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** (the "**Company**"), 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)

(1) MAJOR TRANSACTION ACQUISITION OF ENTIRE ISSUED SHARE CAPITAL OF GEAR WORLD DEVELOPMENT LIMITED; AND (2) NOTICE OF GENERAL MEETING

Financial adviser to the Company

八方金融有限公司
OCTAL Capital Limited

Capitalised terms used in this cover page shall have the same meanings as those defined in the section headed "Definitions" in this circular.

A letter from the Board is set out on pages 8 to 43 of this circular.

A notice convening the general meeting of the Company ("**GM**") to be held at 11:00 a.m. on Monday, 18 July 2016 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 June 2016

CONTENT

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

"Acquisition"	the acquisition by the Purchaser of the entire issued share capital of the BVI Co pursuant to the Sale and Purchase Agreement
"Advance Payment"	the refundable advance payment in an aggregate amount of HK$30 million paid by the Purchaser to the Vendors pursuant to the Sale and Purchase Agreement, which shall form part of the Cash Consideration A
"Board"	the board of Directors
"Business Day"	any day (other than Saturdays, Sunday or public holidays or days on which a tropical cyclone warning signal number 8 or above or black rainstorm warning is hoisted in Hong Kong at any time from 9:00 a.m. to 5:00 p.m.) on which commercial banks in Hong Kong are open to the public for general banking business in general
"BVI"	British Virgin Islands
"BVI Co"	Gear World Development Limited, a company incorporated under the laws of the BVI with limited liability
"Cash Consideration A"	cash in the amount HK$60 million (including the Advance Payment) to be paid by the Purchaser to the Vendors on the Completion Date as partial settlement of the Consideration pursuant to the terms of the Sale and Purchase Agreement
"Cash Consideration B"	cash in the amount of not exceeding HK$90 million (subject to downward adjustments) to be paid by the Purchaser to the Vendors within five (5) Business Days after fifteen (15) months from the Completion Date as partial settlement of the Consideration pursuant to the terms of the Sale and Purchase Agreement

"Cash Consideration C"	cash in the amount of not exceeding HK$90 million (subject to downward adjustments) to be paid by the Purchaser to the Vendors within five (5) Business Days after twenty-seven (27) months from the Completion Date as partial settlement of the Consideration pursuant to the terms of the Sale and Purchase Agreement
"Cash Considerations"	the Cash Consideration A, Cash Consideration B and Cash Consideration C
"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)
"Completion"	completion of the Acquisition pursuant to the Sale and Purchase Agreement
"Completion Date"	the fifth (5) Business Days after satisfaction or waiver (as the case may be) of the Conditions or such other date as the Parties may agree in writing
"Conditions"	the conditions precedent set out in the Sale and Purchase Agreement
"connected person(s)"	has the meaning ascribed to it under the Listing Rules
"Consideration"	HK$800 million (subject to the adjustments as set out in the Sale and Purchase Agreement, details of which are set out in this circular under the section headed "Letter from the Board – The Sale and Purchase Agreement – Consideration and payment terms and Guaranteed Profit and Adjustment to the Consideration"), being the consideration for the Acquisition
"Convertible Bondholder(s)"	a holder (or holders) whose name(s) the Convertible Bond(s) is/are registered in the register of convertible bondholder(s)
"Convertible Bonds"	the 3% coupon convertible bonds in the principal amount of not exceeding HK$560 million to be issued by the Company to the Vendors as partial settlement of the Consideration pursuant to the Sale and Purchase Agreement, including the Convertible Bond A, Convertible Bond B, and Convertible Bond C

"Convertible Bond A"	the convertible bonds in the aggregate principal amount of HK$140 million to be issued by the Company within five (5) Business Days from the Completion Date convertible to the Conversion Shares at the Conversion Price
"Convertible Bond B"	the convertible bonds in the aggregate principal amount of up to HK$190 million (subject to downward adjustments) to be issued by the Company within five (5) Business Days after fifteen (15) months from the Completion Date convertible to the Conversion Shares at the Conversion Price
"Convertible Bond C"	the convertible bonds in the aggregate principal amount of up to HK$230 million (subject to downward adjustments) to be issued by the Company within five (5) Business Days after twenty-seven (27) months from the Completion Date convertible to the Conversion Shares at the Conversion Price
"Conversion Price"	the initial conversion price of HK$0.30 per Conversion Share, subject to adjustment under the terms and conditions of the Convertible Bonds
"Conversion Rights"	the rights attached to the Convertible Bonds to convert the same or a part thereof into Conversion Shares
"Conversion Shares"	Up to 1,866,666,665 new Shares to be allotted and issued by the Company upon exercise of the convertible rights attaching to the Convertible Bonds
"Director(s)"	the director(s) of the Company
"Enlarged Group"	the Group as enlarged by the Target Group upon Completion
"First Relevant Period"	the first twelve (12) months commencing on the first date of the month immediately following the Completion Date
"GDP"	gross domestic product
"Gold Vantage"	Gold Vantage Development Limited, a limited company incorporated in Hong Kong with limited liability on 16 November 2012

"Gold Vantage Group"	Gold Vantage and Shandong Gold Vantage
"GM"	the general meeting of the Company to be convened and held to consider and approve, among other things, the Acquisition, issuance of the Convertible Bonds and the grant of the Specific Mandate
"Group"	the Company and its subsidiaries
"Guarantors"	Ms. Gu Baorong, the beneficial owner of Vendor I, and Mr. Ji Sen, the beneficial owner of Vendor II
"Guaranteed Periods"	the First Relevant Period and the Second Relevant Period
"Guaranteed Profit"	each HK$80 million for the First Relevant Period and HK$100 million for the Second Relevant Period
"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 (as defined under the Listing Rules)
"Instrument"	the instrument to be executed by the Company pursuant to the Sale and Purchase Agreement to create and issue the Convertible Bonds, which sets out the rights and interests of the Convertible Bondholder(s)
"Last Trading Day"	15 January 2016, being the date of signing of the Sale and Purchase Agreement
"Latest Practicable Date"	24 June 2016, being the latest practicable date prior to the despatch of this circular for the purpose of ascertaining certain information contained herein
"Listing Rules"	The Rules Governing the Listing of Securities on the Stock Exchange
"Long Stop Date"	31 October 2016 or such other date as the Parties may agree in writing
"Material Adverse Change"	any change (or effect) which has a material and adverse effect on the financial position, business or prospects or results of operations, of the Target Group as a whole

"MOU"	the memorandum of understanding dated 18 December 2015 entered into between the proposed purchaser, NUR Investments Company Limited (a company incorporated in the BVI and an indirect wholly-owned subsidiary of the Company), and the Vendors in relation to the Acquisition
"Net Profit"	the audited consolidated net profit after taxation of the Target Company prepared in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and audited by an auditor as appointed by the Purchaser (as defined in the Sales and Purchase Agreement, being 100% of the net profit of the Target Company and 49% of the net profit of TMTC Travel, including (i) associated government financial support and benefits as a results of purchasing new energy electric vehicles under the various preferential policies issued by relevant PRC authorities policies, such as subsidies, preferential tax arrangements and refund; (ii) profit from media and advertising promotion, value added retail services and internet business generated from the car rental, passenger travel and sale of parts and components businesses, employment services, but excluding profit generated from extraordinary businesses of the TMTC Group; for avoidance of doubt, as agreed by the Vendors and Guarantors, the Purchaser shall have the absolution discretion to decide what type of profit (other than (i) and (ii) above) could be included in the calculation
"Parties"	the Vendors, the Purchaser and the Guarantors, being the parties to the Sale and Purchase Agreement
"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
"Purchaser"	NUR New Energy Management Company Limited, a company incorporated in the BVI and a wholly-owned subsidiary of the Company

"Reorganisation"	the structural reorganisation to be carried out by the BVI Co towards the Target Group prior to Completion such that the BVI Co will own the entire issued share capital of Gold Vantage, which will own the entire equity interest of Shandong Gold Vantage, Shandong Gold Vantage will own the entire equity interest of the Target Company, which will own 49% equity interest in TMTC Travel (the existing shareholders of the TMTC Group shall agree and proceed to the relevant equity transfers of the TMTC Group), details of the structure of the Target Group upon completion of the Reorganisation is, for illustration purpose only, are set out in the table under the section headed "Information of the Target Group – Structure of the Target Group"
"Sale and Purchase Agreement"	a sale and purchase agreement dated 15 January 2016 (as amended by a supplemental agreement dated 24 June 2016) and entered into among the Purchaser, the Vendors and the Guarantors in respect of the Acquisition
"Sale Shares"	an aggregate of 10,000 ordinary shares of US$1 each of the BVI Co, being the entire issued share capital of the BVI Co
"SFO"	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"Shandong Gold Vantage"	山東金衛電子科技發展有限公司 (Shandong Gold Vantage Electronic Technology Development Company Limited*), a company established in the PRC on 10 December 2015
"Second Relevant Period"	the period of twelve (12) months commencing on the date immediately following the expiry of the First Relevant Period
"Share(s)"	ordinary share(s) in the capital of the Company
"Shareholder(s)"	holder(s) of the Shares
"Specific Mandate"	a specific mandate to be granted to the Directors by the Shareholders at the GM to issue and allot the Conversion Shares
"Stock Exchange"	The Stock Exchange of Hong Kong Limited

"Target Company"	北京天馬通馳汽車租賃有限公司 (Beijing Tian Ma Tong Chi Car Rental Co., Ltd*), a company established in the PRC on 3 July 2006
"Target Group"	the BVI Co and its subsidiaries (including Gold Vantage Group and TMTC Group)
"TMTC Group"	The Target Company and TMTC Travel
"TMTC Travel"	北京天馬通馳旅遊客運有限公司 (Beijing Tian Ma Tong Chi Travel Transportation Co., Ltd*), a company incorporated in the PRC on 24 April 1990
"Vendor I"	Nation Spirit Limited, a company incorporated in the BVI and wholly and beneficially owned by Ms. Gu Baorong
"Vendor II"	Blissful Elite Limited, a company incorporated in the BVI and wholly and beneficially owned by Mr. Ji Sen
"Vendors"	Vendor I and Vendor II
"HK$"	Hong Kong Dollar, the lawful currency of Hong Kong
"RMB"	Renminbi, the lawful currency of the PRC
"US$"	United States Dollar, the lawful currency of United States of America
"%"	per cent.

* *For identification purposes only*

For the purpose of this circular, the exchange rate of RMB1.00 = HK$1.19 has been used for currency conversion. This is for the purpose of illustration only and does not constitute a representation that any amounts in RMB and HK$ have been, could have been or may be converted at such rate or any other exchange rate.

If there is any inconsistency in this circular between the Chinese and English versions, the English version shall prevail.

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)

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

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
Dr. Zhang Tianmin

30 June 2016

To the Shareholders,

Dear Sir or Madam,

(1) MAJOR TRANSACTION ACQUISITION OF ENTIRE ISSUED SHARE CAPITAL OF GEAR WORLD DEVELOPMENT LIMITED; AND (2) NOTICE OF GENERAL MEETING

INTRODUCTION

Reference is made to the announcement of the Company dated 18 December 2015 in relation to, amongst other things, the entering into of the MOU and the announcements dated 15 January 2016 and 24 June 2016 in relation to the Acquisition.

On 15 January 2016 (after trading hours), the Purchaser (a 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 entire issued share capital of the BVI Co at a consideration of HK$800 million, which shall be satisfied by (i) the payment of Cash Considerations; and (ii) the issuance of the Convertible Bonds. The principal terms of the Sale and Purchase Agreement are set out below.

The purpose of this circular is to provide you with, among other things, (i) further details of the Acquisition; (ii) the financial information of the Target Group; and (iii) other general information of the Company.

THE SALE AND PURCHASE AGREEMENT

Set out below are the principal terms of the Sale and Purchase Agreement:

Date of the original agreement:	15 January 2016 (after trading hours)
Date of the supplemental agreement:	24 June 2016 (after trading hours)
Parties:	(i) Vendor I and Vendor II; (ii) the Guarantors; and (iii) the Purchaser.

The purpose of entering into of the supplemental agreement was to extend the Long Stop Date to 31 October 2016 or such other date as the Parties may agree in writing.

As at the Latest Practicable Date, each of Vendor I and Vendor II, is holding 50% 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. The TMTC Group was introduced by a Director to the Company. To the best of the Directors' knowledge, each of Vendor I, Vendor II and their respective beneficial owners did not have any prior or current business relationships and/or other connections or relationships with the Company, any of the Directors, controlling shareholder or other connected persons of the Company.

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 entire issued share capital of the BVI Co. In other words, each of Vendor I and Vendor II, will sell 5,000 Sale Shares to the Purchaser respectively.

Consideration and payment terms

The Consideration for purchasing the Sale Shares shall be not more than HK$800 million and subject to downward adjustments (as detailed in the section headed "Guaranteed Profit and Adjustment to the Consideration" below) in accordance with the Sale and Purchase Agreement. Having reviewed the profit recorded by the TMTC Group for the years ended 31 December 2014 and 2015, the Consideration was determined after arm's length negotiations between the Company and the Vendors after taking into account, among others, that:

(i) the long history and the operating performance of the TMTC Group including but not limited to the scale and number of customers using car rental and shuttle bus services, and the leading position of TMTC Group in the car rental and shuttle bus services market in Beijing, the PRC;

(ii) the recent business development of the TMTC Group, by the end of December 2015, the TMTC Group had secured more than 35 contracts with service terms ranging from half year to five years with numbers of institutional customers in the PRC, most of them are multinational corporations/international schools. The aggregate contract sum of such 35 contracts secured for the period from 1 January 2016 to the end of the respective contract period is approximately RMB234 million (equivalent to approximately HK$278 million). In addition, TMTC Group had also secured certain master contracts without setting out fixed rental schedules, pursuant to which the rental fees shall be determined on the actual usage of car rental services. Therefore, it is expected that TMTC Group will generate addition revenue from the car rental services under such master contracts. With reference to the historical profit margin of the TMTC Group, the Directors expect that the revenue and profit to be generated from the signed contracts will significantly increase in the coming years;

(iii) the recent expansion of the business of the TMTC Group, currently the TMTC Group had fleet size of approximately 750 vehicles, of which 400 electric buses were purchased in 2015 and would be gradually put into service by the end of 2016. Depending on the pace of business expansion, the TMTC Group targets to purchase additional 1,000 electric buses in the year 2016 in order to cope with the business development as mentioned in paragraph (ii) above;

(iv) the performance targets/Guaranteed Profit (as described in details in the section headed "Guaranteed Profit and Adjustment to the Consideration" below) of the TMTC Group of HK$80 million and HK$100 million for the First Relevant Period and the Second Relevant Period respectively;

(v) the payment terms of the Consideration, which comprises 4 tranches, provide for adjustment mechanism and are subject to downward adjustments depending on the achievement of the Guaranteed Profit by the TMTC Group;

(vi) the settlement of 70% of the aggregate Consideration by way of issuance of Convertible Bonds (subject to downward adjustments) is favourable to the Group given that it enables the Group to implement the Acquisition without significant outlay of cash and preserve its currently available cash for future development of its business; and

(vii) the opportunity for the Group to gain access to the car rental and shuttle bus services in the PRC and to broaden the income base of the Group.

The Consideration of not more than HK$800 million is subject to downward adjustments, each of the Vendors will be entitled to its share of consideration in proportion to their respective shareholding in the BVI Co. The Consideration will be settled in the following manner:

1. Within five (5) Business Days from the date of the Sale and Purchase Agreement:

   the Purchaser shall pay HK$30 million in cash to the Vendors as refundable Advance Payment and such refundable Advance Payment shall become part of the Consideration upon the Completion Date. If any of the Conditions cannot be fulfilled on or before the Long Stop Date or the Sale and Purchase Agreement is terminated early, the Advance Payment will be refunded to the Purchaser by the Vendors without interest within five (5) Business Days after the Long Stop Date or early termination of the Sale and Purchase Agreement, whichever is earlier. The Purchaser has paid the Advance Payment to the Vendors pursuant to the Sale and Purchase Agreement.

2. Upon Completion:

   (a) an amount of HK$30 million will be settled in cash as Cash Consideration A (after deducting the Advance Payment) on Completion Date; and

   (b) an amount of HK$140 million will be settled by the issuance of the Convertible Bond A within five (5) Business Days from the Completion Date.

3. Within five (5) Business Days after fifteen (15) months from the Completion Date:

   (a) an amount of not exceeding HK$90 million will be settled in cash as Cash Consideration B; and

   (b) an amount of not exceeding HK$190 million will be settled by the issuance of the Convertible Bond B.

4. Within five (5) Business Days after twenty-seven (27) months from the Completion Date:

   (a) an amount of not exceeding HK$90 million will be settled in cash as Cash Consideration C; and

   (b) an amount of not exceeding HK$230 million will be settled by the issuance of the Convertible Bond C.

The Vendors guarantee and warrant to the Purchaser that the Net Profit for each of the Guaranteed Periods shall meet the respective Guaranteed Profit. In the event that any of the Net Profit does not meet the Guaranteed Profit in respect of the respective Guaranteed Periods, the respective principal amount of the Cash Consideration B/Cash Consideration C and/or the Convertible Bond B/Convertible Bond C will be adjusted in accordance with the adjustment mechanism set out in the Sale and Purchase Agreement as disclosed in this circular under the section headed "Letter from the Board – the Sale and Purchase Agreement – Guaranteed Profit and Adjustment to the Consideration" below.

The Directors consider that the Consideration is fair and reasonable and on normal commercial terms and that the entering into of the Sale and Purchase Agreement and the transactions contemplated thereunder are in the interests of the Company and the Shareholders as a whole. The Directors intend to settle the Cash Considerations according to the payment terms of the Sale and Purchase Agreement by internal resources of the Group, including cash and proceeds from previous fund raising exercises.

Guaranteed Profit and Adjustment to the Consideration

Guaranteed Profit for each of the First Relevant Period and the Second Relevant Period is HK$80 million and HK$100 million respectively.

(A) With respect to the adjustment in relation to the First Relevant Period,

(i) in the event that the Net Profit for the First Relevant Period is equal to or more than HK$80 million, no adjustment shall be made to the Cash Consideration B and Convertible Bond B;

(ii) in the event that the Net Profit for the First Relevant Period is less than HK$80 million, the adjusted aggregate principal amount of the Cash Consideration B and Convertible Bond B will be determined in accordance with the following formula:

$$X = \frac{NP1}{GP1} \times \text{HK\$280 million}$$

X : the adjusted aggregate principal amount of Cash Consideration B and Convertible Bond B

NP1 : Net Profit for the First Relevant Period

GP1 : Guaranteed Profit for the First Relevant Period (i.e. HK$80 million)

(a) if the amount of X is greater than HK$190 million, no adjustment shall be made to the principal amount of Convertible Bond B, while the Purchaser shall have the right to adjust the amount of Cash Consideration B to the amount equivalent to X minus HK$190 million (the "**Adjusted CCB**"), in this case, the Purchaser shall settle the amount equal to the Adjusted CCB by cash as Cash Consideration B within five (5) Business Days after 15 months from the Completion Date; and

(b) if the amount of X is less than or equal to HK$190 million, the principal amount of Convertible Bond B shall be adjust to the amount equal to X (the "**Adjusted CBB**") and the Cash Consideration B shall be cancelled.

In the event that the Net Profit for the First Relevant Period is or falls below zero, the Cash Consideration B shall be cancelled and no Convertible Bond B shall be issued to the Vendors.

(B) With respect to the adjustment in relation to the Second Relevant Period,

(i) in the event that the Net Profit for the Second Relevant Period is equal to or more than HK$100 million, no adjustment shall be made to the principal amount of the Cash Consideration C and Convertible Bond C;

(ii) in the event that (a) the Net Profit for the First Relevant Period is less than HK$80 million (but no loss is recorded); and (b) the Net Profit for the Second Relevant Period exceeds the Guaranteed Profit for the Second Relevant Period (i.e. HK$100 million); and

(a) if situation as described in sub-paragraph (A)(ii)(a) above is applied, in addition to the settlement of Cash Consideration C and issuance of the Convertible Bond C, an amount of cash should be paid to the Vendors based on the following formula:

$$X1 = \frac{(NP2 - GP2)}{GP1} \times \text{HK\$280 million}$$

X1 : aggregate amount of cash to be paid to the Vendors (but such amount shall be not more than HK$90 million minus the Adjusted CCB)

NP2 : Net Profit for the Second Relevant Period

GP2 : Guaranteed Profit for the Second Relevant Period (i.e. HK$100 million)

GP1 : Guaranteed Profit for the First Relevant Period (i.e. HK$80 million)

(b) if situation as described in sub-paragraph (A)(ii)(b) above is applied, in addition to the settlement of Cash Consideration C and issuance of the Convertible Bond C, an amount of convertible bonds and/or cash should be issued/paid to the Vendors based on the following formula:

$$Y1 = \frac{(NP2 - GP2)}{GP1} \times \text{HK\$280 million}$$

Y1 : aggregate amount of convertible bonds and/or cash to be issued/paid to the Vendors (but such amount shall be not more than the amount equal to HK$280 million minus Adjusted CBB)

NP2 : Net Profit for the Second Relevant Period

GP2 : Guaranteed Profit for the Second Relevant Period (i.e. HK$100 million)

GP1 : Guaranteed Profit for the First Relevant Period (i.e. HK$80 million)

which the amount up to HK$190 million minus Adjusted CBB shall be satisfied by way of issuance of convertible bonds and the remaining amount (if any) shall be settled in cash.

