NATIONAL UNITED RESOURCES HOLDINGS LIMITED
國家聯合資源控股有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 254)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2015

FINAL RESULTS

The board (the "Board") of directors (the "Director(s)") of National United Resources Holdings Limited (the "Company") hereby announces the consolidated results of the Company and its subsidiaries (collectively, the "Group") for the year ended 31 December 2015, which have been reviewed by the audit committee of the Company (the "Audit Committee") together with the comparative figures for the corresponding period in the year of 2014 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2015

	Notes	2015 HK$'000	2014 HK$'000
Revenue	4	**382,789**	364,876
Cost of sales		**(355,250)**	(298,893)
Gross profit		**27,539**	65,983
Other income	5	**33,737**	8,936
Amortisation of intangible assets		**(6,120)**	(5,400)
Administrative and other operating expenses		**(91,998)**	(109,678)
Loss from operations		**(36,842)**	(40,159)
Finance cost	6	**(23,597)**	(17,101)
Fair value gain of derivative instruments		**33,573**	–
Provision of prepayment		**(40,000)**	–
Share of profits and losses of associates		**3,728**	419
Loss before tax		**(63,138)**	(56,841)
Income tax expense	7	**(1,968)**	(12,004)
Loss for the year	8	**(65,106)**	(68,845)
Attributable to:			
Owners of the Company		**(64,413)**	(68,647)
Non-controlling interests		**(693)**	(198)
		(65,106)	(68,845)
Loss per share attributable to owners of the Company	10		(restated)
Basic *(HK cents per share)*		**(1.35)**	(2.08)
Diluted *(HK cents per share)*		**(1.35)**	(2.08)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2015

	Notes	2015 HK$'000	2014 HK$'000
Loss for the year	*8*	**(65,106)**	(68,845)
Other comprehensive loss:			
Items that may be reclassified to profit or loss:			
Exchange differences on translation of foreign operations		**(1,462)**	251
Exchange differences on translation of associates		**(5,690)**	7
Exchange differences on reclassified to profit or loss on disposal of subsidiaries		**(3,566)**	–
Total comprehensive loss for the year		**(75,824)**	(68,587)
Total comprehensive loss for the year attributable to:			
Owners of the Company		**(74,028)**	(68,389)
Non-controlling interests		**(1,796)**	(198)
		(75,824)	(68,587)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2015

	Notes	2015 HK$'000	2014 HK$'000
Non-current assets			
Property, plant and equipment		**61,328**	7,923
Goodwill	*11*	**326,342**	5,245
Intangible assets	*12*	**178,093**	102,150
Club membership		**150**	150
Interests in associates		**208,944**	28,743
Deposits for acquisition of property, plant and equipment		**2,629**	2,147
		777,486	146,358
Current assets			
Inventories		**5,325**	–
Trade receivables	*13*	**325,322**	32,489
Bonds receivable		**75,780**	–
Prepayments, deposits and other receivables	*14*	**343,847**	530,663
Financial assets at fair value through profit or loss		**2,387**	–
Pledged bank deposits		**237,478**	–
Bank and cash balances		**183,409**	2,879
		1,173,548	566,031
Current liabilities			
Trade payables	*15*	**73,256**	84,124
Other payables and accruals	*16*	**56,966**	64,305
Borrowings		**251,773**	46,473
Convertible bonds	*17*	**–**	28,135
Non-convertible bonds	*18*	**243,959**	48,171
Finance lease payables		**980**	794
Tax payable		**28,172**	31,237
		655,106	303,239
Net current assets		**518,442**	262,792
Total assets less current liabilities		**1,295,928**	409,150

	Notes	2015 HK$'000	2014 HK$'000
Non-current liabilities			
Derivative instruments		**223,319**	–
Convertible bonds		**62,889**	–
Non-convertible bonds	*18*	**10,795**	181,155
Finance lease payables		**2,527**	2,834
Deferred tax liabilities		**43,126**	25,538
		342,656	209,527
NET ASSETS		**953,272**	199,623
Capital and reserves			
Share capital		**3,080,114**	2,321,311
Reserves		**(2,162,827)**	(2,122,719)
Equity attributable to owners of the Company		**917,287**	198,592
Non-controlling interests		**35,985**	1,031
TOTAL EQUITY		**953,272**	199,623

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2015

1. GENERAL INFORMATION

National United Resources Holdings Limited (the "Company") was incorporated in Hong Kong with limited liability. The address of its registered office and principal place of business is Suite 5208, 52/F., Central Plaza, 18 Harbour Road, Wanchai, Hong Kong. The Company's shares (the "Shares") are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

2. BASIS OF PREPARATION AND APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

The financial information relating to the years ended 31 December 2015 and 2014 included in this preliminary announcement of annual results does not constitute the Company's statutory annual consolidated financial statements for those years but is derived from those consolidated financial statements. The Company has delivered the consolidated financial statements for the year ended 31 December 2014 to the Registrar of Companies as required by section 109(3) of the predecessor Hong Kong Companies Ordinance (Cap. 32). The Company will deliver the consolidated financial statements for the year ended 31 December 2015 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance (Cap. 622) in due course. The Company's auditor has reported on the consolidated financial statements for both years. The auditor's reports were unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its reports; and did not contain a statement under sections 406(2), 407(2) and 407(3) of the Hong Kong Companies Ordinance (Cap. 622).

In the current year, the Group has adopted all the new and revised Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants that are relevant to its operations and effective for its accounting year beginning on 1 January 2015. HKFRSs comprise Hong Kong Financial Reporting Standards ("HKFRS"); Hong Kong Accounting Standards ("HKAS"); and Interpretations. The adoption of these new and revised HKFRSs did not result in significant changes to the Group's accounting policies, presentation of the Group's financial statements and amounts reported for the current year and prior years.

The Group has not applied the new HKFRSs that have been issued but are not yet effective. The Group has already commenced an assessment of the impact of these new HKFRSs but is not yet in a position to state whether these new HKFRSs would have a material impact on its results of operations and financial position.

3. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has three reportable operating segments:

Media and advertising	–	media and advertising
Resources trading	–	trading of coking coal, aluminium rod and fuel oil
Online platform	–	provision of online platform for the trading and deferred spot delivery services of precious metals

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/(loss), which is a measure of adjusted profit/(loss) before tax. The adjusted profit/(loss) before tax is measured consistently with the Group's profit/(loss) before tax except that interest and other income, finance cost, unallocated expenses, fair value gain of derivative instruments, provision of prepayment as well as share of profits and losses of associates are excluded from such measurement.

Segment assets exclude cash and cash equivalents and other unallocated assets as these assets are managed on a group basis.

Segment liabilities exclude other borrowings, tax payable, deferred tax liabilities and other unallocated liabilities as these liabilities are managed on a group basis.

During the years ended 31 December 2014 and 2015, there were no inter-segment sales.

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

	Online platform *HK$'000*	Media and advertising *HK$'000*	Resources trading *HK$'000*	Total *HK$'000*
Year ended 31 December 2015				
Revenue from external customers	20,234	24,826	337,729	382,789
Segment result	6,301	13,766	(18,826)	1,241
Interest income on bank deposits				940
Other income				32,797
Unallocated expenses				(71,820)
Loss from operations				(36,842)
Finance cost				(23,597)
Fair value gain of derivative instruments				33,573
Provision of prepayment				(40,000)
Share of profits and losses of associates				3,728
Loss before tax				(63,138)
Income tax expense				(1,968)
Loss for the year				(65,106)
Depreciation and amortisation	925	5,784	5,610	12,319
Capital expenditure	84,506	–	46,552	131,058
As at 31 December 2015				
Segment assets	431,890	100,083	664,413	1,196,386
Unallocated assets				754,648
				1,951,034
Segment liabilities	(4,875)	(8,748)	(100,199)	(113,822)
Unallocated liabilities				(883,940)
				(997,762)

	Media and advertising	Resources trading	Total
	HK$'000	*HK$'000*	*HK$'000*
Year ended 31 December 2014			
Revenue from external customers	30,872	334,004	364,876
Segment result	(3,740)	47,858	44,118
Interest income on bank deposits			24
Other income			8,912
Unallocated expenses			(93,213)
Loss from operations			(40,159)
Finance cost			(17,101)
Share of profits and losses of associates			419
Loss before tax			(56,841)
Income tax expense			(12,004)
Loss for the year			(68,845)
Depreciation and amortisation	5,825	188	6,013
Capital expenditure	1,167	703	1,870
As at 31 December 2014			
Segment assets	135,513	478,849	614,362
Unallocated assets			98,027
			712,389
Segment liabilities	(15,438)	(107,978)	(123,416)
Unallocated liabilities			(389,350)
			(512,766)

(b) Geographical information:

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

	Revenue Year ended 31 December		Non-current assets As at 31 December	
	2015	2014	**2015**	2014
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong	**–**	51,883	**30,858**	8,306
PRC	**77,818**	309,893	**705,593**	121,996
Mongolia	**–**	3,100	**41,035**	16,056
Singapore	**304,971**	–	**–**	–
	382,789	364,876	**777,486**	146,358

In presenting the geographical information, revenue is based on the locations of the customers.

