company limited by shares incorporated in the BVI on 5 March 2015 and is principally engaged in investment holding. As at the Latest Practicable Date, each of (a) Antel Classification Limited (a limited company incorporated in the British Virgin Islands and wholly and beneficially owned by Ms. Sun Jianjing), (b) World Dragon Enterprise Limited (a limited company incorporated in the Republic of Seychelles and wholly and beneficially owned by Mr. Zhang Zhijie), (c) Guojin Holdings Co., LTD (a limited company incorporated in the Republic of Seychelles and wholly and beneficially owned by Mr. Sun Xiaoyang), and (d) Nuts Technology Co. Ltd (a limited company incorporated in the Republic of Seychelles and wholly and beneficially owned by Mr. Sun Xiaoyang), is holding 24.5%, 51%, 14% and 10.5% of the issued share capital in the BVI Co respectively.

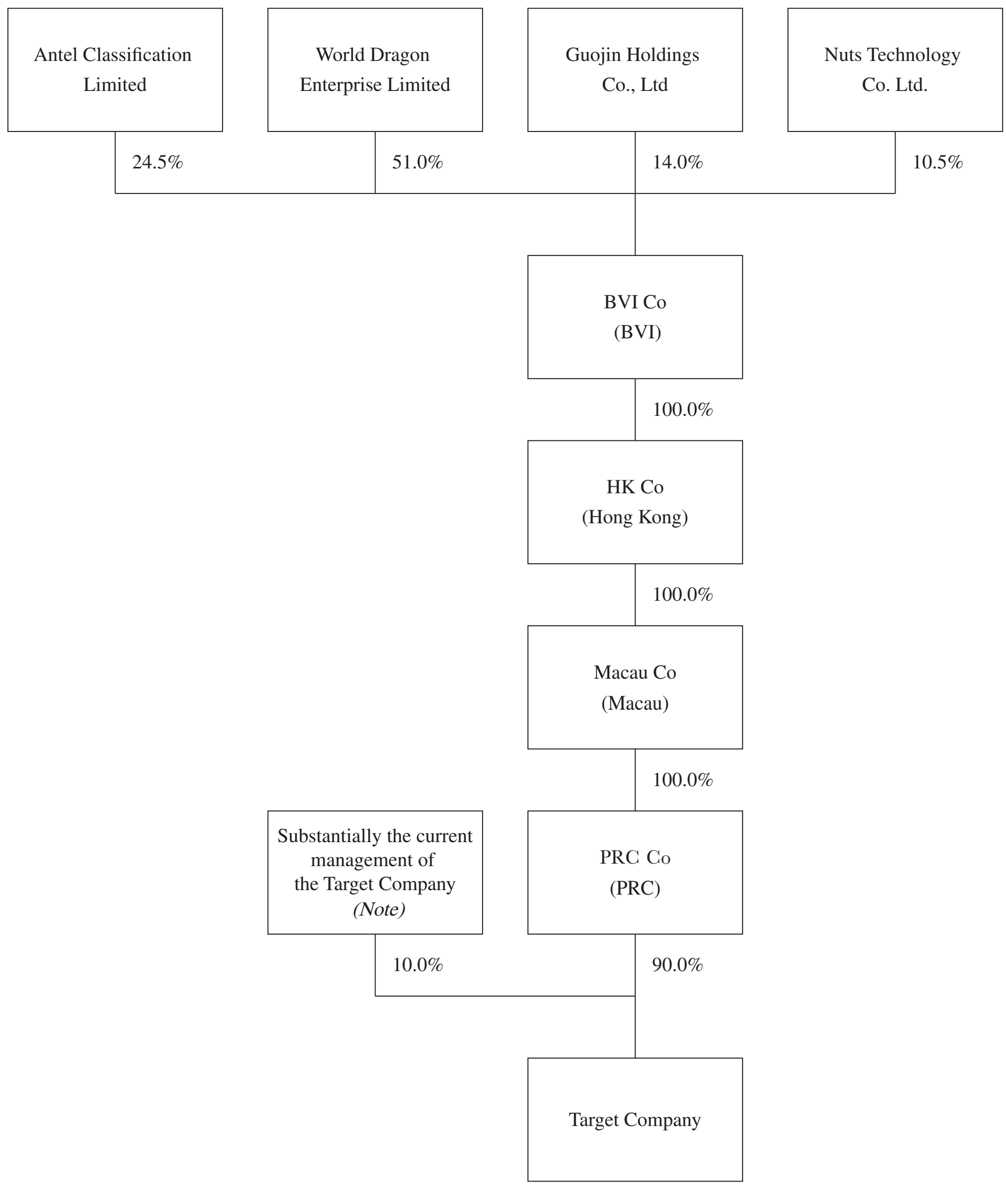
As at the Latest Practicable Date, the shareholders of the Target Company are as follows:

Name of shareholder	Percentage of shareholding
Mr. Sun Xiaoyang	62.15%
Mr. Fu Guangsheng	10.00%
Ms. Fu Shuangmei	10.00%
Mr. Chen Xixiang	5.00%
Ms. Zheng Shan	5.00%
深圳紫荊天使創投合夥企業 (transliterated as "Shenzhen Bauhinia Angel Fund Management Partnership Corporation")	4.50%
Ms. Dou Xinxin	0.80%
Mr. Wan Feng	0.55%
Ms. Ma Jianhua	0.50%
Ms. Ji Xiaoyu	0.50%
Ms. Li Jing	0.40%
Mr. Sun Xiaoliang	0.35%
Ms. Hao Bingbing	0.10%
Mr. Du Jun	0.10%
Ms. Ding Wei	0.05%
Total	**100.00%**

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of the existing shareholders of the Target Company is an Independent Third Party. The BVI Co, upon completion of the Reorganisation, will be indirectly holding 90% equity interest in the Target Company, which was incorporated in the PRC and is principally engaged in the provision of an online platform for trading and deferred spot delivery services of precious metals, such as silver, nonferrous metals and other valuable commodities as well as other associated services. Meanwhile, upon completion of the Reorganisation, the remaining 10% equity interest in the Target Company shall be owed by the current management of the Target Company, who are Independent Third Parties.

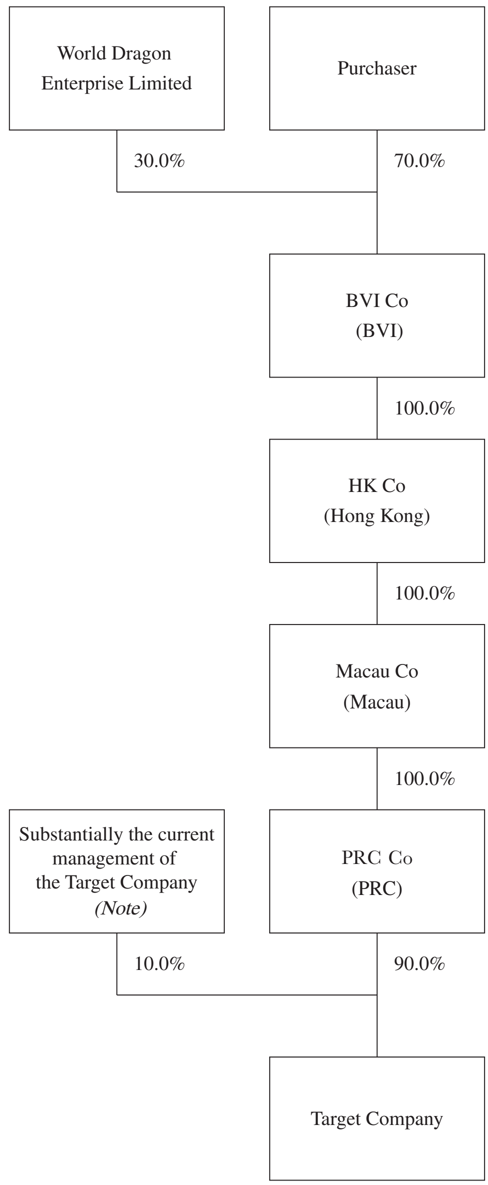
The Reorganisation

It is expected that the structure of the Target Group immediately after the Reorganisation but before the Completion will be as follow:



The reason for the Reorganization was to transform the Target Company from a PRC domestic enterprise into a sino-foreign equity enterprise.

It is expected that the structure of the Target Group immediately after the Reorganisation and the Completion will be as follow:



Note: It is expected that substantially the current management of the Target Company will hold the 10% interests in the Target Company in the following manner:

Name of shareholder	Percentage of shareholding
Mr. Sun Xiaoyang	3.579%
Mr. Fu Guangsheng	0.576%
Ms. Fu Shuangmei	0.576%
Mr. Chen Xixiang	0.288%
Ms. Zheng Shan	0.288%
深圳紫荊天使創投合夥企業 (transliterated as "Shenzhen Bauhinia Angel Fund Management Partnership Corporation")	4.500%
Ms. Dou Xinxin	0.046%
Mr. Wan Feng	0.032%
Ms. Ma Jianhua	0.029%
Ms. Ji Xiaoyu	0.029%
Ms. Li Jing	0.023%
Mr. Sun Xiaoliang	0.020%
Ms. Hao Bingbing	0.006%
Mr. Du Jun	0.006%
Ms. Ding Wei	0.002%
Total	**10.00%**

Business and financial information of the Target Company

The Target Company is headquartered in Qingdao, Shandong Province, the PRC and is primarily engaged in the provision of online platform for trading and deferred spot delivery services of precious metals mainly being silver and copper, and other associated services including transaction settlement management, commodity delivery management and related consulting services to customers nationwide in the PRC. The Target Company enlists companies engaging in the trading and/or investment of precious metals in the PRC as corporate members whereas the corporate members will then offer the Target Company's trading platform to end customers (who can be companies or individuals), through which the Target Company provides various associated services such as trading, settlement, clearing, risk management, information exchange and delivery of precious metals and generates majority of its revenue from the handling fees it charged to the end customers. The Target Company entered into membership agreements with the corporate members and received various fees directly from the corporate members. End customers who require deferred spot settlement or delivery services may conduct physical delivery and pick-up of goods in the warehouse designated by the Target Company.

As extracted from the accountants' report on the Target Company as set out in Appendix III to this circular, the following table summarises the financial information of the Target Company for each of the financial years ended 31 December 2013 and 2014 and the five months ended 31 May 2014 and 2015, respectively:

	For the year ended/ As at 31 December		**For the five months ended/ As at 31 May**	
	2013	**2014**	**2014**	**2015**
	(HK$'000)	*(HK$'000)*	*(HK$'000)*	*(HK$'000)*
	Audited	Audited	Unaudited	Audited
Revenue	138,877	128,452	68,403	47,153
Net profit/(loss) before taxation	4,135	(6,327)	1,143	4,304
Net profit/(loss) after taxation	2,977	(6,327)	826	4,304
Net assets	13,456	7,051	–	11,392

Upon Completion, BVI Co will become a non-wholly owned subsidiary of the Company and the Target Company will become a non-wholly owned subsidiary of the Company. Thus, both BVI Co and the Target Company will be consolidated into the accounts of the Group in accordance with the Group's accounting policies. The Target Company recorded a net loss after taxation for the year ended 31 December 2014 was mainly due to the decrease in turnover for the year 2014 as a result of increased competition from other commodity exchanges and trading centres in the PRC and the increased popularity of other tradable commodities in the market and the increase in transaction fee rebates which were intended to serve an incentive to the members of the Target Company to recruit new customers and improve trading volume.

FINANCIAL EFFECTS OF THE ACQUISITION

According to the unaudited pro forma financial information of the Enlarged Group as set out in Appendix V to this circular, upon Completion and assuming the Acquisition was completed on 30 June 2015, the revenue of the Enlarged Group is expected to increase as the results of the Target Company will be consolidated into the Group and the total assets of the Enlarged Group will increase from approximately HK$864.0 million to approximately HK$1,555.6 million while the total liabilities of the Enlarged Group will increase from approximately HK$500.0 million to approximately HK$853.7 million.

EFFECTS ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

The shareholding structure of the Company (i) as at the Latest Practicable Date; (ii) immediately after the allotment and issue of the Conversion Shares assuming the conversion rights attaching to the Convertible Bond I are fully exercised and (iii) immediately after the allotment and issue of the Conversion Shares assuming the conversion rights attaching to the Convertible Bonds are fully exercised are as follows:

Shareholders	As at the Latest Practicable Date		Immediately after the allotment and issue of the Conversion Shares assuming the conversion rights attaching to the Convertible Bond I are fully exercised		Immediately after the allotment and issue of the Conversion Shares assuming the conversion rights attaching to the Convertible Bonds are fully exercised	
	Number of Shares	*%*	*Number of Shares*	*%*	*Number of Shares*	*%*
Yang Fan	810,759,648	14.46	810,759,648	13.73	810,759,648	12.27
Choi Chung Lam	323,600,000	5.77	323,600,000	5.48	323,600,000	4.90
The Vendors	–	–	300,000,000	5.08	1,000,000,000	15.14
Public Shareholders	4,472,300,852	79.77	4,472,300,852	75.71	4,472,300,852	67.69
Total	5,606,660,500	100.00	5,906,660,500	100.00	6,606,660,500	100.00

As shown in the above table, the Acquisition will not result in a change of control of the Company.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Group is principally engaged in coking coal trading business, outdoor media advertising and media related services. In order to diversify the business of the Group for maximizing returns to the Shareholders, the Group has been actively seeking various investment opportunities with a focus on natural resources related projects since 2014. By investing in the Target Company, it is expected that the Company can diversify its revenue sources and strengthen its foothold in the national natural resources market which may bring additional business opportunities to the Group in future. In addition, by leverage on the platform and network of the Target Company, the Group would be allowed to explore and develop additional products to be traded on the platform with a view to broaden the Group's source of income and diversify the Group's business portfolio.

The issue price of the Conversion Shares was determined after arm's length negotiation between the Purchaser and the Vendors, having taking into account, among other things, the historic trading price of the Shares immediately before the signing of the Sale and Purchase Agreement, the valuation of the Target Group and the strategic implications of the Target Company to the Group's future business. After the date of the signing of the MOU up to the date of the Sale and Purchase Agreement, the trading price of the Shares has been fluctuating substantially with a peak of HK$1.20 (adjusted) and a low of HK$0.166 (adjusted). Upon mutual agreement, the conversion price was fixed at HK$0.40, representing a premium of approximately 42.86% over the closing price of HK$0.280 per Share as quoted on the Stock Exchange on 8 July 2015, being the date of the Sale and Purchase Agreement.

The Directors consider that the terms of the Sale and Purchase Agreement are fair and reasonable and that the Acquisition is in the interest of the Company and Shareholders as a whole.

LISTING RULES IMPLICATIONS

As the applicable percentage ratios (as calculated in accordance with Rule 14.07 of the Listing Rules) for the Acquisition are more than 25% but less than 100%, the Acquisition constitutes a major transaction of the Company under Rule 14.06 of the Listing Rules and the Acquisition is subject to the reporting, announcement and the Shareholders' approval requirements under the Listing Rules.

The Company will seek approval for, among other things, the Sale and Purchase Agreement and the transaction contemplated thereunder from the Shareholders at the GM. To the best of the Directors' knowledge, information and belief having made all reasonable enquires, as no Shareholder has a material interest in the transactions contemplated under the Sale and Purchase Agreement, no Shareholder is required to abstain from voting on the resolution(s) to be proposed at the GM.

RECOMMENDATION

The Board considers that the Sale and Purchase Agreement has been entered into on normal commercial terms after arm's length negotiation and the terms of the Sale and Purchase Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of the proposed ordinary resolution to be proposed at the GM.

ADDITIONAL INFORMATION

Your attention is also drawn to the additional information contained in the appendices to this circular.

Yours faithfully,
By order of the Board
National United Resources Holdings Limited
Lo Ka Wai
Executive Director

1. FINANCIAL INFORMATION

Financial information of the Group for the three years ended 31 December 2014 are disclosed in the annual report of the Company for the year ended 31 December 2013 (pages 40 to 112) and the annual report of the Company for the year ended 31 December 2014 (pages 45 to 128) respectively, which are available on Stock Exchange's website (http://www.hkexnews.hk) and the Company's website (http://www.nur.com.hk).

2. STATEMENT OF INDEBTEDNESS

Indebtedness

As at the close of business on 31 July 2015, being the most recent practicable date for the purpose of this statement of indebtedness prior to the printing of this Circular, the indebtedness of the Enlarged Group were as follows:

	The Group	**The Target Group***	**The Enlarged Group**
	HK$'000	*HK$'000*	*HK$'000*
Borrowings			
Other borrowings, unsecured and unguaranteed			
Non-interest bearing	11,336	–	11,336
Interest bearing at 12% per annum	11,241	–	11,241
	22,577	–	22,577
Finance lease payables *(Note 1)*	3,171	–	3,171
	25,748	–	25,748
Debt securities, unsecured and unguaranteed			
Non-convertible bonds *(Note 2)*	297,500	–	297,500
Convertible bonds *(Note 2)*	15	–	15
	297,515	–	297,515
	323,263	–	323,263

* *The Target Group includes the BVI Co, the Macau Co, the PRC Co and the Target Company.*

Notes:

1. The Group's obligations under finance leases were secured by the lessor's charge over the Group's certain leased motor vehicles and unguaranteed.

2. The above non-convertible bonds and convertible bonds are both interest bearing at 6% per annum.

As at the close of business on 31 July 2015, the authorised but unissued non-convertible bonds amounted to HK$79,000,000.

Contingent liabilities

Save as disclosed in the section headed "Material Litigation" in Appendix IV to this Circular, the Enlarged Group had the following material contingent liabilities as at the close of business on 31 July 2015.

	The Group	The Target Group	The Enlarged Group
	HK$'000	*HK$'000*	*HK$'000*
Indemnity related to a former subsidiary	7,619	–	7,619

Disclaimer

Save as aforesaid and apart from intra-group liabilities, as at the close of business on 31 July 2015, the Enlarged Group did not have any other outstanding debt securities, mortgages, charges, debentures, loan capital, bank overdrafts, loans, liabilities under acceptance (other than normal trade bills) or other similar indebtedness, hire purchase or finance lease obligations or any guarantees or other material contingent liabilities.

To the best knowledge of the Directors, having made all reasonable enquiries, there has been no material change in indebtedness or contingent liabilities of the Enlarged Group since 31 July 2015 to the Latest Practicable Date.

3. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse changes in the financial or trading position or prospects of the Group since 31 December 2014, being the date to which the latest audited consolidated financial statements of the Group were made up.

4. WORKING CAPITAL

The Directors, after due and careful enquiry, are of the opinion that taking into account the internal resources available to the Enlarged Group and the effect of the completion of Open Offer announced on 14 July 2015 and the fact that no persons or institutions have provided finance facilities to the Enlarged Group, the Enlarged Group will have sufficient working capital for its present requirements for at least the next 12 months from the date of this Circular in the absence of unforeseen circumstance.

5. FINANCIAL AND TRADING PROSPECTS

The Group is principally engaged in coking coal trading business, outdoor media advertising and media related services. During the six months ended 30 June 2015, coal price continued to trend down due to ongoing sluggish demand and depression of the coal market caused by the modest economic growth and the stricter environmental protection governance. Thus management decided to take a more cautious and conservative approach towards trading of coking coal. The Group did obtain coal purchase orders from customers in 2015, but has not yet completed the trades during the six months ended 30 June 2015. As a result, no revenue contribution generated from the Group's coking coal trading business segment during the six months ended 30 June 2015. Nevertheless the management expects the aforementioned coking coal trading will be consummated in the second half of this financial year. In addition, although the Group has been impacted by the adverse global coking coal market conditions, the Group will focus on its existing business and maintain its direction to build up a concrete foundation in the market and acquire valuable assets with competitive prices while in the down side of the market. Moreover, the Group will continue to explore investment opportunities with a focus on natural resources and new energies related projects, in order to maximise returns to the shareholders.

Meanwhile, 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. During six months ended 30 June 2015, the Group proceeded rendering advertisement design and production services to customers and maintained a stable development in this business segment.

On the other hand, the Target Company is headquartered in Qingdao, Shandong Province, the PRC and is primarily engaged in the provision of online platform for trading and deferred spot delivery services of precious metals mainly being silver and copper, and other associated services including transaction settlement management, commodity delivery management and related consulting services to customers nationwide in the PRC. The Target Company plans to recruit more corporate members with a view to enlarge the end customer base who would trade on the trading platform which would increase the revenue of the Target Company. Also, the Target Company plans to develop additional products to be traded on the platform to enhance the source of income and reduce reliance on particular product.

The following is the text of an accountants's report, prepared for the sole purpose of inclusion in this circular, received from the independent reporting accountants, Grant Thornton Hong Kong Limited, Certified Public Accountants, Hong Kong.

Grant Thornton
致同

Member of Grant Thornton International Ltd

30 September 2015

The Board of Directors
National United Resources Holdings Limited

Dear Sirs,

INTRODUCTION

We set out below our report on the financial information (the "Financial Information") of Million Fortune International Investment Limited ("BVI Co"), for inclusion in the circular of National United Resources Holdings Limited (the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group") dated 30 September 2015 (the "Circular") in connection with the proposed acquisition of the 70% equity interest of BVI Co as disclosed in the Company's announcement dated 8 July 2015. The Financial Information comprises the statement of financial position of BVI Co as at 31 May 2015, and the statement of comprehensive income and the statement of changes in equity of BVI Co for the period from 5 March 2015 (date of incorporation) to 31 May 2015 (the "Relevant Period") and a summary of significant accounting policies and other explanatory notes.