(iii) in the event that (a) the Net Profit in the First Relevant Period is or falls below zero; and (b) the Net Profit for the Second Relevant Period exceeds the Guaranteed Profit for the Second Relevant Period (i.e. HK$100 million), in addition to the settlement of Cash Consideration C and issuance of the Convertible Bond C, an amount of convertible bonds and/or cash should be issued/paid to the Vendors based on the following formula:

$$Z = \frac{(NP2 - GP2 - L1)}{GP1} \times \text{HK\$280 million}$$

Z : aggregate amount of convertible bonds and/or cash to be issued/paid to the Vendors (such amount shall be not more than HK$280 million)

NP2 : Net Profit for the Second Relevant Period

GP2 : Guaranteed Profit for the Second Relevant Period (i.e. HK$100 million)

L1 : Loss recorded for the First Relevant Period

GP1 : Guaranteed Profit for the First Relevant Period (i.e. HK$80 million)

which the amount up to HK$190 million shall be satisfied by way of issuance of convertible bonds and the remaining amount (if any) shall be settled in cash, provided that the portion settle in cash shall be not more than the amount of HK$90 million.

(iv) in the event that the Net Profit for the Second Relevant Period is less than the Guaranteed Profit for the Second Relevant Period (i.e. HK$100 million), the Purchaser/the Company shall have the right to adjust the aggregate amount of Cash Consideration C and the Convertible Bond C in accordance with the following formula:

$$X2 = \frac{NP2}{GP2} \times \text{HK\$320 million}$$

X2 : aggregate amount of Cash Consideration C and/or the principal amount of the Convertible Bond C to be paid/issued to the Vendors

NP2 : Net Profit for the Second Relevant Period

GP2 : Guaranteed Profit for the Second Relevant Period (i.e. HK$100 million)

- If the amount of X2 is more than HK$230 million, no adjustment shall be made to the principal amount of the Convertible Bond C, and the Purchaser shall have the right to adjust the amount of Cash Consideration C to the amount equal to X2 minus HK$230 million, and the Purchaser shall settle such amount as Cash Consideration C within five (5) Business Days after twenty-seven (27) months from the Completion Date;

- If the amount of X2 is or less than or equal to HK$230 million, the principal amount of the Convertible Bond C shall be adjusted to the amount equal to X2 and Cash Consideration C shall be cancelled.

(v) In the event that the Net Profit for the Second Relevant Period is or falls below zero (even the Net Profit for the First Relevant Period exceed the Guaranteed Profit for the First Relevant Period (i.e. HK$80 million)), no Cash Consideration C/Convertible Bond C shall be paid/issued to the Vendors.

(vi) The Group intends to appoint Zhonghui Anda CPA Limited as the auditor for the Target Company. To assess if the Guaranteed Profit was met, the auditors are expected to complete the audit of the Target Company for the First Relevant Period and the Second Relevant Period within fourteen (14) months and twenty-six (26) months from the Completion Date respectively. The Company would publish further announcement(s) at appropriate time disclosing the performance of the acquired business, including whether the Guaranteed Profit was met, and whether and how the Vendors and the Guarantors fulfilled their obligations under the terms of the Sale and Purchase Agreement if the Guaranteed Profit was not met.

(vii) Basis of determining the Guaranteed Profit

The Guaranteed Profit is determined with reference to the existing and expected business performance of the TMTC Group. Historically, majority of the revenue of the TMTC Group was generated from its regular shuttle bus services provided to institutional customers for carrying employees/students of such institutional customers between the workplaces/schools to residential communities before and after working hours/school time ("**Peak Hours**"). Recently, the management of the TMTC Group has put much efforts to enhance its operational efficiency by increasing the utilisation rate of its existing fleet, new contracts were signed with some customers for renting out idle shuttle buses (without chauffeured service) during the non-Peak Hours and weekend with effective from 2016 so as to reduce the idle time of existing shuttle buses and increase the aggregate days that the shuttle buses are rented out. These customers are usually travel agents, which rent the buses for their corporate or promotion activities.

In addition, the TMTC Group has expanded its rental service by enhancing its commercial vehicles rental service capacity, it has secured contract with a sizeable institutional customer to provide commercial car rental services (without chauffeured service) for a term of three years effective from 2016. The TMTC Group had purchased 30 electric vehicles of BMW brand in 2016 and all these electric vehicles would be in service by the second quarter of 2016. Besides, the TMTC Group has explored new customers base to provide shuttle bus services to customers with the principal business in property management, to carry residents between major pick-up points of designated residential communities and major transportation hubs (e.g. subway stations, bus terminals, train stations, etc). The Directors consider it is a new market of the TMTC Group and the TMTC Group will identify more potential customers in this respect. In light of the recent business developments of the TMTC Group, the Directors are confident that the TMTC will continue strive for business expansion and the TMTC Group will experience a considerable growth in the coming years.

As disclosed in the paragraph headed "Consideration and payment terms" above, by the end of December 2015, the TMTC Group had secured more than 35 service contracts for its shuttle buses and car rental services with terms ranging from half year to five years with institutional customers/international schools of different size in the PRC, most of these customers are multinational corporations/ international schools. With reference to the estimated cost structure, the Directors expect that the revenue and profit generated from the signed contracts will increase significantly.

By the end of December 2015, the TMTC Group had fleet size of approximately 750 vehicles where approximately 2% of the vehicles are saloon cars and approximately 98% of the vehicles are shuttle buses, of which over 350 vehicles were in operation and using conventional energy. The remaining 400 vehicles are electric buses that purchased in 2015 and would be gradually put into service by the end of 2016. As compared with conventional energy vehicles, the management of the TMTC Group estimates that the vehicle procurement cost of new energy electric buses is much lower and the electricity cost of electric buses is at least 40% lower than the petrol cost of conventional energy vehicles, the repair and maintenance expenses and the depreciation rates of electric buses are much lower than those of conventional energy vehicles. To cope with the continuous business expansion as mentioned above, the TMTC Group will continue to expand its fleet, and target to purchase additional 1,000 electric buses in the year 2016. The Directors expect that the TMTC Group would be benefited from the use of electric buses by reduction of the procurement cost and operational cost per vehicle.

Having considered (a) the improvement of operational efficiency could better allocate the fleet resources and generate more revenue for the TMTC Group; (b) the enlarged fleet will support the growth of business and the use of electric buses would reduce the procurement cost and operational cost per vehicle as compared with the use of conventional energy vehicles; (c) the continuous business developments of the TMTC Group with increasing number of customers and secured contracts, the management of the Company considered that the revenue to be generated from the signed contracts will significantly increase, with reference to the estimated cost structure of the TMTC Group, the management of the Company consider that the Guaranted profit is reasonable.

Conditions precedent of the Sale and Purchase Agreement

Completion shall be conditional upon the fulfillment of the following Conditions:

(a) the Sale and Purchase Agreement and the transactions contemplated thereunder (including the Acquisition, issuance of the Convertible Bonds and the grant of Specific Mandate to allot and issue the Conversion Shares) having been approved by the Shareholders at the GM;

(b) the completion of the Reorganisation (written agreement/approval shall be obtained from the Purchaser if there is any changes in Reorganisation) and all of the approvals and filings in respect of the Reorganisation having been obtained;

(c) the shareholders' loan (if any) due from any members of the Target Group at the time of Completion having been capitalized or waived or assigned to the Purchaser or its nominated person(s) (as the case may be);

(d) the members of the Target Group having obtained all necessary certificates, permits, approvals, licenses and/or relevant documents in respect of its operation and such documents remain effective;

(e) each of the Vendors having obtained all necessary approvals, authorizations consents from and completed all necessary registrations and filings (if applicable) with the governmental authorities bodies (including but not limited to the governmental authorities or regulatory bodies in the PRC), its shareholder or any third parties in respect of the Sale and Purchase Agreement and the transactions contemplated thereunder;

(f) the Purchaser being reasonably satisfied with the results of the due diligence on the Target Group;

(g) the Purchaser having obtained a legal opinion issued by qualified PRC legal advisers engaged by the Purchaser with respect to (i) the Sale and Purchase Agreement and the transactions contemplated thereunder; and (ii) the shareholding of structure, legality and validity, capital contribution, business, taxation matters, legality of the assets, environmental protection, approvals and licenses, etc. in respect of the companies within the Target Group which were established in the PRC, in such substance to the reasonable satisfaction of the Purchaser;

(h) the memorandum and articles of TMTC Travel having been amended or all the shareholders of TMTC Travel (other than the Target Company) having provided a legally binding writing undertaking, pursuant to which all the shareholders of TMTC Travel (other than the Target Company) shall give up their rights in relation to the daily management and operation of TMTC Travel, including the rights to nominate directors, supervisors, legal representative and other senior management of TMTC Travel and all of the directors, supervisors, legal representative and other senior management of TMTC Travel shall be appointed by the Target Company, and all the approvals and filings in respect of the amendments to the memorandum and articles of TMTC Travel having been obtained;

(i) the Vendors having delivered to the Purchaser, in respect of any members within the Target Group which were incorporated in the BVI, the certificates of good standing and certificates of incumbency, and such certificates being dated not more than ten (10) Business Days before the Completion Date;

(j) since the date of the Sale and Purchase Agreement and up to the Completion Date:

(1) there being no adverse change in the business, assets, financial position and operation of the Target Group which the Purchaser reasonably consider to be material to the Sale and Purchase Agreement and the transactions contemplated thereunder;

(2) there being no on-going or pending investigation, action, arbitration, claim or any other legal proceeding, whether initiated or threatened to be initiated by any court, adjudication board or tribunal or any governmental authority of competent jurisdiction, which the Purchaser reasonably consider to be material to the Sale and Purchase Agreement and the transactions contemplated thereunder;

(3) there being no event or circumstance which causes any warranty given by the Vendors in the Sale and Purchase Agreement to be materially untrue or inaccurate; and there being no event or circumstance which the Purchaser reasonably consider may cause a Material Adverse Change; and

(4) there being no proposed enactment, promulgation or enforcement by any authority of any ordinances, rules, orders, judgments, notices or awards, which prohibits, restricts or materially delays the execution or performance of the Sale and Purchase Agreement and the transactions contemplated thereunder by the Vendors;

(k) the Vendors having confirmed to the Purchaser in writing that Conditions referred to in sub-paragraphs (e) and (j) above (if not waived) have been satisfied as at Completion; and

(l) the listing of and permission to deal in all of the Conversion Shares having been granted by the Stock Exchange and such grant has not been revoked as at the Completion Date.

The Purchaser may waive the Condition referred to in sub-paragraph (f) above at any time before the Long Stop Date by notice in writing to the Vendors. Save for such waiver, none of the Conditions can be waived.

If any of the above Conditions has not been fulfilled (or as the case may be, waived pursuant to the Sale and Purchase Agreement) on or before the Long Stop Date, then the Sale and Purchase Agreement shall lapse immediately thereafter and be of no further effect and the Advance Payment shall be refunded to the Purchaser by the Vendors without interest within five (5) Business Days from the Long Stop Date or the date of termination of the Sale and Purchase Agreement (if earlier). Neither party to the Sale and Purchase Agreement shall have any claim against or liability or obligation to the other party under the Sale and Purchase Agreement save for any antecedent breaches.

As announced by the Company on 30 March 2016, the Purchaser had served a written notice to the Vendors and Guarantors notifying them that the Purchaser agrees to waive the Condition referred to in sub-paragraph (h) above provided that such waiver shall be without prejudice to the Purchaser's rights under the Sale and Purchase Agreement. Accordingly, the Company will only be interested in 49% of TMTC Travel upon Completion and would not obtain any board, business and operational control of TMTC Travel which is disproportionate to its shareholding and TMTC Travel would become an associate of the Group and its results will be equity accounted for in the accounts of the Group upon Completion.

Save as disclosed above, the Directors confirm that as at the Latest Practicable Date, none of the above conditions have been fulfilled or waived. Depending on the results of the due diligence review on the Target Group, the Purchaser may consider waiving the condition (f) set out above in the event that there are only immaterial issues identified by the Purchaser during the due diligence review that do not have material adverse effect on the performance, prospect or operation of the Target Group as a whole. As at the Latest Practicable Date, the Company has no intention to waive the above Condition set out in sub-paragraph (f) above.

Completion

Subject to the fulfillment of the Conditions, Completion shall take place on the Completion Date. Upon Completion, the BVI Co will be wholly-owned by the Purchaser and become an indirect wholly-owned subsidiaries of the Company.

Guarantees

The Guarantors, as the Vendors' guarantors, guaranteed to the Purchaser the due performance of the Vendors' obligations under the Sale and Purchase Agreement.

THE CONVERTIBLE BONDS

Pursuant to the Sale and Purchase Agreement, an aggregate amount of not more than HK$560 million will be settled by way of the issuance of the Convertible Bonds. The principal terms of the Convertible Bonds, which have been negotiated on an arm's length basis, are summarized as follow:

Issuer	:	the Company
Maximum aggregate principal amount	:	Convertible Bond A: HK$140 million Convertible Bond B: HK$190 million Convertible Bond C: HK$230 million
Interest	:	bear interest from the issue date at the rate of 3% per annum on the outstanding principal amount of each of the Convertible Bonds. The interest will be payable by the Company on the maturity date as set out below. If such day falls on a statutory holiday or rest day, the interest payment date shall be postponed to the first working day immediately thereafter. In the event that the Convertible Bondholder(s) exercise the conversion rights attached to the Convertible Bonds, the relevant Convertible Bonds shall bear no interest.
Maturity date	:	the date falling on the third anniversary of the date of issuance of the Convertible Bonds.
Conversion Shares	:	Convertible Bond A: the Convertible Bond A are convertible into 466,666,666 Conversion Shares based on the maximum aggregate principal amount of the Convertible Bond A of HK$140 million and the Conversion Price. Convertible Bond B: the Convertible Bond B are convertible into 633,333,333 Conversion Shares based on the maximum aggregate principal amount of the Convertible Bond B of HK$190 million and the Conversion Price. Convertible Bond C: the Convertible Bond C are convertible into 766,666,666 Conversion Shares based on the maximum aggregate principal amount of the Convertible Bond C of HK$230 million and the Conversion Price.

Conversion Rights	:	the Convertible Bondholder(s) will have the right to convert the whole or part of the outstanding principal amount of the Convertible Bonds (in the amount of HK$5,000,000 or integral multiples thereof) at any time during the period commencing from the date of issue of the Convertible Bonds up to 4:00 p.m. on the maturity date, provided that the Convertible Bonds may not be converted, to the extent if such conversion would result in (a) the Company's non-compliance with the minimum public shareholding requirement stipulated under the Listing Rules; or (b) a Convertible Bondholder and parties acting in concert with it, taken together, will directly or indirectly, control or be interested in such percentage of the issued share capital of the Company as from time to time be specified in the Takeovers Code as being the level for triggering a mandatory general offer.
Conversion Price	:	HK$0.30 per Conversion Share, subject to anti-dilutive adjustments upon the occurrence of any of the following events:

(i) consolidation or subdivision of Shares;

(ii) issue (other than in lieu of the whole or part of a cash dividend and other than issue that would amount to a capital distribution) of Shares credited as fully paid to Shareholders by way of capitalization of profits or reserves (including any share premium account or capital redemption reserve fund);

(iii) capital distribution to Shareholders being made by the Company;

(iv) an offer or grant being made by the Company to the Shareholders by ways of rights, any options, warrants to subscribe for the purchase any Shares, in each case at price less than 65% of the market price of the Shares;

(v) issue wholly for cash being made by the Company of securities convertible into or exchangeable for or carrying rights of subscription for Shares, at a consideration 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 consideration per Share is less than 65% of the market price of the Shares;

(vi) issue of Shares being made wholly for cash at a price less than 65% of the market price of the Shares; and

(vii) an offer or invitation being made by the Company to the Shareholders to tender for sale to the Company any Shares or if the Company shall purchase of any Shares or securities convertible in Shares to any rights to acquire Shares.

Transferability	:	Convertible Bonds shall be transferrable to any party other than a connected person of the Company with the prior written consent of the issuer.
Ranking	:	the Conversion Shares, when allotted and issued, will rank *pari passu* in all respects with all existing Shares in issue on the date of allotment and issue of such Conversion Shares. There shall be no restriction for subsequent sale of the Conversion Shares.
Voting rights	:	the Convertible Bondholder will not be entitled to attend or vote at any general meetings of the Company by reason only of it being the Convertible Bondholder.

Redemption	:	the Company may at any time before the maturity date, by serving at least five (5) days' prior written notice on the Convertible Bondholders with the total amount proposed to be redeemed from the Convertible Bondholders specified therein, redeem Convertible Bonds (in whole or in part) at 100% of the principal amount of the Convertible Bonds to be redeemed, plus relevant interest that accrued and yet to settle.
Listing	:	No application will be made by the Company for the listing of the Convertible Bonds on the Stock Exchange. Application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Conversion Shares.

Assuming no adjustment will be made in respect of the Conversion Price. Subject to the adjustments set out in the section headed "The Sale and Purchase Agreement – Guaranteed Profit and Adjustment to the Consideration", not more than 1,866,666,665 Conversion Shares in aggregate will be issued and allotted to the Convertible Bondholder(s) upon exercise in full of the conversion rights attaching to the Convertible Bonds, the 1,866,666,665 Conversion Shares represent:

(i) approximately 29.11% of the issued share capital of the Company as at the Latest Practicable Date; and

(ii) approximately 22.55% of the issued share capital of the Company as enlarged by the issue and allotment of the Conversion Shares.

The Conversion Price of HK$0.30 per Conversion Share represents:

(i) a premium of approximately 32.74% to the closing price of the Shares of HK$0.2260 per Share as quoted on the Stock Exchange on the Last Trading Day;

(ii) a premium of approximately 26.26% over the average closing price of the Shares of HK$0.2376 per Share as quoted on the Stock Exchange for the five consecutive trading days immediately before the Last Trading Day;

(iii) a premium of approximately 27.55% to the average closing price of the Shares of HK$0.2352 per Share as quoted on the Stock Exchange for the ten consecutive trading days immediately before the Last Trading Day; and

(iv) a premium of approximately 104.08% to the closing price of the Shares of HK$0.147 per Share as quoted on the Stock Exchange on the Latest Practicable Date.

The Conversion Price of HK$0.30 per Conversion Share was determined by the Purchaser and the Vendors after arm's length negotiations after taken into account of, among others, the average closing price of the Shares for the five consecutive trading days preceding the date of the Sale and Purchase Agreement and the prevailing market price of the Shares. The Directors consider that the Conversion Price is fair and reasonable.

The Conversion Shares are to be issued and allotted by the Company under Specific Mandate to be sought from the Shareholders at the GM.

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 issue and allotment of Conversion Shares upon the exercise in full of the conversion rights attaching to the Convertible Bond A; (iii) immediately after the issue and allotment of Conversion Shares upon the exercise in full of the conversion rights attaching to the Convertible Bond A and Convertible Bond B; and (iv) immediately after the issue and allotment of Conversion Shares upon the exercise in full of the conversion rights attaching to the Convertible Bonds are as follows:

Shareholders	As at the Latest Practicable Date		Immediately after the issue and allotment of Conversion Shares upon the exercise in full of the conversion rights attaching to the Convertible Bond A		Immediately after the issue and allotment of Conversion Shares upon the exercise in full of the conversion rights attaching to the Convertible Bond A and Convertible B		Immediately after the issue and allotment of Conversion Shares upon the exercise in full of the conversion rights attaching to the Convertible Bonds	
	No. of Share	*Approximate %*	*No. of Share*	*Approximate %*	*No. of Share*	*Approximate %*	*No. of Share*	*Approximate %*
Yang Fan	810,759,648	12.64%	810,759,648	11.79%	810,759,648	10.79%	810,759,648	9.79%
Li Hui	1,801,000	0.03%	1,801,000	0.03%	1,801,000	0.03%	1,801,000	0.02%
Tian Songlin	470,000	0.01%	470,000	0.01%	470,000	0.01%	470,000	0.01%
The Vendors:								
Vendor I	–	–	233,333,333	3.39%	550,000,000	7.32%	933,333,333	11.27%
Vendor II	–	–	233,333,333	3.39%	549,999,999	7.32%	933,333,332	11.27%
Public Shareholders	5,598,739,852	87.32%	5,598,739,852	81.39%	5,598,739,852	74.53%	5,598,739,852	67.64%
Total	6,411,770,500	100.00%	6,878,437,166	100.00%	7,511,770,499	100.00%	8,278,437,165	100.00%

Note: Mr. Li Hui and Mr. Tian Songlin are executive Directors

There will not be a change in control of Company as a result of the Acquisition.

INFORMATION ON THE VENDOR

Each of the Vendors is a company incorporated in BVI and is wholly-owned by the respective Guarantors. Both Vendors are principally engaged in investment holding.