(c) Information about major customers

Revenue from operations of approximately HK$304,971,000 (2014: HK$104,428,000, HK$78,603,000, HK$51,883,000 and HK$41,550,000) was derived from one customer (2014: four customers) in the resources trading segment which individually contributed 10% or more to the Group's revenue for the year ended 31 December 2015.

4. REVENUE

Revenue represents the net invoiced value of goods sold and the value of services rendered during the year.

	2015	2014
	HK$'000	*HK$'000*
Sales of goods	**337,729**	334,004
Media and advertising services income	**24,826**	30,872
Trading fee income	**20,234**	–
	382,789	364,876

5. OTHER INCOME

	2015 *HK$'000*	2014 *HK$'000*
Bank interest income	**940**	24
Net foreign exchange gain	**1,306**	1,139
Bond interest income	**5,780**	–
Gain on disposal of subsidiaries	**11,356**	–
Gain on disposal of an associate	**1,020**	–
Gain on disposal of financial assets at fair value through profit or loss	**12,706**	6,886
Sundry income	**629**	887
	33,737	8,936

6. FINANCE COST

	2015 *HK$'000*	2014 *HK$'000*
Bank charges	**73**	467
Interest expenses on borrowings wholly repayable within five years		
– interest on convertible bonds	**1,458**	390
– interest on non-convertible bonds	**19,333**	13,071
– interest on finance lease	**195**	160
– interest on receivable factoring without recourse arrangement	**–**	3,013
– interest on bank borrowings	**2,538**	–
	23,597	17,101

7. INCOME TAX EXPENSE

	2015	2014
	HK$'000	*HK$'000*
Current tax – Hong Kong Profits Tax		
Provision for the year	**472**	9,602
Current tax – the PRC Enterprise Income Tax		
Provision for the year	**3,919**	3,752
Deferred tax	**(2,423)**	(1,350)
	1,968	12,004

Hong Kong Profits Tax is calculated at the rate of 16.5% (2014: 16.5%) on the estimated assessable profits arising in Hong Kong during the year.

Under the Law of the PRC on Enterprise Income Tax, the applicable income tax rate of the Group's subsidiaries in the PRC is 25% (2014: 25%).

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

	2015	2014
	HK$'000	*HK$'000*
Loss before tax	**(63,138)**	(56,841)
Tax at the domestic income tax rate of 16.5% (2014: 16.5%)	**(10,418)**	(9,379)
Tax effect on share of profits and losses attributable to associates	**(615)**	(69)
Effect of different tax rates of subsidiaries operating in the PRC	**(189)**	399
Income not subject to tax	**(8,352)**	(1,199)
Expenses not deductible for tax	**9,756**	19,674
Tax losses not recognised	**11,786**	2,578
	1,968	12,004

8. LOSS FOR THE YEAR

The Group's loss for the year is stated after charging the following:

	2015	2014
	HK$'000	*HK$'000*
Cost of inventories sold	**327,249**	255,597
Depreciation	**9,471**	2,241
Amortisation of intangible assets	**6,120**	5,400
Auditor's remuneration	**880**	710
Minimum lease payments under operating lease in respect of:		
– land and buildings	**8,788**	10,244
– office equipment	**27**	56
– outdoor billboards	**4,910**	14,561
	13,725	24,861
Staff costs (including Directors' remuneration):		
– salaries, bonuses and allowances	**27,069**	24,242
– equity-settled share option expenses	**–**	27,702
– retirement benefits scheme contributions	**925**	625
	27,994	52,569

9. DIVIDENDS

The Board does not recommend the payment of any dividend in respect of the year ended 31 December 2015 (2014: Nil).

10. LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

Basic loss per share

The calculation of basic loss per share attributable to owners of the Company is based on the loss for the year attributable to owners of the Company of approximately HK$64,413,000 (2014: HK$68,647,000) and the weighted average number of ordinary shares of 4,768,113,871 (2014: 3,302,570,355, as adjusted to reflect the open offer in July 2015) in issue during the year.

Diluted loss per share

No diluted loss per share for the years ended 31 December 2015 and 2014 is presented as the effects of all convertible bonds and share options are anti-dilutive for the years.

11. GOODWILL

	2015	2014
	HK$'000	*HK$'000*
Cost:		
At 1 January	**1,252,228**	1,252,228
Arising on acquisition of subsidiaries	**326,342**	–
Disposal of subsidiaries	**(1,252,228)**	–
At 31 December	**326,342**	1,252,228
Accumulated impairment losses:		
Impairment loss recognised at 1 January	**1,246,983**	1,246,983
Disposal of subsidiaries	**(1,246,983)**	–
At 31 December	**–**	1,246,983
Carrying amount:		
At 31 December	**326,342**	5,245

Goodwill acquired in a business combination is allocated, at acquisition, to the cash generating units ("CGUs") that are expected to benefit from that business combination. The carrying amount of goodwill had been allocated as follows:

	2015	2014
	HK$'000	*HK$'000*
Online platform for the trading and deferred spot delivery services of precious metals	**326,342**	–
Media and advertising services – outdoor billboards	**–**	5,245
	326,342	5,245

Online platform for the trading and deferred spot delivery services of precious metals

For the year ended 31 December 2015, the recoverable amount of this CGU is determined based on the value in use using discounted cash flow method (level 3 fair value measurements). The key assumptions for the discounted cash flow method are those regarding the discount rates, growth rates and budgeted gross margin and revenue during the period. The Group estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the CGUs. The growth rates are based on long-term average economic growth rate of the geographical area in which the businesses of the CGUs operate. Budgeted gross margin and revenue are based on past practices and expectations on market development.

The Group prepares cash flow forecasts derived from the most recent financial budgets approved by the directors for the next six years with the residual period using the growth rate of 3%. This rate does not exceed the average long-term growth rate for the relevant markets.

The rate used to discount the forecast cash flows from these activities is 15%.

12. INTANGIBLE ASSETS

	2015	2014
	HK$'000	*HK$'000*
Cost:		
At 1 January	**108,000**	108,000
Acquisition of a subsidiary	**82,120**	–
Exchange difference	**(57)**	–
At 31 December	**190,063**	108,000
Accumulated amortisation:		
At 1 January	**5,850**	450
Provided during the year	**6,120**	5,400
At 31 December	**11,970**	5,850
Net carrying amount		
At 31 December	**178,093**	102,150

The carrying amount of the intangible assets is analysed as below:

Customer relationships		
Online plaform	79,333	–
Media and advertising	96,750	102,150
	176,083	102,150
Computer software		
Online platform	2,010	–
	178,093	102,150

The Group's customer relationships are used for generating the Group's services income and computer software are used for generating the Group's trading fee income. The average remaining amortisation period of the customer relations and the computer software are 18.5 years (2014: 19 years) and 6.6 years respectively.

13. TRADE RECEIVABLES

The Group's trading terms with customers are mainly on credit or received in advance. The credit period is generally 30-180 days. The Group seeks to maintain strict control over its outstanding receivables so as to minimise credit risk. Overdue balances are reviewed regularly by the Directors. The Group has concentration of credit risk on certain customers. As at 31 December 2015, one customer (31 December 2014: three customers) attributable to the Group's total trade receivables were 94% (31 December 2014: 95%). The Group does not hold any collateral or other credit enhancement over its trade receivable balances. Trade receivables are non-interest bearing.

The aging analysis of trade receivables, based on the invoice date, is as follows:

	2015	2014
	HK$'000	*HK$'000*
Within 30 days	**9,492**	–
31-60 days	**9,477**	9,367
61-90 days	**–**	6,209
Over 90 days but within 1 year	**304,971**	15,174
Over 1 year	**1,382**	1,739
Less: Impairments	**–**	–
	325,322	32,489

As of 31 December 2015, trade receivables of HK$1,382,000 (2014: HK$32,489,000) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default.

14. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	Note	2015 HK$'000	2014 HK$'000
Amount due from associates	*(a)*	**24**	24
Amounts due from a non-controlling shareholder of a subsidiary	*(a)*	**14,324**	15,128
Deferred expenses		**2,143**	2,557
Other receivables		**64,492**	45,480
Paid in advance	*(b)*	**271,380**	428,944
Prepayments and deposits		**31,484**	52,789
		383,847	544,922
Provision of prepayment	*(b)*	**(40,000)**	(14,259)
		343,847	530,663

(a) The amounts due from associates and a non-controlling shareholder of a subsidiary are unsecured, interest-free and have no fixed repayment terms.

(b) The Group paid in advance to the supplier for the trading of resources business. During the year ended 31 December 2014, First Concept Industrial Group Limited (formerly known as First Concept Logistics Limited ("First Concept")), a wholly owned subsidiary of the Company paid US$11,500,000 (equivalent to HK$89,700,000) (the "Advanced Payment") in respect of a coal supply agreement with SouthGobi Sands LLC ("SGS"). SGS supplied no coal and did not refund the Advanced Payment to First Concept. On 24 June 2015, First Concept served a notice of arbitration to seek the Advanced Payment from SGS (Details please refer to note 20(e)). A provision of prepayment of HK$40,000,000 was made during the year ended 31 December 2015 on the Advanced Payment.

15. TRADE PAYABLES

The aging analysis of trade payables, based on the invoice date, is as follows:

	2015 HK$'000	2014 HK$'000
Within 30 days	**5,366**	1,954
Over 90 days but within 1 year	**–**	82,170
Over 1 year	**67,890**	–
	73,256	84,124

16. OTHER PAYABLES AND ACCRUALS

	2015	2014
	HK$'000	*HK$'000*
Other payables	**18,288**	20,410
Receipt in advance	**23,560**	23,450
Accruals	**15,118**	20,445
	56,966	64,305

17. CONVERTIBLE BONDS

On 25 November 2014, the Company issued a convertible bonds in the principal amount of HK$30,000,000 which bear interest at a rate of 6% per annum (the "2014CB"). The 2014CB are convertible at the option of the bondholders into ordinary shares of the Company with 12 months from the date of issue, at a conversion price of HK$0.23 per conversion shares (subject to adjustment). And a maximum of 130,434,782 conversion shares can be issued. All the remaining 2014CB are converted or redeemed during the year ended 31 December 2015. Thus the balance for 2014CB on 31 December 2015 was nil.

On 27 October 2015, the Company issued a convertible bonds in the principal amount of HK$65,735,900 which bear interest rate of 4.5% per annum. (the "2015CB"). The 2015CB are convertible into ordinary shares of the Company within 24 months from the date of issue at a conversion price of HK$0.265 per conversion share (subject to adjustment), and a maximum of 248,060,000 conversion shares can be issued.

On 10 November 2015, the Company issued a zero-coupon convertible bonds in the principal amount of HK$120,000,000 (the "QDCB1") as part of the consideration for the acquisition of 70% equity interest in the entire issued share capital of Million Fortune International Investment Limited. The QDCB1 are convertible into ordinary shares of the Company at any time between the date of issue and its maturity date at a conversion price of HK$0.40 per conversion share (subject to adjustment), and a maximum of 300,000,000 conversion shares can be issued. All the QDCB1 will be redeemed by the Company at par on 9 November 2018.

The liability component of convertible bonds recognised at the end of the reporting period is analysed as follows:

	2014CB	2015CB	QDCB1	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Nominal value of convertible bonds issued		65,736	120,000	185,736
Equity component		(16,157)	(51,933)	(68,090)
Direct transaction costs		–	–	–
Liability component at date of issue		49,579	68,067	117,646
Liability component				
At 1 January 2014	–	–	–	–
At date of issue	27,927	–	–	27,927
Interest charged	390	–	–	390
Interest payable classify to other payables	(182)	–	–	(182)
At 31 December 2014 and 1 January 2015	28,135	–	–	28,135
At date of issue	–	49,579	68,067	117,646
Converted into shares	(27,913)	(29,593)	(27,011)	(84,517)
Interest (reversal)/charged	(389)	693	1,154	1,458
Interest reclassify from other payables	182	–	–	182
Repaid on maturity date	(15)	–	–	(15)
Liability component at 31 December 2015	–	20,679	42,210	62,889

The interest charged for the year of 2015CB and QDCB1 are calculated by applying an effective interest rate of 19.16% and 19.74% per cent to the liability component respectively.

18. NON-CONVERTIBLE BONDS

During the year, the Company issued seven (2014: thirty-two) 6% non-convertible bonds (the "Bonds") with a nominal value of HK$91,000,000 (2014: HK$212,000,000). The Bonds are redeemable at the discretion of the Company at 100% of the principal amount of such Bonds together with payment of interests accrued up to date of such early redemption by serving at least ten calendar days written notice at any time before the maturity date. The Bonds will be redeemed on the date immediately following twenty-four months after the first date of issue of the Bonds. The Bonds carry interest at a rate of 6% per annum, which is payable annually in arrears.

	2015	2014
	HK$'000	*HK$'000*
At 1 January	**229,326**	20,860
Nominal value of the bonds issued during the year	**91,000**	212,000
Directly attributable transaction costs	**5,220**	(4,905)
Repayment	**(68,500)**	–
Interest charged	**(19,333)**	13,071
Interest paid or payable classify to other payables	**17,041**	(11,700)
At 31 December	**254,754**	229,326
Portion classified as current liabilities	**(243,959)**	(48,171)
Non-current portion	**10,795**	181,155

19. CONTINGENT LIABILITIES

At the end of the reporting period, the Group had contingent liabilities as follows:

	2015	2014
	HK$'000	*HK$'000*
Indemnity related to a former subsidiary *(note 20(b))*	**7,282**	7,690

20. PENDING LITIGATIONS AND ARBITRATION CASE

At the end of the reporting period, the Group had the following pending litigations and an arbitration case:

(a) 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 have 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, totalling of approximately HK$2,672,000, were accrued in these interim financial statements (included in other borrowings and other payables and accruals, respectively) and has not yet been settled as at 31 December 2015.

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 date of this announcement.

(b) According to an agreement entered into by the Company, two of its subsidiaries and two independent third parties in February 2003, the Group had 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 above 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.

In February 2005, a writ of summons was served on the Company demanding the payment of approximately RMB6,100,000. However, such amounts were covered by the amount accrued in the financial statements of World Giant at the time of disposal.

Accordingly, in the opinion of the Directors and having obtained an opinion from the Company's lawyer, the Group or the Company has no obligation to pay the above taxes. Because of the uncertainty of the outcome of this matter, the amount involved of approximately RMB6,100,000, equivalent to approximately HK$7,282,000 (2014: RMB6,100,000, equivalent to approximately HK$7,690,000), has been shown as contingent liabilities in note 19.

The Writ of Summons was served on the Company in February 2005. The Company has not received further claims from the plaintiff up to the date of this announcement.

(c) At the end of 2012, a customer of 中航國金商品交易中心(青島)有限公司 (AVIC Guojin Commodity Exchange Centre (Qingdao) Company Limited*, formerly known as 青島國金貴金屬交易中心股份有限公司) ("AVIC Guojin"), a subsidiary of the 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 AVIC Guojin and also lots of people participated in the trading of white silver with AVIC Guojin.

On 27 November 2012, Binzhou Bureau froze all types of accounts of AVIC Guojin 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 AVIC Guojin. AVIC Guojin reported the foregoing case to Qingdao Bonded Area Regulatory Commission (青島保税區管理委員會) ("QBARC") and communicated with Binzhou Bureau. Even though QBARC emphasized that AVIC Guojin 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 AVIC Guojin, AVIC Guojin paid RMB3,000,000 (approximately HK$3,581,000) 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 AVIC Guojin considered the recoverability of this deposit was remote, RMB3,000,000 (approximately HK$3,581,000) was fully written off. Sun Xiaoyang, the director of AVIC Guojin agreed to indemnify AVIC Guojin should there be losses arising from the foregoing case. The directors and the management of AVIC Guojin are of the view that no further provision has been made for this case.