BVI Co is a limited liability company incorporated in the British Virgin Islands (the "BVI") on 5 March 2015. BVI Co remained inactive during the Relevant Period.

BVI Co has adopted 31 December as its financial year end.

As at the date of this report, there was no statutory audit requirement for BVI Co in its jurisdiction of incorporation.

For the purpose of this report, the director of BVI Co has prepared the financial statements of BVI Co for the Relevant Period in accordance with Hong Kong Financial Reporting Standards ("HKFRS") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") (the "Underlying Financial Statements"). The Underlying Financial Statements for the period from 5 March 2015 (date of incorporation) to 31 May 2015 were audited by us in accordance with the Hong Kong Standards on Auditing issued by the HKICPA.

The Financial Information of BVI Co for the Relevant Period set out in this report has been prepared based on the Underlying Financial Statements, with no adjustments made thereon.

DIRECTOR'S RESPONSIBILITY

The Underlying Financial Statements and the Financial Information are the responsibility of the director of BVI Co that give a true and fair view in accordance with HKFRS issued by HKICPA and for such internal control as the director of BVI Co determines is necessary to enable the preparation of the Financial Information that are free from material misstatement, whether due to fraud or error. The directors of the Company are responsible for the content of the Circular in which this report is included.

REPORTING ACCOUNTANTS' RESPONSIBILITY

It is our responsibilities to form an independent opinion on the Financial Information and to report our opinion to you.

We have carried out procedures on the Financial Information for the Relevant Period in accordance with the Auditing Guideline 3.340 "Prospectuses and the Reporting Accountant" recommended by the HKICPA.

OPINION IN RESPECT OF THE FINANCIAL INFORMATION OF THE RELEVANT PERIOD

In our opinion, the Financial Information, for the purpose of this report, gives a true and fair view of the state of affairs of BVI Co as at 31 May 2015 and of the results of BVI Co for the Relevant Period then ended.

(A) FINANCIAL INFORMATION

STATEMENT OF COMPREHENSIVE INCOME

	Notes	For the period from 5 March (date of incorporation) to 31 May 2015
		HK$
Revenue	*4*	–
Administrative expenses		(9,900)
Loss before income tax	*5*	(9,900)
Income tax expense	*7*	–
Loss and total comprehensive expenses for the period		(9,900)

STATEMENT OF FINANCIAL POSITION

		As at 31 May 2015
	Notes	*HK$*
Current assets		
Amounts due from shareholders	*9*	78,000
Current liabilities		
Accruals		9,900
Net current assets		68,100
Net assets		68,100
EQUITY		
Share capital	*10*	78,000
Accumulated losses		(9,900)
Total equity		68,100

STATEMENT OF CHANGES IN EQUITY

	Share capital	Accumulated losses	Total
	HK$	*HK$*	*HK$*
Issue of shares	78,000	–	78,000
Loss and other comprehensive expense for the period	–	(9,900)	(9,900)
At 31 May 2015	78,000	(9,900)	68,100

(B) NOTES TO THE FINANCIAL INFORMATION

1. General information

Million Fortune International Investment Limited (“BVI Co”) was incorporated in the British Virgin Islands (the “BVI”) with limited liability on 5 March 2015. The address of its registered office and its principal place of business is located in OMC Chambers, Wickhams Cay 1, Road Town, Tortola, British Virgin Islands.

BVI Co remained inactive during the Relevant Period.

On 8 June 2015, World Dragon Enterprises Limited (a limited company incorporated in the Republic of Seychelles), one of the existing shareholders of BVI Co acquired additional 1,050 shares, 100 shares and 950 shares of BVI Co at par value from the other three existing shareholders of BVI Co, Antel Classification Limited (a limited company incorporated in the BVI), Guojin Holdings Co., Ltd (a limited company incorporated in the Republic of Seychelles) and Nuts Technology Co., Ltd (a limited company incorporated in the Republic of Seychelles) respectively. As at the date of this report, the controlling shareholder of BVI Co was World Dragon Enterprises Limited.

2. Basis of preparation

The Financial Information has been prepared in accordance with the Hong Kong Financial Reporting Standards (“HKFRSs”), which collective term includes all applicable individual HKFRSs, Hong Kong Accounting Standards (“HKAS”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinace. The Financial Information also includes the applicable disclosure requirements of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (“Listing Rules”). These policies have been consistently applied throughout all period presented in the Financial Information.

BVI Co has not prepared a statement of cash flows as an integral part of the Financial Information as BVI Co did not have any cash and cash equivalents during the Relevant Period. Accordingly, in the opinion of the director of the BVI Co, the presentation of a statement of cash flows for the Relevant Period would provide no additional useful information to the users of the Financial Information.

The Financial Information has been prepared under the historical cost basis.

At the date of this report, certain new and amended HKFRSs have been published but are not yet effective, and have not been adopted early by BVI Co. The director of BVI Co is in the process of making an assessment of what the impact of the amendments and new standards is expected to be in the period of initial application. So far the director of BVI Co has concluded that the adoption of them is unlikely to have a significant impact on the Financial Information.

It should be noted that accounting estimates and assumptions are used in preparation of the Financial Information. Although these estimates are based on management's best knowledge and judgement of current events and actions, actual results may ultimately differ from those estimates. There are no areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Financial Information.

3. Summary of significant accounting policies

The significant accounting policies that have been used in the preparation of the Financial Information are set out below. These policies have been consistently to the Relevant Period.

3.1 Foreign currency translation

The financial statements are presented in Hong Kong Dollars (HK$) which is also the functional currency of BVI Co.

Foreign currency transactions are translated into the functional currency of BVI Co using the exchange rates prevailing at the dates of the transactions. At the reporting date, monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at that date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the reporting date retranslation of monetary assets and liabilities are recognised in the statement of comprehensive income.

3.2 Financial assets

BVI Co's financial assets are loans and receivables. Management determines the classification of its financial assets at initial recognition depending on the purpose for which the financial assets were acquired and where allowed and appropriate, re-evaluates this designation at every reporting date.

All financial assets are recognised when, and only when, BVI Co becomes a party to the contractual provisions of the instrument. Regular way purchases of financial assets are recognised on trade date. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

Derecognition of financial assets occurs when the rights to receive cash flows from the investments expire or are transferred and substantially all of the risks and rewards of ownership have been transferred.

At each reporting date, financial assets are reviewed to assess whether there is objective evidence of impairment. If any such evidence exists, impairment loss is determined and recognised based on the classification of the financial asset.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are subsequently measured at amortised cost using the effective interest method, less any impairment losses. Amortised cost is calculated taking into account any discount or premium on acquisition and includes fees that are an integral part of the effective interest rate and transaction cost.

Impairment of financial assets

At each reporting date, financial assets other than at fair value through profit or loss are reviewed to determine whether there is any objective evidence of impairment.

Objective evidence of impairment of individual financial assets includes observable data that comes to the attention of BVI Co about one or more of the following loss events:

– Significant financial difficulty of the debtor;

– A breach of contract, such as a default or delinquency in interest or principal payments;

– It becoming probable that the debtor will enter bankruptcy or other financial reorganisation;

– Significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor; and

– The disappearance of an active market for that financial asset because of financial difficulties.

Loss events in respect of a group of financial assets include observable data indicating that there is a measurable decrease in the estimated future cash flows from the group of financial assets. Such observable data includes but is not limited to adverse changes in the payment status of debtors in the group and, national or local economic conditions that correlate with defaults on the assets in BVI Co.

If any such objective evidence exists, the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original interest rate (i.e. the effective interest rate computed at initial recognition). The amount of the loss is recognised in profit or loss of the period in which the impairment occurs.

If, in subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that it does not result in a carrying amount of the financial asset exceeding what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognized in profit or loss of the period in which the reversal occurs.

Impairment losses on financial assets other than financial assets at fair value through profit or loss are written off against the corresponding assets directly.

3.3 Financial liabilities

Financial liabilities include accruals. It is included in line items in the statements of financial position under current liabilities.

Financial liabilities are recognised when BVI Co becomes a party to the contractual provisions of the instrument. All interest related charges are recognised in profit or loss.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or has expired.

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amount is recognised in profit or loss.

Accruals are recognised initially at their fair values and subsequently measured at amortised cost, using the effective interest method.

3.4 Share capital

Ordinary shares are classified as equity. Share capital is determined using the nominal value of shares that have been issued.

3.5 Accounting for income tax

Income tax comprises current tax and deferred tax.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting period, that are unpaid at the reporting date. They are calculated according to the tax rates and tax laws applicable to the fiscal periods to which they relate, based on the taxable profit for the year. All changes to current tax assets or liabilities are recognised as a component of tax expense in profit or loss.

Deferred tax is calculated using the liability method on temporary differences at the reporting date between the carrying amounts of assets and liabilities in the financial statements and their respective tax bases. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences, tax losses available to be carried forward as well as other unused tax credits, to the extent that it is probable that taxable profit, including existing taxable temporary differences, will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

Deferred tax is calculated, without discounting, at tax rates that are expected to apply in the period the liability is settled or the asset realised, provided they are enacted or substantively enacted at the reporting date.

Changes in deferred tax assets or liabilities are recognised in profit or loss, or in other comprehensive income or directly in equity if they relate to items that are charged or credited to other comprehensive income or directly in equity.

3.6 Related parties

A party is considered to be related to BVI Co if:

(a) the party, is a person or a close member of that person's family and that person,

(i) has control or joint control over of BVI Co;

(ii) has significant influence over BVI Co; or

(iii) is a member of the key management personnel of BVI Co or of a parent of BVI Co; or

(b) the party is an entity where any of the following conditions applies:

(i) the entity and BVI Co are members of the same group;

(ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);

(iii) the entity and BVI Co are joint ventures of the same third party;

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

(v) the entity is a post-employment benefit plan for the benefit of employees of either BVI Co or an entity related to BVI Co;

(vi) the entity is controlled or jointly controlled by a person identified in (a); and

(vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Close family members of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

4. Revenue and Segment Information

BVI Co did not derive any revenue during the Relevant Period. Accordingly, no operating segment or geographical information is presented.

5. Loss before income tax

	For the period from 5 March (date of incorporation) to 31 May 2015
	HK$
Audit fee	–
Employees benefit expenses (including director's emoluments)	
Salaries and other benefits	–
Retirement benefit scheme contribution	–
	–

6. Director's emoluments

No emoluments were paid to the director who is also regarded as the key management personnel during the Relevant Period.

No emoluments were paid by BVI Co to any director as an inducement to join or upon joining BVI Co as compensation for loss of office during the Relevant Period.

There were no arrangements under which a director waived or agreed to waive any emoluments during the Relevant Period.

7. Income tax

No income tax has been provided as BVI Co was not subject to income tax during the Relevant Period.

8. Loss per share

Loss per share information is not presented as its inclusion is not considered meaningful for the purpose of this report.

9. Amounts due from shareholders

The amounts due were unsecured, interest-free and repayable on demand. The carrying values of the amounts were considered reasonable approximation of their fair values.

10. Share capital

Authorised: 50,000 ordinary shares of US$1 each	
As at 31 May 2015	US$50,000
Issued and fully paid: 10,000 ordinary shares of US$1 each	
As at 31 May 2015	US$10,000
Equivalent to	HK$78,000

Million Fortune International Investment Limited was incorporated on 5 March 2015 with an authorised share capital of US$50,000 with nominal value of US$1 each. At the date of incorporation, 10,000 ordinary shares of US$1, which was equivalent to HK$78,000, was issued and settled by the shareholders through current accounts.

11. Financial risk management and fair value measurements

BVI Co is exposed to financial risks through its use of financial instruments in its activities.

The main risks arising from BVI Co's financial instruments are credit risk, liquidity risk and foreign currency risk. The director of BVI Co generally adopts conservative strategies on its risk management and limits BVI Co's exposure to these risks to a minimum. The director of BVI Co reviews and agrees policies for managing each of these risks and they are summarised below.

11.1 Categories of financial assets and liabilities

The carrying amounts presented in the statement of financial position relate to the following categories of financial assets and financial liabilities:

	At 31 May 2015
	HK$
Financial assets	
Loans and receivables	
– Amounts due from shareholders	78,000

	At 31 May 2015
	HK$
Financial liabilities measured at amortised cost	
Accruals	9,900

11.2 Credit risk

Credit risk refers to the risk that the counterparty to a financial instrument would fail to discharge its obligation under the terms of the financial instrument and cause a financial loss to BVI Co. BVI Co's exposure to credit risk mainly arises from amounts due from shareholders.

BVI Co's maximum exposure to credit risk on recognised financial assets is limited to their carrying amount as summarised in note 11.1.

11.3 Liquidity risk

Liquidity risk relates to the risk that BVI Co will not be able to meet its obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. BVI Co is exposed to liquidity risk in respect of settlement of accruals and also in respect of its cash flow management. BVI Co's objective is to maintain an appropriate level of liquid assets and committed lines of funding to meet its liquidity requirements in the short and longer term.

As at the end of the Relevant Period, BVI Co's remaining contractual maturities for its financial liabilities will be either on demand or within one year. The carrying amounts of its financial liabilities approximate their contractual undiscounted cash flows.

11.4 Foreign currency risk

Foreign currency risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. As most of BVI Co's transactions are denominated in US$ and HK$ ad HK$ is pegged to US$. The director of BVI Co is of the opinion that BVI Co's exposure to foreign currency risk is minimal.

11.5 Fair value of financial assets and liabilities

The fair values of BVI Co's financial assets and liabilities are not materially different from their carrying amounts because of the immediate or short term maturity of these financial instruments.

12. Capital management

The objectives of BVI Co's capital management are to safeguard its ability to continue as a going concern and to provide returns for shareholders. BVI Co manages its capital structure to maintain a balance between liquidity, investment and borrowings, and makes adjustments, including payment of dividends to shareholders or issues new shares in the light of changes in the economic environment. No changes were made in BVI Co's objectives, policies or processes in managing capital during the Relevant Period.

13. Related party transactions and balances

During the Relevant Period, BVI Co has no other transactions and balances with related parties except for those disclosed in the statement of financial position, notes 9 and 10.

14. Event after the reporting period

There was no significant event after the reporting period that had an impact on this report.

(C) SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by BVI Co in respect of any period subsequent to 31 May 2015.

Yours faithfully
Grant Thornton Hong Kong Limited
Certified Public Accountants

Lin Ching Yee Daniel
Practising certificate number: P02771

The following is the text of an accountants report, prepared for the sole purpose of inclusion in this circular, received from the independent reporting accountants, Grant Thornton Hong Kong Limited, Certified Public Accountants, Hong Kong.

Grant Thornton
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Member of Grant Thornton International Ltd

30 September 2015

The Board of Directors
National United Resources Holdings Limited

Dear Sirs,

INTRODUCTION

We set out below our report on the financial information of Well Link Logistics Co., Ltd ("Macau Co") and its subsidiary (collective referred to as "Macau Group"), for inclusion in the circular of National United Resources Holdings Limited (the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group") dated 30 September 2015 (the "Circular") in connection with the proposed acquisition of the 70% equity interest of Million Fortune International Investment Limited ("BVI Co") as disclosed in the Company's announcement dated 8 July 2015. BVI Co will indirectly own 100% interests of Macau Co which will then indirectly own 90% interests of Qingdao Guojin Precious Metal Exchange Centre Company Limited (the "Target Company") upon completion of the Reorganisation as disclosed in the Circular. The Financial Information comprises the consolidated and company statements of financial position of Macau Co as at 31 December 2012, 2013 and 2014 and 31 May 2015, and the consolidated statements of comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows of Macau Co for the period from 6 June 2012 (date of incorporation) to 31 December 2012, the years ended 31 December 2013 and 2014 and the five months ended 31 May 2015 (the "Relevant Periods") and a summary of significant accounting policies and other notes (the "Financial Information"), and the comparative consolidated statement of comprehensive income, the consolidated statement of cash flows and the consolidated statement of changes in equity for the five months ended 31 May 2014 and a summary of significant accounting policies and other explanatory notes (the "Stub Period Comparative Financial Information").

Macau Co is a limited liability company incorporated in Macau on 6 June 2012. The principal activity of Macau Co is investment holding and the details of its subsidiary are set out in note 10.

Macau Co has adopted 31 December as its financial year end.

No financial statements of Macau Co were audited for the period from 6 June 2012 (date of incorporation) to 31 December 2012 and the year ended 31 December 2013. The financial statements of Macau Co for the year ended 31 December 2014 prepared in accordance with the relevant accounting principles and financial regulations applicable to enterprises established in Macau were audited by Cheong Sio Tong Auditor Certified Public Accountant registered in Macau.

For the purpose of this report, the directors of Macau Co have prepared the consolidated financial statements of Macau Co for the Relevant Periods in accordance with Hong Kong Financial Reporting Standards ("HKFRS") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") (the "Underlying Financial Statements"). The Underlying Financial Statements for the period from 6 June 2012 (date of incorporation) to 31 December 2012, the years ended 31 December 2013 and 2014 and the five months ended 31 May 2015 were audited by us in accordance with the Hong Kong Standards on Auditing issued by the HKICPA.

The Financial Information of Macau Co for the Relevant Periods set out in this report has been prepared based on the Underlying Financial Statements, with no adjustments thereon.

DIRECTORS' RESPONSIBILITY

The Underlying Financial Statements and the Financial Information are the responsibility of the directors of Macau Co that give a true and fair view in accordance with HKFRS issued by HKICPA, and for such internal control as the directors of Macau Co determine is necessary to enable the preparation of the Financial Information that are free from material misstatement, whether due to fraud or error. The directors of the Company are responsible for the content of the Circular in which this report is included.

REPORTING ACCOUNTANTS’ RESPONSIBILITY

It is our responsibilities to form an independent opinion on the Financial Information and to report our opinion to you.

We have carried out procedures on the Financial Information for the Relevant Periods in accordance with the Auditing Guideline 3.340 “Prospectuses and the Reporting Accountant” recommended by the HKICPA.

OPINION IN RESPECT OF THE FINANCIAL INFORMATION OF THE RELEVANT PERIODS

In our opinion, the Financial Information, for the purpose of this report, gives a true and fair view of the state of affairs of Macau Group as at 31 December 2012, 2013 and 2014 and 31 May 2015 and of the results and cash flows of Macau Group for the Relevant Periods then ended.

REVIEW OF STUB PERIOD COMPARATIVE FINANCIAL INFORMATION

We have reviewed the Stub Period Comparative Financial Information set out in the Circular.

The directors of Macau Co are responsible for the preparation and presentation of the Stub Period Comparative Financial Information in accordance with the same basis adopted in respect of the Financial Information.

Our responsibility is to express a conclusion on the Stub Period Comparative Financial Information based on our review. We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the HKICPA. A review of Stub Period Comparative Financial Information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the Stub Period Comparative Financial Information, for the purpose of this report, is not prepared, in all material aspects, in accordance with the same basis adopted in respect of the Financial Information.