INFORMATION OF THE TARGET GROUP

Background

Upon completion of the Reorganisation, the BVI Co will own the entire issued share capital of Gold Vantage, which owns the entire equity interest of Shandong Gold Vantage. Shandong Gold Vantage will own the entire equity interest of the Target Company, which will own 49% equity interest in TMTC Travel. The Target Group engages 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 BVI Co is an investment holding company incorporated in the BVI on 17 September 2015 with limited liability. As at the Latest Practicable Date, each of Vendor I and Vendor II, is holding 50% of the issued share capital in the BVI Co respectively.

Gold Vantage is a limited company incorporated in Hong Kong on 16 November 2012 and is principally engaged in investment holding. As at the Latest Practicable Date, Gold Vantage is wholly owned by the BVI Co.

Shandong Gold Vantage is a wholly foreign owned enterprise established in the PRC on 10 December 2015. Its scope of business includes but not limited to vehicle and internet technology, research on communication technology, sale of batteries, mechanical equipment and electric vehicles, research and sale of the parts and components of electric vehicles, consultancy on corporate management, storage services, etc. As at the Latest Practicable Date, Shandong Gold Vantage has yet to carry out any business and is wholly owned by Gold Vantage.

As at the Latest Practicable Date, the Target Company is a company established in the PRC on 3 July 2006 and owned as to 51% by Mr. Ji Kaiping, 25% by Mr. Guo Peiyuan and 24% by Ms. Chen Jianmei, each of them is an Independent Third Party. As confirmed by Mr. Ji Sen, the beneficial owner of Vendor II, Mr. Ji Kaiping, one of the existing shareholders of the Target Company, is his father. Save as disclosed above, Mr. Ji Sen has no prior or current business relationship and/or other connections or relationships with Mr. Guo Peiyuan and Ms. Chen Jianmei, the other existing shareholders of the Target Company. As confirmed by Ms. Gu Baorong, the beneficial owner of Vendor I, she has no prior or current business relationships and/or other connections or relationships with Mr. Ji Kaiping, Mr. Guo Peiyuan and Ms. Chen Jianmei. The Target Company is principally engaged in car rental service and sale of parts and components. As at the Latest Practicable Date, the Target Company directly owns the entire interest of TMTC Travel. The relevant progress of the transfer of the entire equity interest in the Target Company to Shandong Gold Vantage and the transfer of 51% equity interest in TMTC

Travel to an Independent Third Party was still undergoing and it is expected that the Reorganisation will be completed in around end of October 2016. As advised by the Vendors, the consideration for the transfer of entire equity interest in the Target Company from the existing shareholders to Shangdong Gold Vantage will be approximately RMB8,000,000, which is determined with reference to the registered capital of the Target Company. Upon completion of the Reorganisation, the Target Company will be wholly owned by Shandong Gold Vantage and TMTC Travel will be owned as to 49% by the Target Company and 51% by an Independent Third Party.

TMTC Travel was established in the PRC on 24 April 1990 and, at the time of establishment, it was principally engaged in the provision of tour services. In April 2008, the Target Company acquired TMTC Travel and TMTC Travel has subsequently developed its business activities to the provision of tour bus services, passenger operation and car rental services.

Business Model of the TMTC Group

Having been operating in the motor rental industry for almost ten years, the TMTC Group is one of the largest car rental companies in the PRC, offering comprehensive shuttle bus and car rental services, including but not limited to, (i) shuttle bus services for employees/students of institutional customers between the working places/schools to different residential communities by conventional energy vehicles and/or electric buses; (ii) car rental services without chauffeured service; and (iii) car rental services for different business and leisure purposes such as pick-up services requested by the institutional or individual customers.

Historically, majority of the revenue of the TMTC Group was contributed from its regular shuttle bus services ordered by multinational corporations/international schools who arrange transportation for their employees/students to/from the workplaces/schools before and after the office hours/school time. Pursuant to the service contracts entered into between TMTC Travel and these institutional customers, TMTC Travel provides regular shuttle bus services with chauffeured services to these customers with a term of few months to 5 years. The TMTC Group offers different size of vehicles ranging from 5 to 59 seats. Depending on the number of service locations and the number of passengers of each customer, the TMTC Group will select appropriate vehicle size and assign appropriate number of vehicles for each of its customers. The service fees are primarily determined with reference to the number of service days, number of shuttle bus required, number of pick-up points, mileages, labour cost, petrol/electricity cost, parking fee, insurance and other relevant costs.

In addition to shuttle bus services, the TMTC Group also provides car rental service where chauffeured service is not offered. The TMTC Group offers to its customers a wide range of vehicle selection, mainly shuttle bus of different sizes, van and commercial vehicles of different types. This service is usually on ad hoc basis and the service fees are determined with reference to the estimated mileages, petrol/electricity cost per single trip/day.

Besides, the TMTC Group also offers car rental services with chauffeured service provided for different business and leisure purposes such as pick-up services between major transportation hubs (such as airports and train stations, key exhibition/convention centres, hotels) and major business districts/residential communities/sight-seeing points as requested by institutional or individual customers. Depending on the number of passengers and service points, the TMTC Group will select appropriate commercial vehicles/shuttle buses and assign appropriate number of vehicles for each of these customers. The service fees are primarily determined with reference to the number of rental car required, number of pick out points, estimated mileages, labour cost, petrol/electricity cost, parking fee, etc.

TMTC Group is one of the private enterprises selected by relevant Beijing government department to provide car rental or shuttle bus services in a number of scalable events. The TMTC Group has participated and received appreciation for its transportation security services in following large events:

2008	Beijing Olympic Games
2009	Celebration of 60th anniversary of the founding of the PRC in Beijing
2014	Asia-Pacific Economic Cooperation (APEC) in Beijing
2015	Celebration parade of 70th anniversary of the victories of War of Resistance Against Japan in Beijing.

Target markets and customers

Currently, the major market of TMTC Group is Beijing, the PRC. With increased fleet size, the TMTC Group plans to expand its shuttle bus and car rental services to other major cities of the PRC, such as Shenzhen, Chongqing and Shanghai. As at the Latest Practicable Date, the management of the TMTC Group has started negotiations with the potential customers in these areas and conducting feasibility studies on relevant registration, licensing and filing requirements.

TMTC Group has developed a diverse customer base. Currently, majority of the revenue of the TMTC Group was generated from various types of institutional customers, most of these institutional customers are multinational corporations or international schools with branches or offices in the PRC. The institutional customers of TMTC Group cover a wide variety of industries, including telecommunications, IT and consumer goods, and many of which are Fortune Global 500 companies.

Fleet size

By the end of December 2015, the TMTC Group had fleet size of approximately 750 vehicles where approximately 2% of the vehicles are saloon cars and approximately 98% of the vehicles are shuttle buses, of which over 350 vehicles were in operation and using conventional energy. The remaining 400 vehicles are electric buses that purchased in 2015 and would be gradually put into service by the end of 2016. The TMTC Group is forging ahead with its transformation from the operation of vehicles using conventional energy to vehicles using new energy with a view to decrease carbon emission and create a more environmental-friendly environment. To this end, the TMTC Group targets to purchase additional 1,000 electric buses in 2016. The Directors expect that the TMTC Group would be benefited from the use of electric buses by substantial reduction of procurement cost and operational cost per vehicle.

Licenses

Pursuant to the Regulation of the People's Republic of China on Road Transport (中華人民共和國道路運輸條例) promulgated by the State Council of the PRC in 2004, while the road transport administrative authority issues the road transport business operation license (道路運輸經營許可證) to the applicant, the vehicle operation license plates (車輛營運證) with respect to each of the eligible vehicles of the applicant in operation shall also be issued to the applicant. According to the Provisions on the Administration of Road Passenger Transport and Passenger Stations (道路旅客運輸及客運站管理規定) promulgated by the Ministry of Transport of the PRC in 2005 (as amended in 2008, 2009 and 2012), the road transport administrative authority shall issue the road transport license plate (道路運輸證) with respect to the eligible vehicles to be put in service to the licensees.

However, the transport administrative authority of Beijing has suspended the above requirements and does not issue the vehicle operation license plate/road transport license plate with respect to the new vehicles of the transport operators, so as to limit the vehicle operation license plates/road transport license plates for new vehicles. Although TMTC Travel has submitted the application for the relevant license plates for its vehicles to the transport administrative authority of Beijing before 30 March 2016, no response has been received from the transport administrative authority of Beijing as at the Latest Practicable Date. It is not uncommon for the enforcement authorities in the PRC to suspend the enforcement of relevant laws and regulations as they deem it appropriate. Since there is no official notice for the suspension in issuing the vehicle operation license plate/road transport license plate, the management of TMTC Travel was not aware that when the suspension took place and how long such suspension would last. The management of TMTC Travel confirmed that they will keep a close eye on the development of the license policies. As advised by the PRC legal adviser of the Company, there is no legal impediment for TMTC Travel to obtain the vehicle operation license plate/road transport license plate for its vehicles in operation as it has obtained the road transport business operation license. Since TMTC Travel carries out its business activities in Beijing, it is not practicable for it to obtain the license plates from other transport administrative authority apart from Beijing.

As at the Latest Practicable Date, only four vehicles of TMTC Travel in operation have been granted the vehicle operation license plates/road transport license plates, although TMTC Travel has obtained the road transport business operation license. The remaining 324 vehicles in operation have not been granted the vehicle operation license plates/road transport license plates due to the above mentioned reason.

In light of the above circumstances, the PRC legal adviser of the Company had approached Beijing Traffic Management Bureau (北京市交通管理局) and tried to conduct interview with its officials in relation to their view on the suspension in issuance of the vehicle operation license plates/road transport license plates, the legal consequences on TMTC Travel and the potential actions would be taken by the relevant authority in view of the non-compliance, however, as at the Latest Practicable Date, no response was received from it.

Alternatively, the PRC legal adviser of the Company conducted an interview with an expert of the China Road Transport Association (中國道路運輸協會)*. The expert has more than 20 years of experience in the transportation industry and is a senior engineer. He had worked in the Department of Transportation of Beijing in the past and has been working in the China Road Transport Association for more than 10 years. He was responsible for supervision of the finance leasing of automobiles industry and related administrative works and participated in the drafting of various national standards and industry standards relating to finance leasing of automobiles industry. The expert is of the view that the current uncertainty with respect to issuance of the vehicle operation license plates/road transport license plates for new vehicles in Beijing was due to the facts that there is degree of confusion in the exercise of the regulatory functions of the relevant administrative authorities and the existing laws and regulations have certain ambiguities.

As confirmed by the management of TMTC Travel, TMTC Travel had never received any penalty or subject to any orders for such lack of the vehicle operation license plates/road transport license plates for its vehicles.

Taking into account the following factors:

(i) TMTC Travel has obtained the road transport business operation license and the business accreditation certificate for Beijing car rental company;

* *The China Road Transport Association was established in 1991 with the approval from the Ministry of Civil Affairs of the PRC and State Department of Transportation of the PRC. It is a self-discipline and non-profit social organization formed based on the principle of voluntariness, which consisting of enterprises and institutions as well as organizations engaged in transportation and related industries founded within the boundaries of the People's Republic of China. It has the qualifications of a legal social organization. It has ten professional committees in various aspects such as passenger transportation, goods transportation, dangerous goods transportation, automobiles rental and finance leasing and others.*

(ii) TMTC Travel had never received any penalty or subject to any orders due to the lack of the vehicle operation license plates/road transport license plates for its vehicles;

(iii) even if the vehicles are temporary impounded due to the lack of the vehicle operation license plates/road transport license plates, the relevant vehicles will be released upon settlement of the penalty and the relevant authorities would not suspend or cease the business operation of TMTC Travel;

(iv) the reasons for TMTC Travel not being able to obtain the vehicle operation license plates/road transport license plates for its vehicles in operation were mainly due to the inadequate laws and regulations in the PRC and the fact that the relevant transport administrative authorities have not strictly implemented the relevant laws and regulations to issue the vehicle operation license plates/road transport license plates with respect to the vehicles in operation to the eligible transport operators;

(v) according to a research report released by Beijing Qihan Information Consultancy Limited (北京啟瀚信息諮詢有限公司), a PRC research and consultancy company focus to provide information and services on vehicle, property and finance industries, there are altogether approximately 15,000 shuttle buses operated by the transport operators in Beijing, of which only approximately 7,213 shuttle buses have obtained the vehicle operation license plates/road transport license plates as required by the relevant rules and regulations, due to the inadequate laws and regulations, it is common that the transport operators in Beijing conduct their shuttle bus business without the vehicle operation license plates/road transport license plates with respect to their vehicles in operation,

the PRC legal adviser of the Company is of the view that there will not be a material operational impact on the business of TMTC Travel due to the lack of the vehicle operation license plates/road transport license plates for its vehicles.

Although the management of TMTC Travel believes that the likelihood that TMTC Travel to be penalized for the historical lack of the vehicle operation license plates/road transport license plates for its vehicles is remote, due to the uncertainties of the enforcement of applicable laws and regulations by competent authorities, if the competent authorities strictly enforce the relevant laws and regulations, TMTC Travel may be subject to the maximum potential penalty of RMB10,000 per vehicle and temporary impounding of the vehicles without the vehicle operation license plates/road transport license plates, which will have a material operational impact on the business of TMTC Travel. Upon settlement of the penalty, the relevant vehicle will be released. As advised by the PRC legal adviser of the Company, under the relevant PRC laws and regulations, the relevant traffic management authorities are not empowered to suspend or cease the business operation of TMTC Travel. Assuming all of the 324 vehicles were impounded at the same time, the maximum potential penalty per time would amount to RMB3.24 million, which represented approximately 46.6%, 5.5% and 666.3% of the net assets, revenue and profit after taxation of the TMTC Group during the year ended 31 December 2015 respectively. However, the Directors consider that the potential maximum penalty of RMB3.24 million is not material to TMTC Travel as compared with the Guaranteed Profit. The amount of potential maximum penalty represented approximately 4.1% and 3.2% of the Guaranteed Profit of the First Relevant Period and the Second Relevant Period respectively.

The Vendors and Guarantors had provided a deed of indemnity, pursuant to which, each of the Vendors and Guarantors shall give indemnity in favour of the Purchaser from and against, among others things, (i) any tax liabilities which might be payable by any member of the Target Group in respect of any income, profits and gains earned, accrued or received before Completion; and (ii) all fines, loss, damages, liability, cost, charges, fees or expenses which any of the members of the Target Group may incur or suffer arising from or in connection with any non-compliance of any members of the Target Group before Completion, including but not limited to the failure of obtaining the vehicle operation license plates/road transport license plates for the vehicles of TMTC Travel.

As advised by the PRC legal adviser of the Company, the requirement of vehicle operation license plates/road transport license plates is applicable to transport operator which is both (i) the owner of the operational vehicles; and (ii) the employer of the staff who provide chauffeured services to its customers. As at the Latest Practicable Date, as TMTC Travel simultaneously owns the operational vehicles and employs the staff who provides chauffeured services, TMTC Travel is therefore required to obtain vehicle operation license plates/road transport license plates under relevant regulatory requirements. In order to minimise the operational risk to the largest extent, TMTC Travel has undertaken that before obtaining the vehicle operation license plates/road transport license plates for its vehicles in operation, TMTC Travel will engage or establish staffing companies to dispatch drivers to TMTC Travel under labor dispatch arrangement. In such case, TMTC Travel will only provide vehicle rental service to its customers, where the chauffeured service will be provided by the staffing companies directly to TMTC Travel's customers. As advised by the PRC legal adviser of the Company, under such arrangement, TMTC Travel is not required to apply/obtain the vehicle operation license plates/road transport license plates for its operational vehicles, and the business operation of TMTC Travel will fully comply with the applicable rules and regulations. In the event that TMTC Travel engages or establishes staffing companies to dispatch drivers to TMTC Travel, TMTC Travel will arrange its existing employees to be employed by such staffing companies. The Directors expect that there will be no material cost incurred arising from such arrangement.

Though TMTC Group has not fully complied with all applicable regulatory requirements due to its lack of requisite vehicle operation license plates/road transport license plates, taking into account the following factors:

(i) as discussed in the paragraphs above, the PRC legal adviser of the Company is of the view that there will not be a material operational impact on the business of TMTC Travel;

(ii) the potential maximum penalty of RMB3.24 million is not material to TMTC Travel as compared with the Guaranteed Profit of the First Relevant Period and the Second Relevant Period;

(iii) the Vendors and Guarantors had provided a deed of indemnity in favour of the Purchaser; and

(iv) TMTC Travel has undertaken that before obtaining the vehicle operation license plates/road transport license plates for its operating vehicles, the proposed labor dispatch arrangements as discussed above will be adopted, as advised by the PRC legal adviser of the Company, TMTC Travel is not required to apply/obtain the vehicle operation license plates/road transport license plates for its operational vehicles under such labor dispatch arrangements, and the business operation of TMTC Travel will fully comply with the applicable rules and regulations,

the Directors therefore consider that the lack of the vehicle operation license plates/road transport license plates for the vehicles will not affect the future business operation of TMTC Travel and it is in the interests of the Company and the shareholders to proceed with the Acquisition.

The management of TMTC Travel confirmed that they will keep a close eye on the development of the license policies to ensure that all license plates will be obtained subject to relevant regulatory requirements which the transport administrative authority of Beijing resumes to issue the vehicle operation license plates/road transport license plates with respect to eligible vehicles. TMTC Travel will engage and seek advice from the PRC legal advisers/industry experts from time to time to ensure the up-to-date development of the policies in relation to the license plates implemented by the Beijing authorities will be noted by the management of TMTC Travel in a timely manner so that appropriate actions can be taken.

Risk Factors

TMTC Travel lacks of vehicle operation license plates/road transport license plates for its vehicles, which could subject TMTC Travel to fines or penalties and a material operational impact on the business of TMTC Travel

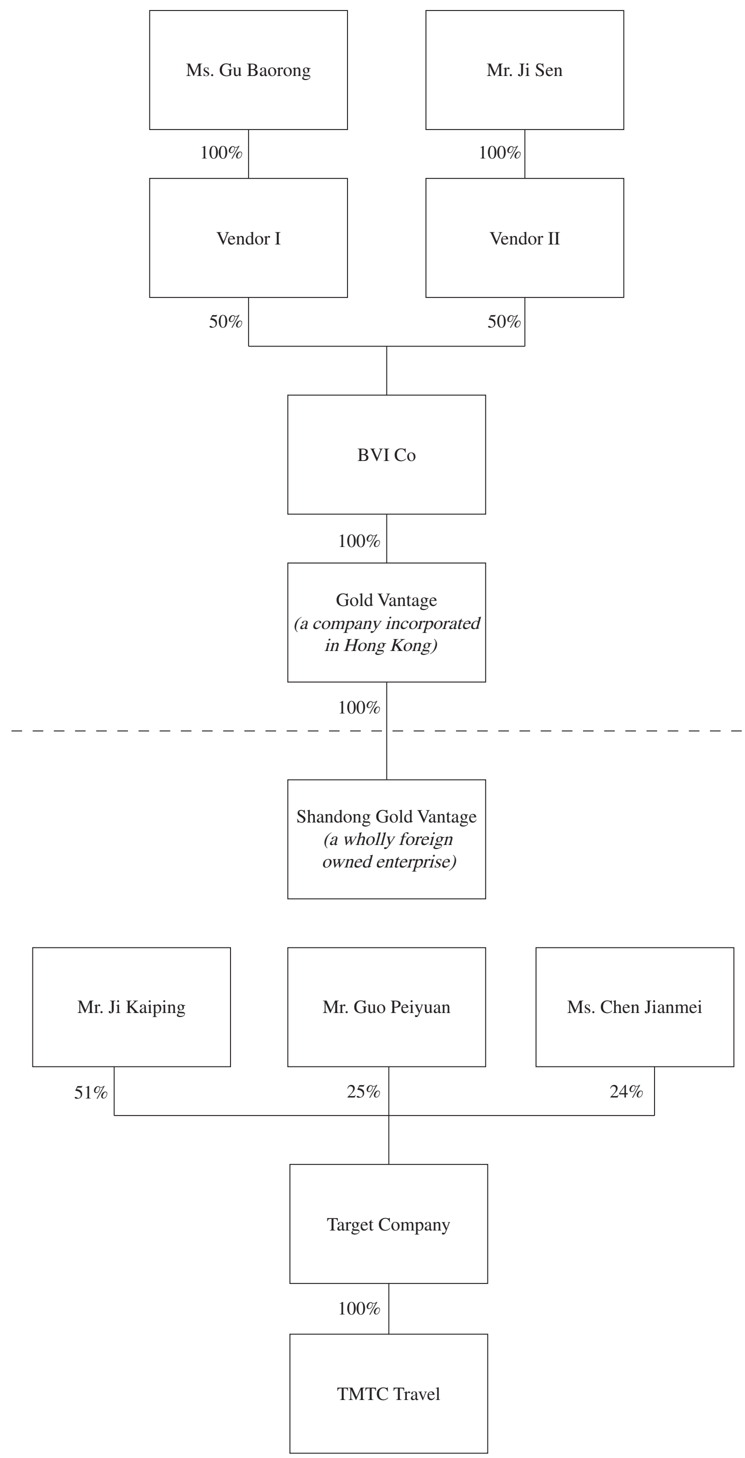
The vehicle rental industry is mainly regulated by governmental authorities at local levels, which impose various regulatory requirements on the transport operators and vehicles. Pursuant to the Regulation of the People's Republic of China on Road Transport (中華人民共和國道路運輸條例) promulgated by the State Council of the PRC in 2004, while the road transport administrative authority issues the road transport business operation license (道路運輸經營許可證) to the transport operators, the vehicle operation license plates (車輛營運證) with respect to each of the eligible vehicles of the transport operators shall also be issued to the transport operators. According to the Provisions on the Administration of Road Passenger Transport and Passenger Stations (道路旅客運輸及客運站管理規定) promulgated by the Ministry of Transport of the PRC in 2005 (as amended in 2008, 2009 and 2012), the road transport administrative authority shall issue the road transport license plate (道路運輸證) with respect to the eligible vehicles to be put in service to the licensees.