(d) In 2014, five customers of AVIC Guojin have taken civil actions against AVIC Guojin in the court in Qingdao claiming the contracts of trading precious metals on the platform of AVIC Guojin being invalid and recovery of the related losses totalling approximately RMB11,000,000, equivalent to approximately HK$13,131,000. In April 2015, the court in Qingdao handed down the judgment in favour of AVIC Guojin 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 AVIC Guojin have taken civil actions against AVIC Guojin, 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 Qingdao claiming the contracts of trading precious metals on the platform of AVIC Guojin being invalid and recovery of the related losses totalling approximately RMB1,600,000, equivalent to approximately HK$1,910,000. The hearing of the case is still in progress and the court has not handed down the judgment as at the date of this announcement.

Having considered the foregoing judgment in April 2015 by the court in favour of the AVIC Guojin and taken the legal advice, the existing management of AVIC Guojin had indicated to the Directors that it is not probable that material loss will be suffered by AVIC Guojin. Therefore, no provision has been made for the above claims.

(e) On 24 June 2015, First Concept served a notice of arbitration (the "Notice") on SGS, being a wholly owned subsidiary of SouthGobi Resources Ltd. In the Notice, First Concept sought the Advanced Payment from SGS, according to a coal supply agreement dated 19 May 2014 between First Concept and SGS, representing the prepayment amount advanced by First Concept for the supply of coking coal by SGS to First Concept under such agreement. The arbitral proceedings are deemed to have commenced on 24 June 2015, as the date when the respondent received the Notice. As at the date of this announcement, the arbitral proceedings are in progress.

First Concept paid in advance to SGS for purchasing coals from SGS. However, SGS supplied and First Concept collected zero tonne of coal in the contracted period. As such, SGS refused to repay the Advanced Payment to First Concept. It is justified for First Concept to recover the Advanced Payment from SGS by legal action, and First Concept proceeded accordingly as mentioned above.

FINAL DIVIDEND

The Board does not recommend the payment of a final dividend for the year ended 31 December 2015 (2014: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND PROSPECTS

The Group secured a major capital rising activity by means of an open offer in 2015, which allowed the Group to further develop its ordinary business and to explore for business opportunities in other sectors to diversify its business into industries that provide better returns for the shareholders of the Company (the "Shareholders") and broaden the sources of income of the Group.

On 10 November 2015, the Group completed the acquisition of Million Fortune International Investment Limited ("Million Fortune" together with its subsidiaries, "Million Fortune Group"). Through this acquisition, the Group commenced a new business segment – online platform business, which provides 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 People's Republic of China (the "PRC"). Details of the acquisition are disclosed in the paragraph headed "MATERIAL ACQUISITION AND DISPOSAL" below.

For the purposes of resources allocation and performance assessment, the Group has been operating the following major business segments for the year ended 31 December 2015:

Resources trading business

The Group had renamed the ordinary business segment – coking coal trading business into resources trading business, to present a more precise description of its trading business, since the Group had developed and expanded its resources trading business in the second half of 2015, which now includes resources such as coking coal, aluminium rod and fuel oil.

The overall resources market followed a downward trend as in the past few years. The coal market continued to diminish and coal price remained at a low level due to ongoing sluggish demand and the stricter environmental protection governance. Due to the above mentioned reasons, the Group applied more cautious and conservative approaches, and completed trading of coal of about 60,000 tons during the year ended 31 December 2015.

As mentioned above, besides the coking coal business, the Group expanded its resources trading business and stepped into commodities trading market such as trading of aluminium rod and fuel oil. Though the gross profit margin of the commodities trading is thin in this financial period, the management is confident that such expansion can help the Group to build a more diversified foundation in the resources trading business segment.

In May 2015, the Group completed the acquisition of 95% shareholding interest in a company incorporated in Mongolia with self-owned trucks and vehicles located in Mongolia, which could help the Group in establishing a full supply chain of coal from Mongolia to the PRC. Details of the acquisition are disclosed in the paragraph headed "MATERIAL ACQUISITION AND DISPOSAL" below.

Online platform business

The Group commenced online platform trading business in the fourth quarter of 2015, through the acquisition of Million Fortune Group, which had already commenced contributing revenue and profit to the Group in this financial period. Details of the acquisition are disclosed in the paragraph headed "MATERIAL ACQUISITION AND DISPOSAL" below.

中航國金商品交易中心（青島）有限公司 (AVIC Guojin Commodity Exchange Centre (Qingdao) Company Limited*, formerly known as 青島國金貴金屬交易中心股份有限公司) ("AVIC Guojin") is the operating subsidiary of Million Fortune Group, 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. It was recognised as one of the 26 spot exchanges in 2013 pursuant to 青政辦字[2013]49號 (document Qing Zheng Ban Zi [2013] No.49*).

The revenue of this segment represented the handling fees charged to end customers who utilized the online trading platform.

Media and advertising business

The Group operates outdoor advertisement mediums/billboards provision business, advertisement design and production, graphic and brand design services as well as corporate culture consultancy in the PRC and in Mongolia.

Although the PRC media and advertising market was quite challenging, the Group still made an effort to achieve a satisfactory performance in 2015.

In May 2015, the Group disposed of its 100% shareholding interest in its subsidiaries namely L&L Partners' Limited and Shanghai Winmedia Advertising Media Co., Ltd, which focus on media and advertising services – outdoor billboards. Details of the disposal are disclosed in the paragraph headed "MATERIAL ACQUISITION AND DISPOSAL" below.

MATERIAL ACQUISITION, DISPOSAL AND SIGNIFICANT INVESTMENT

Disposal of L&L Partners' Limited and Shanghai Winmedia Advertising Media Co., Ltd

In March 2015, the Group entered into a sale and purchase agreement with an independent third party for the disposals of its entire interest in its wholly owned subsidiaries, namely L&L Partners' Limited and Shanghai Winmedia Advertising Media Co., Ltd, which focus on media and advertising services – outdoor billboards, at an aggregate consideration of approximately HK$100,000. Such disposals were completed in May 2015 and accrued an aggregate gain before tax of approximately HK$3,354,000 (included a release of translation reserve upon disposal of a subsidiary of approximately HK$3,566,000) for the year ended 31 December 2015. Following the disposal, each of L&L Partner's Limited and Shanghai Winmedia Advertising Media Co., Ltd, ceased to be a subsidiary of the Company.

Disposal of Konwide Development Limited and Noble City (Asia) Limited (together with its subsidiary)

On 30 June 2015, the Group also disposed of its 100% equity interest in Konwide Development Limited and Noble City (Asia) Limited (together with its subsidiary) for a nominal consideration of HK$1 to independent third parties. Completion of the disposals took place during this financial period and accrued an aggregate gain before tax of approximately HK$8,002,000. Following the disposal, each of Konwide Development Limited and Noble City (Asia) Limited (together with its subsidiary) ceased to be a subsidiary of the Company.

Disposal of 青島城鄉建設融資租賃有限公司 (Qingdao Urban and Rural Construction Leasing Co., Limited*)

On 24 July 2015, the Company entered into a sale and purchase agreement with 北京隆元泰福投資發展有限公司 (Beijing Longyuan Taifu Investment Development Co., Limited*), 青島城市建設投資(集團)有限責任公司 (Qingdao City Construction Investment Group Co., Limited*), 上海絡優投資管理有限公司 (Shanghai Luoyou Investment Management Co., Limited*) (being the joint venture partners of the Company) and several new investors for the disposal of its equity interest in 青島城鄉建設融資租賃有限公司 (Qingdao Urban and Rural Construction Leasing Co., Limited*) (the "JV Company") at cash consideration of approximately HK$13,857,000. The Company's cost of investment in the JV Company was approximately HK$11,645,000, which represented approximately 3.85% of the initial total registered capital of the JV Company. And the carrying amount of the investment was approximately HK$12,837,000. Completion of the disposal took place during this financial period and accrued a gain before tax of approximately HK$1,021,000. Following the disposal, the JV Company ceased to be an associate of the Company.

Acquisition of Glorious Future Logistics Limited

On 19 May 2015, the Group entered into a sale and purchase agreement with independent third parties to acquire the entire issued equity of Glorious Future Logistics Limited ("Glorious Future"), a company incorporated in the British Virgin Islands with limited liability, at a consideration of HK$44,000,000. Glorious Future holds 95% shareholdings interest in Ifrontier LLC, a limited liability company incorporated in Mongolia, with self-owned trucks and vehicles located in Mongolia. Such acquisition would enable the Group to establish a full supply chain of coal from Mongolia to the PRC. The acquisition was completed in this financial period.