(A) FINANCIAL INFORMATION

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Notes	For the period from 6 June 2012 (date of incorporation) to 31 December 2012	Year ended 31 December 2013	Year ended 31 December 2014	Five months ended 31 May 2014	Five months ended 31 May 2015
		HK$	*HK$*	*HK$*	*HK$* (Unaudited)	*HK$*
Revenue	*5*	–	–	–	–	–
Administrative expenses		–	(8,107)	(15,050)	(3,297)	(3,988)
Loss before income tax	*6*	–	(8,107)	(15,050)	(3,297)	(3,988)
Income tax expense	*8*	–	–	–	–	–
Loss for the period/year		–	(8,107)	(15,050)	(3,297)	(3,988)
Other comprehensive income/ (expenses)						
Item that will be reclassified subsequently to profit or loss:						
Exchange differences on translation to presentation currency		1,509	(1,992)	4	267	1,567
Total comprehensive income/ (expenses) for the period/year		1,509	(10,099)	(15,046)	(3,030)	(2,421)
Loss for the period/year attributable to:						
Owners of Macau Co	*10*	–	(8,107)	(15,050)	(3,297)	(3,988)
Total comprehensive income/ (expenses) for the period/year attributable to:						
Owners of Macau Co		1,509	(10,099)	(15,046)	(3,030)	(2,421)

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

		As at 31 December			As at 31 May
		2012	**2013**	**2014**	**2015**
	Notes	*HK$*	*HK$*	*HK$*	*HK$*
Current assets					
Amounts due from shareholders	*12*	97,010	84,908	76,983	71,430
Cash and cash equivalents		–	2,003	2,002	2,047
		97,010	86,911	78,985	73,477
Current liabilities					
Accruals		–	–	7,120	4,033
Net current asset		97,010	86,911	71,865	69,444
Net assets		97,010	86,911	71,865	69,444
EQUITY					
Paid-in capital	*13*	95,420	95,420	95,420	95,420
Reserves		1,590	(8,509)	(23,555)	(25,976)
Total equity		97,010	86,911	71,865	69,444

STATEMENTS OF FINANCIAL POSITION

		As at 31 December			As at 31 May
		2012	**2013**	**2014**	**2015**
	Notes	*HK$*	*HK$*	*HK$*	*HK$*
Non-current assets					
Interest in a subsidiary	*11*	–	–	–	–
Current assets					
Amounts due from shareholders	*12*	97,010	84,908	76,983	71,430
Cash and cash equivalents		–	2,003	2,002	2,047
		97,010	86,911	78,985	73,477
Current liabilities					
Accruals		–	–	7,120	3,357
Net current asset		97,010	86,911	71,865	70,120
Net assets		97,010	86,911	71,865	70,120
EQUITY					
Paid-in capital	*13*	95,420	95,420	95,420	95,420
Reserves	*14*	1,590	(8,509)	(23,555)	(25,300)
Total equity		97,010	86,911	71,865	70,120

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Paid-in capital *HK$*	Translation reserve* *HK$*	Accumulated losses* *HK$*	Total *HK$*
Capital contributions by shareholders on incorporation	95,420	–	–	95,420
Other comprehensive income for the period	–	1,590	–	1,590
At 31 December 2012 and 1 January 2013	95,420	1,590	–	97,010
Loss for the year	–	–	(8,107)	(8,107)
Other comprehensive expenses for the year	–	(1,992)	–	(1,992)
	–	(1,992)	(8,107)	(10,099)
At 31 December 2013 and 1 January 2014	95,420	(402)	(8,107)	86,911
Loss for the year	–	–	(15,050)	(15,050)
Other comprehensive income for the year	–	4	–	4
	–	4	(15,050)	(15,046)
At 31 December 2014 and 1 January 2015	95,420	(398)	(23,157)	71,865
Loss for the period	–	–	(3,988)	(3,988)
Other comprehensive income for the period	–	1,567	–	1,567
	–	1,567	(3,988)	(2,421)
At 31 May 2015	95,420	1,169	(27,145)	69,444
At 1 January 2014	95,420	(402)	(8,107)	86,911
Loss for the period	–	–	(3,297)	(3,297)
Other comprehensive income for the period	–	267	–	267
	–	267	(3,297)	(3,030)
At 31 May 2014 (unaudited)	95,420	(135)	(11,404)	83,881

* *These reserve accounts comprise Macau Co's reserves in the consolidated statements of financial position.*

CONSOLIDATED STATEMENTS OF CASH FLOWS

	For the period from 6 June 2012 (date of incorporation) to 31 December	Year ended 31 December		Five months ended 31 May	
	2012	2013	2014	2014	2015
	HK$	*HK$*	*HK$*	*HK$*	*HK$*
				(Unaudited)	
Cash flows from operating activities					
Loss before income tax	–	(8,107)	(15,050)	(3,297)	(3,988)
Increase/(Decrease) in accruals and other payables	–	–	7,143	3,297	(3,192)
Net cash used in operating activities	–	(8,107)	(7,907)	–	(7,180)
Cash flows from financing activities					
Decrease in amounts due from shareholders	–	10,117	7,906	–	7,180
Net cash generated from financing activities	–	10,117	7,906	–	7,180
Net increase/(decrease) in cash and cash equivalents	–	2,010	(1)	–	–
Cash and cash equivalent at beginning of the year/period	–	–	2,003	2,003	2,002
Effect of foreign exchange rate changes	–	(7)	–	6	45
Cash and cash equivalent at end of the year, represented by cash and bank balances	–	2,003	2,002	2,009	2,047

(B) NOTES TO THE FINANCIAL INFORMATION

1. General Information

Well Link Logistics Co., Ltd ("Macau Co") was incorporated in Macau with limited liability on 6 June 2012. Macau Co was registered as a company limited by shares on 6 June 2012. The address of its registered office and, its principal place of business is located in 澳門新口岸北京街174號廣發商業中心10樓D室.

The principal activity of Macau Co is investment holding and the details of its subsidiary are set out in note 11.

As at the report date, the controlling shareholder of Macau Co was Chan Chon Hong, who was also the director of Macau Co.

The functional currency of Macau Co is Macau Pataca ("MOP"). The Financial Information is presented in Hong Kong dollar ("HK$"), unless otherwise stated, which is different from the functional currency of Macau Co, as to be consistent with the Company's presentation currency.

2. Basis of preparation

The Financial Information has been prepared in accordance with the Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable individual HKFRSs, Hong Kong Accounting Standards ("HKAS") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. The Financial Information also includes the applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules"). These policies have been consistently applied throughout all period presented in the Financial Information.

The Financial Information has been prepared under the historical cost basis.

At the date of this report, certain new and amended HKFRSs have been published but are not yet effective, and have not been adopted early by Macau Group. The directors of Macau Co are in the process of making an assessment of what the impact of the amendments and new standards is expected to be in the period of initial application. So far the directors of Macau Co have concluded that the adoption of them is unlikely to have a significant impact on the Financial Information.

It should be noted that accounting estimates and assumptions are used in preparation of the financial statements. Although these estimates are based on management's best knowledge and judgment of current events and actions, actual results may ultimately differ from those estimates. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the Financial Information are disclosed in note 4.

3. Summary of Significant Accounting Policies

The significant accounting policies that have been used in the preparation of the Financial Information are set out below. These policies have been consistently to the Relevant Periods.

3.1 Basis of consolidation

The consolidated financial statements incorporate the Financial Information of Macau Co and its subsidiary made up to 31 December each year.

Subsidiaries are entities controlled by Macau Co. Macau Co controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. When assessing whether Macau Co has power, only substantive rights (held by Macau Co and other parties) are considered.

An investment in a subsidiary is consolidated into the consolidated financial statements from the date that control commences until the date that control ceases. Intra-group balances, transactions and cash flows and any unrealised profits arising from intra-group transactions are eliminated in full in preparing the consolidated financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment.

Changes in Macau Co's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions, whereby adjustments are made to the amounts of controlling and non-controlling interests within consolidated equity to reflect the change in relative interests, but no adjustments are made to goodwill and no gain or loss is recognised.

When Macau Co loses control of a subsidiary, it is accounted for as a disposal of the entire interest in that subsidiary, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former subsidiary at the date when control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset (note 3.3), or when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

3.2 Foreign currency translation

In the Financial Information, assets and liabilities have been translated into Hong Kong dollars at the closing rates at the reporting date. Income and expenses have been converted into the Hong Kong dollars at the exchange rates ruling at the transaction dates, or at the average rates over the reporting period provided that the exchange rates do not fluctuate significantly. Any differences arising from this procedure have been recognised in other comprehensive income and accumulated separately in the translation reserve in equity.

3.3 Financial assets

Macau Group's financial assets are loans and receivables. Management determines the classification of its financial assets at initial recognition depending on the purpose for which the financial assets were acquired and where allowed and appropriate, re-evaluates this designation at every reporting date.

All financial assets are recognised when, and only when, Macau Group becomes a party to the contractual provisions of the instrument. Regular way purchases of financial assets are recognised on trade date. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

Derecognition of financial assets occurs when the rights to receive cash flows from the investments expire or are transferred and substantially all of the risks and rewards of ownership have been transferred.

At each reporting date, financial assets are reviewed to assess whether there is objective evidence of impairment. If any such evidence exists, impairment loss is determined and recognised based on the classification of the financial asset.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are subsequently measured at amortised cost using the effective interest method, less any impairment losses. Amortised cost is calculated taking into account any discount or premium on acquisition and includes fees that are an integral part of the effective interest rate and transaction cost.

Impairment of financial assets

At each reporting date, financial assets other than at fair value through profit or loss are reviewed to determine whether there is any objective evidence of impairment.

Objective evidence of impairment of individual financial assets includes observable data that comes to the attention of Macau Group about one or more of the following loss events:

– Significant financial difficulty of the debtor;

– A breach of contract, such as a default or delinquency in interest or principal payments;

– It becoming probable that the debtor will enter bankruptcy or other financial reorganisation;

– Significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor; and

– The disappearance of an active market for that financial asset because of financial difficulties.

Loss events in respect of a group of financial assets include observable data indicating that there is a measurable decrease in the estimated future cash flows from the group of financial assets. Such observable data includes but is not limited to adverse changes in the payment status of debtors in the group and, national or local economic conditions that correlate with defaults on the assets in Macau Group.

If any such objective evidence exists, the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original interest rate (i.e. the effective interest rate computed at initial recognition). The amount of the loss is recognised in profit or loss of the period in which the impairment occurs.

If, in subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that it does not result in a carrying amount of the financial asset exceeding what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognized in profit or loss of the period in which the reversal occurs.

Impairment losses on financial assets other than financial assets at fair value through profit or loss are written off against the corresponding assets directly.

3.4 Financial liabilities

Financial liabilities including accruals. They are included in line items in the statements of financial position under current liabilities.

Financial liabilities are recognised when Macau Group becomes a party to the contractual provisions of the instrument. All interest related charges are recognised in profit or loss.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or has expired.

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amount is recognised in profit or loss.

Accruals are recognised initially at their fair value and subsequently measured at amortised cost, using the effective interest method.

3.5 Paid-in capital

Paid-in capital is classified as equity. Paid-in capital is determined using the proceeds from capital contributions made by the investors.

3.6 Impairment of non-financial assets

Interest in a subsidiary is subject to impairment testing whenever there are indications that the asset's carrying amount may not be recoverable.

An impairment loss is recognised as an expense immediately for the amount by which the asset's carrying amount exceeds its recoverable amount. Recoverable amount is the higher of fair value, reflecting market conditions less costs of disposal, and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of time value of money and the risk specific to the asset.

For the purposes of assessing impairment, where an asset does not generate cash inflows largely independent from those from other assets, the recoverable amount is determined for the smallest group of assets that generate cash inflows independently (i.e., a cash-generating unit). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level.

Impairment losses recognised for cash-generating units is charged pro rata to the assets in the cash generating unit, except that the carrying value of an asset will not be reduced below its individual fair value less cost of disposal, or value in use, if determinable.

An impairment loss is reversed if there has been a favourable change in the estimates used to determine the asset's recoverable amount and only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.7 Accounting for income tax

Income tax comprises current tax and deferred tax.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting period, that are unpaid at the reporting date. They are calculated according to the tax rates and tax laws applicable to the fiscal periods to which they relate, based on the taxable profit for the year. All changes to current tax assets or liabilities are recognised as a component of tax expense in profit or loss.

Deferred tax is calculated using the liability method on temporary differences at the reporting date between the carrying amounts of assets and liabilities in the financial statements and their respective tax bases. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences, tax losses available to be carried forward as well as other unused tax credits, to the extent that it is probable that taxable profit, including existing taxable temporary differences, will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

Deferred tax is calculated, without discounting, at tax rates that are expected to apply in the period the liability is settled or the asset realised, provided they are enacted or substantively enacted at the reporting date.

Changes in deferred tax assets or liabilities are recognised in profit or loss, or in other comprehensive income or directly in equity if they relate to items that are charged or credited to other comprehensive income or directly in equity.

3.8 Related parties

A party is considered to be related to Macau Group if:

(a) the party, is a person or a close member of that person's family and that person,

(i) has control or joint control over of Macau Group;

(ii) has significant influence over Macau Group; or

(iii) is a member of the key management personnel of Macau Group or of a parent of Macau Group; or

(b) the party is an entity where any of the following conditions applies:

(i) the entity and Macau Group are members of the same group;

(ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);

(iii) the entity and Macau Group are joint ventures of the same third party;

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

(v) the entity is a post-employment benefit plan for the benefit of employees of either Macau Group or an entity related to Macau Group;

(vi) the entity is controlled or jointly controlled by a person identified in (a); and

(vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Close family members of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

4. Critical Accounting Estimates and Judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. There are no area of estimates and assumptions that have a significant risk of causing a material adjustment to the Financial Information.

5. Revenue and Segment Information

Macau Group did not derive any revenue during the Relevant Periods. Accordingly, no operating segment or geographical information is presented.

6. Loss Before Income Tax

	For the period from 6 June 2012 (date of incorporation) to 31 December	Year ended 31 December		Five months ended 31 May	
	2012	2013	2014	2014	2015
	HK$	*HK$*	*HK$*	*HK$* (unaudited)	*HK$*
Auditor's remuneration	–	–	7,144	–	–
Employees benefit expenses (including directors' emoluments)					
Salaries and other benefits	–	–	–	–	–
Retirement benefit scheme contribution	–	–	–	–	–
	–	–	–	–	–

7. Directors' emoluments

No emoluments were paid to the directors who were also regarded as the key management personnel during the Relevant Periods.

No emoluments were paid by Macau Group to any director as an inducement to join or upon joining Macau Group as compensation for loss of office during the Relevant Periods.

There were no arrangements under which a director waived or agreed to waive any emoluments during the Relevant Periods.

8. Income tax expense

No provision for Macau enterprise income tax with the tax rate of 12% has been provided as Macau Co did not have any assessable profits during the Relevant Periods.

No provision for enterprise income tax of the People's Republic of China (the "PRC") with the tax rate of 25% has been provided as Macau Co's subsidiary did not have any assessable profits during the Relevant Periods.

Reconciliation between income tax expense and accounting loss at applicable tax rates

	For the period from 6 June 2012 (date of incorporation) to 31 December	Year ended 31 December		Five months ended 31 May	
	2012	2013	2014	2014	2015
	HK$	*HK$*	*HK$*	*HK$*	*HK$*
				(Unaudited)	
Loss for the period/year	–	(8,107)	(15,050)	(3,297)	(3,988)
Tax on loss before income tax, calculated at the rates applicable to profit in the tax jurisdiction concerned	–	(973)	(1,806)	(396)	(566)
Tax effect of non-deductible expenses	–	973	1,806	396	566
Income tax expense	–	–	–	–	–

9. Loss per share

Loss per share information is not presented as its inclusion is not considered meaningful for the purpose of this report.

10. Loss attributable to owners of Macau Co

Of the consolidated loss attributable to the owners of Macau Co, a loss of HK$8,107, HK$15,050, HK$3,297 (unaudited) and HK$3,311 for the years ended 31 December 2013 and 2014 and the five months ended 31 May 2014 and 2015 has been dealt with in the financial statement of Macau Co. No profit or loss has been dealt with in the financial statement of Macau Co for the period from 6 June 2012 (date of incorporation) to 31 December 2012.

11. Interest in a subsidiary

	2012	2013	2014	31 May 2015
	HK$	*HK$*	*HK$*	*HK$*
Unlisted shares, at cost	–	–	–	–

As at the end of the Relevant Periods, Macau Co has beneficial interest in the following subsidiary.

Name of Company	Place/country of incorporation and operation	Type of legal entity	Particulars of registered capital*	Effective interest held by Macau Co				Principal activities
				At 31 December			At 31 May	
				2012	2013	2014	2015	
青島國金匯通管理諮詢有限公司	The PRC (incorporated on 18 May 2015)	Limited liability company	HK$500,000	–	–	–	100% (direct)	Investment holding and provision of consulting service

* *As at the date of this report, Macau Co has not paid up the registered capital of 青島國金匯通管理諮詢有限公司. In accordance with the articles of 青島國金匯通管理諮詢有限公司, capital is required to be fully paid up on 28 April 2034. As at the date of this report, no financial statements of 青島國金匯通管理諮詢有限公司 has been audited.*

12. Amounts Due from Shareholders

The amounts due were unsecured, interest-free and repayable on demand. The carrying values of the amounts were considered reasonable approximation of their fair values.

Amounts due from shareholders – Macau Co and Macau Group

	At the date of incorporation	At 31 December 2012	2013	2014	At 31 May 2015
		HK$	*HK$*	*HK$*	*HK$*
Chan Chon Hong	–	96,040	83,958	76,034	70,459
Chan Lai Pan	–	970	950	949	971
	–	97,010	84,908	76,983	71,430

Maximum amount outstanding of amounts due from shareholders – Macau Co and Macau Group

	During the period from 6 June 2012 (date of incorporation) to 31 December 2012	During the year ended 31 December 2013	2014	During the period ended 31 May 2015
	HK$	*HK$*	*HK$*	*HK$*
Chan Chon Hong	96,040	96,040	83,958	76,034
Chan Lai Pan	970	970	950	971
	97,010	97,010	84,908	77,005

13. Paid-in Capital

	2012	2013	2014	31 May 2015
	MOP	*MOP*	*MOP*	*MOP*
Registered capital	100,000	100,000	100,000	100,000
Paid-in capital*	100,000	100,000	100,000	100,000
	HK$	*HK$*	*HK$*	*HK$*
Equivalent to	95,420	95,420	95,420	95,420

* *The paid-in capital was settled by shareholders through current accounts.*

14. Reserves – Macau Co

	Translation reserve	Accumulated losses	Total
	HK$	*HK$*	*HK$*
Other comprehensive income for the period	1,590	–	1,590
At 31 December 2012 and 1 January 2013	1,590	–	1,590
Loss for the year	–	(8,107)	(8,107)
Other comprehensive expenses for the year	(1,992)	–	(1,992)
	(1,992)	(8,107)	(10,099)
At 31 December 2013 and 1 January 2014	(402)	(8,107)	(8,509)
Loss for the year	–	(15,050)	(15,050)
Other comprehensive income for the year	4	–	4
	4	(15,050)	(15,046)
At 31 December 2014 and 1 January 2015	(398)	(23,157)	(23,555)
Loss for the period	–	(3,311)	(3,311)
Other comprehensive income for the period	1,566	–	1,566
	1,566	(3,311)	(1,745)
At 31 May 2015	1,168	(26,468)	(25,300)
At 1 January 2014	(402)	(8,107)	(8,509)
Loss for the period	–	(3,297)	(3,297)
Other comprehensive income for the period	267	–	267
	267	(3,297)	(3,030)
At 31 May 2014 (unaudited)	(135)	(11,404)	(11,539)

15. Financial Risk Management and Fair Value Measurements

Macau Group is exposed to financial risks through its use of financial instruments in its activities.

The main risks arising from Macau Group's financial instruments are credit risk, liquidity risk and foreign currency risk. The directors of Macau Co generally adopt conservative strategies on its risk management and limits Macau Group's exposure to these risks to a minimum. The directors of Macau Co review and agree policies for managing each of these risks and they are summarised below.

15.1 Categories of financial assets and liabilities

The carrying amounts presented in the statements of financial position relate to the following categories of financial assets and financial liabilities:

	2012	**2013**	**2014**	**31 May 2015**
	HK$	*HK$*	*HK$*	*HK$*
Macau Co and Macau Group				
Financial assets				
Loan and receivables				
Amounts due from shareholders	97,010	84,908	76,983	71,430
Cash and cash equivalents	–	2,003	2,002	2,047
	97,010	86,911	78,985	73,477

	2012	**2013**	**2014**	**31 May 2015**
	HK$	*HK$*	*HK$*	*HK$*
Macau Group				
Financial liabilities measured at amortised cost				
Accruals	–	–	7,120	4,033

	2012	2013	2014	31 May 2015
	HK$	*HK$*	*HK$*	*HK$*
Macau Co				
Financial liabilities measured at amortised cost				
Accruals	–	–	7,120	3,357

15.2 Credit risk

Credit risk refers to the risk that the counterparty to a financial instrument would fail to discharge its obligation under the terms of the financial instrument and cause a financial loss to Macau Group. Macau Group's exposure to credit risk mainly arises from amounts due from shareholders.

Macau Group's maximum exposure to credit risk on recognised financial assets is limited to their carrying amount as summarised in note 15.1.

The credit risk on liquid fund is considered negligible as the counterparty is a major reputable bank.

15.3 Liquidity risk

Liquidity risk relates to the risk that Macau Group will not be able to meet its obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. Macau Group is exposed to liquidity risk in respect of settlement of accruals and also in respect of its cash flow management. Macau Group's objective is to maintain an appropriate level of liquid assets and committed lines of funding to meet its liquidity requirements in the short and longer term.

During the end of the Relevant Periods, Macau Group's remaining contractual maturities for its financial liabilities will be either on demand or repayable within one year. The carrying amounts of its financial liabilities approximate their contractual undiscounted cash flows.

15.4 Foreign currency risk

Foreign currency risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. As majority of Macau Group's transactions are denominated in MOP, Macau Group has no significant exposure to foreign currency risk during the Relevant Periods.

16. Capital Management

The objectives of Macau Group's capital management are to safeguard its ability to continue as a going concern and to provide returns for shareholders. Macau Group manages its capital structure to maintain a balance between liquidity, investment and borrowings, and makes adjustments, including payment of dividends to shareholders or issues new shares in the light of changes in the economic environment. No changes were made in Macau Group's objectives, policies or processes in managing capital during the Relevant Periods.

17. Related Party Transactions and Balances

During the Relevant periods, Macau Group has no other transactions and balances with related parties except for those disclosed in the consolidated and company statements of financial position and notes 12 and 13.

18. Capital Commitment

	As at 31 December			As at 31 May
	2012	**2013**	**2014**	**2015**
	HK$	*HK$*	*HK$*	*HK$*
Contracted but not provided for:				
– Capital contribution to a subsidiary	500,000	500,000	500,000	500,000

19. Event After the Reporting Periods

There was no significant event after the reporting periods that had an impact on this report.

(C) SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by Macau Group in respect of any period subsequent to 31 May 2015.

Yours faithfully
Grant Thornton Hong Kong Limited
Certified Public Accountants

Lin Ching Yee Daniel
Practising certificate number: P02771

Set out below is the management discussion and analysis on the BVI Co and the Macau Co for the years ended 31 December 2012, 2013 and 2014 and the five months ended 31 May 2014 and 2015. The following financial information is based on the audited financial information of the BVI Co and the Macau Group as set out in Appendix IIA and Appendix IIB to this circular, respectively. As the HK Co has not been incorporated as at 31 May 2015, no accountants' report has been prepared.