However, the transport administrative authority of Beijing has suspended the above requirements and does not issue the vehicle operation license plate/road transport license plate with respect to the new vehicles of the transport operators. As a result of the inconsistency in local rules and their implementation, as at the Latest Practicable Date, only four vehicles of TMTC Travel in operation have been granted the vehicle operation license plates/road transport license plates although TMTC Travel has obtained the road transport business operation license. Although TMTC Travel had submitted the application for the relevant license plates for its vehicles to the transport administrative authority of Beijing before 30 March 2016, there is no assurance as to when TMTC Travel can obtain such vehicle operation license plates/road transport license plates. As a result of such non-compliance, if the competent authorities strictly enforce the relevant laws and regulations, TMTC Travel may be subject to the maximum potential penalty of RMB10,000 per vehicle and temporary impounding of the vehicles without the vehicle operation license plates/road transport license plates, which will have a material operational impact on the business of TMTC Travel. As advised by the PRC legal adviser of the Company, upon settlement of the penalty, the relevant vehicle will be released, and under the relevant PRC laws and regulations, the relevant traffic management authorities are not empowered to suspend or cease the business operation of TMTC Travel. Assuming all of the 324 vehicles were impounded at the same time, the maximum potential penalty per time would amount to RMB3.24 million.

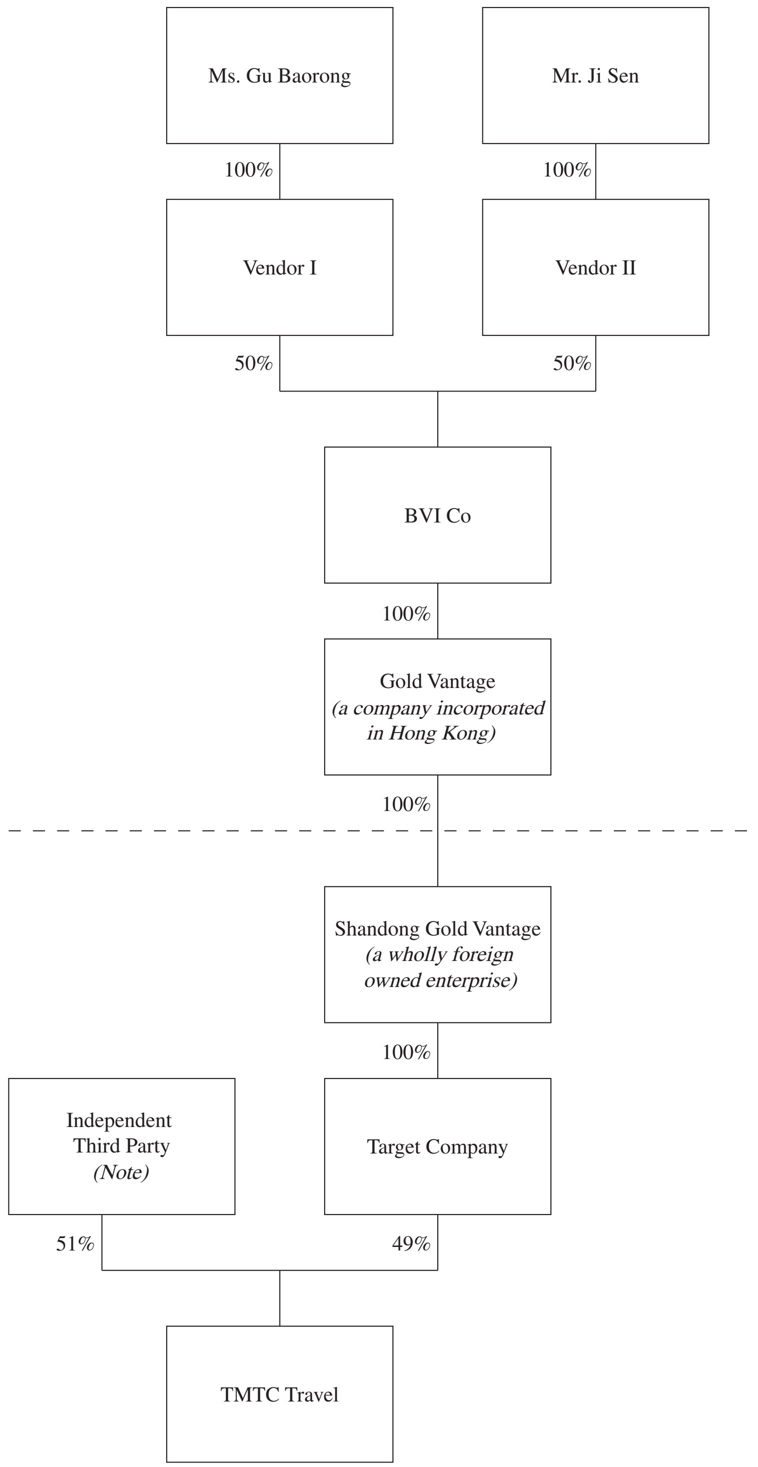
Structure of the Target Group

According to the Catalogue of Industries for Guiding Foreign Investment (2015 Amended version)(外商投資產業指導目錄(2015年修訂)), the industries in which TMTC Travel is engaged fall within the categories of "restricted foreign investment industries". As such, foreign investment in TMTC Travel shall not exceed 49% of the equity interest in TMTC Travel. To comply with the requirement of the Catalogue of Industries for Guiding Foreign Investment (2015 Amended version), upon completion of the Reorganisation, TMTC Travel will be owned as to 49% by the Target Company and 51% by an Independent Third Party.

The structure of the Target Group, as at the Latest Practicable Date, is set forth as follows:



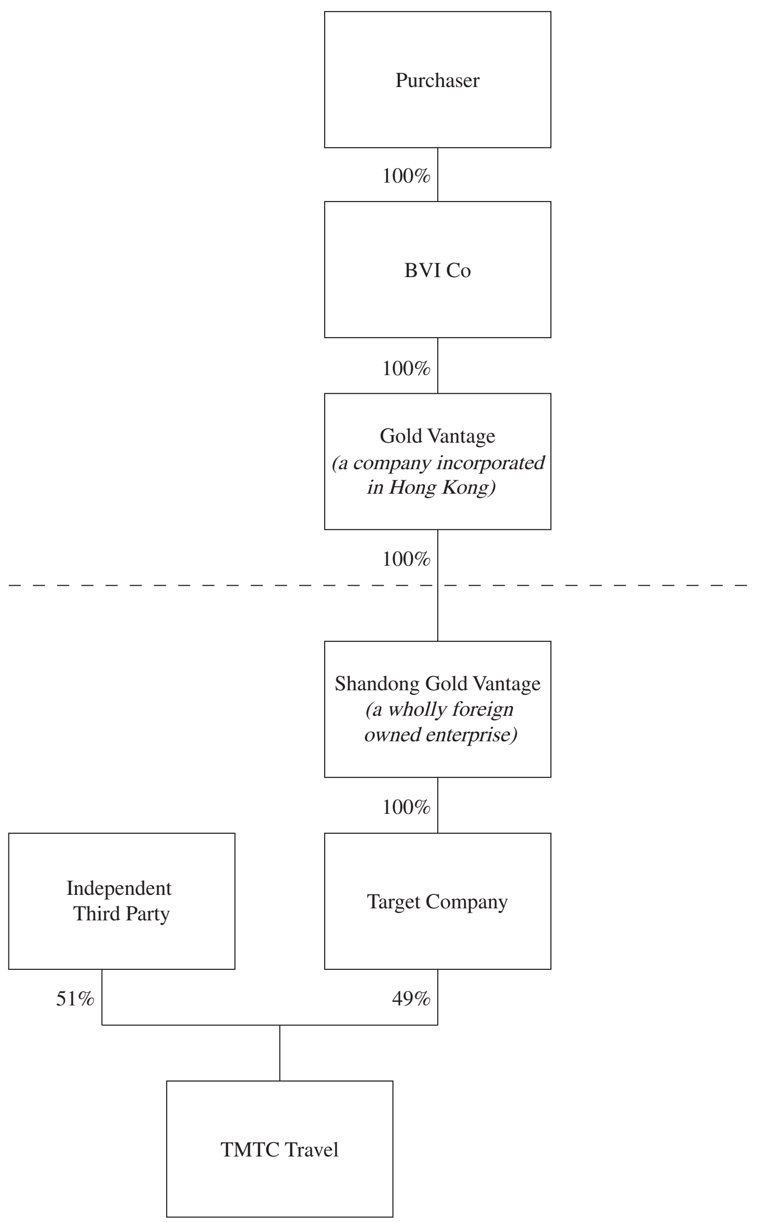
For illustration purpose only, the structure of the Target Group, upon completion of the Reorganisation, is set forth as follows:



Note: It is expected that Ms. Lu Zongxue will hold 51% interests in the TMTC Travel on trust for Mr. Ji Kaiping, one of the original shareholders of the Target Company upon completion of the Reorganisation.

The structure of the Target Group and the Reorganisation procedures are proposed by the Vendors. The Directors consider that such structure of the Target Group and the Reorganisation are feasible and will not have any material impact to the Group. Further, the Reorganisation will streamline the process of the Acquisition by the Company. Therefore, the Company concurs with the Reorganisation as proposed by the Vendors.

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



Financial information of the Target Group

Upon Completion, each of the BVI Co and the Target Company will become an indirect wholly-owned subsidiary of the Company, and TMTC Travel will become an associate of the Target Company and its results will be equity accounted for in the accounts of the Group upon Completion. Thus, the Target Group will be consolidated into the accounts of the Group in accordance with the Group's accounting policies, and the Group will share the profit and loss from TMTC Travel with reference to the shareholding percentage of the Target Company in TMTC Travel.

As extracted from the accountants' report on the TMTC Group as set out in Appendix IIIA to this circular, the following table summarises the financial information of the TMTC Group for each of the three financial years ended 31 December 2013, 2014 and 2015 where the TMTC Travel was wholly owned by the Target Company and its results was 100% consolidated into the accounts of the Target Company.

	For the year ended 31 December 2013	**For the year ended 31 December 2014**	**For the year ended 31 December 2015**
	RMB	*RMB*	*RMB*
	Audited	Audited	Audited
Revenue	43,604,081	36,398,548	59,238,670
Net (Loss)/Profit before taxation	(281,796)	102,524	651,735
Net (Loss)/Profit after taxation	(347,485)	(92,964)	486,248
Net Assets	6,565,548	6,472,584	6,958,832

The historical financial information of the TMTC Group as disclosed above and in Appendix IIIA had consolidated 100% interest of TMTC Travel. As TMTC Travel will become an associate of the Target Company, the TMTC Group would only equity account for 49% interest of the TMTC Travel upon completion of the Reorganisation.

During the years ended 31 December 2013 and 31 December 2014, the business of TMTC Group was striving to improve its service quality and in the process to establish a long term relationship with its institutional customers who request for timely and good quality of transportation services. In 2013 and 2014, the total fleet size of TMTC Group was only approximately 165 conventional energy vehicles. Due to limited fleet size, the business scale of TMTC Group was limited, the operational efficiency of TMTC Group was not performed as expected, which led to continued losses in the years ended 31 December 2013 and 31 December 2014.

During the year ended 31 December 2015, the TMTC Group had gradually established a stable and trustworthy relationship with its multinational corporations and international schools customers, resulting in an increase of number of orders and attracting new customers to engage the TMTC Group for provision of shuttle bus services. In light of growing number of customers, in 2015, TMTC Group purchased additional 185 conventional energy vehicles (which were all put into service by 2015) and 400 electric buses (which would be gradually put into service by the end of 2016) to cope with the business expansion. As such, the total fleet size in operation had increased to 350 vehicles in 2015. The increased fleet size allowed the TMTC Group to enjoy economies of scale and the management of the TMTC Group had closely monitor the operation of the fleet. During the year 2015, TMTC Group had experienced growth in revenue while with the increased fleet size and improved its operational efficiency. The higher gross profits derived from customers and improvement of service efficiency led to an overall increase in the gross profit and hence the TMTC Group recorded a profit of RMB486,248 for the year ended 31 December 2015.

As disclosed in the accountants' report of the TMTC Group as set out in Appendix IIIA, the TMTC Group had net current liabilities of approximately RMB7.4 million, RMB7.7 million and RMB76.4 million as at 31 December 2013, 2014 and 2015 respectively. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the TMTC Group's ability to continue as a going concern. The financial statements of the TMTC Group have been prepared on a going concern basis, the validity of which depends upon the financial support of Mr. Ji Kaiping, Mr. Guo Peiyuan and Ms. Chen Jianmei (collectively, the "**Original Shareholders**"), at a level sufficient to finance the working capital requirements of the TMTC Group and the TMTC Group's ability to generate sufficient working capital. The Original Shareholders have agreed to provide adequate funds for the TMTC Group to meet its liabilities as they fall due and the managements of the TMTC Group are of the opinion that the TMTC Group will have cash inflow from operation and sufficient banking facilities to finance its working capital requirements for a 12-month period from the date of the accountants' report as set out in Appendix IIIA.

Upon Completion, the Target Company will become a wholly-owned subsidiary of the Company. It is expected that the Original Shareholders will cease to provide funds for the TMTC Group upon Completion. However, having (i) reviewed the working capital forecast of the TMTC Group for a 12-month period from the date of the accountants' report; and (ii) assessed the net current assets of the Group of HK$518.4 million as at 31 December 2015, the Board considers that TMTC Group will have sufficient resources to support its operation and the Group has adequate funds for the TMTC Group to meet its liabilities as they fall due. In light of the above, the Board is of the view that the going concern issue of the TMTC Group (including the cease of funding commitment from the Original Shareholders) would not have material impact on the operations of the TMTC Group and/or the acquisition.

REASONS FOR AND BENEFITS OF THE ACQUISITION

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.

According to the introduction of the research report "China Car Rental Industry Report, 2014-2018" published by Research and Markets (a global market research store which offers a number of searchable research resources or market data for various industry sectors), car rental market of the PRC emerged in 1990 when the Asian Games was held in Beijing. Since then, higher internationalization cities such as Beijing, Shanghai, Guangzhou and Shenzhen began to develop the market. Until 2000, the car rental market extended to other cities. Over more than a decade of development, PRC had more than 400,000 vehicles for lease by 2014 with the market size of nearly RMB40 billion, and the figures are expected to be 750,000 and over RMB60 billion by 2018. Car rental industry of the PRC targeted foreign companies and large state-owned enterprises in early time, and car rental services for individuals were growing in recent ten years. Together with PRC's expected steady GDP growth, increased car use is expected to continue to drive the growth of the PRC's car rental market. The car rental services provided by the Target Group meet the needs of both institutional and individual customers by offering a cost-effective and convenient alternative to car ownership.

Moreover, in recent years, the PRC government has been promoting the development of electric motor vehicle industry. In May 2015, the State Council of the PRC released the policy statement "Made in China 2025", in which new energy vehicle industry is designated as one of the major development area. In addition, several PRC authorities issued preferential policies stimulating the investment in electric motor vehicle industry, including "關於2016-2020年新能源汽車推廣應用財政支持政策的通知" (the Circular on Financial Support Policies on the Promotion and Application of New Energy Vehicles (2016-2020) (the "**Policies Circular**")). The manufacturers of new energy vehicles may be subsidized or benefited from the Policies Circular, and able to sell the new energy vehicles at a lower price. It is expected that the TMTC Group would be benefited indirectly when purchasing the new energy electric vehicles.

Considering (i) the expected growing demand of car rental services in the PRC, (ii) the preferential policies on new energy vehicles toward the electric bus purchased by the Target Group, (iii) the operating performance of the Target Group, including but not limited to, the scale and number of customers using car rental and shuttle bus services and the reputation of TMTC Group in the car rental industry in Beijing, the PRC; and (iv) the Guaranteed Profit and the business prospect of the Target Group, the Company is of the view that the entering into of the Sale and Purchase Agreement will allow the Company to explore and develop the Group's business portfolio and also provide a new source of income for the Group.

The Board also considers that the terms and conditions for the Acquisition are on normal commercial terms, which are fair and reasonable and in the interest of the Company and its Shareholders as a whole. Going forward, the Group will continue its existing business after Completion and will continue to explore other investment opportunities that have earning potentials in order to expand its existing operations and to diversify its business. As at the Latest Practicable Date, save for the Acquisition, the Company has no concrete plan and in negotiation, agreement, arrangement or understanding on any acquisition of new business, or any disposal, scaling down and/or termination of its existing business and/or major operating assets; or injection of any new business to the Group.

FINANCIAL EFFECTS OF THE ACQUISITION

Upon completion of the Acquisition, the Target Company will become an indirect wholly-owned subsidiary of the Company. Its results, assets and liabilities will therefore be consolidated into the financial statements of the Group. Set out in Appendix IV to this circular is the unaudited pro forma financial information of the Enlarged Group which illustrates the financial effects of the Acquisition on the assets and liabilities of the Group assuming the Reorganisation and the Acquisition had been completed on 31 December 2015 and the TMTC Group only equity account for 49% interest of TMTC Travel.

Net Assets

Based on the unaudited pro forma financial information of the Enlarged Group in Appendix IV to this circular, upon Completion and assuming the Acquisition had been completed on 31 December 2015, the total assets of the Group would increase approximately from HK$1,951.0 million to approximately HK$2,947.3 million, its total liabilities would increase from approximately HK$997.8 million to approximately HK$1,760.0 million and the unaudited pro forma net asset value of the Enlarged Group would increase from approximately HK$953.3 million to approximately HK$1,187.3 million.

Earnings

The TMTC Group was loss making in the years ended 31 December 2013 and 2014, and generated thin profit of approximately RMB486,248 in the year ended 31 December 2015. Upon Completion, the Directors expect that the Acquisition will positively increase the earnings of the Group if the Guaranteed Profit of the Target Group could be achieved.

It should be noted that the above financial effects of the Acquisition are for illustration purpose only. The exact financial effects are dependent on the consolidated net assets value of the Target Group on the date of Completion and also subject to the review by the Company's auditors.

LISTING RULES IMPLICATIONS

As one or more of the relevant percentage ratios (as defined under the Listing Rules) in respect of the Acquisition exceed 25% but are less than 100%, the Acquisition constitutes a major transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the notification, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

The GM will be convened for the purpose of, among other matters, considering, and if thought fit, approving the Acquisition, the issuance of the Convertible Bonds and the grant of the Specific Mandate. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholder is required to abstain from voting on the resolution(s) to be proposed at the GM.

Completion of the Acquisition is subject to the satisfaction and/or waiver of the conditions precedent under the Sale and Purchase Agreement and therefore may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

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.

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 2015 are disclosed in the annual report of the Company for the year ended 31 December 2013 (pages 40 to 112), the annual report of the Company for the year ended 31 December 2014 (pages 45 to 128) and the annual report of the Company for the year ended 31 December 2015 (pages 63 to 144).

All the annual reports, the interim report and result announcements of the Company have been published on the websites of the Stock Exchange (http://www.hkexnews.hk) and the Company (http://www.nur.com.hk).

2. STATEMENT OF INDEBTEDNESS

Indebtedness

As at the close of business on 31 May 2016, being the latest 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			
Bank borrowings *(Note 1)*	182,857	–	182,857
Other borrowings, unsecured and unguaranteed			
Non-interest bearing	21,789	276,219	298,008
Interest bearing at 12% per annum	5,191	–	5,191
Other borrowings, guaranteed			
Interest bearing at 8% per annum	–	68,424	68,424
Interest bearing at 6% per annum	–	27,983	27,983
Interest bearing at 4.07% per annum	34,684	–	34,684
	244,521	372,626	617,147
Finance lease payables *(Note 3)*	3,105	14,521	17,626
	247,626	387,147	634,773

	The Group	The Target Group*	The Enlarged Group
	HK$'000	*HK$'000*	*HK$'000*
Debt securities, unsecured and unguaranteed			
Non-convertible bonds *(Note 3)*	176,500	–	176,500
Convertible bonds *(Note 4)*	82,080	–	82,080
	258,580	–	258,580
	506,206	387,147	893,353

* *Since the TMTC Travel would be accounted for an associate of the Group upon Completion, the Target Group excluded the TMTC Travel.*

Notes:

1. The Group's bank borrowings are secured by a charge of the Group's pledged bank deposits of approximately HK$200,000,000, repayable on 22 June 2016 and bears interest at 4.35% per annum.

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

3. The above non-convertible bonds are bearing interest at 6% per annum.

4. The above convertible bonds are bearing interest at 0% and 4.5% per annum.

Contingent liabilities

The Enlarged Group had the following material contingent liabilities as at the close of business on 31 May 2016.