Acquisition of Million Fortune International Investment Limited

On 8 July 2015, the purchaser (an indirect wholly-owned subsidiary of the Company), Antel Classification Limited, World Dragon Enterprise Limited, Guojin Holdings Co. Ltd, Nuts Technology Co., Ltd (collectively as the "Vendors") and Ms. Sun Jianjing, Mr. Zhang Zhijie and Mr. Sun Xiaoyang (collectively as the "Guarantors") entered into a sale and purchase agreement (the "Qingdao SPA"), pursuant to which the Vendors conditionally agreed to sell and the Purchaser conditionally agreed to purchase an aggregate of 7,000 ordinary shares of Million Fortune (representing 70% equity interest in its entire issued share capital) at a consideration of HK$400,000,000. Million Fortune is principally engaged in investment holding and indirectly holds 90% equity interest in AVIC Guojin upon completion of reorganisation. AVIC Guojin 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.

The consideration of HK$400,000,000 is to be satisfied by the following manner: (i) as to the sum of HK$120,000,000 to be settled by way of issue of the convertible bond in the principal amount of HK$120,000,000 ("QDCB1") at the initial conversion price of HK$0.40 per conversion share, as part payment upon completion; and (ii) as to the sum of HK$280,000,000 to be settled by way of issue of the convertible bond in the principal amount of HK$280,000,000 ("QDCB2") at the initial 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 which based on the actual performance of the Million Fortune Group in the twelve (12) full calendar months period immediately after completion (the "Profit Guarantee Period")).

Pursuant to the Qingdao SPA, each of the Vendors and the Guarantors was undertaken that the consolidated net profit (after taxation and excludes any profit/(loss) deriving from the discontinued operation(s) and activities not within the usual course of business of the Million Fortune Group) as shown in the audited accounts of the Million Fortune Group for the Profit Guarantee Period as audited by the auditors to be appointed by the Company shall not be less than HK$45,000,000.

The acquisition was completed on 10 November 2015, and QDCB1 in the principal amount of HK$120,000,000 was issued by the Company to the Vendors on the same day. Details of the acquisition were set out in the announcements of the Company dated 8 July 2015, 31 August 2015 and 10 November 2015 and the Company's circular dated 30 September 2015.

Acquisition and disposal of Power Up Ventures Limited

On 27 July 2015, an indirect wholly owned subsidiary of the Company (the "Purchaser") entered into a sale and purchase agreement with an independent third party (the "Vendor") to acquire 19 shares (the "Sale Shares") of Power Up Ventures Limited ("Power Up"), representing 19% of the issued share capital of Power Up, at a consideration of HK$36,000,000 (the "Investment"). Pursuant to the sale and purchase agreement in respect of the Investment, the Vendor granted a put option (the "Put Option") to the Purchaser to sell back the Sale Shares at the option price of HK$36,000,000 within six (6) months since completion of the Investment at the Purchaser's discretion. Power Up is an investment holding company registered in the British Virgin Islands under the International Business Companies Act. Power Up indirectly holds the entire issued capital of 額濟納旗金運坤泰實業發展有限公司 (Ejina Banner KimYunKunTai Industry Development Co., Ltd.*, "KimYunKunTai"), a company established in the PRC with limited liability. KimYunKunTai is principally engaged in the business of international trading and logistics, import and export declarations and storage services, and it owns a logistics park of approximately 130,000 square metres which locates at Inner Mongolia, the PRC. The Investment was completed in July 2015.

The Investment was intended to be a move to the logistics and storage services in the natural resources supply chain between the PRC and Mongolia, as part of the Group's business development strategy during the depressed natural resource market atmosphere, and looking for the recovery of coal market in the short run. The Put Option granted by the Vendor acted as a security for the Group to put back the Investment at the Group's discretion, without loss. Subsequently, in view of the recovery of coal market which was slower than expected, the Purchaser exercised the Put Option in the fourth quarter of 2015. The Vendor fully paid the option price to the Group and the Purchaser sold back the Sale Shares to the Vendor during this financial period. No gain or loss was incurred to the Group in the Investment and the relevant disposal.

Acquisition of Fortune Union Financial Holdings (Asia Pacific) Limited

In view of the indispensable financial needs of small and medium-sized enterprises in the PRC, the Group has explored business development opportunities in small loan business in the PRC in October 2015. An indirect wholly-owned subsidiary of the Company (as subscriber) entered into a conditional subscription agreement with Fortune Union Financial Holdings (Asia Pacific) Limited ("Fortune Union") on 29 October 2015, pursuant to which the subscriber agreed to subscribe for 25,000,000 new shares of Fortune Union, representing approximately 26.3% of the issued share capital of Fortune Union (as enlarged by the issue of the subscription shares) at a consideration of US$25,000,000, equivalent to approximately HK$195,000,000. Fortune Union is an investment holding company incorporated in the Cayman Islands with limited liability. Fortune Union indirectly holds the entire equity interest in 重慶市渝北區合盈小額貸款有限公司 (Chongqing City Yubei District He Ying Microfinance Company Limited*), a company established under the law of the PRC with limited liability, which is principally engaged in small loan business. The subscription was completed in this financial period and this investment was accounted for as an associate of the Group. The share of profit from this associate to the Group during this financial period was approximately HK$5,111,000. Details of the Subscription were set out in the Company's announcement dated 29 October 2015.

Subscription of HX Bond

On 2 April 2015, the Company completed the subscription of the 11% coupon bond (the "HX Bond") issued by Heng Xin China Holdings Limited (Stock code: 8046) ("HX") in the principal amount of HK$70,000,000. As the subscription of HX Bond is to be funded by the subscription money of the relatively lower cost Bond which bears a coupon rate of 6% per annum, the Company believes that the subscription of HX Bond could offer a better return on cash of the Group. HX is an investment holding company whose shares are listed on the Growth Enterprise Market of the Stock Exchange. HX and its subsidiaries are principally engaged in digital cable television business, wireless digital television value-added services, wireless digital terrestrial television network equipment integrated business, research, design, development on and manufacturing of electronic message security products, integrated circuits, the integrated circuit solutions and the related services, and in the business of manufacturing and selling of castor seeds and castor beans and selling of castor oil. Details of the subscription of the HX Bond were set out in the Company's announcement dated 12 January 2015.

On 5 February 2016, the HX Bond in the principal amount of HK$70,000,000 was used as partial consideration for the subscription of convertible bond issued by HX, details of which were set out below under sub-section headed "Subscription of HXCB".

Subscription of Shares of HX

On 18 August 2015, the Company entered into a subscription agreement with HX whereby the Company agreed to subscribe in cash and HX agreed to allot and issue a total of 220,000,000 new shares of HX (the "Subscription Shares") for HK$22,000,000. The subscription price of HK$0.1 per Subscription Share represented a discount of approximately 13.04% to the closing price of HK$0.115 per share of HX as quoted on the Stock Exchange on 18 August 2015. The subscription was completed on 27 August 2015 and all Subscription Shares were disposed during this financial period and the Group recorded a realised gain of approximately HK$6,665,000.

BUSINESS DEVELOPMENT

The Group is principally engaged in resources trading business, media and advertising business and 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 Group is actively exploring for business opportunities in other sectors to diversify its business into industries that provide better returns for the Shareholders and broaden the sources of income of the Group.

On 29 July 2014 (Vancouver, British Columbia time), the Company and Turquoise Hill Resources Limited ("THRL") entered into the sale and purchase agreement (the "SPA"), pursuant to which THRL agreed to sell, and the Company agreed to purchase, 56,102,000 common shares of SouthGobi Resources Limited ("SouthGobi Shares“) which is primary listed on the Toronto Stock Exchange (stock symbol: SGQ) and secondary listed on the Stock Exchange (stock code: 1878) at the purchase price of 25,526,410 Canadian dollars and subject to the terms of the sale and purchase agreement. As this acquisition constitutes a very substantial acquisition of the Company under the Rules Governing the Listing of Securities on the Stock Exchange, this acquisition is subject to approval by the Shareholders. On 2 December 2014, an amendment agreement to the SPA entered into between the Company and THRL pursuant to which, among other things, to extend the long stop date of the acquisition from 30 November 2014 to 30 April 2015. On 1 May 2015, THRL issued a notice to the Company to terminate this acquisition with immediate effect. Thus this acquisition was terminated on 1 May 2015, without bringing to the Group any material adverse impact.