BUSINESS AND FINANCIAL REVIEW OF THE BVI CO

The BVI Co is principally engaged in investment holding. The BVI Co does not have any operation since its incorporation and incurred an expense of HK$9,900 which related to its incorporation.

BUSINESS AND FINANCIAL REVIEW OF THE MACAU CO

The Macau Co is principally engaged in investment holding. The Macau Co does not have any operation since its incorporation and incurred administrative expenses which related to its incorporation, annual tax filing and audit fee. The Macau Co is the holding company of the PRC Co. The PRC Co has been dormant since its incorporation.

The following is the text of an accountants' report, prepared for the sole purpose of inclusion in this circular, received from the independent reporting accountants, Grant Thornton Hong Kong Limited, Certified Public Accountants, Hong Kong.

Grant Thornton
致同

Member of Grant Thornton International Ltd

30 September 2015

The Board of Directors
National United Resources Holdings Limited

Dear Sirs,

INTRODUCTION

We set out below our report on the financial information of 青島國金貴金屬交易中心股份有限公司 (English name as Qingdao Guojin Precious Metal Exchange Centre Company Limited) (the "Target Company"), for inclusion in the circular of National United Resources Holdings Limited (the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group") dated 30 September 2015 (the "Circular") in connection with the proposed acquisition of a 70% equity interest in Million Fortune International Investment Limited, a company limited by shares incorporated in the British Virgin Islands, which in turn will indirectly acquire 90% equity interest of the Target Company as disclosed in the Company's announcement dated 8 July 2015. The Financial Information comprises the statements of financial position of the Target Company as at 31 December 2012, 2013 and 2014 and 31 May 2015, and the statements of comprehensive income, the statements of changes in equity and the statements of cash flows of the Target Company for each of the years ended 31 December 2012, 2013 and 2014 and the five months ended 31 May 2015 (the "Relevant Periods") and a summary of significant accounting policies and other explanatory notes, (the "Financial Information") and the comparative statement of comprehensive income, the statement of Cash flows and the statement of changes in equity of the Target Company for the five months ended 31 May 2014 and a summary of significant accounting policies and other explanatory notes (the "Stub Period Comparative Financial Information").

The Target Company is a limited liability company incorporated in the People's Republic of China (the "PRC") on 9 June 2011. The principal activity of the Target Company is the provision of online platform for the trading and deferred spot delivery services of precious metals, such as silver, nonferrous metal and other valuable commodities as well as other associated services in the PRC.

The Target Company has adopted 31 December as its financial year end.

The financial statements of the Target Company for the years ended 31 December 2012 and 2013 and for the period ended 31 May 2014 prepared in accordance with the relevant accounting principles and financial regulations applicable to enterprises established in the PRC were audited by Grant Thornton (Special General Partnership) registered in the PRC. As at the date of this report, there was no statutory audit requirement for the Target Company.

For the purpose of this report, the directors of the Target Company have prepared the financial statements of the Target Company for the Relevant Periods in accordance with Hong Kong Financial Reporting Standards ("HKFRS") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") (the "Underlying Financial Statements"). The Underlying Financial Statements for each of the years ended 31 December 2012, 2013 and 2014 and the period ended 31 May 2015 were audited by us in accordance with the Hong Kong Standards on Auditing issued by the HKICPA.

The Financial Information of the Target Company for the Relevant Periods set out in this report has been prepared based on the Underlying Financial Statements, with no adjustments thereon.

DIRECTORS' RESPONSIBILITY

The Underlying Financial Statements and the Financial Information are the responsibility of the directors of the Target Company that give a true and fair view in accordance with HKFRS issued by HKICPA, and for such internal control as the directors of the Target Company determine is necessary to enable the preparation of Financial Information that are free from material misstatement, whether due to fraud or error. The directors of the Company are responsible for the content of the Circular in which this report is included.

REPORTING ACCOUNTANTS' RESPONSIBILITY

It is our responsibilities to form an independent opinion on the Financial Information and to report our opinion to you.

We have carried out procedures on the Financial Information for the Relevant Periods in accordance with the Auditing Guideline 3.340 "Prospectuses and the Reporting Accountant" recommended by the HKICPA.

OPINION IN RESPECT OF THE FINANCIAL INFORMATION OF THE RELEVANT PERIODS

In our opinion, the Financial Information, for the purpose of this report, gives a true and fair view of the state of affairs of the Target Company as at 31 December 2012, 2013 and 2014 and 31 May 2015 and of the results and cash flows of the Target Company for the Relevant Periods then ended.

REVIEW OF STUB PERIOD COMPARATIVE FINANCIAL INFORMATION

We have reviewed the Stub Period Comparative Financial Information set out in the Circular.

The directors of the Target Company are responsible for the preparation and presentation of the Stub Period Comparative Financial Information in accordance with the same basis adopted in respect of the Financial Information.

Our responsibility is to express a conclusion on the Stub Period Comparative Financial Information based on our review. We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the HKICPA. A review of Stub Period Comparative Financial Information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the Stub Period Comparative Financial Information, for the purpose of this report, is not prepared, in all material aspects, in accordance with the same basis adopted in respect of the Financial Information.

(A) FINANCIAL INFORMATION

STATEMENTS OF COMPREHENSIVE INCOME

		Year ended 31 December			Five months ended 31 May	
		2012	2013	2014	2014	2015
	Notes	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
					(Unaudited)	
Revenue	*5*	76,366	138,877	128,452	68,403	47,153
Other income	*6*	199	4,195	3,952	1,515	487
Operating expenses	*7*	(64,608)	(124,302)	(128,381)	(63,364)	(38,180)
Administrative expenses		(8,885)	(14,635)	(10,350)	(5,411)	(5,156)
Profit/(loss) before income tax	*8*	3,072	4,135	(6,327)	1,143	4,304
Income tax expense	*12*	(1,613)	(1,158)	–	(317)	–
Profit/(loss) for the year/period		1,459	2,977	(6,327)	826	4,304
Other comprehensive income						
Item that will be reclassified subsequently to profit or loss:						
Exchange differences on translation to presentation currency		64	416	(78)	(137)	37
Total comprehensive income/(expenses) for the year/period		1,523	3,393	(6,405)	689	4,341

STATEMENTS OF FINANCIAL POSITION

		As at 31 December			As at 31 May
		2012	2013	2014	2015
	Notes	*HK$'000*	*HK$'000*	*HK$000*	*HK$'000*
Non-current assets					
Property, plant and equipment	*14*	402	4,439	3,038	2,382
Intangible assets	*15*	3,346	2,657	1,827	1,929
		3,748	7,096	4,865	4,311
Current assets					
Financial assets at fair value through profit or loss	*16*	–	–	–	3,924
Available for sale financial assets	*17*	–	–	4,012	–
Trade receivables	*18*	14,630	2,696	522	915
Prepayments, deposits and other receivables	*19*	1,799	14	1,668	8,549
Amount due from a director	*20*	8,600	–	–	–
Amounts due from shareholders	*20*	–	–	–	1,779
Income tax recoverable		–	483	677	799
Cash and cash equivalents		4,213	19,370	12,405	4,055
Cash held on behalf of customers and agents	*21*	64,773	117,066	72,623	89,209
		94,015	139,629	91,907	109,230
Current liabilities					
Trade and other payables	*22*	81,922	131,919	89,721	102,149
Amounts due to directors	*20*	1,270	–	–	–
Dividend payable		–	1,350	–	–
Income tax payables		1,384	–	–	–
		84,576	133,269	89,721	102,149
Net current assets		9,439	6,360	2,186	7,081
Total assets less current liabilities		13,187	13,456	7,051	11,392
Net assets		13,187	13,456	7,051	11,392
EQUITY					
Paid-in capital	*23*	11,990	11,990	11,990	11,990
Reserves		1,197	1,466	(4,939)	(598)
Total equity		13,187	13,456	7,051	11,392

STATEMENT OF CHANGES IN EQUITY

	Paid-in capital	PRC statutory reserve* *(note 23(b))*	Exchange reserve*	Retained profits/ (Accumulated losses)*	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At 1 January 2012	11,990	–	208	(534)	11,664
Profit and other comprehensive income for the year	–	–	64	1,459	1,523
Transfer to PRC statutory reserve	–	172	–	(172)	–
At 31 December 2012 and 1 January 2013	11,990	172	272	753	13,187
Dividend declared *(note 9)*	–	–	–	(3,124)	(3,124)
Transaction with owners	–	–	–	(3,124)	(3,124)
Profit and other comprehensive income for the year	–	–	416	2,977	3,393
Transfer to PRC statutory reserve	–	269	–	(269)	–
At 31 December 2013 and 1 January 2014	11,990	441	688	337	13,456
Loss and other comprehensive expense for the year	–	–	(78)	(6,327)	(6,405)
Transfer from PRC statutory reserve	–	(441)	–	441	–
At 31 December 2014 and 1 January 2015	11,990	–	610	(5,549)	7,051
Profit and other comprehensive income for the period	–	–	37	4,304	4,341
Transfer to PRC statutory reserve	–	198	–	(198)	–
At 31 May 2015	11,990	198	647	(1,443)	11,392
At 1 January 2014	11,990	441	688	337	13,456
Profit and other comprehensive income for the period	–	–	(137)	826	689
Transfer to PRC statutory reserve	–	83	–	(83)	–
At 31 May 2014 (unaudited)	11,990	524	551	1,080	14,145

* *These reserve accounts comprise the Target Company's reserves in the statement of financial position.*

STATEMENTS OF CASH FLOWS

	Year ended 31 December			Five months ended 31 May	
	2012	**2013**	**2014**	**2014**	**2015**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
				(Unaudited)	
Cash flows from operating activities					
Profit/(Loss) before income tax	3,072	4,135	(6,327)	1,143	4,304
Adjustments for:					
Depreciation of property, plant and equipment	76	1,118	1,624	667	668
Amortisation of intangible assets	658	791	814	340	347
Interest income	(199)	(1,104)	(1,710)	(454)	(426)
Written off of guarantee deposits	3,682	–	–	–	–
Operating profit/(loss) before working capital changes	7,289	4,940	(5,599)	1,696	4,893
(Increase)/Decrease in cash held on behalf of customers	(62,067)	(49,312)	44,443	(12,464)	(16,543)
(Increase)/Decrease in trade receivables	(14,630)	12,375	2,170	1,336	16,145
(Increase)/Decrease in prepayments and other receivables	(5,423)	1,814	(1,667)	–	(6,924)
Increase/(Decrease) in trade and other payables	77,022	46,647	(42,342)	7,618	(4,077)
Cash generated from/(used in) operations	2,191	16,464	(2,995)	(1,814)	(6,506)
Income tax paid	(227)	(3,025)	(194)	(627)	(120)
Net cash generated from/(used in) operating activities	1,964	13,439	(3,189)	(2,441)	(6,626)

	Year ended 31 December			Five months ended 31 May	
	2012	2013	2014	2014	2015
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
				(Unaudited)	
Cash flows from investing activities					
Purchase of property, plant and equipment	(389)	(5,088)	(249)	(89)	(14)
Purchase of intangible assets	(4,004)	–	–	–	(442)
Purchase of available for sales financial assets	–	–	(4,012)	–	–
Disposal of available for sales financial assets	–	–	–	–	4,012
Purchase of financial assets at fair value through profit and loss	–	–	–	–	(3,924)
Interest received	199	1,104	1,710	454	426
Net cash (used in)/generated from investing activities	(4,194)	(3,984)	(2,551)	365	58
Cash flows from financing activities					
Decrease in amount due from a director	1,936	8,600	–	–	–
Increase/(Decrease) in amount due to directors	1,280	(1,270)	–	–	–
Increase in amount due from shareholders	–	–	–	–	(1,779)
Dividend paid	–	(1,774)	(1,350)	(1,350)	–
Net cash generated from/(used in) financing activities	3,216	5,556	(1,350)	(1,350)	(1,779)
Net increase/(decrease) in cash and cash equivalents	986	15,011	(7,090)	(3,426)	(8,347)
Cash and cash equivalent at beginning of the year/period	3,205	4,213	19,370	19,370	12,405
Effect of foreign exchange rate changes	22	146	125	(295)	(3)
Cash and cash equivalent at end of the year/period, represented by cash and bank balances	4,213	19,370	12,405	16,239	4,055

(B) NOTES TO THE FINANCIAL INFORMATION

1. General information

青島國金貴金屬交易中心股份有限公司 (English name as Qingdao Guojin Precious Metal Exchange Centre Company Limited) (the "Target Company") (previously known as 青島國金貴金屬交易中心有限公司 before 11 July 2014) was incorporated in the People's Republic of China (the "PRC") with limited liability on 9 June 2011. The Target Company registered as a company limited by shares on 11 July 2014. The address of its registered office and, its principal place of business is located in No. 20 Hong Kong Mid Road, No.2 of 4th floor, Huangjin Plaza North Building, Qingtao North District, the PRC.

The principal activity of the Target Company is to provide the online platform for trading and deferred spot delivery services of precious metals, such as silver, nonferrous metal and other valuable commodities as well as other associated services, which is regulated by the State Council of PRC and the Administration for Industry & Commerce of Qingdao.

As at the date of this report, the controlling shareholder of the Target Company was Mr. Sun Xiaoyang, who was also a director of the Target Company.

The functional currency of the Target Company is Renminbi ("RMB"). The Financial Information is presented in Hong Kong dollar ("HKD"), unless otherwise stated, which is different from the functional currency of The Target Company, as to be consistent with the Company's presentation currency.

2. Basis of preparation

The Financial Information has been prepared in accordance with the Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable individual HKFRSs, Hong Kong Accounting Standards ("HKAS") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. The Financial Information also includes the applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules"). These policies have been consistently applied throughout all periods presented in the Financial Information.

The Financial Information has been prepared under the historical cost basis.

At the date of this report, certain new and amended HKFRSs have been published but are not yet effective, and have not been adopted early by The Target Company. The directors are in the process of making an assessment of what the impact of these amendments and new standards is expected to be in the period of initial application. So far the directors have concluded that the adoption of them is unlikely to have a significant impact on the Financial Information.

It should be noted that accounting estimates and assumptions are used in preparation of the financial statements. Although these estimates are based on management's best knowledge and judgement of current events and actions, actual results may ultimately differ from those estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Financial Information are disclosed in note 4.

The Financial Information has been prepared on a going concern basis notwithstanding that the Target Company encountered an incident with the details in note 28(1). The going concern basis has been adopted on the basis that Mr. Sun Xiaoyang, the controlling shareholder of the Target Company agreed to indemnify the Target Company should there be losses arising from this incident. Should the Target Company be unable to continue in business as a going concern, adjustments would have to be made to reduce the value of assets to recoverable amounts, to provide for any further liabilities which might arise, and to reclassify non-current assets to current assets.

3. Summary of significant accounting policies

The significant accounting policies that have been used in the preparation of the Financial Information are set out below. These policies have been consistently applied to the Relevant Periods.

3.1 Foreign currency translation

In the Financial Information, assets and liabilities have been translated into Hong Kong dollars at the closing rates at the reporting date. Income and expenses have been converted into the Hong Kong dollars at the exchange rates ruling at the transaction dates, or at the average rates over the reporting period provided that the exchange rates do not fluctuate significantly. Any differences arising from this procedure have been recognised in other comprehensive income and accumulated separately in the translation reserve in equity.

3.2 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Depreciation of property, plant and equipment is provided to write off the cost less their residual values over the estimated useful lives using the following methods:

Furniture, fitting and equipment	3 – 6 years, straight line method
Motor vehicles	2 – 4 years, straight line method
Leasehold improvements	3 years, straight line method

The assets' residual values, depreciation methods and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

The gain or loss arising on retirement or disposal is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Target Company and the cost of the item can be measured reliably. All other costs, such as repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

3.3 Intangible assets

Acquired intangible assets are recognised initially at cost. After initial recognition, intangible assets with finite useful lives are carried at cost less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is provided on straight-line basis over their estimated useful lives.

Amortisation commences when the intangible assets are available for use. The following useful lives are applied:

Licensed softwares	5 or 10 years, straight line method

The assets' amortisation methods and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

Intangible assets, with finite useful lives, are tested for impairment as described below in note 3.10.

Research and development costs

Costs associated with research activities are expensed in profit or loss as they occur.

Costs that are directly attributable to development activities are recognised as intangible assets provided they meet the following recognition requirements:

(i) demonstration of technical feasibility of the prospective product for internal use or sale;

(ii) there is intention to complete the intangible asset and use or sell it;

(iii) the Group's ability to use or sell the intangible asset is demonstrated;

(iv) the intangible asset will generate probable economic benefits through internal use or sale;

(v) sufficient technical, financial and other resources are available for completion; and

(vi) the expenditure attributable to the intangible asset can be reliably measured.

Direct costs include employee costs incurred on development activities along with an appropriate portion of relevant overheads. The costs of development of internally generated software, products or knowhow that meet the above recognition criteria are recognised as intangible assets. They are subject to the same subsequent measurement method as acquired intangible assets.

All other development costs are expensed as incurred.

3.4 Financial assets

Financial assets are classified into financial assets at fair value through profit or loss, available for sales financial assets and loans and receivables.

Management determines the classification of its financial assets at initial recognition depending on the purpose for which the financial assets were acquired and where allowed and appropriate, re-evaluates this designation at every reporting date.

All financial assets are recognised when, and only when, the Target Company becomes a party to the contractual provisions of the instrument. Regular way purchases of financial assets are recognised on trade date. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

Derecognition of financial assets occurs when the rights to receive cash flows from the investments expire or are transferred and substantially all of the risks and rewards of ownership have been transferred.

At each reporting date, financial assets are reviewed to assess whether there is objective evidence of impairment. If any such evidence exists, impairment loss is determined and recognised based on the classification of the financial asset.

i) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include:

- Financial assets held for trading; and
- Financial assets designated upon initial recognition as at fair value through profit or loss.

Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term, or it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent pattern of short-term profit-taking. Derivatives, including separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments or financial guarantee contracts.

Where a contract contains one or more embedded derivatives, the entire hybrid contract may be designated as a financial asset at fair value through profit or loss, except where the embedded derivative does not significantly modify the cash flows or it is clear that separation of the embedded derivative is prohibited.

Financial assets may be designated at initial recognition as at fair value through profit or loss if the following criteria are met:

– the designation eliminates or significantly reduces the inconsistent treatment that would otherwise arise from measuring the assets or recognising gains or losses on them on a different basis; or

– the assets are part of a group of financial assets which are managed and their performance is evaluated on a fair value basis, in accordance with a documented risk management strategy and information about the group of financial assets is provided internally on that basis to the key management personnel; or

– the financial asset contains an embedded derivative that would need to be separately recorded.

Subsequent to initial recognition, the financial assets included in this category are measured at fair value with changes in fair value recognised in profit or loss. Fair value is determined by reference to active market transactions or using a valuation technique where no active market exists. Fair value gain or loss does not include any dividend or interest earned on these financial assets. Interest income is recognised in accordance with note 3.9 to these financial statements.

ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are subsequently measured at amortised cost using the effective interest method, less any impairment losses. Amortised cost is calculated taking into account any discount or premium on acquisition and includes fees that are an integral part of the effective interest rate and transaction cost.

iii) Available-for-sale financial assets

Non-derivative financial assets that do not qualify for inclusion in any of the other categories of financial assets are classified as available-for-sale financial assets.

All financial assets within this category are subsequently measured at fair value. Gain or loss arising from a change in the fair value excluding any dividend and interest income is recognised in other comprehensive income and accumulated separately in the available-for-sale financial assets revaluation reserve in equity, except for impairment losses (see the policy below) and foreign exchange gains and losses on monetary assets, until the financial asset is derecognised, at which time the cumulative gain or loss is reclassified from equity to profit or loss. Interest calculated using the effective interest method is recognised in profit or loss.

The fair value of available-for-sale monetary assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the reporting date. The change in fair value attributable to translation differences that result from a change in amortised cost of the asset is recognised in profit or loss, and other changes are recognised in other comprehensive income.

For available-for-sale investments in equity securities that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unquoted equity instruments, they are measured at cost less any identified impairment losses at each reporting date subsequent to initial recognition.

Impairment of financial assets

At each reporting date, financial assets other than at fair value through profit or loss are reviewed to determine whether there is any objective evidence of impairment.

Objective evidence of impairment of individual financial assets includes observable data that comes to the attention of The Target Company about one or more of the following loss events:

– Significant financial difficulty of the debtor;

– A breach of contract, such as a default or delinquency in interest or principal payments;

– It becoming probable that the debtor will enter bankruptcy or other financial reorganisation;

– Significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor; and

– The disappearance of an active market for that financial asset because of financial difficulties.

Loss events in respect of a group of financial assets include observable data indicating that there is a measurable decrease in the estimated future cash flows from the group of financial assets. Such observable data includes but is not limited to adverse changes in the payment status of debtors in the group and, national or local economic conditions that correlate with defaults on the assets in The Target Company.

If any such evidence exists, the impairment loss is measured and recognised as follows:

i) Financial assets carried at amortised cost

If there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition). The amount of the loss is recognised in profit or loss of the period in which the impairment occurs.

If, in subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that it does not result in a carrying amount of the financial asset exceeding what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognized in profit or loss of the period in which the reversal occurs.

ii) Available-for-sale financial assets carried at fair value

When a decline in the fair value of an available-for-sale financial asset has been recognised in other comprehensive income and accumulated in equity and there is objective evidence that the asset is impaired, an amount is removed from equity and recognised in profit or loss as an impairment loss. That amount is measured as the difference between the asset's acquisition cost (net of any principal repayment and amortisation) and current fair value, less any impairment loss on that asset previously recognised in profit or loss.