	The Group	The Target Group	The Enlarged Group
	HK$'000	*HK$'000*	*HK$'000*
Indemnity related to a former subsidiary *(Note)*	7,196	–	7,196

Note: As disclosed in paragraph (b) in the section headed "Material Litigations" in Appendix V to this circular, in October 2004, World Giant Limited, a former subsidiary, 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. In the opinion of the Directors, the Group 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 has been shown as contingent liabilities.

Disclaimer

Save as aforesaid and apart from intra-group liabilities, as at the close of business on 31 May 2016, 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 May 2016 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 2015, 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 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 OF THE ENLARGED GROUP

The Group is principally engaged in resources trading business, online platform business and media and advertising business. 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. Upon Completion, the Enlarged Group will further expand its business to the car rental and shuttle bus business in the PRC. TMTC Group has a long history in the car rental industry and is one of the largest car rental companies in the PRC. The Company is of the view that the Acquisition will allow the Company to explore and develop the Group's business portfolio and also provide a new source of income for the Group. As part of the growth strategy of the TMTC Group, the TMTC Group intends to enhance its operational efficiency and increase its fleet utilization rate by reducing the idle time of the rental vehicles. Besides, the TMTC Group plans to further expand the rental fleet and its network coverage to other cities, such as Shenzhen, Chongqing and Shanghai, of the PRC. As mentioned in the paragraph headed "Reasons for and benefits of the Acquisition" in the Letter from the Board in this circular, leverage on the preferential policies announced by the PRC authorities on the promotion of using new energy vehicles, the TMTC Group is forging ahead with its transformation from the operation of vehicles using conventional energy to vehicles using new energy, and the TMTC Group has initiated its plan to purchase 2,000 electric bus for operation.

After Completion, apart from its primary car rental and shuttle bus services, the Target Group is planning to launch diversified value-added services, comprising but not limited to, (i) comprehensive value-added services that related to existing car rental business, such as retailing, consumption and catering for employees/students of its institutional customers when traveling on the shuttle buses; (ii) strengthen the car rental services by enhancing/improving the features and functions in TMTC Group's website and develop mobile apps to allow the customers to enter rental orders, enjoy built-in GPS navigation service and connects to TMTC Group's customer service through a more convenient channel; and (iii) placement of commercials through outdoor media.

As at the Latest Practicable Date, the TMTC Group is in discussions with some of the retailers and catering service providers to conduct feasibility studies on the operations of the possible value-added services to be provided. Besides, with reference to other industry players, the TMTC Group is also exploring the features and functions to be incorporated in the mobile apps proposed to be launched. It is expected that the proposed diversified value-added services will be principally financed by the internal resources of the TMTC Group, no further capital investment or commitment is required to be made by the Company to the Target Group.

The Board believes that the Acquisition is on the right track to diversify its business, represents an excellent opportunity for the Enlarged Group to expand its business portfolio into the car rental and shuttle bus services and maximise returns to the shareholders of the Company.

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, Zhonghui Anda CPA Limited, Certified Public Accountants, Hong Kong.

30 June 2016

The Board of Directors
National United Resources Holdings Limited

Dear Sirs,

We set out below our report on the financial information relating to Gear World Development Limited (the "**BVI Co**"), which comprises BVI Co's statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the period from 17 September 2015 (date of incorporation) to 31 December 2015 (the "**Relevant Period**"), the BVI Co's statement of financial position as at 31 December 2015 (the "**Financial Information**") for inclusion in the circular dated 30 June 2016 (the "**Circular**") issued by National United Resources Holdings Limited (the "**Company**") in connection with its proposed acquisition of the entire equity interest in the BVI Co (the "**Acquisition**").

BVI Co is a limited liability company incorporated in the British Virgin Islands (the "**BVI**") on 17 September 2015. BVI Co remained inactive during the Relevant Period.

There was no statutory audit requirement for BVI Co in its jurisdiction of incorporation.

For the purpose of this report, the director of the BVI Co has prepared the financial statements of the BVI Co for the Relevant Period in accordance with Hong Kong Financial Reporting Standards (the "**HKFRSs**") issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**") (the "**HKFRS Financial Statements**").

We have performed our independent audit on the HKFRS Financial Statements in accordance with Hong Kong Standards on Auditing issued by the HKICPA and have examined the HKFRS Financial Statements in accordance with Auditing Guideline 3.340 "Prospectuses and the Reporting Accountant" issued by the HKICPA.

The Financial Information has been prepared from the HKFRS Financial Statements in accordance with HKFRSs. No adjustments were considered necessary for the purpose of preparing our report for inclusion in the Circular.

The director of the BVI Co is responsible for the preparation of the HKFRS Financial Statements. The directors of the Company are responsible for the contents of the Circular in which this report is included. It is our responsibility to compile the Financial Information set out in this report from the HKFRS Financial Statements, to form an independent opinion on the Financial Information and to report our opinion to you.

OPINION

In our opinion, for the purpose of this report, the Financial Information gives a true and fair view of the financial position of the BVI Co as at 31 December 2015 and of the BVI Co's financial performance and cash flows for the Relevant Period.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	**For the period from 17 September 2015 (date of incorporation) to 31 December 2015** *HK$*
Revenue	*5*	–
Administrative expenses		(9,000)
Loss before taxation		(9,000)
Income tax expense	*6*	–
Loss and total comprehensive loss for the period	*7*	(9,000)

STATEMENT OF FINANCIAL POSITION

	Notes	As at 31 December 2015 *HK$*
Current assets		
Amounts due from shareholders	*9*	78,000
Current liabilities		
Amount due to the director	*10*	9,000
Net current assets		69,000
NET ASSETS		69,000
Capital and reserves		
Share capital	*11*	78,000
Accumulated losses		(9,000)
EQUITY		69,000

STATEMENT OF CHANGES IN EQUITY

	Share capital	Accumulated losses	Total
	HK$	*HK$*	*HK$*
As at 17 September 2015	–	–	–
Issue of share capital	78,000	–	78,000
Total comprehensive loss for the period	–	(9,000)	(9,000)
As at 31 December 2015	78,000	(9,000)	69,000

STATEMENT OF CASH FLOWS

	For the period from 17 September 2015 (date of incorporation) to 31 December 2015
	HK$
Cash flows from operating activities	
Loss before taxation	(9,000)
Change in amount due to the director	9,000
Net cash used in from operating activities	–
Net change in cash and cash equivalents and cash and cash equivalents at end of year	–
Cash and cash equivalents at beginning of period	–
Cash and cash equivalents at end of period	–
Analysis of cash and cash equivalents	
Bank and cash balances	–

NOTES TO FINANCIAL INFORMATION

1. General Information

Gear World Development Limited (the "**BVI Co**") was incorporated in the British Virgin Islands (the "**BVI**") with limited liability on 17 September 2015. The address of its registered office is located in OMC Chambers, Wickhams Cay 1, Road Town, Tortola, British Virgin Islands and its principal place of business is located in Hong Kong.

BVI Co remained inactive during the Relevant Period.

The Financial Information is presented in Hong Kong Dollar ("**HK$**"), which is the same as the functional currency of the BVI Co.

2. Adoption of New and Revised Hong Kong Financial Reporting Standards

The BVI Co has adopted all the new and revised Hong Kong Financial Reporting Standards ("**HKFRSs**") issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**") that are relevant to its operations and effective for its accounting periods beginning on 17 September 2015. HKFRSs comprise Hong Kong Financial Reporting Standards; Hong Kong Accounting Standards; and Interpretations.

The BVI Co has not applied the new HKFRSs that have been issued but are not yet effective. The BVI Co 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. Significant Accounting Policies

The Financial Information has been prepared in accordance with HKFRSs. The Financial Information includes applicable disclosures required by the Hong Kong Companies Ordinance and the Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

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

The preparation of financial information in conformity with HKFRSs requires the use of certain key assumptions and estimates. It also requires the directors to exercise its judgements in the process of applying the accounting policies. The areas involving critical judgements and areas where assumptions and estimates are significant to the Financial Information, are disclosed in note 4 to the Financial Information.

The significant accounting policies applied in the preparation of the Financial Information are set out below:

Foreign currency translation

Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the BVI Cooperates (the "**functional currency**"). The financial statements are presented in HK$, which is the BVI Co's functional and presentation currency.

Transactions and balances in financial statements

Transactions in foreign currencies are translated into the functional currency on initial recognition using the exchange rates prevailing on the transaction dates. Monetary assets and liabilities in foreign currencies are translated at the exchange rates at the end of each reporting period. Gains and losses resulting from this translation policy are recognised in profit or loss.

Recognition and derecognition of financial instruments

Financial assets and financial liabilities are recognised in the statement of financial position when the BVI Co becomes a party to the contractual provisions of the instruments.

Financial assets are derecognised when the contractual rights to receive cash flows from the assets expire; the BVI Co transfers substantially all the risks and rewards of ownership of the assets; or the BVI Co neither transfers nor retains substantially all the risks and rewards of ownership of the assets but has not retained control on the assets. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and the cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires. The difference between the carrying amount of the financial liability derecognised and the consideration paid is recognised in profit or loss.

Trade and other receivables

Trade and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment. An allowance for impairment of trade and other receivables is established when there is objective evidence that the BVI Co will not be able to collect all amounts due according to the original terms of receivables. The amount of the allowance is the difference between the receivables' carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate computed at initial recognition. The amount of the allowance is recognised in profit or loss.

Impairment losses are reversed in subsequent periods and recognised in profit or loss when an increase in the receivables' recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the receivables at the date the impairment is reversed shall not exceed what the amortised cost would have been had the impairment not been recognised.

Financial liabilities and equity instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument under HKFRSs. An equity instrument is any contract that evidences a residual interest in the assets of the BVI Co after deducting all of its liabilities. The accounting policies adopted for specific financial liabilities and equity instruments are set out below.

Trade and other payables

Trade and other payables are stated initially at their fair value and subsequently measured at amortised cost using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost.

Equity instruments

Equity instruments issued by the BVI Co are recorded at the proceeds received, net of direct issue costs.

Related parties

A related party is a person or entity that is related to the BVI Co.

a) A person or a close member of that person's family is related to the BVI Co if that person:

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

(ii) has significant influence over the BVI Co; or

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

b) An entity is related to the BVI Co if any of the following conditions applies:

(i) The entity and the BVI Co are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(iii) Both entities 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 BVI Co or an entity related to the BVI Co. If the BVI Co is itself such a plan, the sponsoring employers are also related to the BVI Co.

(vi) The entity is controlled or jointly controlled by a person identified in (a).

(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).

(viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the BVI Co or to a parent of the BVI Co.

Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the BVI Co has a present legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditures expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow is remote.

Events after the reporting period

Events after the reporting period that provide additional information about the BVI Co's position at the end of the reporting period or those that indicate the going concern assumption is not appropriate are adjusting events and are reflected in the financial statements. Events after the reporting period that are not adjusting events are disclosed in the notes to the financial statements when material.

4. Financial Risk Management

The BVI Co's activities expose it to a variety of financial risks: foreign currency risk, credit risk and liquidity risk. The BVI Co's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the BVI Co's financial performance.

a) Foreign currency risk

The BVI Co has minimal exposure to foreign currency risk as most of its business transactions, assets and liabilities are principally denominated in the functional currencies of the BVI Co entities. The BVI Co currently does not have a foreign currency hedging policy in respect of foreign currency transactions, assets and liabilities. The BVI Co will monitor its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arise.

b) Credit risk

The carrying amount of the amounts due from shareholders included in the statement of financial position represents the BVI Co's maximum exposure to credit risk in relation to the BVI Co's financial assets.

Amounts due from shareholders are closely monitored by the director.

c) Liquidity risk

The BVI Co's policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in the short and longer term.

The maturity analysis of the BVI Co's financial liabilities based on contractual undiscounted payments is as follows:

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
	HK$	*HK$*	*HK$*	*HK$*
At 31 December 2015				
Amount due to the director	9,000	–	–	–
	9,000	–	–	–

d) Categories of financial instruments

	As at 31 December 2015
	HK$
Financial assets:	
Loans and receivables	
– Amounts due from shareholders	78,000
Financial liabilities:	
Financial liabilities at amortised cost	
– Amount due to the director	9,000

e) ***Fair value***

The carrying amounts of the BVI Co's financial assets and financial liabilities as reflected in the statement of financial position approximate their respective fair values.

5. Revenue and Segment Information

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

6. Income Tax Expense

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

The reconciliation between the income tax expense and account loss at applicable tax rates

	For the period from 17 September 2015 (date of incorporation) to 31 December 2015 *HK$*
Loss before taxation	(9,000)
Tax at Hong Kong Profits Tax of 16.5%	(1,485)
Tax effect of non-deductible expenses	1,485
Income tax expenses	–

7. Loss for the Period

The BVI Co's loss for the period is stated after charging the following:

	For the period from 17 September 2015 (date of incorporation) to 31 December 2015
	HK$
Directors' remuneration	–
Staff costs	–

8. Dividends

The director of the BVI Co does not recommend the payment of any dividend in respect of the Relevant Period.

9. Amounts Due from Shareholders

The advances are unsecured, non-interest bearing and have no fixed repayment terms.

10. Amount Due to the Director

The advance is unsecured, non-interest bearing and has no fixed repayment terms.

11. Paid-in Capital

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

12. Subsequent Financial Statements

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

ZHONGHUI ANDA CPA Limited
Certified Public Accountants
Sze Lin Tang
Practising Certificate Number P03614

Hong Kong, 30 June 2016

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, Zhonghui Anda CPA Limited, Certified Public Accountants, Hong Kong.

中汇 ZHONGHUI

30 June 2016

The Board of Directors
National United Resources Holdings Limited

Dear Sirs,

We set out below our report on the financial information relating to Gold Vantage Development Limited ("**Gold Vantage**") and its subsidiaries (together, the "**Gold Vantage Group**"), which comprises Gold Vantage Group's consolidated statements of profit or loss and other comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for the three years ended 31 December 2013, 2014 and 2015 (the "**Relevant Periods**"), the Gold Vantage Group's consolidated statements of financial position and Gold Vantage's statements of financial position as at 31 December 2013, 2014 and 2015 (the "**Financial Information**") for inclusion in the circular dated 30 June 2016 (the "**Circular**") issued by National United Resources Holdings Limited (the "**Company**") in connection with its proposed acquisition of the entire equity interest in the Gear World Development Limited (the "**Acquisition**").

Gold Vantage was incorporated on 16 November 2012 in Hong Kong with limited liability and remained inactive during the Relevant Period. As the date of this report, Gold Vantage has the following subsidiary:

Name of subsidiary	Place and date of establishment	Registered capital	Percentage of direct ownership interest	Principal activities
山東金衛電子科技發展有限公司 (Shandong Gold Vantage Electronic Technology Development Company Limited)*	People's Republic of China (the "**PRC**") 10 December 2015	HK$4,000,000	100%	Inactive

As at the date of this report, no audited financial statements have been prepared for the Relevant Periods for all the companies of the Gold Vantage Group.

* *For identification purpose only. English name of the PRC established company in this report are only literal translation of its official Chinese name.*

For the purpose of this report, the director of Gold Vantage has prepared the consolidated financial statements of the Gold Vantage Group for the Relevant Periods in accordance with Hong Kong Financial Reporting Standards (the "**HKFRSs**") issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**") (the "**HKFRS Financial Statements**").

We have performed our independent audit on the HKFRS Financial Statements in accordance with Hong Kong Standards on Auditing issued by the HKICPA and have examined the HKFRS Financial Statements in accordance with Auditing Guideline 3.340 "Prospectuses and the Reporting Accountant" issued by the HKICPA.

The Financial Information has been prepared from the HKFRS Financial Statements in accordance with HKFRSs. No adjustments were considered necessary for the purpose of preparing our report for inclusion in the Circular.

The director of Gold Vantage is responsible for the preparation of the HKFRS Financial Statements. The directors of the Company are responsible for the contents of the Circular in which this report is included. It is our responsibility to compile the Financial Information set out in this report from the HKFRS Financial Statements, to form an independent opinion on the Financial Information and to report our opinion to you.

OPINION

In our opinion, for the purpose of this report, the Financial Information gives a true and fair view of the financial position of the Gold Vantage Group and of Gold Vantage as at 31 December 2013, 2014 and 2015 and of the Gold Vantage Group's financial performance and cash flows for the Relevant Periods.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		For the year ended 31 December		
		2013	**2014**	**2015**
	Notes	*HK$*	*HK$*	*HK$*
Revenue	6	–	–	–
Administrative expenses		(355)	(2,355)	(11,355)
Loss before taxation		(355)	(2,355)	(11,355)
Income tax expense	7	–	–	–
Loss and total comprehensive loss for the year	8	(355)	(2,355)	(11,355)

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

		As at 31 December		
		2013	**2014**	**2015**
	Notes	*HK$*	*HK$*	*HK$*
Current assets				
Amount due from the shareholder	*10*	1	1	1
Current liabilities				
Amount due to the director	*11*	910	3,265	14,620
Net current liabilities		(909)	(3,264)	(14,619)
NET LIABILITIES		(909)	(3,264)	(14,619)
Capital and reserves				
Share capital	*12*	1	1	1
Accumulated losses		(910)	(3,265)	(14,620)
EQUITY		(909)	(3,264)	(14,619)

STATEMENTS OF FINANCIAL POSITION

		As at 31 December		
		2013	**2014**	**2015**
	Notes	*HK$*	*HK$*	*HK$*
Current assets				
Amount due from the shareholder	*10*	1	1	1
Current liabilities				
Amount due to the director	*11*	910	3,265	14,620
Net current liabilities		(909)	(3,264)	(14,619)
NET LIABILITIES		(909)	(3,264)	(14,619)
Capital and reserves				
Share capital	*12*	1	1	1
Accumulated losses	*13*	(910)	(3,265)	(14,620)
EQUITY		(909)	(3,264)	(14,619)

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Share capital	Accumulated losses	Total
	HK$	*HK$*	*HK$*
At 1 January 2013	1	(555)	(554)
Total comprehensive loss for the year	–	(355)	(355)
As at 31 December 2013	1	(910)	(909)
Total comprehensive loss for the year	–	(2,355)	(2,355)
As at 31 December 2014	1	(3,265)	(3,264)
Total comprehensive loss for the year	–	(11,355)	(11,355)
As at 31 December 2015	1	(14,620)	(14,619)

CONSOLIDATED STATEMENTS OF CASH FLOWS

	For the year ended 31 December		
	2013	**2014**	**2015**
	HK$	*HK$*	*HK$*
Cash flows from operating activities			
Loss before taxation	(355)	(2,355)	(11,355)
Change in amount due to the director	355	2,355	11,355
Net cash used in from operating activities	–	–	–
Net increase in cash and cash equivalents and cash and cash equivalents at end of year	–	–	
Cash and cash equivalents at beginning of year	–	–	–
Cash and cash equivalents at end of year	–	–	–
Analysis of cash and cash equivalents			
Bank and cash balances	–	–	–

NOTES TO FINANCIAL INFORMATION

1. General Information

Gold Vantage was incorporated in Hong Kong with limited liability on 16 November 2012. The address of its registered office and principal place of business is Room 1204-1205, 12/F., Overseas Trust Bank Building, 160 Gloucester Road, Wanchai, Hong Kong.

The principal activity of the Gold Vantage is investment holding.

The Financial Information is presented in Hong Kong Dollar ("**HK$**"), which is the same as the functional currency of Gold Vantage.

2. Basis of Preparation

The Financial Information contained in this report does not constitute Gold Vantage's statutory financial statements for either of the years ended 31 December 2013, 2014 and 2015. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Hong Kong Companies Ordinance is as follows:

As Gold Vantage is a private company, it is not required to deliver its financial statements to the Registrar of Companies, and has not done so.

Gold Vantage's auditor has not reported on those financial statements for all three years.

3. Adoption of new and Revised Hong Kong Financial Reporting Standards

The Gold Vantage Group has adopted all the new and revised Hong Kong Financial Reporting Standards ("**HKFRSs**") issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**") that are relevant to its operations and effective for its accounting periods beginning on 1 January 2015. HKFRSs comprise Hong Kong Financial Reporting Standards; Hong Kong Accounting Standards; and Interpretations.

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

4. Significant Accounting Policies

The Financial Information has been prepared in accordance with HKFRSs. The Financial Information includes applicable disclosures required by the Hong Kong Companies Ordinance and the Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

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

The preparation of financial information in conformity with HKFRSs requires the use of certain key assumptions and estimates. It also requires the directors to exercise its judgements in the process of applying the accounting policies. The areas involving critical judgements and areas where assumptions and estimates are significant to the Financial Information, are disclosed in note 5 to the Financial Information.

The significant accounting policies applied in the preparation of the Financial Information are set out below:

Consolidation

The consolidated financial statements include the financial statements of Gold Vantage and its subsidiary (collectively referred to as the "**Gold Vantage Group**"). Subsidiaries are entities over which the Gold Vantage Group has control. The Gold Vantage Group 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. The Gold Vantage Group has power over an entity when the Gold Vantage Group has existing rights that give it the current ability to direct the relevant activities, i.e. activities that significantly affect the entity's returns.