On 9 November 2015, NUR Investments Company Limited, a wholly-owned subsidiary of the Company, as purchaser entered in to a conditional sale and purchase agreement with Wealth Leading International Holdings Limited, an independent third party, as vendor to purchase the entire issued share capital of Luck Fortune International Investment Limited at a consideration of HK$866,000,000 (the "Major Acquisition 1"). Luck Fortune International Investment Limited is an investment holding company and, upon the completion of restructuring, will own the entire share capital of Wise Chance International Investment Limited, of which will hold directly or indirectly, 20% equity interests in 合肥中航新能源科技有限責任公司 (Hefei Zhonghang New Energy Technology Company Limited*) whereas Hefei Zhonghang New Energy Technology Company Limited directly owns 51% equity interests of 安徽星凱龍客車有限公司(Anhui Xingkailong Motor Company Limited*) (the "Luck Fortune Group"). The Luck Fortune Group engages in the manufacturing of electric vehicles and batteries and energy management system of the electric vehicles. The Major Acquisition 1 would enable the Group to explore and develop its business portfolio and also provide a new source of income for the Group. The consideration of HK$866,000,000 shall be settled by way of cash consideration, the issuance of promissory notes and the issuance of convertible bonds. The Major Acquisition 1 constitutes a major transaction of the Company under Chapter 14 of the Listing Rules, it is therefore subject to approval by the Shareholders.

Details of the Major Acquisition 1 are set out in the announcements of the Company dated 9 November 2015, 31 December 2015 and 30 March 2016 (the "MA1 Announcements"). As disclosed in the MA1 Announcements, one of the conditions for completion is the completion of the restructuring and all of the approvals and filings in respect of the restructuring having been obtained. Up to the date of this announcement, the vendor and the relevant parties are still in the process of carrying out the restructuring of the Luck Fortune Group and more time is required for completion of the restructuring, the circular for this transaction is yet to be despatched.

On 15 January 2016, a wholly-owned subsidiary of the Company (as purchaser) entered into a conditional sale and purchase agreement to purchase the entire issued share capital of Gear World Development Limited, a company incorporated in the British Virgin Islands with limited liability, at a consideration of not more than HK$800,000,000 (the Major Acquisition 2"). Upon the completion of the reorganisation, Gear World Development Limited will indirectly own the entire equity interest in 北京天馬通馳汽車租賃有限公司 (Beijing Tian Ma Tong Chi Car Rental Co., Ltd.*) and Beijing Tian Ma Tong Chi Car Rental Co., Ltd. will own 49% of the equity interest of 北京天馬通馳旅遊客運有限公司 (Beijing Tian Ma Tong Chi Travel Transportation Co., Ltd.*) (the "Gear World Group"). The Gear World Group is principally engaged in the provision of car rental services and tour bus services including shuttle bus services for business and leisure purposes as well as related value-added services. The consideration of HK$800,000,000 shall be settled by way of cash consideration and the issuance of convertible bonds. The Major Acquisition 2 constitutes a major transaction of the Company under Chapter 14 of the Listing Rules, it is therefore subject to approval by the Shareholders.

Details of the Major Acquisition 2 are set out in the announcements of the Company dated 18 December 2015, 15 January 2016 and 30 March 2016. Up to the date of this announcement, the circular for this transaction is yet to be dispatched as additional time is required for the preparation and finalisation of certain information to be included in the circular.

FINANCIAL REVIEW

For the year ended 31 December 2015, the Group recorded a consolidated revenue of approximately HK$382,789,000, while the revenue for the year ended 31 December 2014 was approximately HK$364,876,000. Loss attributable to Shareholders was approximately HK$64,413,000, when compared to approximately HK$68,647,000 for the year ended 31 December 2014. Basic loss per share was approximately HK1.35 cents, when compared to approximately HK2.08 cents for the year ended 31 December 2014.

Revenue

During the year ended 31 December 2015, the revenue of the Group was principally derived from the following business segments:

(i) Resources trading business

The revenue for the year ended 31 December 2015 generated from resources trading business, which consists of coking coal business, fuel oil business and aluminium rod business, amounted to approximately HK$337,729,000 (year ended 31 December 2014: HK$334,004,000). The gross profit of this business was approximately 0.53% (year ended 31 December 2014: 17.6%).

(ii) Media and advertising business

The revenue for the year ended 31 December 2015 generated from the media and advertising business amounted to approximately HK$24,826,000 (year ended 31 December 2014: HK$30,872,000). This segment result was a profit of approximately HK$13,766,000 as compared to approximately HK$2,085,000 for the year ended 31 December 2014.

(iii) Online platform business

The revenue for the year ended 31 December 2015 generated from the online platform business amounted to approximately HK$20,234,000 (year ended 31 December 2014: Nil). This segment result was a profit of approximately HK$6,301,000 (year ended 31 December 2014: Nil).

Other Income

The Group's other income increased from approximately HK$8,936,000 for the year ended 31 December 2014 to approximately HK$33,737,000 for the year 31 December ended 2015. The increase was mainly attributable to (i) approximately HK$11,356,000 of gain on disposal of subsidiaries; (ii) approximately HK$12,706,000 of gain of trading of financial assets at fair value through profit or loss; and (iii) approximately HK$5,780,000 of accrued interest from bonds receivable.

Administrative and other operating expenses

The Group's administrative and other operating expenses mainly comprised employment expenses, legal and professional fees and rentals for offices located in the PRC and Hong Kong. Administrative and other operating expenses were approximately HK$91,998,000 for the year ended 31 December 2015, as compared to approximately HK$109,678,000 for the year ended 31 December 2014.

The amortisation of intangible asset relating to the acquisition of Placid Group was approximately HK$5,400,000 (year ended 31 December 2014: HK$5,400,000), and the amortisation of intangible asset relating to the acquisition of Million Fortune Group was approximately HK$720,000 (year ended 31 December 2014: Nil).

Finance Costs

The finance costs for the year ended 31 December 2015 amounted to approximately HK$23,597,000 as compared to approximately HK$17,101,000 for the year ended 31 December 2014. During the year, the Group's finance costs comprised interest on bank borrowing amounted to approximately HK$2,538,000, accrued interest for the non-convertible bonds and convertible bonds totally amounted to approximately HK$20,791,000, and interest payments for finance lease amounted to approximately HK$195,000.

Loss for the year

As a result, the Group recorded loss attributable to owners of the Company of approximately HK$64,413,000 for the year ended 31 December 2015 as compare to approximately HK$68,647,000 for the year ended 31 December 2014.

Property, plant and equipment

As at 31 December 2015, property, plant and equipment amounted to approximately HK$61,328,000, representing an increase of approximately 674.05% when compared to HK$7,923,000 as at 31 December 2014. The increase was mainly due to (i) additions in motor vehicles (self-owned trucks and vehicles) amounted to approximately HK$46,455,000 owned by Glorious Future Group, which was acquired by the Group during the financial period; and (ii) additions of yacht and motor vehicle amounted to approximately HK$15,013,000 made in this financial period.

Intangible assets

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

On 10 November 2015, the Group acquired 70% equity interests in Million Fortune Group, intangible assets of customer relationships and the computer software amounted to HK$82,120,000 in fair value, were recognized as parts of the assets and liabilities of the Million Fortune Group that the Group had acquired. These intangible assets are amortized on straight-line method over their estimated useful life of 20 years and 10 years respectively.

Trade receivables

Trade receivables amounted to approximately HK$325,322,000, representing an increase of approximately 901.33% when compared to HK$32,489,000 as at 31 December 2014. This dramatical increase was mainly due to significant trading transactions in resources commodities occured in the fourth quarter of 2015. In order to minimize the credit risk for the trade receivables, the Group has implemented strict control on the determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts.

Prepayments, deposits and other receivables

Prepayments, deposits and other receivables amounted to approximately HK$343,847,000 as at 31 December 2015, a decrease of approximately 35.20% when compared to HK$530,663,000 as at 31 December 2014.

The Group made a provision of prepayment amounted to HK$40,000,000 during this financial period, which is related to a prepayment for coal amounted to HK$89,700,000 paid by First Concept Industrial Group Limited (formerly known as First Concept Logistics Limited, “First Concept”) to SouthGobi Sands LLC. First Concept served a notice of arbitration on 24 June 2015 to recover this prepayment. Detail of the Notice are disclosed in the note headed “PENDING LITIGATIONS AND ARBITRATION CASE”.

Trade payables

Trade payables amounted to approximately HK$73,256,000 as at 31 December 2015, representing an decrease of approximately 12.92% when compare to HK$84,124,000 as at 31 December 2014.

Other payables and accruals

Other payables and accruals amounted to approximately HK$56,966,000 as at 31 December 2015, a decrease of approximately 11.41% when compared to HK$64,305,000 as at 31 December 2014.