Reversals in respect of investment in equity instruments classified as available for-sale and stated at fair value are not recognised in the profit or loss. The subsequent increase in fair value is recognised in other comprehensive income. Impairment losses in respect of debt securities are reversed if the subsequent increase in fair value can be objectively related to an event occurring after the impairment loss was recognised. Reversal of impairment losses in such circumstances are recognized in profit or loss.

iii) Financial assets carried at cost

For financial assets carried at cost, the amount of impairment loss is measured as the difference between the carrying amount of the financial assets and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. The amount of the impairment losses is recognised in profit or loss of the period in which the impairment occurs and not reversed in subsequent periods.

Impairment losses on financial assets other than financial assets at fair value through profit or loss and trade receivables that are stated at amortised cost, are written off against the corresponding assets directly. Where the recovery of trade receivables is considered doubtful but not remote, the impairment losses for doubtful receivables are recorded using an allowance account. When the Target Company is satisfied that recovery of trade receivables is remote, the amount considered irrecoverable is written off against trade receivables directly and any amounts held in the allowance account in respect of that receivable are reversed. Subsequent recoveries of amounts previously charged to the allowance account are reversed against the allowance account. Other changes in the allowance account and subsequent recoveries of amounts previously written off directly are recognised in profit or loss.

3.5 Cash and cash equivalents

Cash and cash equivalents include cash at bank and in hand, demand deposits with banks and short term highly liquid investments with original maturities of three months or less that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

3.6 Financial liabilities

Financial liabilities include trade and other payables, and amounts due to directors. They are included in line items in the statements of financial position under current liabilities.

Financial liabilities are recognised when the Target Company becomes a party to the contractual provisions of the instrument. All interest related charges are recognised in profit or loss.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or has expired.

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amount is recognised in profit or loss.

Trade and other payables and amounts due to directors are recognised initially at their fair value and subsequently measured at amortised cost, using the effective interest method.

3.7 Leases

An arrangement, comprising a transaction or a series of transactions, is or contains a lease if the Target Company determines that the arrangement conveys a right to use a specific asset or assets for an agreed period of time in return for a payment or a series of payments. Such a determination is made based on an evaluation of the substance of the arrangement and is regardless of whether the arrangement takes the legal form of a lease.

i) Classification of assets leased to the Target Company

Assets that are held by the Target Company under leases which transfer to the Target Company substantially all the risks and rewards of ownership are classified as being held under finance leases. Leases which do not transfer substantially all the risks and rewards of ownership to the Target Company are classified as operating leases.

ii) Operating lease charges as the lessee

Where the Target Company has the right to use of assets held under operating leases, payments made under the leases are charged to the income statement on a straight line basis over the lease terms except where an alternative basis is more representative of the time pattern of benefits to be derived from the leased assets. Lease incentives received are recognised in profit or loss as an integral part of the aggregate net lease payments made. Contingent rental are charged to profit or loss in the accounting period in which they are incurred.

3.8 Paid-in capital

Paid-in capital is classified as equity. Paid-in capital is determined using the proceeds from capital contributions made by the investors.

3.9 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the services rendered. Provided it is probable that the economic benefits will flow to the Target Company and the revenue and costs, if applicable, can be measured reliably, revenue is recognised as follows:

Trading fees are recognised on a trade date basis.

Interest income is recognised on an accrual basis using the effective interest method.

3.10 Impairment of non-financial assets

Property, plant and equipment and intangible assets are subject to impairment testing whenever there are indications that the asset's carrying amount may not be recoverable.

An impairment loss is recognised as an expense immediately for the amount by which the asset's carrying amount exceeds its recoverable amount. Recoverable amount is the higher of fair value, reflecting market conditions less costs of disposal, and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of time value of money and the risk specific to the asset.

For the purposes of assessing impairment, where an asset does not generate cash inflows largely independent from those from other assets, the recoverable amount is determined for the smallest group of assets that generate cash inflows independently (i.e., a cash-generating unit). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level.

Impairment losses recognised for cash-generating units are charged pro rata to the assets in the cash generating unit, except that the carrying value of an asset will not be reduced below its individual fair value less cost of disposal, or value in use, if determinable.

An impairment loss is reversed if there has been a favourable change in the estimates used to determine the asset's recoverable amount and only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.11 Employee benefits

The employees of the Target Company which operates in the PRC are required to participate in a central pension scheme operated by the local principal government. The Target Company is required to contribute certain percentages of its payroll costs to the central pension scheme. The contributions are charged to the statement of comprehensive income as they become payable in accordance with the rules of the central pension scheme.

3.12 Accounting for income tax

Income tax comprises current tax and deferred tax.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting period, that are unpaid at the reporting date. They are calculated according to the tax rates and tax laws applicable to the fiscal periods to which they relate, based on the taxable profit for the year. All changes to current tax assets or liabilities are recognised as a component of tax expense in profit or loss.

Deferred tax is calculated using the liability method on temporary differences at the reporting date between the carrying amounts of assets and liabilities in the financial statements and their respective tax bases. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences, tax losses available to be carried forward as well as other unused tax credits, to the extent that it is probable that taxable profit, including existing taxable temporary differences, will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

Deferred tax is calculated, without discounting, at tax rates that are expected to apply in the period the liability is settled or the asset is realised, provided they are enacted or substantively enacted at the reporting date.

Changes in deferred tax assets or liabilities are recognised in profit or loss, or in other comprehensive income or directly in equity if they relate to items that are charged or credited to other comprehensive income or directly in equity.

3.13 Related parties

A party is considered to be related to the Target Company if:

(a) the party, is a person or a close member of that person's family and that person,

(i) has control or joint control over of the Target Company;

(ii) has significant influence over the Target Company; or

(iii) is a member of the key management personnel of the Target Company or of a parent of the Target Company; or

(b) the party is an entity where any of the following conditions applies:

(i) the entity and the Target Company are members of the same group;

(ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);

(iii) the entity and the Target Company are joint ventures of the same third party;

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Target Company or an entity related to the Target Company;

(vi) the entity is controlled or jointly controlled by a person identified in (a); and

(vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Close family members of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

3.14 Segment Reporting

Operating segments, and the amounts of each segment item reported in the financial statements, are identified from the financial information provided regularly to The Target Company's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Target Company's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a major of criteria.

4. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Target Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Impairment of trade and other receivables

The Target Company makes impairment loss on trade receivables, prepayments, deposits and other receivables based on assessments of the recoverability of the trade receivables, prepayments, deposits and other receivables, including the current creditworthiness and the past collection history of each debtor. Impairments arise where events or changes in circumstances indicate that the balances may not be collectible. The identification of bad and doubtful debts requires the use of judgments and estimates. Details of trade and other receivables were set out in notes 18 and 19 respectively.

Impairment of non-financial assets

The Target Company assesses whether there are any indicators of impairment for all non-financial assets at the end of each reporting period. Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less cost of disposal and value in use. Fair value less cost of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows. Details of property, plant and equipments and intangible assets are set out in notes 14 and 15 respectively.

5. Revenue

Revenue represents fair value of consideration received or receivable of the trading fee derived from the provision of online platform for trading of precious metals for the Relevant Periods.

6. Other income

				Five months ended 31 May	
	2012	**2013**	**2014**	**2014**	**2015**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
				(Unaudited)	
Terminal user fees	–	3,090	1,977	1,061	55
Bank interest income	199	1,075	1,582	372	353
Interest income from available for sale financial assets	–	29	128	82	73
Gain on disposal of property, plant and equipment	–	–	–	–	6
Others	–	1	265	–	–
	199	4,195	3,952	1,515	487

7. Operating expenses

				Five months ended 31 May	
	2012	**2013**	**2014**	**2014**	**2015**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
				(Unaudited)	
Commission to third party agents	58,580	113,874	117,458	56,959	35,137
Information technology and system maintenance expenses	4,374	8,064	8,852	5,365	2,304
Amortisation of intangible assets	658	791	814	340	347
Business and other taxes	996	1,573	1,257	700	392
	64,608	124,302	128,381	63,364	38,180

8. Profit/(loss) before income tax

Profit/(Loss) before income tax is arrived at after charging the following:

				Five months ended 31 May	
	2012	**2013**	**2014**	**2014**	**2015**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
				(Unaudited)	
Auditors' remuneration	–	25	221	–	–
Depreciation of property, plant and equipments	76	1,118	1,624	667	668
Operating lease charges for buildings	505	827	866	454	182
Written off of guarantee deposits *(Note 28(1))*	3,682	–	–	–	–
Research and development costs	–	477	151	–	–

9. Dividends

				Five months ended 31 May	
	2012	**2013**	**2014**	**2014**	**2015**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
				(Unaudited)	
Dividends recognised as distributions during the year/period:					
Distribution of profits	–	3,124	–	–	–

The dividends paid were based on the percentages of the capital injected by each shareholder in 2013. The Target Company registered as a company limited by shares on 11 July 2014 and the rate of dividends declared and the number of shares was not presented as such information was not available before 2014.

10. Employees benefit expenses (including directors' emoluments)

				Five months ended 31 May	
	2012	**2013**	**2014**	**2014**	**2015**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
				(Unaudited)	
Salaries and other benefits	3,224	8,935	3,794	2,186	2,725
Retirement benefit scheme contribution	57	127	231	81	104
	3,281	9,062	4,025	2,267	2,829

11. Directors' emoluments and five highest paid individuals

11.1 Directors' emoluments

Directors' emoluments, also regarded as key management personnel compensation, are as follows:

	Fees	**Salaries, Allowances and benefits in kind**	**Retirement benefit scheme contribution**	**Total**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
2012				
Executive directors:				
Mr. Sun Xiaoyang	–	101	2	103
Ms. Ma Jianhua	–	12	–	12
Mr. Wan Feng	–	111	2	113
Mr. Chen Xixiang	–	19	–	19
	–	243	4	247

	Fees	Salaries, Allowances and benefits in kind	Retirement benefit scheme contribution	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
2013				
Executive directors:				
Mr. Sun Xiaoyang	–	1,131	3	1,134
Ms. Ma Jianhua	–	577	–	577
Mr. Wan Feng	–	596	3	599
Mr. Chen Xixiang	–	519	–	519
	–	2,823	6	2,829
2014				
Executive directors:				
Mr. Sun Xiaoyang	–	257	3	260
Ms. Ma Jianhua	–	127	–	127
Mr. Wan Feng	–	128	3	131
Mr. Chen Xixiang	–	135	–	135
Ms. Song Jing (appointed on 5 June 2014)	–	60	2	62
	–	707	8	715
Five months ended 31 May 2014 (Unaudited)				
Executive directors:				
Mr. Sun Xiaoyang	–	151	1	152
Ms. Ma Jianhua	–	53	–	53
Mr. Wan Feng	–	54	1	55
Mr. Chen Xixiang	–	58	–	58
	–	316	2	318

	Fees	Salaries, Allowances and benefits in kind	Retirement benefit scheme contribution	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Five months ended 31 May 2015				
Executive directors:				
Mr. Sun Xiaoyang	–	441	1	442
Ms. Ma Jianhua	–	215	–	215
Mr. Wan Feng	–	215	1	216
Mr. Chen Xixiang	–	218	–	218
Ms. Song Jing	–	74	1	75
	–	1,163	3	1,166

No emoluments were paid by the Target Company to any directors as an inducement to join or upon joining the Target Company as compensation for loss of office during the Relevant Periods.

There were no arrangements under which a director waived or agreed to waive any emoluments during the Relevant Periods.

11.2 Five highest paid individuals

The five individuals whose emoluments were the highest in the Target Company for the Relevant Periods include four directors, whose emoluments are reflected in the analysis presented above, and one employee. The emoluments payable to the remaining individual during the Relevant Periods are as follows:

				Five months ended 31 May	
	2012	**2013**	**2014**	**2014**	**2015**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
				(Unaudited)	
Salaries and other benefits	19	479	195	125	65
Retirement benefit scheme contribution	1	2	3	1	1
	20	481	198	126	66

The remuneration of directors and highest paid employees for the Relevant Periods fell within the band of nil to HK$1,000,000.

12. Income tax expense

The Target Company is subject to PRC enterprise income tax at the rate of 25% during the Relevant Periods on the estimated assessable profit.

				Five months ended 31 May	
	2012	**2013**	**2014**	**2014**	**2015**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
				(Unaudited)	
Current tax – PRC enterprise income tax	1,613	1,158	–	317	–

Reconciliation between tax expense and accounting (loss)/profit at applicable tax rate:

				Five months ended 31 May	
	2012	**2013**	**2014**	**2014**	**2015**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
				(Unaudited)	
Profit/(loss) before income tax expense	3,072	4,135	(6,327)	1,143	4,304
Tax on (loss)/profit before income tax, calculated at the rate of 25%	768	1,034	(1,581)	286	1,076
Tax effect of non-deductible expenses	955	124	63	31	40
Tax effect of non-taxable income	–	–	(66)	–	–
Tax effect of tax losses not recognised	–	–	1,584	–	–
Tax effect of the utilization of tax losses previously not recognised	(110)	–	–	–	(1,116)
Income tax expense	1,613	1,158	–	317	–

The Target Company has not recognised deferred tax assets in respect of tax losses of HK$6,336,000 as at 31 December 2014 and HK$1,872,000 as at 31 May 2015 as it is not probable that future taxable profits against which the losses can be utilized will be available. Under the current tax legislation, the tax losses can be carried forward for five years from the year when the loss is incurred. All tax losses are subject to the agreement from the relevant tax bureau.

13. Profit/(Loss) per share

Profit/(Loss) per share information is not presented as its inclusion is not considered meaningful for the purpose of this report.

14. Property, plant and equipment

	Furniture, fixtures and equipment *HK$'000*	Motor Vehicles *HK$'000*	Leasehold improvement *HK$'000*	Total *HK$'000*
Cost				
At 1 January 2012	93	–	–	93
Addition	389	–	–	389
Exchange realignment	1	–	–	1
At 31 December 2012	483	–	–	483
Additions	1,511	2,114	1,463	5,088
Exchange realignment	36	28	20	84
At 31 December 2013	2,030	2,142	1,483	5,655
Additions	249	–	–	249
Exchange realignment	(12)	(13)	(9)	(34)
At 31 December 2014	2,267	2,129	1,474	5,870
Additions	14	–	–	14
Elimination on disposal	–	(557)	–	(557)
Exchange realignment	9	7	6	22
At 31 May 2015	2,290	1,579	1,480	5,349
Accumulated depreciation and impairment:				
At January 2012	5	–	–	5
Provided for the year	76	–	–	76
Exchange realignment	–	–	–	–
At 31 December 2012	81	–	–	81

	Furniture, fixtures and equipment HK$'000	Motor Vehicles HK$'000	Leasehold improvement HK$'000	Total HK$'000
Provided for the year	313	439	366	1,118
Exchange realignment	6	6	5	17
At 31 December 2013	400	445	371	1,216
Provided for the year	504	629	491	1,624
Exchange realignment	(3)	(3)	(2)	(8)
At 31 December 2014	901	1,071	860	2,832
Provided for the period	216	247	205	668
Elimination of disposal	–	(557)	–	(557)
Exchange realignment	4	16	4	24
At 31 May 2015	1,121	777	1,069	2,967
Carrying value				
At 31 December 2012	402	–	–	402
At 31 December 2013	1,630	1,697	1,112	4,439
At 31 December 2014	1,366	1,058	614	3,038
At 31 May 2015	1,169	802	411	2,382

15. Intangible assets

The Target Company acquired the rights of the licensed softwares of the platform and other associated systems for the trading of precious metals and the movements in their net carrying amounts are analysed as follows:

	2012	2013	2014	31 May 2015
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Cost:				
At beginning of the year/period	–	4004	4,138	4,113
Additions	4,004	–	–	442
Exchange realignment	–	134	(25)	17
At end of the year/period	4,004	4,138	4,113	4,572
Accumulated amortisation:				
At beginning of the year/period	–	658	1,481	2,286
Provided during the year/period	658	791	814	347
Exchange realignment	–	32	(9)	10
At end of the year/period	658	1,481	2,286	2,643
Closing net carrying amount	3,346	2,657	1,827	1,929

The amortization charge for the year/period is included in "Operating expenses" in the statement of comprehensive income.

16. Financial assets at fair value through profit or loss

	2012	2013	2014	31 May 2015
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Listed securities held for trading	–	–	–	3,924

17. Available for sale financial assets

	2012	2013	2014	31 May 2015
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Unlisted fund investments, at cost	–	–	4,012	–

18. Trade receivables

	2012	2013	2014	31 May 2015
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Trade receivables	14,630	2,696	522	915

The directors of the Target Company consider that the fair values of the trade receivables which are expected to be recovered within one year are not materially different from their carrying amounts because these balances have short maturity periods on their inception.

The Target Company allows a credit period of about 30 days to its customers. The following is the ageing analysis of the trade receivables based on the invoices dates:

	2012	2013	2014	31 May 2015
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
0 – 30 days	14,630	2,696	522	915

The Target Company's trade receivables were neither past due nor impaired as at the reporting dates and no impairment loss has been recognised on trade receivables for the Relevant Periods.

19. Prepayments, deposits and other receivables

	2012	2013	2014	31 May 2015
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Prepayments	358	14	1,665	8,549
Other receivables	1,441	–	3	–
	1,799	14	1,668	8,549

The directors of the Target Company consider that the fair values of the deposits, prepayments and other receivables which are expected to be recovered within one year are not materially different from their carrying amounts because these balances have short maturity periods on their inception.

20. Amounts due from/to directors/shareholders

The amounts due were unsecured, interest-free and repayable on demand. The carrying values of the amounts were considered reasonable approximation of their fair values.

Amounts due from shareholders

	At 31 December			At 31 May
	2012	**2013**	**2014**	**2015**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Mr. Sun Xiaoyang	–	–	–	1,105
Ms. Ma Jianhua	–	–	–	9
Mr. Wan Feng	–	–	–	10
Mr. Chen Xixiang	–	–	–	88
Others	–	–	–	567
	–	–	–	1,779

Maximum amounts outstanding of amount due from shareholders

	During the year ended 31 December			During the period ended 31 May
	2012	**2013**	**2014**	**2015**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Mr. Sun Xiaoyang	–	–	–	1,105
Ms. Ma Jianhua	–	–	–	9
Mr. Wan Feng	–	–	–	10
Mr. Chen Xixiang	–	–	–	88
Others	–	–	–	567
	–	–	–	1,779

The maximum outstanding amount due from 陳喜祥, a director, during the year ended 31 December 2012 was HK$8,600,000 and the balance as at 1 January 2012 was nil.

21. Cash held on behalf of customers and agents

The Target Company maintains segregated trust accounts with banks to hold customers' and agents' monies arising from its normal course of business. The Target Company has classified these monies as cash held on behalf of customers and agents under the current assets section of the statement of financial position and recognized the corresponding trade payables to customers and agents (note 22) to respective customers and agents on the grounds that it is liable for any loss or misappropriation of these monies. The cash held on behalf of customers and agents is restricted and governed in accordance with the agreements signed with the banks.

22. Trade and other payables

	2012	2013	2014	31 May 2015
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Trade payables				
Commission payable to third party agents	8,997	10,173	16,317	12,188
Customers and agents *(note 21)*	64,773	117,066	72,623	89,209
	73,770	127,239	88,940	101,397
Other payables	8,152	4,680	781	752
	81,922	131,919	89,721	102,149

The average credit period granted by the third party agents is about 30 days. The following is the ageing analysis of the Target Company's trade payables to third party agents on the invoice dates:

	2012	2013	2014	31 May 2015
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
0 – 30 days	8,997	10,713	6,837	12,188
150 – 180 days	–	–	9,480	–
	8,997	10,713	16,317	12,188

The trade payables to customers and agents relate to the cash held on behalf of customers and agents, as disclosed in note 21.

All amounts are short term and hence the carrying values of the trade and other payables are considered to be a reasonable approximation of fair value.

23. Paid-in capital and reserves

(a) Paid-in capital

	2012	2013	2014	31 May 2015
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Registered capital	10,000	10,000	10,000	10,000
Paid-up capital	10,000	10,000	10,000	10,000
	HK'000	*HK'000*	*HK'000*	*HK'000*
Equivalent to	11,990	11,990	11,990	11,990

Amount represented funds contributed by shareholders.

(b) PRC statutory reserves – Statutory surplus reserve

According to the PRC Company Law, the Target Company is required to transfer 10% of their profit after taxation, as determined under the PRC Accounting Regulations, to the statutory surplus reserve until the reserve balance reaches 50% of their registered capital. The transfer to this reserve must be made before distribution of a dividend to shareholders. The statutory reserve can be used to offset previous years' losses, if any.

24. Operating lease commitments

	2012	2013	2014	31 May 2015
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Within one year	2,130	7,531	3,113	1,591
In the second to fifth years	641	277	–	1,638
	2,771	7,808	3,113	3,229

The Target Company leases a number of offices and computer systems under operating leases. The leases run for an initial period of 1 to 3 years, with an option to renew the lease and renegotiate the terms at the expiry date or at dates as mutually agreed between the Target Company and respective landlords/lessors. None of the leases include contingent rentals.

25. Financial risk management and fair value measurements

The Target Company is exposed to financial risks through its use of financial instruments in its ordinary course of operations.