When assessing control, the Gold Vantage Group considers its potential voting rights as well as potential voting rights held by other parties, to determine whether it has control. A potential voting right is considered only if the holder has the practical ability to exercise that right.

Subsidiaries are consolidated from the date on which control is transferred to the Gold Vantage Group. They are de-consolidated from the date the control ceases.

Intragroup transactions, balances and unrealised profits are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Gold Vantage Group.

In Gold Vantage's statement of financial position the investments in subsidiaries are stated at cost less allowance for impairment losses. The results of subsidiaries are accounted for by the Gold Vantage on the basis of dividends received and receivable.

Foreign currency translation

Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Gold Vantage Group's entities operates (the "**functional currency**"). The financial statements are presented in HK$, which is Gold Vantage's functional and presentation currency.

Transactions and balances in financial statements

Transactions in foreign currencies are translated into the functional currency on initial recognition using the exchange rates prevailing on the transaction dates. Monetary assets and liabilities in foreign currencies are translated at the exchange rates at the end of each reporting period. Gains and losses resulting from this translation policy are recognised in profit or loss.

Recognition and derecognition of financial instruments

Financial assets and financial liabilities are recognised in the statement of financial position when the Gold Vantage Group becomes a party to the contractual provisions of the instruments.

Financial assets are derecognised when the contractual rights to receive cash flows from the assets expire; the Gold Vantage Group transfers substantially all the risks and rewards of ownership of the assets; or the Gold Vantage Group neither transfers nor retains substantially all the risks and rewards of ownership of the assets but has not retained control on the assets. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and the cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires. The difference between the carrying amount of the financial liability derecognised and the consideration paid is recognised in profit or loss.

Trade and other receivables

Trade and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment. An allowance for impairment of trade and other receivables is established when there is objective evidence that the Gold Vantage Group will not be able to collect all amounts due according to the original terms of receivables. The amount of the allowance is the difference between the receivables' carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate computed at initial recognition. The amount of the allowance is recognised in profit or loss.

Impairment losses are reversed in subsequent periods and recognised in profit or loss when an increase in the receivables' recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the receivables at the date the impairment is reversed shall not exceed what the amortised cost would have been had the impairment not been recognised.

Financial liabilities and equity instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument under HKFRSs. An equity instrument is any contract that evidences a residual interest in the assets of the Gold Vantage Group after deducting all of its liabilities. The accounting policies adopted for specific financial liabilities and equity instruments are set out below.

Trade and other payables

Trade and other payables are stated initially at their fair value and subsequently measured at amortised cost using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost.

Equity instruments

Equity instruments issued by the Gold Vantage are recorded at the proceeds received, net of direct issue costs.

Related parties

A related party is a person or entity that is related to the Gold Vantage Group.

a) A person or a close member of that person's family is related to the Gold Vantage Group if that person:

  (i) has control or joint control over the Gold Vantage Group;

  (ii) has significant influence over the Gold Vantage Group; or

  (iii) is a member of the key management personnel of the Gold Vantage or of a parent of the Gold Vantage.

b) An entity is related to the Gold Vantage Group if any of the following conditions applies:

  (i) The entity and the Gold Vantage are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

  (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

  (iii) Both entities 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 Gold Vantage Group or an entity related to the Gold Vantage Group. If the Gold Vantage Group is itself such a plan, the sponsoring employers are also related to the Gold Vantage Group.

(vi) The entity is controlled or jointly controlled by a person identified in (a).

(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).

(viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Gold Vantage or to a parent of the Gold Vantage.

Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Gold Vantage Group has a present legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditures expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow is remote.

Events after the reporting period

Events after the reporting period that provide additional information about the Gold Vantage Group's position at the end of the reporting period or those that indicate the going concern assumption is not appropriate are adjusting events and are reflected in the financial statements. Events after the reporting period that are not adjusting events are disclosed in the notes to the financial statements when material.

5. Financial Risk Management

The Gold Vantage Group's activities expose it to a variety of financial risks: foreign currency risk, credit risk and liquidity risk. The Gold Vantage Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Gold Vantage Group's financial performance.

a) Foreign currency risk

The Gold Vantage Group has minimal exposure to foreign currency risk as most of its business transactions, assets and liabilities are principally denominated in the functional currencies of the Gold Vantage Group entities. The Gold Vantage Group currently does not have a foreign currency hedging policy in respect of foreign currency transactions, assets and liabilities. The Gold Vantage Group will monitor its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arise.

b) Credit risk

The carrying amount of the amount due from the shareholder included in the statement of financial position represents the Gold Vantage Group's maximum exposure to credit risk in relation to the Gold Vantage Group's financial assets.

Amount due from the shareholder are closely monitored by the director.

c) Liquidity risk

The Gold Vantage Group's policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in the short and longer term.

The maturity analysis of the Gold Vantage Group's financial liabilities based on contractual undiscounted payments is as follows:

	Gold Vantage Group			
	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
	HK$	*HK$*	*HK$*	*HK$*
At 31 December 2015				
Amount due to the director	14,620	–	–	–
At 31 December 2014				
Amount due to the director	3,265	–	–	–
At 31 December 2013				
Amount due to the director	910	–	–	–

d) Categories of financial instruments

	Gold Vantage Group As at 31 December		
	2013	2014	2015
	HK$	*HK$*	*HK$*
Financial assets:			
Loans and receivables			
– Amount due from a shareholder	1	1	1
Financial liabilities:			
Financial liabilities at amortised cost			
– Amount due to a director	910	3,265	14,620

e) Fair value

The carrying amounts of the Gold Vantage Group's financial assets and financial liabilities as reflected in the consolidated statement of financial position approximate their respective fair values.

6. Revenue and Segment Information

The Gold Vantage Group did not derive any revenue during the Relevant Period. Accordingly, no operating segment or geographical information is presented.

7. Income Tax Expense

No provision for Hong Kong Profits Tax is required since the Gold Vantage Group has no assessable profit for the years.

The reconciliation between the income tax expense and account loss at applicable tax rates

	For the year ended 31 December		
	2013	**2014**	**2015**
	HK$	*HK$*	*HK$*
Loss before taxation	(355)	(2,355)	(11,355)
Tax at Hong Kong Profits Tax of 16.5%	(58)	(388)	(1,873)
Tax effect of non-deductible expenses	58	388	1,873
Income tax expenses	–	–	–

8. Loss for the Year

The Gold Vantage Group's loss for the years is stated after charging the following:

	For the year ended 31 December		
	2013	**2014**	**2015**
	HK$	*HK$*	*HK$*
Directors' remuneration	–	–	–
Staff costs	–	–	–

9. Dividends

The director of Gold Vantage do not recommend the payment of any dividend in respect of the Relevant Periods.

10. Amount Due from the Shareholder

The advance is unsecured, non-interest bearing and has no fixed repayment terms.

11. Amount Due to the Director

The advance is unsecured, non-interest bearing and has no fixed repayment terms.

12. Paid-in Capital

	Gold Vantage Group and Gold Vantage		
	As at 31 December		
	2013	**2014**	**2015**
	HK$	*HK$*	*HK$*
Authorised:			
10,000 ordinary shares of HK$1 each	10,000	N/A	N/A
Issued and fully paid:			
1 ordinary share of HK$1 each	1	1	1

Under the New Hong Kong Companies Ordinance, which commenced operation on 3 March 2014, the concept of authorised share capital and par value no longer exists.

13. Reserve of the Gold Vantage

	Accumulated loss
	HK$
At 1 January 2013	(555)
Total comprehensive loss for the year	(355)
At 31 December 2013 and 1 January 2014	(910)
Total comprehensive income for the year	(2,355)
At 31 December 2014 and 1 January 2015	(3,265)
Total comprehensive loss for the year	(11,355)
At 31 December 2015	(14,620)

14. Capital Commitments

Gold Vantage had the following material commitments at the end of the reporting periods:

	Gold Vantage		
	As at 31 December		
	2013	**2014**	**2015**
	HK$	*HK$*	*HK$*
Contracted but not provided for:			
Capital contribution to a PRC company	–	–	4,000,000

15. Subsequent Financial Statements

No audited financial statements have been prepared by the Gold Vantage in respect of any period subsequent to 31 December 2015.

ZHONGHUI ANDA CPA Limited
Certified Public Accountants
Sze Lin Tang
Practising Certificate Number P03614

Hong Kong, 30 June 2016

Set out below is the management discussion and analysis on the BVI Co for the period from 17 September 2015 (date of incorporation) to 31 December 2015 and the Gold Vantage Group for the three years ended 31 December 2013, 2014 and 2015. The following financial information is based on the audited financial information of the BVI Co and the Gold Vantage Group as set out in Appendix IIA and Appendix IIB to this circular, respectively.

BUSINESS AND FINANCIAL REVIEW OF THE BVI CO

The BVI Co is an investment holding company incorporated in the BVI on 17 September 2015 with limited liability. The BVI Co does not have any operation since its incorporation and incurred an expense of HK$9,000 which is related to its incorporation.

BUSINESS AND FINANCIAL REVIEW OF THE GOLD VANTAGE GROUP

Gold Vantage is a limited company incorporated in Hong Kong on 16 November 2012 and is principally engaged in investment holding. Gold Vantage does not have any operation since its incorporation and incurred administrative expenses of HK$355, HK$2,355 and HK$11,355 for the years ended 31 December 2013, 2014 and 2015 respectively. These expenses are related to its incorporation, company secretary service, annual tax filing and audit fee. Gold Vantage is the holding company of Shandong Gold Vantage. Shandong Gold Vantage is a wholly foreign owned enterprise established in the PRC on 10 December 2015. Shandong Gold Vantage 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, Zhonghui Anda CPA Limited, Certified Public Accountants, Hong Kong.

中汇
ZHONGHUI

30 June 2016

The Board of Directors
National United Resources Holdings Limited

Dear Sirs,

We set out below our report on the financial information relating to 北京天馬通馳汽車租賃有限公司 (Beijing Tian Ma Tong Chi Car Rental Co., Ltd)* (the "**Target Company**") and its subsidiaries (together, the "**TMTC Group**"), which comprises TMTC Group's consolidated statements of profit or loss and other comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for the three years ended 31 December 2013, 2014 and 2015 (the "**Relevant Periods**"), the TMTC Group's consolidated statements of financial position and Target Company's statements of financial position as at 31 December 2013, 2014 and 2015 (the "**Financial Information**") for inclusion in the circular dated 30 June 2016 (the "**Circular**") issued by National United Resources Holdings Limited (the "**Company**") in connection with its proposed acquisition of the entire equity interest in the Target Company (the "**Acquisition**").

The Target Company was incorporated on 3 July 2006 in People's Republic of China (the "**PRC**") with limited liability and the principal activities of the Target Company are provision of car rental services and shuttle bus services. As the date of this report, the Target Company has the following subsidiary:

Name of subsidiary	Place and date of establishment	Registered capital	Percentage of direct ownership interest	Principal activities
北京天馬通馳旅遊客運有限公司 (Beijing Tian Ma Tong Chi Travel Transportation Co., Ltd)*	The PRC 24 April 1990	2013 & 2014: RMB9,000,000 2015: RMB15,000,000	100%	Car rental services and shuttle bus services

* *For identification purpose only. English names of the PRC established companies in this report are only literal translations of their official Chinese names.*

As at the date of this report, no audited financial statements have been prepared for the Relevant Periods for all the companies of the TMTC Group as there is no statutory audit requirement in the country of its incorporation.

For the purpose of this report, the directors of the Target Company have prepared the consolidated financial statements of the TMTC Group for the Relevant Periods in accordance with Hong Kong Financial Reporting Standards (the "**HKFRSs**") issued by the HKICPA (the "**HKFRS Financial Statements**").

We have performed our independent audit on the HKFRS Financial Statements in accordance with Hong Kong Standards on Auditing issued by the HKICPA and have examined the HKFRS Financial Statements in accordance with Auditing Guideline 3.340 "Prospectuses and the Reporting Accountant" issued by the HKICPA.

The Financial Information has been prepared from the HKFRS Financial Statements in accordance with HKFRSs. No adjustments were considered necessary for the purpose of preparing our report for inclusion in the Circular.

The directors of the Target Company are responsible for the preparation of the HKFRS Financial Statements. The directors of the Company are responsible for the contents of the Circular in which this report is included. It is our responsibility to compile the Financial Information set out in this report from the HKFRS Financial Statements, to form an independent opinion on the Financial Information and to report our opinion to you.

OPINION

In our opinion, for the purpose of this report, the Financial Information gives a true and fair view of the financial position of the TMTC Group and of the Target Company as at 31 December 2013, 2014 and 2015 and of the TMTC Group's financial performance and cash flows for the Relevant Periods.

MATERIAL UNCERTAINTY RELATING TO THE GOING CONCERN BASIS

Without qualifying our opinion, we draw attention to note 2 to the Financial Information which mentions that as at 31 December 2013, 2014 and 2015 the TMTC Group had net current liabilities of RMB7,388,001, RMB7,692,594 and RMB76,401,734 respectively. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		For the year ended 31 December		
		2013	**2014**	**2015**
	Notes	*RMB*	*RMB*	*RMB*
Revenue	*7*	43,604,081	36,398,548	59,238,670
Cost of services provided		(36,793,689)	(30,824,646)	(48,691,563)
Gross Profit		6,810,392	5,573,902	10,547,107
Other income	*8*	7,560	53,043	840,018
Administrative expenses		(3,211,750)	(3,227,469)	(4,564,252)
Profit from operations		3,606,202	2,399,476	6,822,873
Finance cost	*9*	(3,887,998)	(2,296,952)	(6,171,138)
(Loss)/profit before taxation		(281,796)	102,524	651,735
Income tax expense	*10*	(65,689)	(195,488)	(165,487)
(Loss)/profit and total comprehensive income/(loss) for the year	*11*	(347,485)	(92,964)	486,248

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

		As at 31 December		
		2013	**2014**	**2015**
	Notes	*RMB*	*RMB*	*RMB*
Non-current assets				
Property, plant and equipment	*14*	48,866,286	45,110,980	320,195,328
		48,866,286	45,110,980	320,195,328
Current assets				
Trade receivables	*16*	8,739,171	5,988,741	9,524,491
Prepayments, deposits and other receivables	*17*	2,419,112	6,612,367	11,131,855
Amount due from a shareholder	*20*	823,593	–	–
Bank and cash balances		652,802	5,615,168	1,993,201
		12,634,678	18,216,276	22,649,547
Current liabilities				
Accruals and other payables	*18*	1,465,371	1,316,190	10,302,845
Deferred income	*19*	–	600,505	3,266,070
Borrowings	*21*	15,646,394	19,075,000	72,891,750
Obligations under finance leases due within one year	*22*	2,853,469	4,721,869	12,437,585
Current tax payables		57,445	195,306	153,031
		20,022,679	25,908,870	99,051,281
Net current liabilities		(7,388,001)	(7,692,594)	(76,401,734)
Total assets less current liabilities		41,478,285	37,418,386	243,793,594

		As at 31 December		
		2013	2014	2015
	Notes	*RMB*	*RMB*	*RMB*
Non-current liabilities				
Other payables	*18*	–	–	156,129,973
Deferred income	*19*	–	1,751,472	8,925,532
Amount due to shareholders	*20*	12,895,099	17,973,561	16,795,928
Borrowings	*21*	17,075,000	–	21,929,417
Obligations under finance leases due after one year	*22*	4,942,638	11,220,769	33,053,912
		34,912,737	30,945,802	236,834,762
NET ASSETS		6,565,548	6,472,584	6,958,832
Capital and reserves				
Paid up capital	*23*	8,000,000	8,000,000	8,000,000
Reserves		(1,434,452)	(1,527,416)	(1,041,168)
EQUITY		6,565,548	6,472,584	6,958,832

STATEMENTS OF FINANCIAL POSITION

		As at 31 December		
		2013	2014	2015
	Notes	*RMB*	*RMB*	*RMB*
Non-current assets				
Property, plant and equipment	*14*	20,666,376	6,824,245	221,686,940
Investment in subsidiary	*15*	9,000,000	9,000,000	15,000,000
		29,666,376	15,824,245	236,686,940
Current assets				
Trade receivables	*16*	1,763,481	2,170,591	3,300
Prepayments, deposits and other receivables	*17*	140,148	355,694	221,972
Amount due from a shareholder	*20*	998,193	–	300,000
Bank and cash balances		152,079	102,821	334,679
		3,053,901	2,629,106	859,951
Current liabilities				
Accruals and other payables	*18*	221,669	236,099	3,231,364
Deferred income	*19*	–	54,320	54,320
Amount due to a subsidiary	*15*	19,909,575	6,832,655	12,642,483
Current tax payables		3,082	24,680	–
Borrowings	*21*	5,425,000	2,075,000	58,054,000
Obligations under finance leases due within one year	*22*	203,807	167,383	166,667
		25,763,133	9,390,137	74,148,834
Net current liabilities		(22,709,232)	(6,761,031)	(73,288,883)
Total assets less current liabilities		6,957,144	9,063,214	163,398,057

		As at 31 December		
		2013	**2014**	**2015**
	Notes	*RMB*	*RMB*	*RMB*
Non-current liabilities				
Other payables	*18*	–	–	156,129,973
Deferred income	*19*	–	158,434	104,114
Amount due to a shareholder	*20*	–	1,089,272	1,012,668
Borrowings	*21*	75,000	–	–
Obligations under finance leases due after one year	*22*	–	832,617	665,951
		75,000	2,080,323	157,912,706
NET ASSETS		6,882,144	6,982,891	5,485,351
Capital and reserves				
Paid-in capital	*23*	8,000,000	8,000,000	8,000,000
Reserves	*24*	(1,117,856)	(1,017,109)	(2,514,649)
EQUITY		6,882,144	6,982,891	5,485,351

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Paid-in capital	Accumulated losses	Total
	RMB	*RMB*	*RMB*
At 1 January 2013	8,000,000	(1,086,967)	6,913,033
Total comprehensive loss for the year	–	(347,485)	(347,485)
As at 31 December 2013	8,000,000	(1,434,452)	6,565,548
Total comprehensive loss for the year	–	(92,964)	(92,964)
As at 31 December 2014	8,000,000	(1,527,416)	6,472,584
Total comprehensive income for the year	–	486,248	486,248
As at 31 December 2015	8,000,000	(1,041,168)	6,958,832

CONSOLIDATED STATEMENTS OF CASH FLOWS

	For the year ended 31 December		
	2013	**2014**	**2015**
	RMB	*RMB*	*RMB*
Cash flows from operating activities			
(Loss)/profit before taxation	(281,796)	102,524	651,735
Adjustments for:			
Depreciation	6,661,081	6,685,557	10,770,709
Loss on disposal of property, plant and equipment	–	–	235,871
Finance cost	3,887,998	2,296,952	6,171,138
Deferred income	–	(50,041)	(822,635)
Interest income	(7,560)	(3,002)	(17,383)
Operating profit before working capital changes	10,259,723	9,031,990	16,989,435
Change in trade receivables	(3,968,464)	2,750,430	(3,535,750)
Change in prepayments, deposits and other receivables	283,141	(4,193,255)	(4,519,488)
Change in accruals and other payables	(6,025,387)	(149,181)	1,201,762
Cash generated from operations	549,013	7,439,984	10,135,959
Finance cost paid	(3,887,998)	(2,296,952)	(6,171,138)
Interest received	7,560	3,002	17,383
Tax paid	(40,300)	(57,627)	(207,762)
Net cash (used in)/generated from operating activities	(3,371,725)	5,088,407	3,774,442
Cash flows from investing activities			
Purchase of property, plant and equipment	(10,000)	(528,233)	(111,773,802)
Proceed from disposal of property, plant and equipment	–	–	260,000
Net cash used in investing activities	(10,000)	(528,233)	(111,513,802)

	For the year ended 31 December		
	2013	2014	2015
	RMB	*RMB*	*RMB*
Cash flows from financing activities			
New borrowings raised	28,500,000	2,000,000	93,526,000
Repayments of borrowings	(24,220,543)	(15,646,394)	(17,779,833)
Proceeds from sales and leaseback transactions	–	11,000,000	40,080,000
Repayment of finance leases obligations	(10,572,211)	(2,853,469)	(10,531,141)
Change in amount due with shareholders	7,917,509	5,902,055	(1,177,633)
Net cash generated from financing activities	1,624,755	402,192	104,117,393
Net (decrease)/increase in cash and cash equivalents and cash and cash equivalents at end of year	(1,756,970)	4,962,366	(3,621,967)
Cash and cash equivalents at beginning of year	2,409,772	652,802	5,615,168
Cash and cash equivalents at end of year	652,802	5,615,168	1,993,201
Analysis of cash and cash equivalents			
Bank and cash balances	652,802	5,615,168	1,993,201

NOTES TO FINANCIAL INFORMATION

1. General Information

The Target Company was registered in the People's Republic of China (the "**PRC**") with limited liability on 3 July 2006. The address of its registered office is 北京市密雲縣經濟開發區興盛南路8號開發區辦公樓501室-1142 and principal place of business is 北京市朝陽區望京利澤中園101號啓明國際大廈B座二層B203-A室.

The principal activity of the TMTC Group is the provision of car rental services and shuttle bus services.

The Financial Information is presented in Renminbi ("**RMB**"), which is the same as the functional currency of the TMTC Group.