Borrowings

As at 31 December 2015, the Group recorded other borrowings of approximately HK$251,773,000 (31 December 2014: HK$46,473,000), of which HK$190,123,000 was a loan from Bank of Shanghai (Hong Kong) Limited.

EMPLOYEE INFORMATION

As at 31 December 2015, the Group had 73 employees (including Directors) in Hong Kong, the PRC and Mongolia (31 December 2014: 83). The Group continues to provide remuneration packages to employees according to market practices, their experience and performance. Remuneration policy is basically determined with reference to individual performance as well as the financial results of the Group. Remuneration to staff will be revised from time to time when warranted considering the performances of staff. Other benefits include medical insurance scheme and contribution of statutory mandatory provident fund for the employees. The Group also adopted a share option scheme whereby qualified participants may be granted options to acquire shares of the Company. There has been no major change in staff utilized policies during the year ended 31 December 2015.

CAPITAL STRUCTURE

As at 31 December 2015, the Company has 5,873,770,500 Shares in issue.

During the year ended 31 December 2015, the Group financed its operations by (i) cash flow from operating activities; (ii) funding through issuance of the non-convertible bonds and convertible bonds; (iii) funding through open offer; and (iv) funding through issuance of new Shares. As at 31 December 2015, the cash and bank balances of the Group amounted to approximately HK$420,887,000 (31 December 2014: HK$2,879,000), with approximately HK$237,478,000 deposit pledged to banks (31 December 2014: Nil).

During the year ended 31 December 2015, the Group has net cash outflow of approximately HK$196,423,000 (year ended 31 December 2014: HK$354,998,000) used in its operating activities, net cash outflow of approximately HK$309,022,000 (year ended 31 December 2014: HK$33,192,000) used in its investing activities and net cash inflow of approximately HK$924,712,000 (year ended 31 December 2014: HK$344,142,000) from its financing activities.

As at 31 December 2015, the Group had current assets of approximately HK$1,173,548,000 (31 December 2014: HK$566,031,000), while its current liabilities were approximately HK$655,106,000 (31 December 2014: HK$303,239,000). The current ratio (current assets over current liabilities) of the Group was approximately 1.79 (31 December 2014: 1.87); and its gearing ratio (total borrowings over total assets) was approximately 29.37% (31 December 2014: 43.17%). Net asset value per share was approximately HK$0.16 as at 31 December 2015 (31 December 2014: HK$0.07).

On 16 April 2015, the Company entered into two separate conditional subscription agreements with each of Mr. Cai Xuwen and Yue Xiu Great China Fixed Income Fund III LP for the subscription of 100,000,000 Shares (the "First Subscription") and 500,000,000 Shares (the "Second Subscription") respectively at a price of HK$0.262 per subscription share, representing a discount of approximately 19.38% to the closing price of HK$0.325 per Share as quoted on the Stock Exchange on 16 April 2015. The First Subscription was completed on 27 April 2015 and the Second Subscription was completed on 11 May 2015. The net proceeds from the above subscriptions amounted to approximately HK$157,170,000. Details of the above subscriptions were set out in the Company's announcement dated 16 April 2015.

As at 31 December 2015, approximately HK$56,000,000 of such net proceeds have been utilized for settlement of debt and related interest, approximately HK$77,670,000 have been used as general working capital and the remaining balance of approximately HK$23,500,000 remained unutilized.

On 22 May 2015, the Company entered into an underwriting agreement with GF Securities (Hong Kong) Brokerage Limited in relation to the underwriting and certain other arrangements in respect of the open offer on the basis of one (1) offer share for every two (2) shares in issue and held on 12 June 2015, being the record date, at the subscription price of HK$0.26 each. The open offer was completed on 15 July 2015 and totally 1,861,663,500 offer shares were issued. The net proceeds of the open offer amounted to approximately HK$475,000,000. Details of the open offer were set out in the Company's announcements dated 22 May 2015, 4 June 2015, 5 June 2015 and 14 July 2015 and the Company's prospectus dated 22 June 2015.

As at 31 December 2015, approximately HK$108,650,000 was used for the settlement of outstanding debts and related interests, approximately HK$58,000,000 was used for investments and the remaining balance of approximately HK$308,350,000 remained unutilized.

On 9 October 2015, the Company entered into two separate conditional subscription agreements with each of Ultimate Advantage Limited and Elite Fortune Global Limited for the subscription of convertible bonds (the "2015CB") in the principal amount of HK$131,471,800 (the "Subscription A") and HK$65,735,900 (the "Subscription B") respectively. The 2015CB carry interest at a rate of 4.5% per annum, which is payable on the maturity date, being the date following twenty-four months from the date of issue of the 2015CB. The 2015CB entitle the holders to convert the 2015CB into ordinary shares of the Company at an initial conversion price of HK$0.265 per conversion share (subject to adjustment) during the period within twenty-four months from the date of issue of the 2015CB and a maximum of 744,180,000 conversion shares can be issued under the general mandate. The initial conversion price of HK$0.265 per conversion shares representing a discount of approximately 18.46% to the closing price of HK$0.325 per Share as quoted on the Stock Exchange on 9 October 2015. The Subscription B in the principal amount of HK$65,735,900, which are convertible into a maximum number of 248,060,000 new Shares based on the initial conversion price of HK$0.265 per Share (subject to adjustment), by Elite Fortune Global Limited was completed on 27 October 2015. On 11 November 2015, the Subscription A in relation to the convertible bonds in the principal amount of HK$131,471,800 was lapsed. During the year ended 31 December 2015, 148,060,000 Shares upon conversion of the 2015CB in the principal amount of HK$39,325,900 were issued and no early redemption of the 2015CB was made by the Company. Details of the above subscription were set out in the Company's announcements dated 9 October 2015, 27 October 2015 and 11 November 2015.

As at 31 December 2015, out from the net proceeds amounted to HK$65,653,900, approximately HK$12,000,000 was used for the settlement of outstanding debts and the remaining balance of approximately HK$53,635,900 remained unutilized.

LIQUIDITY AND FINANCIAL RESOURCES

Issue of Non-convertible Bonds

During the year ended 31 December 2015, the Company issued 6% non-convertible bonds (the "NCB") in an aggregate principal amount of HK$91,000,000, which maturity date is on the date immediately following twelve to twenty-four months after the date of issue of the NCB. The NCB bear interest rate of 6% per annum, which is payable annually in arrears. The issue of NCB was to obtain funding, which could be used to finance any potential investment opportunity of the Group that might arise from time to time and for the general working capital of the Company. Details of the NCB are set out in note 18 in this announcement.

Up to 31 December 2015, net proceeds from the issuance of the NCB in the principal amount of HK$11,000,000, amounted to HK$10,670,000, have been used as general working capital, mainly general and administrative costs, of the Group.

Besides, the NCB in the principal amount of HK$80,000,000 were issued to Sandmartin International Holdings Limited (the "SMT Bonds"), which is an independent third party and its shares are listed on the Main Board of the Stock Exchange (stock code: 482). Details of the SMT Bonds were set out in the Company's announcement dated 12 January 2015. HK$70,000,000 of the net proceeds have been used for the subscription of the HX Bond in the principal amount of HK$70,000,000, and remaining HK$10,000,000 have been used for general working capital of the Group, mainly were general and administrative expenses. During the year ended 31 December 2015, the SMT Bonds in the principal amount of HK$20,000,000 were early redeemed by Sandmartin International Holdings Limited and further HK$30,000,000 of SMT Bonds were redeemed up to the date of this announcement.

FOREIGN EXCHANGE EXPOSURE

During the year ended 31 December 2015, the majority of the Group's income and expenses were denominated in United States dollars, Renminbi ("RMB") and Hong Kong dollars. Up to 31 December 2015, the management of the Company was of the opinion that the Group has insignificant exposure to foreign exchange risk. As a result, the Group did not use any financial instruments for hedging against fluctuation in foreign exchange for the year ended 31 December 2015. Nevertheless, the management of the Company will closely monitor and from time to time reassess the exchange risk exposures of the Group and enter into non-speculative hedging arrangements if considered necessary.

CHARGES ON GROUP ASSETS

As at 31 December 2015, the Group had pledged property, plant and equipment with the net carrying amount of approximately HK$3,625,000 (31 December 2014: HK$3,809,000) to secure the finance lease payables of approximately HK$3,507,000 (31 December 2014: HK$3,628,000).