The main risks arising from the Target Company's financial instruments are credit risk, interest rate risk, liquidity risk, foreign currency risk and other price risk. The directors of the Target Company generally adopt conservative strategies on its risk management and limits the Target Company's exposure to these risks to a minimum. The directors of the Target Company review and agree policies for managing each of these risks and they are summarised below.

25.1 Categories of financial assets and liabilities

The carrying amounts presented in the statements of financial position relate to the following categories of financial assets and financial liabilities:

	2012	**2013**	**2014**	**31 May 2015**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Financial assets				
Financial assets at fair value through profit or loss	–	–	–	3,924
Available for sale financial assets	–	–	4,012	–
Loans and receivables				
– Trade receivables	14,630	2,696	522	915
– Other receivables	1,441	–	3	–
– Amount due from a director	8,600	–	–	–
– Amounts due from shareholders	–	–	–	1,779
– Cash and cash equivalents	4,213	19,370	12,405	4,055
– Cash held on behalf of customers	64,773	117,066	72,623	89,209
	93,657	139,132	89,565	99,882

	2012	2013	2014	31 May 2015
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Financial liabilities measured at amortised cost				
Trade and other payables	81,922	131,919	89,721	102,149
Amounts due to directors	1,270	–	–	–
	83,192	131,919	89,721	102,149

25.2 Credit risk

Credit risk refers to the risk that the counterparty to a financial instrument would fail to discharge its obligation under the terms of the financial instrument and cause a financial loss to The Target Company. Qingdao Guojin's exposure to credit risk mainly arises from granting credit to customers in the ordinary course of its operations.

The Target Company's maximum exposure to credit risk on recognised financial assets is limited to their carrying amount as summarised in note 25.1.

Due to the business nature, trade receivables represented transaction fee collected from banks for the Company and will be settled with a credit period of 30 days. As at 31 December 2012, 2013, 2014 and 31 May 2015, 100% of the trade receivables were due from the banks.

25.3 Interest rate risk

Interest rate risk relates to the risk that the fair value or cash flows of a financial instrument will fluctuate because of changes in the market interest rates. The Target Company has no exposure to interest rate risk at the reporting dates since it does not have any interest-bearing liabilities.

25.4 Liquidity risk

Liquidity risk relates to the risk that the Target Company will not be able to meet its obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Target Company is exposed to liquidity risk in respect of settlement of trade payables and its financing obligations, and also in respect of its cash flow management. The Company's objective is to maintain an appropriate level of liquid assets and committed lines of funding to meet its liquidity requirements in the short and longer term.

At 31 December 2012, 2013, 2014 and 31 May 2015, the Target Company's remaining contractual maturities for its financial liabilities will be either on demand or within one year. The carrying amounts of its financial liabilities approximate their contractual undiscounted cash flows.

25.5 Foreign currency risk

Foreign currency risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. As all of the Target Company's transactions are denominated in RMB, the Target Company has no exposure to foreign currency risk during the Relevant Periods.

25.6 Fair value measurements of financial instruments

Financial assets and liabilities measured at fair value in the statement of financial position are grouped into three Levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurements, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities.

- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

- Level 3: unobservable inputs for the asset or liability.

The level in the fair value hierarchy within which the financial asset or liability is categorised in its entirety is based on the lowest level of input that is significant to the fair value measurement.

As at 31 May 2015, the financial assets at fair value through profit or loss measured at Level 1 of HK$3,924,000.

There were no transfers between Level 1 and Level 2 during the Relevant Periods.

Except for above, all financial instruments are carried at amounts not materially different from their fair values as at 31 December 2012, 2013, 2014 and 31 May 2015.

25.7 Other price risk

Other price risk relates to the risk that the fair values or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than changes in interest rates and foreign exchange rates). Qingdao is exposed to change in market prices in respect of its investments in listed securities classified as financial assets at fair value through profit and loss.

All securities investments present a risk of loss of capital. The management of the Target Company will only invest in investments after a thorough analysis of the fundamentals of these investments.

For listed securities, an average volatility of 5% has been observed during the period ended 31 May 2015. If the quoted price for the Target Company's listed securities existing as at 31 May 2015 increased or decreased by that amount, profit or loss for the period and retained earnings would have increased or decreased by HK$196,000 in respect of listed securities classified as held for trading.

The assumed volatilities of listed securities represent management's assessment of a reasonably possible change in these security prices over the next twelve month period.

26. Capital management

The objectives of the Target Company's capital management are to safeguard its ability to continue as a going concern and to provide returns for shareholders. the Target Company manages its capital structure to maintain a balance between liquidity, investment and borrowings, and makes adjustments, including payment of dividends to shareholders or issues new shares in the light of changes in the economic environment. No changes were made in the Target Company's objectives, policies or processes in managing capital during the Relevant Periods.

27. Segmental information

In a manner consistent with the way in which information is reported to the Target Company's chief operating decision maker for the purposes of resource allocation and performance assessments, the Target Company has only one operating segment of providing online platform for the trading of precious metals in PRC.

The Target Company's revenue from external customers and non-current assets are located in the PRC. As such, The Target Company's resources are integrated and no discrete operating segment information is available. Therefore, no operating segments or geographical segment information is presented.

During the Relevant Periods, there were customers with whom transactions have exceeded 10% of The Target Company's revenue and the details are summarized below:

				Five months ended 31 May	
	2012	**2013**	**2014**	**2014**	**2015**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
				(Unaudited)	
Revenue from customer 1	39,238	41,545	–	7,459	–
Revenue from customer 2	11,976	–	–	–	–
Revenue from customer 3	–	19,776	–	8,731	–
Revenue from customer 4	–	15,745	–	–	–
Revenue from customer 5	–	–	49,607	22,759	24,665

28. Contingent liabilities

1. Guarantee deposits of RMB3million (approximately HK$3,682,000)

At the end of 2012, a customer of the Target Company was arrested by Binzhou City Public Security Bureau ("Binzhou Bureau") for the prosecution of drug addiction. Binzhou Bureau discovered that this customer had frequent fund transfer with the Target Company and also lots of people participated in the trading of white silver with the Target Company.

On 27 November 2012, Binzhou Bureau froze all types of accounts of the Target Company under the Agricultural Bank of China, Industrial and Commercial Bank of China Limited and China Construction Bank for the sake of the suspected illegal operation by the Target Company. The Target Company reported the foregoing case to Qingtao Bonded Area Regulatory Commission (青島保稅區管理委員會) ("QBARC") and communicated with Binzhou Bureau. Even though QBARC emphasized that the Target Company was operating legitimately without any improper records, Binzhou Bureau did not affirm a clear decision. Having considered to protect the interests of all customers of the Target Company, the Target Company paid RMB3,000,000 (approximately HK$3,682,000) at the end of December 2012 as a guarantee deposit to Binzhou Bureau and the foregoing bank accounts were released afterwards.

As the directors and the management of the Target Company considered the recoverability of this deposit was remote, RMB3,000,000 (approximately HK$3,682,000) was fully written off. Sun Xiaoyang, the controlling shareholder of the Target Company agreed to indemnify the Target Company should there be losses arising from the foregoing case. The directors and the management of the Target Company are of the view that no further provision has been made for this case.

2. Pending litigations

In 2014, five customers of the Target Company have taken civil actions against the Target Company in the court in Qingdao claiming the contracts of trading precious metals on the platform of the Target Company being invalid and recovery of the related losses totalling approximately RMB11,000,000, equivalent to approximately HK$14,000,000. In April 2015, the court in Qingtao handed down the judgment in favour of the Target Company in one of the five cases and the successors of the deceased plaintiff in that case appealed against the judgment in May 2015. The court suspended the proceedings of the other four civil actions pending the results of the first case.

In May 2015, two customers of the Target Company have taken civil actions against the Target Company, Qingdao Xinshiyuan Precious Metal Limited (青島鑫世源貴金屬有限公司), and Qingdao Chengyang Sub-branch of China Construction Bank Corporation (中國建設銀行股份有限公司青島城陽支行) in court in Qingtao claiming the contracts of trading precious metals on the platform of the Target Company being invalid and recovery of the related losses totalling approximately RMB1,600,000, equivalent to approximately HK$2,000,000 The hearing of the case is still in progress and the court has not handed down the judgment as at the date of this report.

Having considered the foregoing judgment in April 2015 by the court in favour of the Target Company and taken the legal advice, the directors and the management of the Target Company are of the view that it is not probable that material loss will be suffered by the Target Company. Therefore, no provision has been made for the above claims.

29. Related parties transactions

In addition to the transactions disclosed elsewhere in the financial statements, the Target Company had the following transactions with related parties during the Relevant Periods.

				Five months ended 31 May	
	2012	**2013**	**2014**	**2014**	**2015**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
				(Unaudited)	
Related company in which a director of the Target Company was a controlling shareholder					
– Revenue	11,976	1,841	–	–	–
– Commission	9,126	1,473	–	–	–

According to prices and conditions, the above revenue and commission are similar to those offered to other customers of the Target Company.

Balance in relation to this related company was nil as at the end of the Relevant Periods.

Further details of key management personnel are included in note 11 including the highest paid individuals.

30. Event after the reporting periods

There was no significant event after the reporting periods that had a material impact on this report.

(C) SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Target Company in respect of any period subsequent to 31 May 2015.

Yours faithfully

Grant Thornton Hong Kong Limited
Certified Public Accountants

Lin Ching Yee Daniel
Practising certificate number: P02771

Set out below is the management discussion and analysis on the Target Company for the years ended 31 December 2012, 2013 and 2014 and the five months ended 31 May 2014 and 2015. The following financial information is based on the audited financial information of the Target Company as set out in Appendix III to this circular.

BUSINESS AND FINANCIAL REVIEW OF THE TARGET COMPANY

Revenue

The Target Company is a company established in the PRC and is principally engaged in the provision of online platform for trading and deferred spot delivery services of precious metals mainly being silver and copper, and other associated services including transaction settlement management, commodity delivery management and related consulting services to customers nationwide in the PRC. The Target Company's revenue represented the handling fees it charged to end customers who utilized the Target Company's online trading platform. For the year ended 31 December 2014, the Target Company recorded a revenue of approximately HK$128.5 million, representing a decrease of approximately 7.5% as compared to 2013 due to increased competition from other commodity exchanges and trading centres in the PRC and the increased popularity of other tradable commodities in the market. For the five months ended 31 May 2015, the Target Company recorded a revenue of approximately HK$47.2 million, representing a decrease of approximately 31.0% as compared to the five months ended 31 May 2014.

Operating expenses

Operating expenses represented, amongst others, (i) transaction fee rebates paid to the Target Company's corporate members which is calculated by the number of transactions carried out by end customers enlisted by such corporate members, and (ii) information technology system maintenance expenses. For the year ended 31 December 2014, the Target Company's operating expense was approximately HK$128.4 million, representing a slight increase of approximately 3.3% as compared to 2013 as a result of increase in transaction fee rebates to the Target Company's corporate members with a view to retain end customers. For the five months ended 31 May 2015, the Target Company's operating expense was approximately HK$38.2 million, representing a decrease of approximately 39.7% as compared to the five months ended 31 May 2014 which was primarily due to a decrease in transaction fee rebates paid that was in line with the decline in revenue in the period.

Administrative expenses

Administrative expenses primarily consisted of salaries and wages, rental expenses, professional fee and depreciation. For the years ended 31 December 2013 and 2014, the Target Company's administrative expense was approximately HK$14.6 million and HK$10.4 million respectively. The administrative expenses for the year ended 31 December 2014 were lower than the year ended 31 December 2013 as more employee bonus were paid for the year ended 31 December 2013 to motivate employees. For the five months ended 31 May 2014 and 2015, the Target Company's administrative expense were approximately HK$5.4 million and HK$5.2 million respectively, representing a slightly decrease of approximately 3.9%. The decrease was mainly attributable to the decrease in rental expense and professional fee.

Non-current assets

The non-current assets of the Target Company accounted for approximately 4%, 5%, 5% and 4% of the total assets of the Target Company as at 31 December 2012, 31 December 2013, 31 December 2014 and 31 May 2015 respectively. The non-current assets comprise of computer, equipment, motor vehicles and software for the trading platform and settlement services. The increase of property, plant and equipment in 2013 was due to the expansion of operation which required addition of various computers, motor vehicles and furnitures.

Current assets

The current assets of the Target Company accounted for approximately 96%, 95%, 95% and 96% of the total assets of the Target Company as at 31 December 2012, 31 December 2013, 31 December 2014 and 31 May 2015 respectively. The current assets comprise of mainly cash held on behalf of customers and agents, cash and cash equivalents, prepayments, deposits and other receivables.

Cash held on behalf of customers and agents accounted for approximately 66%, 80%, 75% and 79% of the total assets of the Target Company as at 31 December 2012, 31 December 2013, 31 December 2014 and 31 May 2015 respectively. The Target Company maintains segregated trust accounts with banks to hold customers' and agents' monies arising from its normal course of business. The Target Company has classified these monies as cash held on behalf of customers and agents under the current assets section of the statement of financial position and recognized the corresponding trade payables to respective customers and agents on the grounds that it is liable for any loss or misappropriation of these monies.

Cash and cash equivalents accounted for approximately 4%, 13%, 13% and 4% of the total assets of the Target Company as at 31 December 2012, 31 December 2013, 31 December 2014 and 31 May 2015 respectively.

Prepayments, deposits and other receivables accounted for approximately 2%, 0%, 2% and 8% of the total assets of the Target Company as at 31 December 2012, 31 December 2013, 31 December 2014 and 31 May 2015 respectively. The prepayments of the Target Company for the years ended 31 December 2014 and 31 May 2015 were approximately HK$1.7 million and HK$8.5 million respectively which comprised mainly of the prepayment for system upgrade and maintenance of the trading platform of the Target Company.

Current liabilities

The Target Company does not have non-current liabilities and its current liabilities mainly consist of trade and other payables. Trade and other payables accounted for approximately 97%, 99%, 100% and 100% of the total liabilities of the Target Company as at 31 December 2012, 31 December 2013, 31 December 2014 and 31 May 2015 respectively. As disclosed above, the amount of trade and other payables corresponds to the level of the cash held on behalf of the customers and agents and related to the transaction amounts immediately before the period end date.

Period to period comparisons

(i) Comparison for the five months ended 31 May 2015 to the five months ended 31 May 2014

For the five months ended 31 May 2015, the Target Company recorded a revenue of approximately HK$47.2 million, representing a decrease of approximately 31.0% as compared with that of approximately HK$68.4 million for the five months ended 31 May 2014. Such decrease was primarily due to a decrease in trading volume from approximately 361,000 lots in the five months ended 31 May 2014 to approximately 249,000 lots in the five months ended 31 May 2015 which was in turn brought by intensified completion in the online metal trading business.

The operating expenses decreased from approximately HK$63.4 million for the five months ended 31 May 2014 to approximately HK$38.2 million for the five months ended 31 May 2014 due to a decrease in transaction fee rebates paid that was in line with the decline in revenue in the period.

Due to reasons stated above, the net profit after taxation of the Target Company for the five months ended 31 May 2015 was approximately HK$4.3 million, representing an increase of approximately 530.5% as compared with the net profit after taxation of approximately HK$0.8 million for the five months ended 31 May 2014.

(ii) Comparison for the year ended 31 December 2014 to the year ended 31 December 2013

For the year ended 31 December 2014, the Target Company recorded a revenue of approximately HK$128.5 million, representing a slightly decrease of approximately 7.5% as compared with that of approximately HK$138.9 million for the year ended 31 December 2013. Such decrease was primarily due to a decrease in trading volume from approximately 740,000 lots in the year ended 31 December 2013 to approximately 678,000 lots in the year ended 31 December 2014 which was in turn brought by intensified completion in the online metal trading business.

The operating expenses increased slightly from approximately HK$124.3 million for the year ended 31 December 2013 to approximately HK$128.4 million for the year ended 31 December 2014 due to a slight increase in transaction fee rebates paid to the Target Company's corporate members with a view to retain end customers in light of the increased competition.

Due to reasons stated above, the net loss after taxation of the Target Company for the year ended 31 December 2014 was approximately HK$6.4 million, as compared to the net profit after taxation of approximately HK$3.4 million for the year ended 31 December 2013.

(iii) Comparison for the year ended 31 December 2013 to the year ended 31 December 2012

For the year ended 31 December 2013, the Target Company recorded a revenue of approximately HK$138.9 million, representing a significant increase of approximately 81.8% as compared with that of approximately HK$76.4 million for the year ended 31 December 2012. Such increase was primarily due to an increase in both the number of end customers and trading volume as a result of the marketing campaign carried out by the Target Company.

The operating expenses increased significantly from approximately HK$64.6 million for the year ended 31 December 2012 to approximately HK$124.3 million for the year ended 31 December 2013 due to increased transaction fee rebates paid to the Target Company's corporate members as a result of the increased trading volume.

Due to reasons stated above, the net profit after taxation of the Target Company for the year ended 31 December 2013 was approximately HK$3.4 million, as compared with the net profit after taxation of approximately HK$1.5 million for the year ended 31 December 2012.

Liquidity and financial resources

As at 31 December 2012, 2013 and 2014 and 31 May 2015, the Target Company had (i) trade and other payables of approximately HK$81.9 million, HK$131.9 million, HK$89.7 million and HK$102.1 million respectively; and (ii) cash and cash equivalents of approximately HK$4.2 million, HK$19.4 million, HK$12.4 million and HK$4.1 million respectively.

As at 31 December 2012, 2013 and 2014 and 31 May 2015, the Target Company's current ratio (calculated by current assets divided by current liabilities) was approximately 1.1 times, 1.0 times, 1.0 times and 1.1 times respectively.

As at 31 December 2012, 2013 and 2014 and 31 May 2015, the Target Company had borrowings of approximately HK$ nil, HK$ nil, HK$ nil and HK$ nil respectively and the gearing ratios (being total borrowings over the total assets) were approximately 0 time, 0 time, 0 time and 0 time respectively.

Foreign exchange management

The Target Company is a limited liability company incorporated in the PRC and most of its monetary assets, liabilities, incomes and expenses were denominated in RMB. The Target Company did not use any derivative financial instruments for hedging purposes.

Funding and treasury policy

The Target Company adopt a prudent funding and treasury policy towards their overall business operations with an aim to minimise financial risks. Future projects will be financed by cash flows from operations or capital raised by means of equity financing.

Capital commitment

As at 31 December 2012, 2013 and 2014 and 31 May 2015, the Target Company had no capital commitment.

Significant investment, material acquisition and disposals

The Target Company did not have any significant investments, material acquisition or disposal for the period from 1 January 2012 to 31 May 2015.

Contingent liabilities

Saved as disclosed in note 28 to the accountants' report on the Target Company as set out on pages III-44 to III-45 of this circular, as at 31 December 2012, 2013 and 2014 and 31 May 2015, the Target Company did not have any significant contingent liabilities.

Charge on assets

As at 31 December 2012, 2013 and 2014 and 31 May 2015, the Target Company did not have any charge on assets.

Employee information

As at 31 December 2012, the Target Company had 19 employees (including directors). As at 31 December 2013 the Target Company had 38 employees (including directors). As at 31 December 2014, the Target Company had 38 employees (including directors). As at and 31 May 2015, the Target Company had 36 employees (including directors).

Remuneration policy

The Target Company recruit, employ, promote and remunerate their employees based on their qualification, experience, skills, performances and contributions. Remuneration is also determined with reference to, among others, the market trend. Other benefits include social insurance and allowance. Bonus to the employees of the Target Company was determined after taking into accounts the results of the Target Company and the performance of employees. During the year ended 31 December 2012, 2013 and 2014 and during the five months ended 31 May 2015, remuneration paid to the employees of the Target Company were approximately HK$3.3 million, HK$9.1 million, HK$4.0 million and HK$2.8 million respectively.

The remuneration policy of the Target Company's senior management is also regularly monitored by the Company's remuneration committee.

The Company will provide training (whether in-house or out-sourced) to their employees when necessary.

(A) UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE ENLARGED GROUP

The following is the unaudited pro forma consolidated statement of financial position of the Enlarged Group ("Unaudited Pro Forma Financial Information"), being the Company and its subsidiaries (collectively the "Group") together with Million Fortune International Investment Limited (the "BVI Co") and its subsidiaries (collectively the "Target Group"), which has been prepared on the basis of the notes set out below for the purpose of illustrating the effect of the proposed acquisition of 70% equity interest in the BVI Co (the "Proposed Acquisition") as if the Proposed Acquisition had been completed on 30 June 2015.

The Unaudited Pro Forma Financial Information is prepared based on the unaudited consolidated condensed statement of financial position of the Group as at 30 June 2015, which has been extracted from the Company's published interim financial report for the six months ended 30 June 2015 and the statement of financial position of the BVI Co as at 31 May 2015 as extracted from the accountants' report of the BVI Co thereon set out in Appendix IIA to this Circular, and after making pro forma adjustments relating to the Proposed Acquisition that are (i) directly attributable to the Proposed Acquisition, and (ii) factually supportable, as if the Proposed Acquisition had been completed on 30 June 2015. The completion of the Proposed Acquisition is conditional upon, amongst other conditions, the completion of structural reorganisation such that the BVI Co will be indirectly holding 90% equity interest in 青島國金貴金屬交易中心股份有限公司 (Qingdao Guojin Precious Metal Exchange Centre Company Limited*) (the "Target Company") and will become the holding company of other subsidiaries directly or indirectly (the "Reorganisation").