2. Going Concern Basis

As at 31 December 2013, 2014 and 2015 the TMTC Group had net current liabilities of RMB7,388,001, RMB7,692,594 and RMB76,401,734 respectively. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern.

These Financial Information has been prepared on a going concern basis, the validity of which depends upon the financial support of the controlling shareholder, at a level sufficient to finance the working capital requirements of the TMTC Group and the TMTC Group's ability to generate sufficient working capital. The controlling shareholder has agreed to provide adequate funds for the TMTC Group to meet its liabilities as they fall due and based on a detailed review of the working capital forecast for a 12-month period from the date of this report, the managements of the TMTC Group are of the opinion that the TMTC Group will have cash inflow from operation and sufficient banking facilities to finance its working capital requirements during the Period.

3. Adoption of New and Revised Hong Kong Financial Reporting Standards

The TMTC Group has adopted all the new and revised Hong Kong Financial Reporting Standards ("**HKFRSs**") issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**") that are relevant to its operations and effective for its accounting periods beginning on or after 1 January 2015. HKFRSs comprise Hong Kong Financial Reporting Standards ("**HKFRS**"); Hong Kong Accounting Standards ("**HKAS**"); and Interpretations.

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

4. Significant Accounting Policies

The Financial Information has been prepared in accordance with HKFRSs. The Financial Information includes applicable disclosures required by the Hong Kong Companies Ordinance and the Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

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

The preparation of financial information in conformity with HKFRSs requires the use of certain key assumptions and estimates. It also requires the directors to exercise its judgements in the process of applying the accounting policies. The areas involving critical judgements and areas where assumptions and estimates are significant to the Financial Information, are disclosed in note 5 to the Financial Information.

The significant accounting policies applied in the preparation of the Financial Information are set out below:

Consolidation

The consolidated financial statements include the financial statements of the Target Company and its subsidiaries (collectively referred to as the "**TMTC Group**"). Subsidiaries are entities over which the TMTC Group has control. The TMTC Group 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. The TMTC Group has power over an entity when the TMTC Group has existing rights that give it the current ability to direct the relevant activities, i.e. activities that significantly affect the entity's returns.

When assessing control, the TMTC Group considers its potential voting rights as well as potential voting rights held by other parties, to determine whether it has control. A potential voting right is considered only if the holder has the practical ability to exercise that right.

Subsidiaries are consolidated from the date on which control is transferred to the TMTC Group. They are de-consolidated from the date the control ceases.

Intragroup transactions, balances and unrealised profits are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the TMTC Group.

In the Target Company's statement of financial position the investments in subsidiaries are stated at cost less allowance for impairment losses. The results of subsidiaries are accounted for by the Target Company on the basis of dividends received and receivable.

Foreign currency translation

Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the TMTC Group's entities operates (the "**functional currency**"). The Financial Information is presented in RMB, which is the Target Company's functional and presentation currency.

Transactions and balances in financial statements

Transactions in foreign currencies are translated into the functional currency on initial recognition using the exchange rates prevailing on the transaction dates. Monetary assets and liabilities in foreign currencies are translated at the exchange rates at the end of each reporting period. Gains and losses resulting from this translation policy are recognised in profit or loss. Non-monetary items that are measured at fair values in foreign currencies are translated using the exchange rates at the dates when the fair values are determined. When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

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 TMTC Group and the cost of the item can be measured reliably. All other repairs and maintenance are recognised in profit or loss during the period in which they are incurred.

Depreciation of property, plant and equipment is calculated at rates sufficient to write off their cost less their residual values over the estimated useful lives on a straight- line basis. The principal useful lives are as follows:

Motor vehicles	10 – 16%
Leasehold improvement	33%

The residual values, useful lives and depreciation method are reviewed and adjusted, if appropriate, at the end of each reporting period.

The gain or loss on disposal of property, plant and equipment is the difference between the net sales proceeds and the carrying amount of the relevant asset, and is recognised in profit or loss.

Leases

(a) Operating leases

Leases that do not substantially transfer to the TMTC Group all the risks and rewards of ownership of assets are accounted for as operating leases. Lease payments (net of any incentives received from the lessor) are recognised as an expense on a straight-line basis over the lease term.

(b) Finance leases

Leases that substantially transfer to the TMTC Group all the risks and rewards of ownership of assets are accounted for as finance leases. At the commencement of the lease term, a finance lease is capitalised at the lower of the fair value of the leased asset and the present value of the minimum lease payments, each determined at the inception of the lease.

The corresponding liability to the lessor is included in the statement of financial position as finance lease payable. Lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Assets under finance leases are depreciated the same as owned assets over the shorter of the lease term and their estimated useful lives.

(c) Sales and leaseback arrangement resulting in a finance lease

A sales and leaseback arrangement, which results in a finance lease is a means whereby the lessor provides finance to the lessee with the asset as security. To reflect the substance of the transaction, any excess of sales proceeds over the carrying amount of the asset is deferred and amortised as an adjustment to the depreciation of the asset.

Recognition and derecognition of financial instruments

Financial assets and financial liabilities are recognised in the statement of financial position when the TMTC Group becomes a party to the contractual provisions of the instruments.

Financial assets are derecognised when the contractual rights to receive cash flows from the assets expire; the TMTC Group transfers substantially all the risks and rewards of ownership of the assets; or the TMTC Group neither transfers nor retains substantially all the risks and rewards of ownership of the assets but has not retained control on the assets. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and the cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires. The difference between the carrying amount of the financial liability derecognised and the consideration paid is recognised in profit or loss.

Trade and other receivables

Trade and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment. An allowance for impairment of trade and other receivables is established when there is objective evidence that the TMTC Group will not be able to collect all amounts due according to the original terms of receivables. The amount of the allowance is the difference between the receivables' carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate computed at initial recognition. The amount of the allowance is recognised in profit or loss.

Impairment losses are reversed in subsequent periods and recognised in profit or loss when an increase in the receivables' recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the receivables at the date the impairment is reversed shall not exceed what the amortised cost would have been had the impairment not been recognised.

Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents represent cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term highly liquid investments which are readily convertible into known amounts of cash and subject to an insignificant risk of change in value. Bank overdrafts which are repayable on demand and form an integral part of the TMTC Group's cash management are also included as a component of cash and cash equivalents.

Financial liabilities and equity instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument under HKFRSs. An equity instrument is any contract that evidences a residual interest in the assets of the TMTC Group after deducting all of its liabilities. The accounting policies adopted for specific financial liabilities and equity instruments are set out below.

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method.

Borrowings are classified as current liabilities unless the TMTC Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Trade and other payables

Trade and other payables are stated initially at their fair value and subsequently measured at amortised cost using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost.

Equity instruments

Equity instruments issued by the Target Company are recorded at the proceeds received, net of direct issue costs.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and is recognised when it is probable that the economic benefits will flow to the TMTC Group and the amount of revenue can be measured reliably.

Services fee income is recognised when the services have been provided to the customers.

Interest income is recognised on a time-proportion basis using the effective interest method.

Employee benefits

a) Employee leave entitlements

Employee entitlements to annual leave and long service leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave and long service leave as a result of services rendered by employees up to the end of the reporting period.

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

b) Pension obligations

The TMTC Group contributes to defined contribution retirement schemes which are available to all employees. Contributions to the schemes by the TMTC Group and employees are calculated as a percentage of employees' basic salaries. The retirement benefit scheme cost charged to profit or loss represents contributions payable by the TMTC Group to the funds.

c) Termination benefits

Termination benefits are recognised at the earlier of the dates when the TMTC Group can no longer withdraw the offer of those benefits and when the TMTC Group recognises restructuring costs and involves the payment of termination benefits.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

To the extent that funds are borrowed generally and used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalisation is determined by applying a capitalisation rate to the expenditures on that asset. The capitalisation rate is the weighted average of the borrowing costs applicable to the borrowings of the TMTC Group that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Taxation

Income tax represents the sum of the current tax and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit recognised in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The TMTC Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences, unused tax losses or unused tax credits can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, except where the TMTC Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based on tax rates that have been enacted or substantively enacted by the end of the reporting period. Deferred tax is recognised in profit or loss, except when it relates to items recognised in other comprehensive income or directly in equity, in which case the deferred tax is also recognised in other comprehensive income or directly in equity.

The measurement of deferred tax assets and liabilities reflects the tax consequences that would follow from the manner in which the TMTC Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the TMTC Group intends to settle its current tax assets and liabilities on a net basis.

Related parties

A related party is a person or entity that is related to the TMTC Group.

a) A person or a close member of that person's family is related to the TMTC Group if that person:

   (i) has control or joint control over the TMTC Group;

   (ii) has significant influence over the TMTC Group; or

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

b) An entity is related to the TMTC Group if any of the following conditions applies:

   (i) The entity and the Target Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

   (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

   (iii) Both entities 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 TMTC Group or an entity related to the TMTC Group. If the TMTC Group is itself such a plan, the sponsoring employers are also related to the TMTC Group.

   (vi) The entity is controlled or jointly controlled by a person identified in (a).

   (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).

   (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Target Company or to a parent of the Target Company.

Impairment of assets

At the end of each reporting period, the TMTC Group reviews the carrying amounts of its tangible assets and intangible assets except receivables to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of any impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the TMTC Group estimates the recoverable amount of the cash generating unit to which the asset belongs.

Recoverable amount is the higher of fair value 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 assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the TMTC Group has a present legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditures expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow is remote.

Events after the reporting period

Events after the reporting period that provide additional information about the TMTC Group's position at the end of the reporting period or those that indicate the going concern assumption is not appropriate are adjusting events and are reflected in the financial statements. Events after the reporting period that are not adjusting events are disclosed in the notes to the financial statements when material.

5. Critical Judgements and Key Estimates

Key Sources of Estimation Uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, 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.

a) Property, plant and equipment and depreciation

The TMTC Group determines the estimated useful lives, residual values and related depreciation charges for the TMTC Group's property, plant and equipment. This estimate is based on the historical experience of the actual useful lives and residual values of property, plant and equipment of similar nature and functions. The TMTC Group will revise the depreciation charge where useful lives and residual values are different to those previously estimated, or it will write-off or write-down technically obsolete or non-strategic assets that have been abandoned or sold.

b) Impairment loss for bad and doubtful debts

The TMTC Group makes impairment loss for bad and doubtful debts based on assessments of the recoverability of the trade 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 judgement and estimates. Where the actual result is different from the original estimate, such difference will impact the carrying value of the trade and other receivables and doubtful debt expenses in the year in which such estimate has been changed.

6. Financial Risk Management

The TMTC Group's activities expose it to a variety of financial risks: foreign currency risk, credit risk, liquidity risk and interest rate risk. The TMTC Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the TMTC Group's financial performance.

a) Foreign currency risk

The TMTC Group has minimal exposure to foreign currency risk as most of its business transactions, assets and liabilities are principally denominated in the functional currencies of the TMTC Group entities. The TMTC Group currently does not have a foreign currency hedging policy in respect of foreign currency transactions, assets and liabilities. The TMTC Group will monitor its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arise.

b) Credit risk

The carrying amount of the bank and cash balances, trade and other receivables and amounts due from shareholders included in the statement of financial position represents the TMTC Group's maximum exposure to credit risk in relation to the TMTC Group's financial assets.

The credit risk on bank and cash balances is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

Amounts due from the shareholders are closely monitored by the directors.

The management of the TMTC Group has delegated a team responsible for the determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts fue from cash clients. In addition, the TMTC Group reviews the recoverable amount of each individual trade debt at each reporting date to ensure that adequate impairment provisions are made for irrecoverable amounts. In this regard, the directors of the TMTC Group consider that the Group's credit risk is significantly reduced.

c) *Liquidity risk*

The TMTC Group's policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in the short and longer term.

The maturity analysis of the TMTC Group's financial liabilities based on contractual undiscounted payments is as follows:

	TMTC Group			
	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
	RMB	*RMB*	*RMB*	*RMB*
At 31 December 2015				
Accruals and other payables	10,302,845	–	–	–
Amount due to shareholders	16,795,928	–	–	–
Borrowings	74,823,823	24,651,640	–	–
Obligations under finance leases due within one year	15,091,321	11,913,880	23,827,760	–
	117,013,917	36,565,520	23,827,760	–
At 31 December 2014				
Accruals and other payables	1,316,190	–	–	–
Amount due to shareholders	17,973,561	–	–	–
Borrowings	20,411,102	–	–	–
Obligation under finance lease due within one year	5,694,012	4,714,916	7,769,083	–
	45,394,865	4,714,916	7,769,083	–
At 31 December 2013				
Accruals and other payables	1,465,371	–	–	–
Amount due to shareholders	12,895,099	–	–	–
Borrowings	17,355,954	18,343,419	–	–
Obligation under finance lease due within one year	3,332,985	3,103,038	2,174,495	–
	35,049,409	21,446,457	2,174,495	–

d) Interest rate risk

The TMTC Group's exposure to interest-rate risk arises from its bank and other borrowings. These bank and other borrowings bear interests at variable rates varied with the then prevailing market condition.

At 31 December 2013, 2014 and 2015, if interest rates at that date had been 100 basis points lower/higher with all other variables held constant, consolidated loss after tax for the year would have been RMB327,214, RMB190,750 and RMB366,401 lower/ higher, arising mainly as a result of lower interest expense on bank and other borrowings.

e) Categories of financial instruments

	TMTC Group		
	As at 31 December		
	2013	**2014**	**2015**
	RMB	*RMB*	*RMB*
Financial assets:			
Loans and receivables (including cash and cash equivalents)			
– Trade receivables	8,739,171	5,988,741	9,524,491
– Financial assets included in prepayment, deposits and other receivables	2,408,222	3,790,876	9,139,838
– Amount due from a shareholder	823,593	–	–
– Bank and cash balances	652,802	5,615,168	1,993,201
	12,623,788	15,394,785	20,657,530
Financial liabilities:			
Financial liabilities at amortised cost			
– Accruals and other payables	1,465,371	1,316,190	10,302,845
– Amount due to shareholders	12,895,099	17,973,561	16,795,928
– Borrowings	32,721,394	19,075,000	94,821,167
	47,081,864	38,364,751	121,919,940

f) Fair value

The carrying amounts of the TMTC Group's financial assets and financial liabilities as reflected in the consolidated statement of financial position approximate their respective fair values.

7. Revenue

	For the year ended 31 December		
	2013	**2014**	**2015**
	RMB	*RMB*	*RMB*
Car rental services and shuttle bus services	43,604,081	36,398,548	59,238,670

8. Other Income

	For the year ended 31 December		
	2013	**2014**	**2015**
	RMB	*RMB*	*RMB*
Bank interest income	7,560	3,002	17,383
Deferred income	–	50,041	822,635
	7,560	53,043	840,018

9. Finance Costs

	For the year ended 31 December		
	2013	**2014**	**2015**
	RMB	*RMB*	*RMB*
Interests of borrowings			
– Interest on borrowings	2,017,025	1,712,338	2,520,979
– Finance leases charges	1,060,362	485,516	2,660,177
– Finance charges	810,611	99,098	989,982
	3,887,998	2,296,952	6,171,138

10. Income Tax Expense

	For the year ended 31 December		
	2013	**2014**	**2015**
	RMB	*RMB*	*RMB*
Current tax:			
– Provision for the PRC enterprise income tax (the "**EIT**")	65,689	195,488	165,487

Under the Laws of the PRC on the EIT and Implementation of the EIT Law, the The PRC income tax is calculated at 25%.

The reconciliation between the income tax expense and account profit/(loss) at applicable tax rates

	For the year ended 31 December		
	2013	**2014**	**2015**
	RMB	*RMB*	*RMB*
(Loss)/profit before taxation	(281,796)	102,524	651,735
Tax at PRC Enterprise Income Tax of 25%	(70,449)	25,631	162,933
Tax effect of non-deductible expenses	213,701	11,569	78,182
Tax effect of temporary differences not recognised	(77,313)	158,288	(75,628)
Tax effect of income that are not taxable	(250)	–	–
Income tax expenses	65,689	195,488	165,487

11. (Loss)/profit for the Year

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

	For the year ended 31 December		
	2013	**2014**	**2015**
	RMB	*RMB*	*RMB*
Depreciation	6,661,081	6,685,557	10,770,709
Directors' remuneration	–	–	–
Loss on disposal of property, plant and equipment	–	–	235,871
Operating lease charges on land and buildings	58,000	116,000	546,182
Staff costs			
– Salaries, bonus and allowances	8,409,091	10,606,676	17,588,830
– Retirement benefits scheme contributions	894,554	778,815	1,092,859
	9,303,645	11,385,491	18,681,689

12. Segment Information

The TMTC Group's operating segment is car rental services and shuttle bus services. Since this is the only operating segment of the TMTC Group, no further analysis thereof is presented.

The TMTC Group's operations and operating assets are substantially located in PRC. Accordingly, no geographical segment information is presented.

13. Dividends

The directors of the Target Company do not recommend the payment of any dividend in respect of the Relevant Periods.

14. Property, Plant and Equipment

	TMTC Group			Target Company		
	Motor vehicles *RMB*	Leasehold improvement *RMB*	Total *RMB*	Motor vehicles *RMB*	Leasehold improvement *RMB*	Total *RMB*
Cost						
At 1 January 2013	68,108,597	–	68,108,597	32,048,987	–	32,048,987
Additions	10,000	–	10,000	–	–	–
Disposals	–	–	–	–	–	–
At 31 December 2013 and 1 January 2014	68,118,597	–	68,118,597	32,048,987	–	32,048,987
Additions	528,233	–	528,233	390,233	–	390,233
Additions from sales and lease back transaction	11,000,000	–	11,000,000	1,000,000	–	1,000,000
Transfer out arising from sales and leaseback transaction	(14,033,730)	–	(14,033,730)	(1,853,000)	–	(1,853,000)
Disposals	–	–	–	(17,129,770)	–	(17,129,770)
At 31 December 2014 and 1 January 2015	65,613,100	–	65,613,100	14,456,450	–	14,456,450
Additions	275,252,947	435,721	275,688,668	218,970,300	–	218,970,300
Additions from sales and lease back transaction	40,080,000	–	40,080,000	–	–	–
Transfer out arising from sales and leaseback transaction	(34,782,397)	–	(34,782,397)	–	–	–
Disposals	(517,731)	–	(517,731)	(9,540,555)	–	(9,540,555)
At 31 December 2015	345,645,919	435,721	346,081,640	223,886,195	–	223,886,195
Accumulated depreciation						
At 1 January 2013	12,591,230	–	12,591,230	8,218,847	–	8,218,847
Charge for the year	6,661,081	–	6,661,081	3,163,764	–	3,163,764
At 31 December 2013 and 1 January 2014	19,252,311	–	19,252,311	11,382,611	–	11,382,611
Charge for the year	6,685,557	–	6,685,557	3,137,604	–	3,137,604
Transfer out arising from sales and leaseback transaction	(5,435,748)	–	(5,435,748)	(1,070,280)	–	(1,070,280)
Disposals	–	–	–	(5,817,730)	–	(5,817,730)
At 31 December 2014 and 1 January 2015	20,502,120	–	20,502,120	7,632,205	–	7,632,205
Charge for the year	10,637,572	133,137	10,770,709	776,055		776,055
Transfer out arising from sales and leaseback transaction	(5,364,657)	–	(5,364,657)	–	–	–
Disposals	(21,860)	–	(21,860)	(6,209,005)	–	(6,209,005)
At 31 December 2015	25,753,175	133,137	25,886,312	2,199,255	–	2,199,255
Carrying amount						
At 31 December 2015	319,892,744	302,584	320,195,328	221,686,940	–	221,686,940
At 31 December 2014	45,110,980	–	45,110,980	6,824,245	–	6,824,245
At 31 December 2013	48,866,286	–	48,866,286	20,666,376	–	20,666,376

At 31 December 2015, certain motor vehicles with the carrying amounts of approximately RMB38,329,170 of the TMTC Group were pledged to secure for the bank borrowings of the TMTC Group *(Note 21)*.

At 31 December 2013, 2014 and 2015, certain motor vehicles with the carrying amounts of approximately RMB11,375,391, RMB18,029,364 and RMB43,819,652 of the TMTC Group were under finance leases of the TMTC Group. At 31 December 2013, 2014 and 2015, certain motor vehicles with the carrying amounts of approximately RMB763,063, RMB782,720 and RMB521,828 of the Target Company was under finance leases of the Target Company *(Note 22)*.

15. Investment in Subsidiaries

	Target Company		
	As at 31 December		
	2013	**2014**	**2015**
	RMB	*RMB*	*RMB*
Unlisted investment, at costs	9,000,000	9,000,000	15,000,000
Less: Impairment losses	–	–	–
	9,000,000	9,000,000	15,000,000

The amount due to a subsidiary is unsecured, interest-free and has no fixed terms of repayment.