CONTINGENT LIABILITIES

As at 31 December 2015, the Group had contingent liabilities as possible claims arising from indemnity related to a former subsidiary of approximately RMB6,100,000, being equivalent to HK$7,282,000 (31 December 2014: RMB6,100,000, being equivalent to HK$7,690,000). In the opinion of management of the Company, it is not necessary for recording any provisions for the above contingent liabilities as at 31 December 2015.

CAPITAL COMMITMENTS

As at 31 December 2015, the capital commitments of the Group were approximately HK$25,471,000 (31 December 2014: HK$86,022,000). The capital commitments were mainly related to contracted but not yet provided for the acquisition of property, plant and equipment.

EVENTS AFTER THE REPORTING PERIOD

(a) On 8 December 2015, the Company and HX entered into a subscription agreement for the subscription of convertible bonds (the “HXCB”) in the principal amount of HK$100,000,000 to be issued by HX. The subscription price, which was equal to the principal amount of the HXCB, would be partly settled by offsetting the principal amount of the HX Bond of HK$70,000,000 to be repaid by HX to the Company under the redemption notice and the remaining balance would be settled in cash by the Company. The HXCB carries interest at a rate of 5% per annum and payable on the maturity date, which is the date falling twelve months from the date of issue of the HXCB. The HXCB entitles the holder to convert into ordinary shares of HX at the initial conversion price of HK$0.115 per conversion share (subject to adjustment) during the period after the date of issue and up to and including the maturity date. The initial conversion price of HK$0.115 represented a discount of approximately 30.72% to the closing price of HK$0.166 per ordinary share of HX as quoted on the Stock Exchange on 8 December 2015. Assuming the conversion rights attaching to the HXCB are exercised in full at the initial conversion price, a total of 869,565,217 shares of HX will be allotted and issued. The subscription of HXCB was completed on 5 February 2016. Details of the subscription of HXCB were set out in the Company’s announcement dated 8 December 2015.

(b) On 15 January 2016, a wholly-owned subsidiary of the Company (as purchaser) entered into a conditional sale and purchase agreement to purchase the entire issued share capital of Gear World Development Limited, a company incorporated in the British Virgin Islands with limited liability, at a consideration of not more than HK$800,000,000 (the Major Acquisition 2”). Upon the completion of the reorganisation, Gear World Development Limited will indirectly own the entire equity interest in北京天馬通馳汽車租賃有限公司 (Beijing Tian Ma Tong Chi Car Rental Co., Ltd.*) and Beijing Tian Ma Tong Chi Car Rental Co., Ltd. will own 49% of the equity interest of 北京天馬通馳旅遊客運有限公司 (Beijing Tian Ma Tong Chi Travel Transportation Co., Ltd.*), which is principally engaged in the provision of car rental services and tour bus services including shuttle bus services for business and leisure purposes as well as related value-added services. The consideration of HK$800,000,000 shall be settled by way of cash consideration and the issuance of convertible bonds. The Major Acquisition 2 constitutes a major transaction of the Company under Chapter 14 of the Listing Rules, it is therefore subject to approval by the Shareholders. As at the date of this announcement, the Major Acquisition 2 has not yet completed. Details of the transaction were set out in the Company's announcement dated 15 January 2016.

(c) Besides the NCB with an aggregate nominal value of HK$11,000,000 were subscribed during the year ended 31 December 2015, further HK$45,500,000 in aggregate were subscribed after the end of the reporting period and up to the date of this announcement.

(d) The Company exercised the conversion rights of the HXCB in the principal amount of HK$19,999,880, at the conversion price of $0.115 per share and 173,912,000 shares of HX were issued to the Company after the end of the reporting period and up to the date of this announcement.

(e) On 1 March 2016, the Company and a subscriber named Upper Target Limited entered into a subscription agreement, pursuant to which the Company has conditionally agreed to issue, and the subscriber has conditionally agreed to subscribe for the convertible bonds in the principal amount of HK$75,000,000 which are convertible into a maximum number of 493,421,052 new shares under general mandate based on the initial conversion price of HK$0.152 per share. Details of the subscription were set out in the announcements of the Company dated 1 March 2016 and 22 March 2016. The subscription has not been completed up to the date of this announcement, as some of the conditions for completing the subscription have not yet been fulfilled.

OUTLOOK

The Group has been impacted by the adverse global resources market conditions, nevertheless the Group will continue to 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.

Besides, new energy products, like electric vehicle, already commence replacing traditional energy products in a rapid speed. The Group would focus in this development and look for valuable business opportunities.

The Group will actively explore for business opportunities in other sectors to diversify its business that provide better returns for the Shareholders and broaden the sources of income of the Group.

CORPORATE GOVERNANCE PRACTICES

The Board and the management are committed to maintaining and ensuring high standards of corporate governance as good corporate governance can safeguard the interests of all shareholders and enhance corporate value. The Board continuously reviews and improves the corporate governance practices and standards of the Group from time to time to ensure that business activities and decision making possesses are regulated in a proper manner.

The Company had complied with the Corporate Governance Code and Corporate Governance Report (the "Code") as set out in Appendix 14 to the Listing Rules throughout the year ended 31 December 2015, except for the deviations from code provisions A.2.1, C.1.2 and D.1.4 of the Code, which are explained below.

Pursuant to code provision A.2.1 of the Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. Since Mr. Yang Fan resigned as chairman of the Board on 19 May 2015, the Company has not appointed chairman and chief executive officer and the roles and functions of chairman and chief executive officer have been performed by all the executive Directors collectively. The Board believes that this arrangement enables the Company to make and implement decisions promptly, and thus achieve the Company's objectives effectively and efficiently in response to the changing environment. The Board also believes that the Company already has a strong corporate governance structure in place to ensure effective oversight of management. The Board will continuously review the effectiveness of the Group's corporate governance structure to assess whether any changes are necessary.

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

Pursuant to code provision D.1.4 of the Code, issuers should have formal letters of appointment for directors setting out the key terms and conditions of their appointment. The Company did not enter into a letter of appointment with Mr. Tang Lap Chin, Richard, a former executive Director resigned on 17 July 2015. However, all Directors were subject to retirement by rotation in accordance with the articles of association of the Company. In addition, they have followed the guidelines set out in "A Guide on Directors' Duties" issued by the Companies Registry and "Guidelines for Directors" and "Guide for Independent Non-Executive Directors" (if applicable) published by the Hong Kong Institute of Directors in performing their duties and responsibilities as Directors. Besides, the Directors actively comply with the requirements under statute and common law, the Listing Rules, legal and other regulatory requirements and the Company's business and governance policies.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules as the code of conduct for securities transactions by the Directors. Having made specific enquiry of the Directors, all the Directors confirmed that they had complied with the required standard as set out in the Model Code throughout the year ended 31 December 2015.

The Company has also adopted the Model Code as the code of conduct for securities transactions by employees of the Company who are likely to be in possession of unpublished inside information of the Company.

No incident of non-compliance of the Model Code by the relevant employees of the Company was noted by the Company during the year ended 31 December 2015.

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

There was no purchase, sale or redemption by the Company or its subsidiaries of the Company's listed securities during the year ended 31 December 2015.

AUDIT COMMITTEE

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

The principal duties of the Audit Committee include the review of the Company's financial reporting procedure, risk management systems, internal controls and interim and annual results of the Group. The Group's annual results for the year ended 31 December 2015 have been reviewed by the Audit Committee.

SCOPE OF WORK OF ZHONGHUI ANDA CPA LIMITED

The figures in respect of the preliminary announcement of the Group's results for the year ended 31 December 2015 have been agreed by the Group's auditor, ZHONGHUI ANDA CPA Limited, to the amounts set out in the Group's audited consolidated financial statements for the year ended 31 December 2015. The work performed by ZHONGHUI ANDA CPA Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by ZHONGHUI ANDA CPA Limited on the preliminary announcement.

PUBLICATION ON ANNUAL RESULTS AND ANNUAL REPORT

This results announcement of the Group for the year ended 31 December 2015 is available for viewing on the website of the Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk and on the website of the Company at www.nur.com.hk. The annual report will be despatched to the shareholders of the Company and will also be available for viewing at the aforesaid websites in due course.

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

Hong Kong, 30 March 2016

As at the date of this announcement, the executive Directors are Mr. Lo Ka Wai, Mr. Feng Yongming, Mr. Li Hui and Mr. Tian Songlin; the non-executive Directors are Ms. Mou Ling and Mr. Yang Liu; and the independent non-executive Directors are Mr. Wang Qun, Dr. Yang Zhi Shu and Mr. Lai Ho Man, Dickson.

* *For identification purpose only*