The Unaudited Pro Forma Financial Information of the Enlarged Group has been prepared for illustrative purpose only and, because of its hypothetical nature, may not give a true picture of the financial position of the Enlarged Group had the Proposed Acquisition been completed as at 30 June 2015 or at any future date.

The Unaudited Pro Forma Financial Information of the Enlarged Group should be read in conjunction with the accountants' reports on the BVI Co and the Target Company as set out in Appendix IIA and III respectively to this Circular and the historical financial information of the Group set out in the interim financial report of the Company for the six months ended 30 June 2015 and other financial information included elsewhere in this Circular.

* *For identification purpose only*

UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE ENLARGED GROUP

	The Group as at 30 Jun 2015	The BVI Co as at 31 May 2015	Pro Forma adjustments related to the Macau Co	Pro Forma adjustments related to the Target Company	Other Pro Forma adjustments	Notes	Unaudited Pro Forma Enlarged Group
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*Notes*	*HK$'000*
	(Note 1)	*(Note 2)*	*(Note 3)*	*(Note 3)*			
Non-current assets							
Property, plant and equipment	44,415	–	–	2,382			46,797
Goodwill	10,924	–	–	–	483,676	*6*	494,600
Intangible assets	99,450	–	–	1,929	94,575	*6*	195,954
Club membership	150	–	–	–			150
Interests in associates	28,743	–	–	–			28,743
Deposits for acquisition of property, plant and equipment	2,147	–	–	–			2,147
	185,829	–	–	4,311			768,391
Current assets							
Financial assets at fair value through profit or loss	–	–	–	3,924			3,924
Trade receivables	14,329	–	–	915			15,244
Prepayments, deposits and other receivables	520,648	–	–	8,549			529,197
Amount due from shareholders	–	78	71	1,779			1,928
Income tax recoverable	–	–	–	799			799
Bond receivables	70,000	–	–	–			70,000
Cash and bank balances	73,168	–	2	4,055			77,225
Cash held on behalf of customers and agents	–	–	–	89,209			89,209
	678,145	78	73	109,230			787,526
Current liabilities							
Trade payables	76,800	–	–	101,397			178,197
Other payables and accruals	50,082	10	4	752			50,848
Tax payable	26,062	–	–	–			26,062
Other borrowings	20,513	–	–	–			20,513
Finance lease payables	818	–	–	–			818
Convertible bonds	15	–	–	–			15
Non-convertible bonds	248,538	–	–	–			248,538
	422,828	10	4	102,149			524,991
Net current assets	255,317	68	69	7,081			262,535
Total assets less current liabilities	441,146	68	69	11,392			1,030,926

	The Group as at 30 Jun 2015	The BVI Co as at 31 May 2015	Pro Forma adjustments related to the Macau Co	Pro Forma adjustments related to the Target Company	Other Pro Forma adjustments	Notes	Unaudited Pro Forma Enlarged Group
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*Notes*	*HK$'000*
	(Note 1)	*(Note 2)*	*(Note 3)*	*(Note 3)*			
Non-current liabilities							
Convertible bonds	–	–	–	–	213,368	*4*	213,368
Non-convertible bonds	46,059	–	–	–			46,059
Finance lease payables	2,419	–	–	–			2,419
Deferred tax liabilities	28,729	–	–	–	23,644	*6*	52,373
	77,207	–	–	–			314,219
NET ASSETS	363,939	68	69	11,392			716,707
Capital and reserves							
Share capital/paid up capital	2,513,887	78			(78)	*6*	2,513,887
Reserves	(2,152,728)	(10)			322,267	*4*	(1,830,461)
					10	*6*	
Equity attributable to owners of the Company	361,159	68					683,426
Non-controlling interests	2,780	–			30,501	*6*	33,281
EQUITY	363,939	68					716,707

NOTES TO THE UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE ENLARGED GROUP

1. The unaudited consolidated statement of financial position of the Group as at 30 June 2015 is extracted from the unaudited condensed consolidated statement of financial position of the Group as set out in the published interim report of the Company for the six months ended 30 June 2015.

2. The unaudited statement of financial position of the BVI Co as at 31 May 2015 is extracted from the audited statement of financial position of the BVI Co as set out in Appendix IIA to this Circular.

3. The adjustments represent the consolidation of assets and liabilities of the Macau Co and its subsidiary, and the Target Company, assuming the Proposed Acquisition had taken place on 30 June 2015 and the Reorganisation had been completed, such that the Macau Co, the PRC Co and the Target Company had become subsidiaries of the BVI Co. The consolidated assets and liabilities of the Macau Co and its subsidiary as at 31 May 2015 are extracted from the consolidated statement of financial position as at 31 May 2015 included in the accountants' report of the Macau Group as set out in Appendix IIB to this Circular.

   The assets and liabilities of the Target Company as at 31 May 2015 are extracted from the statement of financial position as at 31 May 2015 included in the accountants' report of the Target Company as set out in Appendix III to this Circular.

4. The pro forma adjustment represents the settlement of the consideration of HK$400,000,000 of the Proposed Acquisition by the issue of Convertible Bond I and Convertible Bond II (collectively the "Convertible Bonds") in the principal amounts of HK$120,000,000 and HK$280,000,000 respectively, assuming no conversion of the Convertible Bonds will take place as at the date of issue of the Convertible Bonds and no Profit Guarantee adjustment will be required.

   For the purpose of this Unaudited Proforma Financial Information, the assumed fair value of the Convertible Bonds is estimated to be approximately HK$535,635,000 by an independent professional valuer, Cushman & Wakefield Valuation Advisory Service (HK) Limited (the "Valuer"). The assumed fair value has been arrived at using Binomial Lattice Model. On date of completion of the Proposed Acquisition (the "Completion Date") and the date of issue of Convertible Bond II, the fair value of the Convertible Bonds will be reassessed and is therefore subject to change.

The fair value of the liability component of the Convertible Bonds at the date of issue is HK$213,368,000 which have been determined by reference to the valuation report prepared by the Valuer. In determining the assumed fair value of the liability component of the Convertible Bonds as the date of issue, future cash flows of the Convertible Bonds are discounted back to the date of issue at prevailing market interest rate for similar debt instruments without the conversion option. The equity component is therefore HK$322,267,000. In arriving at the above figures, it is assumed that the date of issue is on 30 June 2015.

5. The Proposed Acquisition will be accounted for under the acquisition method of accounting in accordance with Hong Kong Financial Reporting Standard 3 (Revised) *Business Combinations* issued by Hong Kong Institute of Certified Public Accountants (the "HKICPA").

6. The adjustment represents the recognition of goodwill of HK$483,676,000 that would arise from the Proposed Acquisition and the elimination of the equity of the BVI Co with the consideration.

   The goodwill is calculated as the excess of the cost of the Proposed Acquisition over the 70% of the fair value of the identifiable assets and liabilities of the Target Group acquired.

For the purpose of the Unaudited Pro Forma Financial Information, the allocation of the purchase price is determined based on the directors' estimates of the fair value of the identifiable assets and liabilities of the Target Group.

	HK$'000	*HK$'000*
Assumed fair value of consideration *(Note 4)*		535,635
Non-controlling interest:		
30% of fair value of the net identifiable assets of:		
the BVI Co	20	
the Macau Co and its subsidiary	21	
Effective 37% of fair value of the net identifiable assets of the Target Company	30,460	
		30,501
Assumed fair value of the net identifiable assets of:		
the BVI Co	68	
the Macau Co and its subsidiary	69	
the Target Company	82,323	
		(82,460)
Goodwill arising from the Proposed Acquisition (the "Goodwill")		483,676

According to the Group's accounting policy, after initial recognition, the Goodwill will be measured at cost less any accumulated impairment losses. The Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. For the purpose of impairment testing, the Goodwill is, from the Completion Date, allocated to one of the Group's cash generating units, or group of cash generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Further, according to the Group's accounting policy, impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash generating units) to which the Goodwill relates. Where the recoverable amount of the cash-generating unit (or group of cash-generating units) is less than the carrying amount, of the unit (or group of units), an impairment loss will be recognised by reducing the carrying amount of any goodwill allocated to the unit (or group of units) at first.

For the purpose of the Unaudited Pro Forma Financial Information, the Company has ensured the steps taken on the assessment of impairment performed in accordance with Hong Kong Accounting Standard 36 *Impairment of Assets* ("HKAS 36"), which is consistent with the accounting policy of the Company.

In accordance with the requirements of HKAS 36, the directors of the Company have assessed the impairment of the Goodwill by considering whether the carrying amounts of the Goodwill plus the net identifiable assets of the underlying business of the Target Group exceed the recoverable amount of such underlying business as at 30 June 2015 as if the Proposed Acquisition had been completed on 30 June 2015. Should the recoverable amount is below the carrying amounts of the Goodwill plus the net identifiable assets of the underlying business of the Target Group, an impairment loss will be recognised by reducing the carrying amount of any Goodwill at first.

Such recoverable amount mainly represented the discounted cash inflows from the operation of the Target Group upon the completion of the Proposed Acquisition. Since the recoverable amount approximates the carrying amounts of Goodwill plus the net identifiable assets of the underlying business of the Target Group, the carrying value of the Goodwill of HK$483,676,000 is considered to be recoverable and no impairment loss is considered.

The assumed fair value of the net identifiable assets of the BVI Co of HK$68,000 was derived at after taking into account of the carrying amount of net assets of the BVI Co amounted to HK$68,000 as disclosed in the statement of financial position as at 31 May 2015 included in the accountants' report of the BVI Co as set out in Appendix IIA to this Circular.

The assumed fair value of the net identifiable assets of the Macau Co and its subsidiary of HK$69,000 was derived at after taking into account of the carrying amount of net assets of the Macau Co and its subsidiary amounted to HK$69,000 as disclosed in the consolidated statement of financial position as at 31 May 2015 included in the accountants' report of the Macau Group as set out in Appendix IIB to this Circular.

The assumed fair value of the net identifiable assets of the Target Company of HK$82,323,000 was derived at after taking into account of i) the carrying amount of net assets of the Target Company amounted to HK$11,392,000 as disclosed in the statement of financial position as at 31 May 2015 included in the accountants' report of the Target Company as set out in Appendix III to this Circular; ii) fair value of intangible assets of HK$94,575,000; and iii) deferred tax liabilities arising from the recognition of intangible assets of HK$23,644,000.

The non-contract based intangible asset represented related customer relationships which facilitate the on-going operations of the Target Business. The non-contract based intangible asset in respect of related customer relationships of HK$94,575,000 has been determined by reference to the valuation report issued by the Valuer based on income approach.

According to the Group's accounting policy, where an indication of impairment exists, the asset's recoverable amount is estimated. An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. The directors of the Company considered as there is no indication of impairment and, therefore, no impairment test is considered.

The Group will apply consistent accounting policies, principal assumptions and valuation methods to assess impairment of the Goodwill and the intangible asset in subsequent reporting periods in accordance with the requirement of HKAS 36.

In the absence of a formal valuation for other assets and liabilities of the BVI Co, the Macau Co and its subsidiary and the Target Company, the directors of the Company have assumed the fair value of the identifiable assets and liabilities (other than non-contract based intangible assets) of the BVI Co, the Macau Co and its subsidiary and the Target Company to be the same as their carrying amounts.

The fair values of the identifiable assets and liabilities (including but not limited to non-contract based intangible assets) of the BVI Co, the Macau Co and its subsidiary and the Target Company are subject to change upon the finalisation of the valuation for the Completion Date (the "Final Valuation"), which may be substantially different from their estimated amounts used in the preparation of this Unaudited Pro Forma Financial Information. As set out in Note 4 above, the fair value of the consideration which is to be satisfied by the issuance of the Convertible Bonds will also be reassessed on the Completion Date.

Since the estimated amount of the consideration and the estimated amounts of the identifiable assets and liabilities used in the preparation of this Unaudited Pro Forma Financial Information may be substantially different from their fair values on the Completion Date, the Goodwill and non-controlling interests to be recognised in connection with the Proposed Acquisition on the Completion Date could be materially different from the estimated amounts stated herein. Should the fair value of the consideration is greater than the aggregate fair value of the identifiable assets and liabilities of the BVI Co, the Macau Co and its subsidiary and the Target Company upon finalisation of the Final Valuation and the Goodwill will be subject to impairment assessment in accordance with HKAS 36.

In connection with the Unaudited Pro Forma Financial Information as set out in page V-2 to V-3, our reporting accountants conducted their work in accordance with Hong Kong Standard on Assurance Engagements (HKSAE) 3420 *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus* issued by the HKICPA and their report is set forth in page V-10 to V-13. In reporting on the Unaudited Pro Forma Financial Information, our reporting accountants considered whether the basis on which the Unaudited Pro Forma Financial Information has been complied is consistent with the Group's accounting policies, including the accounting policies related to impairment assessment on Goodwill and non-contract based intangible asset described above.

Non-controlling interest is measured at the proportionate share of the Target Group's fair value of the net identifiable assets.

(B) REPORT ON UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP

The following is the text of a report, prepared for the sole purpose of inclusion in this Circular, received from the independent reporting accountants, Martin C.K. Pong & Company, Certified Public Accountants, Hong Kong, in respect of the Unaudited Pro Forma Financial Information of the Group.

龐志鈞會計師行
Martin C.K. Pong & Company

Room 1005, 10/F
Olympia Plaza
255 King's Road
Hong Kong

30 September 2015

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION IN A CIRCULAR

To the Board of Directors of
National United Resources Holdings Limited

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of National United Resources Holdings Limited (the "Company") and its subsidiaries (collectively the "Group") by the directors of the Company (the "Directors") for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma consolidated statement of financial position as at 30 June 2015, and related notes (the "Unaudited Pro Forma Financial Information") as set out on pages V-1 to V-9 of the Company's circular dated 30 September 2015 (the "Circular'). The applicable criteria on the basis of which the Directors have compiled the Unaudited Pro Forma Financial Information are described in Part A of Appendix V to the Circular.

The Unaudited Pro Forma Financial Information has been compiled by the Directors to illustrate the impact of the proposed acquisition of 70% equity interest in Million Fortune International Investment Limited (the "BVI Co") (the "Proposed Acquisition") on the Group's financial position as at 30 Jun 2015 as if the Proposed Acquisition had taken place at 30 June 2015. As part of this process, information about the Group's financial position has been extracted by the Directors from the Group's interim condensed consolidated financial statements for the six months ended 30 June 2015, on which no audit or review report has been published.

Directors' Responsibility for the Unaudited Pro Forma Financial Information

The Directors are responsible for compiling the Unaudited Pro Forma Financial Information in accordance with paragraph 29 of Chapter 4 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with reference to Accounting Guideline 7 *Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars* ("AG 7") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

Reporting Accountant's Responsibilities

Our responsibility is to express an opinion, as required by paragraph 29(7) of Chapter 4 of the Listing Rules, on the Unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus* issued by the HKICPA. This standard requires that the reporting accountant comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the Unaudited Pro Forma Financial Information in accordance with paragraph 29 of Chapter 4 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Unaudited Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Unaudited Pro Forma Financial Information.

The purpose of the pro forma financial information included in an investment circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the Proposed Acquisition at 30 June 2015 would have been as presented.

A reasonable assurance engagement to report on whether the pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the directors in the compilation of the pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and

- The pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountant's judgment, having regard to the reporting accountant's understanding of the nature of the Group, the event or transaction in respect of which the pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

(a) the Unaudited Pro Forma Financial Information has been properly compiled on the basis stated;

(b) such basis is consistent with the accounting policies of the Group; and

(c) the adjustments are appropriate for the purposes of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 29(1) of Chapter 4 of the Listing Rules.

Martin C.K. Pong & Company
Certified Public Accountants
Hong Kong

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS

(a) Interests and short positions of the Directors and the chief executive in the securities of the Company and its associated corporations

As at the Latest Practicable Date, the interests of the Directors and the chief executive in the Shares and the underlying Shares and any of its associated corporations (within the meaning of Part XV of the SFO), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or which were required pursuant to Section 352 of the SFO to be entered into the register referred to therein; or were required pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers to be notified to the Company and the Stock Exchange are set out below:

Name of Director	Capacity		Number of Shares/ underlying Shares held	Approximate % of interest held
Lo Ka Wai	Beneficial Owner	share options	28,872,942	0.515%
Feng Yongming	Beneficial Owner	share options	28,872,942	0.515%
Wang Qun	Beneficial Owner	share options	2,406,078	0.043%
Yang Zhi Shu	Beneficial Owner	share options	2,406,078	0.043%

Name of Director	Capacity		Number of Shares/ underlying Shares held	Approximate % of interest held
Li Hui	Beneficial Owner	shares	1,801,000	
	Beneficial Owner	share options	28,872,942	
			30,673,942	0.547%
Tian Songlin	Beneficial Owner	shares	470,000	
	Beneficial Owner	share options	28,872,942	
			29,342,942	0.523%

(b) Persons who have an interest or short position which is discloseable under Divisions 2 and 3 of Part XV of the SFO

So far as is known to the Directors and the chief executive of the Company, as at the Latest Practicable Date, the following persons (not being Directors or chief executive of the Company) had, or were deemed to have, interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO:

Name of Shareholder	Capacity	Number of Shares held	Approximate % of interest held
Yang Fan	Beneficial Owner	810,759,648	14.46%
Choi Chung Lam	Beneficial Owner	323,600,000	5.77%

Save as disclosed above, as at the Latest Practicable Date, the Directors were not aware of any other person (other than the Directors and the chief executive of the Company) who had, or was deemed to have, interests or short positions in the Shares or underlying Shares (including any interests in options in respect of such capital), which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO.

(c) Director's interests in competing business, contracts and assets

As at the Latest Practicable Date,

(a) none of the Directors or their respective associates had any interest in a business which competes or is likely to compete, either directly or indirectly, with the business of the Enlarged Group;

(b) there is no contract or arrangement entered into by any member of the Group subsisting at the date of this circular in which any Director is materially interested and which is significant to the business of the Group; and

(c) none of the Directors had any direct or indirect interest in any assets which had been acquired, disposed of by or leased to, or which were proposed to be acquired, disposed of by or leased to, any member of the Group since 31 December 2014, being the date to which the latest published audited consolidated financial statements of the Group were made up.

3. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contracts with the Company or any member of the Enlarged Group (excluding contracts expiring or determinable by the Group within one year without payment of compensation (other than statutory compensation)).

4. MATERIAL LITIGATIONS

(i) In September 2004, a Writ of Summons was served on the Company by an individual third party demanding immediate repayment of borrowings of approximately HK$1,600,000 together with the interest thereon. As the Company had never borrowed money from that individual third party, the Directors were of the opinion that the Company had no obligation to pay the demanded amount. In January 2005, an amended Writ of Summons was served on the Company by the lender of the Group to clarify that the individual third party acted as an agent of the lender. The Directors instructed the lawyer of the Company to handle this matter. The loan advanced by the lender of HK$1,523,000 together with interest and penalty of HK$1,149,000, totaling of approximately HK$2,672,000, were accrued in the financial statements (included in other borrowings and other payables and accruals respectively) and has not yet been settled as at 31 December 2014. The Court has granted an order to adjourn sine die the plaintiffs' application to set down this case on 15 March 2006. That is to say, the lender and its agent have temporarily withheld the proceedings against the Company. This claim has not been settled up to the Latest Practicable Date.

(ii) According to an agreement entered into by the Company, two of its subsidiaries and two independent third parties in February 2003, the Group disposed of a subsidiary, World Giant Limited ("**World Giant**"), a company engaged in property investment in the PRC. In this connection, the Company has undertaken to indemnify World Giant for, among others, any increase in the liabilities of World Giant as a result of any claim for taxation arising from any transactions effected on or before the completion date of the disposal. In October 2004, World Giant received a payment request from the PRC tax authority in respect of PRC property taxes relating to the property held by World Giant, including the late payment surcharge levied by the tax authority, of which approximately an amount of RMB6,100,000 related to transactions on or before the completion date. The existing management of World Giant had indicated to the Directors that the amount in respect of transactions on or before the completion date should be paid by the Company.

(iii) In 2014, five customers of the Target Company have taken civil actions against the Target Company in the court in Qingdao claiming the contracts of trading precious metals on the platform of the Target Company being invalid and recovery of the related losses totaling approximately RMB11,000,000. In April 2015, the court in Qingdao handed down the judgment in favour of the Target Company in one of the five cases and the successors of the deceased plaintiff in that case appealed against the judgment in May 2015. The court suspended the proceedings of the other four civil actions pending the results of the first case.

(iv) In May 2015, two customers of the Target Company have taken civil actions against the Target Company, Qingdao Xinshiyuan Precious Metal Limited (青島鑫世源貴金屬有限公司), and Qingdao Chengyang Sub-branch of China Construction Bank Corporation (中國建設銀行股份有限公司青島城陽支行) in the court in Qingdao claiming the contracts of trading precious metals on the platform of the Target Company being invalid and recovery of the related losses totaling approximately RMB1,600,000. The hearing of the case is still in progress and the court has not handed down the judgment as at the Latest Practicable Date.

(v) At the end of 2012, a customer of the Target Company was arrested by Binzhou City Public Security Bureau ("**Binzhou Bureau**") for the prosecution of drug addiction. Binzhou Bureau discovered that this customer had frequent fund transfer with the Target Company and also lots of people participated in the trading of white silver with the Target Company. On 27 November 2012, Binzhou Bureau froze all types of accounts of the Target Company under the Agricultural Bank of China, Industrial and Commercial Bank of China Limited and China Construction Bank for the sake of the suspected illegal operation by the Target Company. The Target Company reported the foregoing case to Qingtao Bonded Area Regulatory Commission (青島保稅區管理委員會) ("**QBARC**") and communicated with Binzhou Bureau. Even though QBARC emphasized that the Target Company was operating legitimately without any improper records, Binzhou Bureau did not affirm a clear decision. Having considered to protect the interests of all customers of the Target Company, the Target Company paid RMB3,000,000 (approximately HK$3,682,000) at the end of December 2012 as a guarantee deposit to Binzhou Bureau and the foregoing bank accounts were released afterwards. As the directors and the management of the Target Company considered the recoverability of this deposit was remote, RMB3,000,000 (approximately HK$3,682,000) was fully written off. Mr. Sun Xiaoyang, the controlling shareholder of the Target Company agreed to indemnify the Target Company should there be losses arising from the foregoing case. The directors and the management of the Target Company are of the view that no further provision has been made for this case.

(vi) On 24 June 2015, First Concept Logistics Limited ("**First Concept**"), being a wholly owned subsidiary of the Company served a notice of arbitration (the "**Notice**") on SouthGobi Sands LLC ("**SGS**"), being a wholly owned subsidiary of SouthGobi Resources Ltd. In the Notice, First Concept alleged that SGS has breached certain terms of a coal supply agreement dated 19 May 2014 between First Concept and SGS and has sought, among other items, the repayment of US$11,500,000 (approximatley HK$89,700,000), representing the prepayment amount advanced by First Concept under such agreement.

Save as disclosed above, as at the Latest Practicable Date, no member of the Enlarged Group was engaged in any litigation, arbitration or claims of material importance and, so far as the Directors were aware, no litigation or claim of material importance was pending or threatened by or against any member of the Group.

5. MATERIAL CONTRACTS

The following contracts, not being contracts in the ordinary course of business, have been entered into by members of the Enlarged Group within two years immediately preceding the Latest Practicable Date which are or may be material:

(a) the sale and purchase agreement (the "**Placid Expression SPA**") dated 16 September 2013 entered between GMG as purchaser and Mr. Choi Chung Lam ("**Mr. Choi**") as vendor, pursuant to which GMG conditionally agreed to acquire and Mr. Choi conditionally agreed to sell the entire issued share capital of Placid Expression at a consideration of HK$130,000,000;

(b) the agreement dated 15 November 2013 entered into between GMG and Mr. Choi, pursuant to which the parties agreed to extend the deadline for the fulfillment of all the conditions precedent under the Placid Expression SPA to 31 December 2013;

(c) the supplemental agreement dated 27 November 2013 to the Placid Expression SPA entered into between GMG and Mr. Choi, pursuant to which the parties agreed to amend certain definitions of the Placid Expression SPA in view of the proposed consolidation of every five shares of HK$0.01 each into one consolidated share of HK$0.05 each in the share capital of the Company;

(d) the referral agreement (the "**2013 Referral Agreement**") dated 18 December 2013 entered into between the Company as issuer and Shining Securities Company Limited ("**Shining Securities**") acting as referral agent, pursuant to which Shining Securities agreed to act as a referral agent for the purposes of referring subscribers to the Company on a best effort basis for the issue of the 6% coupon bonds due 2015/2016 (as the case may be) to be issued by the Company in an aggregate principal amount of up to HK$100,000,000 during the period commencing on the date of the 2013 Referral Agreement and ending on 31 March 2014;

(e) the strategic cooperation framework agreement dated 21 March 2014 entered into between the Company and 中航國際煤炭物流有限公司 (in English for identification only, AVIC International Coal Logistics Co., Ltd) ("**AVIC Coal**"), pursuant to which the parties have confirmed the intent to cooperate in respect of the sale, logistic and storage management for an aggregate of 15,000,000 tons of specialty coal from Mongolia for 3 years;

(f) the non-legally binding memorandum of understanding dated 1 April 2014 entered into between a wholly-owned subsidiary of the Company (the "**MOU Purchaser**") as purchaser and an independent third party (the "**MOU Vendor**") as vendor, pursuant to which the MOU Purchaser intended to acquire and the MOU Vendor intended to sell the entire issued share capital of its subsidiary, which together with its subsidiaries, is principally engaged in international trading, logistic and storage management of coal in Mongolia;

(g) the referral agreement (the "**April 2014 Referral Agreement**") dated 3 April 2014 entered into between the Company as issuer and Shining Securities acting as referral agent, pursuant to which Shining Securities agreed to act as a referral agent for the purposes of referring subscribers to the Company on a best effort basis for the issue of the 6% coupon bonds due 2016 to be issued by the Company in an aggregate principal amount of up to HK$100,000,000 during the period commencing on the date of the April 2014 Referral Agreement and ending on 30 June 2014;

(h) the joint venture agreement dated 30 April 2014 entered into between 北京創先智尚資產管理有限公司 (in English for identification only, Beijing Pioneer Zhishang Asset Management Limited) ("**Beijing Pioneer**"), an indirect wholly-owned subsidiary of the Company, and 包頭市浩瑞置業有限責任公司 (in English for identification only, Baotou Haorui Properties Co., Ltd.) (the "**JV Partner**") in relation to the formation of 內蒙古新億通能源有限公司 (in English for identification only, Inner Mongolia New Yitong Energy Co., Ltd.) to engage 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. The total capital contribution to the joint venture company shall be RMB30,000,000, of which a total of RMB18,000,000 shall be contributed by Beijing Pioneer and RMB12,000,000 shall be contributed by the JV Partner;

(i) the joint venture agreement dated 13 May 2014 entered into among the Company, 青島城市建設投資(集團)有限責任公司 (in English for identification only, Qingdao City Construction Investment Group Co., Limited) ("**Qingdao Partner**"), 北京隆元泰福投資發展有限公司 (in English for identification only, Beijing Longyuan Taifu Investment Development Co., Limited) ("**Beijing Partner**") and 上海絡優投資管理有限公司 (in English for identification only, Shanghai Luoyou Investment Management Co., Limited) ("**Shanghai Partner**") in relation to the formation of 青島城鄉建設融資租賃有限公司 (in English for identification only, Qingdao Urban and Rural

Construction Leasing Co., Limited) ("**Qingdao Leasing**") to engage in, among others, the leasing business in the PRC. The total capital contribution to Qingdao Leasing shall be US$49,980,000, of which a total of US$12,495,000 shall be contributed by the Group, US$25,489,800 shall be contributed by Qingdao Partner, US$5,997,600 shall be contributed by Beijing Partner and US$5,997,600 shall be contributed by Shanghai Partner;

(j) the sale and purchase agreement ("**June 2014 Able Nice SPA**") dated 13 June 2014 entered among (i) Glory Gain Global Limited ("**Glory Gain**"), an indirectly wholly-owned subsidiary of the Company, as purchaser; (ii) Power Able Holdings Group Limited ("**Power Able**") as vendor; and (iii) Wang Haixu, Fu Jiang, Xie Yulin and Li Yibing (collectively "**Able Nice Guarantors**") as vendor's guarantors, pursuant to which Glory Gain conditionally agreed to purchase from Power Able, and Power Able conditionally agreed to sell to Glory Gain, the entire issued share capital of Able Nice International Limited ("**Able Nice**"), which together with its subsidiaries, is principally engaged in international trading, logistic and storage management of coal in Mongolia, at a consideration of HK$290,000,000;

(k) the sale and purchase agreement (the "**SouthGobi SPA**") dated 29 July 2014 (Vancouver, British Columbia time) entered between the Company as purchaser and Turquoise Hill Resources Limited ("**Turquoise Hill Resources**") as vendor, pursuant to which Turquoise Hill Resources agreed to sell, and the Company agreed to purchase, 56,102,000 common shares of SouthGobi Resources Limited, which has a primary listing on the Toronto Stock Exchange and a secondary listing on the Stock Exchange, at a consideration of Canadian dollars 25,526,410;

(l) the deed of termination dated 21 October 2014 entered among the Glory Gain, Power Able and the Able Nice Guarantors in relation to the termination of the June 2014 Able Nice SPA;

(m) the sale and purchase agreement dated 21 October 2014 entered among Glory Gain as purchaser, Power Able as vendor and the Able Nice Guarantors as vendor's guarantors, pursuant to which Glory Gain conditionally agreed to purchase from Power Able, and Power Able conditionally agreed to sell to Glory Gain, the entire issued share capital of Able Nice at a consideration of HK$150,000,000 (the "**Able Nice Subscription**");

(n) the referral agreement (the "**October 2014 Referral Agreement**") dated 23 October 2014 entered into between the Company as issuer and Shining Securities acting as referral agent, pursuant to which Shining Securities agreed to act as a referral agent for the purposes of referring subscribers to the Company on a best effort basis for the issue of the 6% coupon bonds due 2016/2017 (as the case may be) to be issued by the Company in an aggregate principal amount of up to HK$100,000,000 during the period commencing on the date of the October 2014 Referral Agreement and ending on 31 January 2015;

(o) the subscription agreement dated 28 October 2014 entered into between the Company and Elite Fortune Global Limited ("**Elite Fortune**"), pursuant to which Elite Fortune has conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue, 389,460,000 new Shares at the subscription price of HK$0.23 per Share (the "**2014 Shares Subscription**");

(p) the placing agreement (the "**CB Placing Agreement**") dated 28 October 2014 entered into between the Company and Ping An Securities Limited ("**Ping An**") as placing agent, pursuant to which Ping An has agreed to procure, on a best effort basis, not less than six placees who and whose ultimate beneficial owners are independent third parties, to subscribe for the convertible bonds of up to an aggregate principal amount of HK$30,130,000, which are attached with conversion rights to convert at the conversion price of HK$0.23 (subject to adjustments) per Share (the "**CB Placing**");

(q) the agreement dated 14 November 2014 entered into between the Company and Ping An, pursuant to which the parties agreed to (i) extend the deadline for the fulfillment of all the conditions precedent under the CB Placing Agreement to 21 November 2014; and (ii) extend the date of completion of the CB Placing to 25 November 2014;

(r) the agreement dated 25 November 2014 entered into between the Company and Elite Fortune, pursuant to which the parties agreed to extend the deadline for completion of the 2014 Shares Subscription to 5 December 2014;

(s) the standstill agreement dated 29 November 2014 entered into between the Company and Turquoise Hill Resources, whereby the parties have agreed that neither will exercise any of their rights under the SouthGobi SPA, including their rights to terminate the SouthGobi SPA prior to 5 p.m., 2 December 2014 (Hong Kong time);

(t) the amendment agreement to the SouthGobi SPA dated 2 December 2014 entered into between the Company and Turquoise Hill Resources, pursuant to which the parties have agreed, among other things, to extend the deadline for completion of the SouthGobi SPA to 30 April 2015;

(u) the agreement dated 31 December 2014 entered into among Glory Gain, Power Able and the Able Nice Guarantors, pursuant to which the parties have agreed to extend the deadline for completion of the Able Nice Subscription to 31 January 2015;

(v) the subscription agreement (the "**HX Bond Subscription Agreement**") dated 12 January 2015 entered into between the Company as the subscriber and Heng Xin China Holdings Limited ("**Heng Xin**") as the issuer, pursuant to which the Company has conditionally agreed to subscribe for, and Heng Xin has conditionally agreed to issue a bond in the principal amount of HK$80,000,000 with a maturity of 12 months with a coupon rate of 11% per annum;

(w) the subscription agreement (the "**Bond Subscription Agreement**") dated 12 January 2015 entered into between the Company as the issuer and Sandmartin International Holdings Limited ("**SMT**") as the subscriber, pursuant to which SMT has conditionally agreed to subscribe for, and the Company has conditionally agreed to issue a bond in the principal amount of HK$80,000,000 with a maturity of 12 months with a coupon rate of 6% per annum;

(x) the counter-guarantee agreement dated 29 January 2015 executed by the Company in favour of 青島城市建設投資(集團)有限責任公司 (in English for identification only, Qingdao City Construction Investment Group Co., Limited) ("**Qingdao Construction**") as beneficiary, pursuant to which the Company agreed to counter-guarantee Qingdao Construction for 25% of all liabilities and expenses which may be incurred by Qingdao Construction under the guarantee to be executed by Qingdao Construction in favour of Bank of Communications Co., Ltd. (交通銀行股份有限公司), Qingdao branch (the "**Bank**") as beneficiary in respect of the factoring finance funds of principal amount up to RMB350,000,000 to be issued by the Bank to Qingdao Leasing pursuant to a disclosed recourse domestic factoring agreement;

(y) the agreement dated 30 January 2015 entered into among Glory Gain, Power Able and the Able Nice Guarantors, pursuant to which the parties have agreed to extend the deadline for completion of the Able Nice Subscription to 31 March 2015;

(z) the supplemental agreement dated 3 March 2015 entered into the Company and Heng Xin, pursuant to which the parties have agreed to extend the deadline for the fulfillment of all the conditions precedent under the HX Bond Subscription Agreement to 27 April 2015;

(aa) the supplemental agreement dated 3 March 2015 entered into the Company and SMT, pursuant to which the parties have agreed to extend the deadline for the fulfillment of the remaining conditions precedent under the Bond Subscription Agreement to 17 April 2015;

(bb) the subscription agreement dated 16 April 2015 entered into between the Company and Yue Xiu Great China Fixed Income Fund III LP ("**Yue Xiu**"), pursuant to which Yue Xiu has conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue, 500,000,000 new Shares at the subscription price of HK$0.262 per Share;

(cc) the subscription agreement dated 16 April 2015 entered into between the Company and Cai XuWen（蔡旭文）("**Mr. Cai**"), pursuant to which Mr. Cai has conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue, 100,000,000 new Shares at the subscription price of HK$0.262 per Share;

(dd) the underwriting agreement dated 22 May 2015 between the Company and GF Securities (Hong Kong) Brokerage Limited in relation to the open offer of not less than 1,860,483,500 and not more than 1,956,761,770 offer shares on the basis of one offer share for every two shares in issue on the record date at subscription price of HK$0.26 per share;

(ee) the MOU; and

(ff) the Sale and Purchase Agreement.

6. EXPERT AND CONSENT

The qualifications of the expert who has given opinion and advice in this circular are as follows:

Name	Qualification
Grant Thornton Hong Kong Limited	Certified Public Accountants

As at the Latest Practicable Date, Grant Thornton Hong Kong Limited has no shareholding in any company in the Enlarged Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any company in the Enlarged Group and has no direct or indirect interest in any assets which have been acquired or disposed of by or leased to any member of the Enlarged Group since 31 December 2014, being the date to which the latest published audited accounts of the Company were made up or are proposed to be acquired or disposed of by or leased to any member of the Enlarged Group.

Grant Thornton Hong Kong Limited has given and has not withdrawn its written consent to the issue of this circular with the inclusion herein of its letter, report, advice and/or references to its name, in the form and context in which they respectively appear.

7. GENERAL

(a) The registered office and principal place of business of the Company in Hong Kong is at Suite 5208, 52/F., Central Plaza, 18 Harbour Road, Wanchai, Hong Kong.

(b) The company secretary of the Company is Mr. Lam Man Kit, a fellow member of the Hong Kong Institute of Certified Public Accountants.

(c) The branch share registrar and transfer office in Hong Kong of the Company is Tricor Abacus Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong.

(d) The English text of this circular and the accompany form of proxy shall prevail over their respective Chinese texts for the purpose of interpretation.

8. DOCUMENTS FOR INSPECTION

Copies of the following documents are available for inspection during normal office hours at the registered office of the Company for the period of 14 days from the date of this circular:

(a) the articles of association of the Company;

(b) the annual reports of the Company for each of the three financial years ended 31 December 2012, 31 December 2013 and 31 December 2014;

(c) the interim report of the Company for the six months ended 30 June 2015;

(d) the accountant's report on the BVI Co from Grant Thornton Hong Kong Limited, the text of which is set out in Appendix IIA to this circular;

(e) the accountant's report on the Macau Group from Grant Thornton Hong Kong Limited, the text of which is set out in Appendix IIB to this circular;

(f) the accountants' report on the Target Company from Grant Thornton Hong Kong Limited, the text of which is set out in Appendix III to this circular;

(g) the report from Martin C.K. Pong & Company on unaudited pro forma financial information of the Enlarged Group, the text of which is set out in Appendix V to this circular;

(h) the material contracts referred to under the paragraph "Material Contracts" in this appendix;

(i) the written consent referred to in the paragraph headed "Expert and Consent" in this appendix; and

(j) this circular.

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)

NOTICE OF GENERAL MEETING

NOTICE IS HEREBY GIVEN that a General Meeting (the "**Meeting**") of National United Resources Holdings Limited (the "**Company**") will be held at 11:00 a.m. on Friday, 16 October 2015 at Suite 5208, 52/F., Central Plaza, 18 Harbour Road, Wanchai, Hong Kong for the purpose of considering and, if thought fit, passing the following resolution as an ordinary resolution:

ORDINARY RESOLUTION

"**THAT**:

(a) the sale and purchase agreement entered into between Antel Classification Limited, World Dragon Enterprise Limited, Guojin Holdings Co., LTD, and Nuts Technology Co., Ltd (as vendors, collectively as "**Vendors**"), and Ms. Sun Jianjing, Mr. Zhang Zhijie and Mr. Sun Xiaoyang (as the guarantors of the Vendors, collectively as "**Guarantors**"), and Dengyi Investments Limited (as purchaser, "**Purchaser**") dated 8 July 2015 (the "**Sale and Purchase Agreement**") in relation to the acquisition of 70% of the issued share capital of Million Fortune International Investment Limited at a consideration of HK$400,000,000, subject to downward adjustments as set out in the Sale and Purchase Agreement (as defined and more particularly described in the Company's circular dated 30 September 2015 (the "**Circular**") and a copy of the Sale and Purchase Agreement and the Circular have been produced to the meeting and marked "A" and "B" respectively, and initialed by the Chairman of the meeting for the purpose of identification), and all the transactions contemplated thereunder, be and are hereby approved, confirmed and ratified;

(b) subject to completion of the transactions contemplated under the Sale and Purchase Agreement and conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited granting the listing of, and permission to deal in, such Conversion Shares of the Convertible Bonds I (as defined in the Circular), the directors of the Company (the "**Directors**") be and are hereby specifically authorized to issue the Convertible Bonds I in an aggregate principal amount of HK$120,000,000 to the Vendors (or their nominees) in accordance with the terms and conditions under the Sale and Purchase Agreement;

(c) subject to completion of the transactions contemplated under the Sale and Purchase Agreement and subject to the fulfillment of the profits guarantees as set out in the Sale and Purchase Agreement and conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited granting the listing of, and permission to deal in, such Conversion Shares of the Convertible Bonds II (as defined in the Circular), the Directors be and are hereby specifically authorized to issue the Convertible Bonds II in an aggregate principal amount up to HK$280,000,000 to the Vendors (or their nominees) in accordance with the terms and conditions under the Sale and Purchase Agreement;

(d) subject to completion of the transactions contemplated under the Sale and Purchase Agreement and subject to the fulfillment of the profits guarantees as set out in the Sale and Purchase Agreement and conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited granting the listing of, and permission to deal in, such Conversion Shares, the Directors be and are hereby specifically authorised to allot and issue such number of new ordinary shares as may be required to be allotted and issued (the "**Conversion Shares**") upon exercise of the conversion right attaching to the Convertible Bonds I and Conversion Bonds II approved to be issued under paragraphs (b) and (c) to holders of the said bonds in accordance with the terms and conditions of the Sale and Purchase Agreement and the instruments of the respective bonds, and THAT such specific mandate shall be in addition to, and shall not prejudice nor revoke the existing general mandate granted to the Directors by the shareholders of the Company in the annual general meeting of the Company held on 1 June 2015 or such other general or specific mandate(s) which may from time to time be granted to the Directors prior to the passing of this resolution; and

(e) any one of the directors of the Company be and is hereby authorised to do all such acts and things and sign, agree, ratify or execute all such documents or instrument under hand (or where required, under the common seal of the Company together with such other Director or person authorised by the board of Directors) and take all such steps as the Director in his/her discretion may consider necessary, appropriate, desirable or expedient to implement, give effect to or in connection with the Sale and Purchase Agreement and any of the transactions contemplated thereunder."

By order of the Board
National United Resources Holdings Limited
Lo Ka Wai
Executive Director

Hong Kong, 30 September 2015

Notes:

1. A member entitled to attend and vote at the Meeting is entitled to appoint one or more proxies to attend and on a poll vote instead of him. A proxy need not be a member of the Company.

2. In order to be valid, a form of proxy and the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power of authority, must be deposited at the Company's registered office at Suite 5208, 52/F., Central Plaza, 18 Harbour Road, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time fixed for holding the Meeting or any adjourned meeting thereof. Completion and return of the form of proxy will not preclude any member from attending and voting in person at the Meeting or any adjourned meeting thereof should he so wishes.

3. In case of joint shareholdings, the vote of the senior joint shareholder who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint shareholder(s) and for this purposes seniority will be determined by the order in which the names stand in the Register of Members of the Company in respect of the joint shareholding.

4. Completion and return of the form of proxy will not preclude shareholders from attending and voting in person at the Meeting if shareholders so wish.

5. The ordinary resolution set out in this notice of general meeting will be put to Shareholders to vote taken by way of a poll.