16. Trade Receivables

The aging analysis of trade receivables, based on the services provide date, and net of allowance, is as follows:

	TMTC Group			Target Company		
	As at 31 December			As at 31 December		
	2013	**2014**	**2015**	**2013**	**2014**	**2015**
	RMB	*RMB*	*RMB*	*RMB*	*RMB*	*RMB*
Within 30 days	4,910,419	4,458,732	3,862,611	1,490,327	1,628,267	3,300
31 days to 60 days	1,014,648	1,401,788	3,391,779	133,398	542,324	–
61 days to 90 days	1,321,283	9,581	781,362	129,456	–	–
91 days to 120 days	–	–	–	–	–	–
Over 120 days	1,492,821	118,640	1,488,739	10,300	–	–
	8,739,171	5,988,741	9,524,491	1,763,481	2,170,591	3,300

As of 31 December 2013, 2014 and 2015, trade receivables of RMB1,492,821, RMB118,640 and RMB1,488,739 were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default.

17. Prepayments, Deposits and Other Receivables

		TMTC Group			Target Company		
		As at 31 December			As at 31 December		
	Note	2013	2014	2015	2013	2014	2015
		RMB	RMB	RMB	RMB	RMB	RMB
Prepayments		10,890	2,821,491	1,992,017	–	133,391	–
Guarantee deposit	a	2,241,200	3,641,200	7,461,200	–	100,000	100,000
Utility deposits		18,908	–	19,667	18,908	–	–
Other receivables		148,114	149,676	1,658,971	121,240	122,303	121,972
		2,419,112	6,612,367	11,131,855	140,148	355,694	221,972

(a) Guarantee deposits were paid to certain finance lease companies to secure the finance leases of the TMTC Group and Target Company.

18. Accruals and Other Payables

		TMTC Group			Target Company		
		As at 31 December			As at 31 December		
	Note	2013	2014	2015	2013	2014	2015
		RMB	*RMB*	*RMB*	*RMB*	*RMB*	*RMB*
Accrued expenses		835,195	91,872	1,485,984	89,083	91,870	53,337
Interest payables		–	70,148	–	–	–	–
Other payables		560,025	347,082	868,565	112,505	84,073	220,000
Payable for acquiring property, plant and equipment	a	–	–	163,914,866	–	–	159,079,973
Other tax payables		70,151	807,088	163,403	20,081	60,156	8,027
		1,465,371	1,316,190	166,432,818	221,669	236,099	159,361,337
Less: current portion		(1,465,371)	(1,316,190)	(10,302,845)	(221,669)	(236,099)	(3,231,364)
Non-current portion		–	–	156,129,973	–	–	156,129,973

(a) The payable for acquiring property, plant and equipment are measured at amortised cost using the effective interest of 6.97% and payble from 1 to 8 years.

19. Deferred Income

	TMTC Group			Target Company		
	As at 31 December			As at 31 December		
	2013	2014	2015	2013	2014	2015
	RMB	*RMB*	*RMB*	*RMB*	*RMB*	*RMB*
At 1 January	–	–	2,351,977	–	–	212,754
Additions	–	2,402,018	10,662,260	–	217,280	–
Credited to profit or loss	–	(50,041)	(822,635)	–	(4,526)	(54,320)
At 31 December	–	2,351,977	12,191,602	–	212,754	158,434
Less: current portion	–	(600,505)	(3,266,070)	–	(54,320)	(54,320)
Non-current portion	–	1,751,472	8,925,532	–	158,434	104,114

In accordance with the accounting policy adopted for sales and leaseback arrangement in note 3 to the Financial Information, the deferred income are recorded for the excess of sales proceeds over the carrying amount of the asset is deferred and amortised as an adjustment to the depreciation of the asset.

20. Amount Due from/to Shareholders

The amount due from/to shareholders are unsecured, repayable on demand and interest-free. No part of the amount due to shareholders will be repayable within 12 months. Accordingly the balance is classified as a non-current liability.

21. Borrowings

	TMTC Group			Target Company		
	As at 31 December			As at 31 December		
	2013	2014	2015	2013	2014	2015
	RMB	*RMB*	*RMB*	*RMB*	*RMB*	*RMB*
Bank term loans	32,721,394	19,075,000	36,821,167	5,500,000	2,075,000	54,000
Other borrowings	–	–	58,000,000	–	–	58,000,000
	32,721,394	19,075,000	94,821,167	5,500,000	2,075,000	58,054,000
Current portion	(15,646,394)	(19,075,000)	(72,891,750)	(5,425,000)	(2,075,000)	(58,054,000)
Non-current portion	17,075,000	–	21,929,417	75,000	–	–

The borrowings are repayable as follows:

	TMTC Group			Target Company		
	As at 31 December			As at 31 December		
	2013	2014	2015	2013	2014	2015
	RMB	*RMB*	*RMB*	*RMB*	*RMB*	*RMB*
On demand or within one year	15,646,394	19,075,000	72,891,750	5,425,000	2,075,000	58,054,000
In the second year	17,075,000	–	21,929,417	75,000	–	–
	32,721,394	19,075,000	94,821,167	5,500,000	2,075,000	58,054,000

The weighted average interest rates were as follows:

	TMTC Group			Target Company		
	As at 31 December			As at 31 December		
	2013	2014	2015	2013	2014	2015
Bank loans	5.49%	6.39%	6.35%	4.89%	5.53%	7.80%
Other borrowings	N/A	N/A	8.00%	N/A	N/A	8.00%

At 31 December 2013, 2014 and 2015, the carrying amounts of the secured bank loans of the TMTC Group and Target Company are analysed as follow:

	TMTC Group			Target Company		
	As at 31 December			As at 31 December		
Secured by:	**2013**	**2014**	**2015**	**2013**	**2014**	**2015**
	RMB	*RMB*	*RMB*	*RMB*	*RMB*	*RMB*
Property, plant and equipment *(Note 14)*	–	–	30,767,167	–	–	–
Guarantees given by guarantee services companies	19,721,394	12,075,000	6,000,000	5,500,000	75,000	–
Guarantees given by a subsidiary, shareholders and third parties	–	–	–	–	–	2,000,000
Guarantees given by shareholders and third parties	–	2,000,000	58,054,000	–	–	58,054,000
Guarantees given by guarantee services companies, shareholders and a third party	13,000,000	5,000,000	–	–	–	–

22. Obligation Under Finance Lease

The amount due to shareholders are unsecured, repayable on demand and interest-free.

	TMTC Group					
	Minimum lease payments			Present value of minimum lease payments		
	At 31 December			At 31 December		
	2013	**2014**	**2015**	**2013**	**2014**	**2015**
	RMB	*RMB*	*RMB*	*RMB*	*RMB*	*RMB*
Within one year	3,332,985	5,694,012	15,091,321	2,853,469	4,721,869	12,437,585
In the second to fifth years, inclusive	5,277,533	12,483,999	35,741,640	4,942,638	11,220,769	33,053,912
After five years	–	–	–	–	–	–
	8,610,518	18,178,011	50,832,961	7,796,107	15,942,638	45,491,497
Less: Future finance charges	(814,411)	(2,235,373)	(5,341,464)	N/A	N/A	N/A
Present value of lease obligations	7,796,107	15,942,638	45,491,497	7,796,107	15,942,638	45,491,497
Less: Amount due for settlement within 12 months (shown under current liabilities)				(2,853,469)	(4,721,869)	(12,437,585)
				4,942,638	11,220,769	33,053,912

	Target Company					
	Minimum lease payments At 31 December			Present value of minimum lease payments At 31 December		
	2013	2014	2015	2013	2014	2015
	RMB	*RMB*	*RMB*	*RMB*	*RMB*	*RMB*
Within one year	203,807	233,167	221,167	203,807	167,383	166,667
In the second to fifth years, inclusive	–	939,579	717,813	–	832,617	665,951
After five years	–	–	–	–	–	–
	203,807	1,172,746	938,980	203,807	1,000,000	832,618
Less: Future finance charges	–	(172,746)	(106,362)	N/A	N/A	N/A
Present value of lease obligations	203,807	1,000,000	832,618	203,807	1,000,000	832,618
Less: Amount due for settlement within 12 months (shown under current liabilities)				(203,807)	(167,383)	(166,667)
				–	832,617	665,951

The weighted average interest rates were as follows:

	TMTC Group			Target Company		
	As at 31 December			As at 31 December		
	2013	2014	2015	2013	2014	2015
Obligation under finance lease	10.07%	7.37%	6.82%	10.49%	6.95%	6.95%

The finance lease payables of the Target Company and TMTC Group are secured by the lessor's title to the leased assets.

23. Paid-in Capital

	TMTC Group and Target Company		
	As at 31 December		
	2013	2014	2015
	RMB	*RMB*	*RMB*
Fully paid:	8,000,000	8,000,000	8,000,000

24. Reserve of the Target Company

	Accumulated losses *RMB*
At 1 January 2013	(739,053)
Total comprehensive loss for the year	(378,803)
At 31 December 2013 and 1 January 2014	(1,117,856)
Total comprehensive income for the year	100,747
At 31 December 2014 and 1 January 2015	(1,017,109)
Total comprehensive loss for the year	(1,497,539)
At 31 December 2015	(2,514,648)

25. Major Non-cash Transaction

During the year ended 31 December 2015, additions to property, plant and equipment of RMB163,914,866 are payable from 1 to 8 years *(Note 18(a))*.

26. Lease Commitments

At the end of the reporting period, the total future minimum lease payments under non-cancellable operating leases are payable as follows:

	TMTC Group As at 31 December		
	2013 *RMB*	**2014** *RMB*	**2015** *RMB*
Within one year	116,000	58,000	253,067
In the second to fifth years inclusive	58,000	–	301,928
	174,000	58,000	554,995

27. Subsequent Financial Statements

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

ZHONGHUI ANDA CPA Limited
Certified Public Accountants
Sze Lin Tang
Practising Certificate Number P03614

Hong Kong, 30 June 2016

Set out below is the management discussion and analysis on the TMTC Group for the years ended 31 December 2013, 2014 and 2015. The following financial information is based on the audited financial information of the TMTC Group as set out in Appendix IIIA to this circular.

BUSINESS AND FINANCIAL REVIEW OF THE TMTC GROUP

Revenue

The Target Company is a company established in the PRC and the TMTC Group is principally engaged in the provision of comprehensive shuttle bus and car rental services in the PRC. The TMTC Group's revenue mainly refers to the car rental fees and shuttle bus services it charged to its customers. For the year ended 31 December 2014, the TMTC Group recorded a revenue of approximately RMB36.4 million, representing a decrease of approximately 16.5% as compared to 2013 due to a loss of one key customer. For the year ended 31 December 2015, the TMTC Group recorded a revenue of approximately RMB59.2 million, representing an substantial increase of approximately 62.6% as compared to the year ended 31 December 2014. Such increase was a result of an increase of services requested by our customers.

Cost of services provided

The costs of car rental business primarily consist of depreciation of motor vehicles and direct operating expenses, which mainly include direct labour costs, insurance fees, repair and maintenance fees, fuel expenses and others. For the year ended 31 December 2014, the TMTC Group's cost of services provided was approximately RMB30.8 million, representing a decrease of approximately 16.3% as compared to the year ended 31 December 2013, which is proportional to the decrease of revenue in 2014. For the years ended 31 December 2014 and 2015, the cost of services provided accounted for approximately 84.7% and 82.2% of the total revenue, respectively. For the year ended 31 December 2015, the TMTC Group's cost of services provided was approximately RMB48.7 million, representing an increase of approximately 58.1% as compared to the year ended 31 December 2014 which was primarily due to the substantial increase of sales.

Other income

Other income consists of bank interest income and deferred income. The deferred income increased significantly from approximately RMB0.05 million for the year ended 31 December 2014 to RMB0.8 million for the year ended 31 December 2015. The increase was mainly attributable to higher number of sales and leaseback arrangements made in 2015.

Administrative expenses

Administrative expenses primarily consisted of professional fees, depreciation of self-use motor vehicles, salaries and benefits for the staff, office expenses, office rental expenses and other miscellaneous expenses. For the years ended 31 December 2013 and 2014, the TMTC Group's administrative expenses were stable and maintained at approximately RMB3.2 million. For the year ended 31 December 2015, the TMTC Group's administrative expenses were approximately RMB4.6 million, representing an increase of approximately 43.8%.

The rental expenses increased from approximately RMB0.1 million for the year ended 31 December 2014 to RMB0.5 million for the year ended 31 December 2015 due to a new office lease entered in 2015. The deprecation of self-use motor vehicles increased from approximately RMB0.2 million for the year ended 31 December 2014 to RMB0.7 million for the year ended 31 December 2015 due to leasehold improvement of office in 2015. For the year ended 31 December 2015, the loss on disposal of property, plant and equipment, which was a non-recurring transaction, was approximately RMB0.2 million.

Finance costs

Finance costs are related to the car rental business, which includes primarily interests on borrowings, finance lease charges and other finance charges. For the year ended 31 December 2014, finance cost of the TMTC Group was approximately RMB2.3 million, representing a decrease of approximately 41.0% as compared to the year ended 31 December 2013, which was attributable to the reduction of new borrowings in 2014. For the year ended 31 December 2015, the TMTC Group's finance costs were approximately RMB6.2 million, representing an substantial increase of approximately 169.6% as compared to the year ended 31 December 2014. The increase in the finance costs was as a result of the purchase of new electronic buses through borrowings and finance leases.

Property, plant and equipment

As at 31 December 2015, the amount of property, plant and equipment increased approximately 610.0% from approximately RMB45.1 million as at 31 December 2014 to approximately RMB320.2 million as at 31 December 2015. The substantial increase of property, plant and equipment in 2015 was due to the purchase of around 400 new energy electric buses (which would be gradually put into service by the end of 2016) for expansion of operation and leasehold improvement of office.

Trade receivables

Trade receivables were RMB8.7 million, RMB6.0 million and RMB9.5 million as at 31 December 2013, 31 December 2014 and 31 December 2015 respectively. The fluctuation of trade receivables was in line with the movement of revenue during the past three years.

Prepayments, deposits and other receivables

The prepayments, deposits and other receivables amounted to approximately RMB2.4 million, RMB6.6 million and RMB11.1 million as at 31 December 2013, 31 December 2014 and 31 December 2015 respectively, in which the amount of guarantee deposits as at 31 December 2013, 31 December 2014 and 31 December 2015 were approximately RMB2.2 million, RMB3.6 million and RMB7.5 million respectively. Guarantee deposits were paid to certain finance lease companies to secure the finance leases of the TMTC Group. The guarantee deposits increased approximately by 108.3% from 31 December 2014 to 31 December 2015 as the TMTC Group entered into more finance leases for purchasing new electric buses.

Bank and cash balances

Bank and cash balances accounted for approximately 1.1%, 8.8% and 0.6% of the total assets of the TMTC Group as at 31 December 2013, 31 December 2014 and 31 December 2015 respectively.

Accruals and other payables

Accruals and other payables mainly comprises of accrued expenses, interest payables, other payables, payable for acquiring property, plant and equipment and other tax payables.

Other payable for acquiring property, plant and equipment substantially increased from nil as at 31 December 2014 to RMB163.9 million as at 31 December 2015 due to the purchase of new electric buses for expansion of operation.

Deferred income (current and non current portion)

The current and non current deferred income amounted to RMB12.2 million as at 31 December 2015, representing an increase of approximately by 408.3%. The increase was attributable to higher number of sales and leaseback arrangements made in 2015.

Borrowings and obligations under finance leases (current and non-current portion)

Borrowings, which were repayable within one year, accounted for approximately 28.5%, 33.6%, and 21.7% of the total liabilities of the TMTC Group as at 31 December 2013, 31 December 2014 and 31 December 2015 respectively. The amount of borrowings substantially increased approximately 281.7% from approximately RMB19.1 million as at 31 December 2014 to approximately RMB72.9 million as at 31 December 2015. Obligations under finance leases due within one year accounted for approximately 5.2%, 8.3%, and 3.7% of the total liabilities of the TMTC Group as at 31 December 2013, 31 December 2014 and 31 December 2015 respectively. The amount of obligations under finance leases within one year substantially increased approximately 163.8% from approximately RMB4.7 million as at 31 December 2014 to approximately RMB12.4 million as at 31 December 2015. The substantial increase of borrowings and obligations under finance leases within one year was mainly due to purchase of around 400 new electric buses, which were financed by borrowings and finance leases.

Non-current portion of borrowings accounted for approximately 31.1%, nil, and 6.5% of the total liabilities of the TMTC Group as at 31 December 2013, 31 December 2014 and 31 December 2015 respectively. The borrowings substantially increased from nil as at 31 December 2014 to approximately RMB21.9 million as at 31 December 2015. Obligations under finance leases due after one year accounted for approximately 9.0%, 19.7%, and 9.8% of the total liabilities of the TMTC Group as at 31 December 2013, 31 December 2014 and 31 December 2015 respectively. The amount of obligations under finance leases due after one year substantially increased by approximately 195.5% from approximately RMB11.2 million as at 31 December 2014 to approximately RMB33.1 million as at 31 December 2015. The significant increase of non-current portion of borrowings and obligations under finance leases due after one year was mainly due to purchase of around 400 new electric buses financed by borrowings and finance leases. The TMTC Group purchased around 400 new electric buses because the TMTC Group has been transforming from the operation of vehicles using conventional energy to vehicles using new energy with a view to decrease carbon emission and create a more environmental-friendly environment. The enlarged fleet will support the growth of business as the TMTC Group has been signed/renewed over 35 service contracts with numbers of institutional customers/international schools with service term up to 5 years.

Period to period comparisons

(i) Comparison for the year ended 31 December 2015 to the year ended 31 December 2014

For the year ended 31 December 2015, the TMTC Group recorded a revenue of approximately RMB59.2 million, representing an increase of approximately 62.6% as compared with that of approximately RMB36.4 million for the year ended 31 December 2014. Such increase was primarily due to increased number of orders and customers after purchase of additional motor vehicles in 2015.

The cost of services provided increased approximately 58.1% from approximately RMB30.8 million for the year ended 31 December 2014 to approximately RMB48.7 million for the year ended 31 December 2015 due to the substantial increase of sales.

For the year ended 31 December 2015, the finance costs of the TMTC Group increased approximately 169.6% from approximately RMB2.3 million for the year ended 31 December 2014 to approximately RMB6.2 million for the year ended 31 December 2015. Such increase was the result of the purchase of additional new energy electric vehicles through finance leases and borrowings during the year ended 31 December 2015.

Due to reasons stated above, the gross profit of the TMTC Group increased approximately 87.5% from approximately RMB5.6 million in the year ended 31 December 2014 to approximately RMB10.5 million in the year ended 31 December 2015, and the TMTC Group has turned around from a net loss after taxation of RMB92,964 during the year ended 31 December 2014 to net profit after taxation of RMB486,248 during the year ended 31 December 2015.

During the year ended 31 December 2015, the TMTC Group had gradually established a stable and trustworthy relationship with its multinational corporations and international schools customers, resulting in an increase of number of orders and attracting new customers to engage the TMTC Group for provision of shuttle bus services. In light of growing number of customers, in 2015, TMTC Group purchased additional 185 conventional energy vehicles (which were all put into service by 2015) and 400 electric buses (which would be gradually put into service by the end of 2016) to cope with the business expansion. As such, the total fleet size in operation had increased to 350 vehicles in 2015. The increased fleet size allowed the TMTC Group to enjoy economies of scale and the management of the TMTC Group had closely monitor the operation of the fleet. During the year 2015, TMTC Group had experienced growth in revenue while with the increased fleet size and improved its operational efficiency. The higher gross profits derived from customers and improvement of service efficiency led to an overall increase in the gross profit and hence the TMTC Group recorded a profit of RMB486,248 for the year ended 31 December 2015.

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

For the year ended 31 December 2014, the TMTC Group recorded a revenue of approximately RMB36.4 million, representing a decrease of approximately 16.5% as compared with that of approximately RMB43.6 million for the year ended 31 December 2013. Such decrease was primarily due to a loss of a key customer.

The cost of services provided decreased approximately 16.3% from approximately RMB36.8 million for the year ended 31 December 2013 to approximately RMB30.8 million for the year ended 31 December 2014 due to decrease of revenue and increase of direct labour cost.

For the year ended 31 December 2014, the finance costs of the TMTC Group significantly decreased approximately by 41.0% from approximately RMB3.9 million for the year ended 31 December 2013 to approximately RMB2.3 million for the year ended 31 December 2014. Such decrease was attributable to the reduction of new borrowings raised in 2014.

Due to reasons stated above, the gross profit of the TMTC Group decreased approximately by 17.6% from approximately RMB6.8 million in the year ended 31 December 2013 to approximately RMB5.6 million in the year ended 31 December 2014. However, as the finance costs was substantially decreased in the year ended 31 December 2014, the TMTC Group recorded a net loss after taxation of RMB92,964 during the year ended 31 December 2014 as compared to the net loss after taxation of approximately RMB347,485 during the year ended 31 December 2013. During the years ended 31 December 2013 and 31 December 2014, the business of TMTC Group was striving to improve its service quality and in the process to establish a long term relationship with its institutional customers who request for timely and good quality of transportation services. In 2013 and 2014, the total fleet size of TMTC Group was only approximately 165 conventional energy vehicles. Due to limited fleet size, the business scale of TMTC Group was limited, the operational efficiency of TMTC Group was not performed as expected, which led to continued losses in the years ended 31 December 2013 and 31 December 2014.

Cash flow position

The TMTC Group recorded a net operating cash outflow amounted to RMB3.4 million for the year ended 31 December 2013 which was mainly due to a repayment to a creditor. The TMTC Group recorded a net operating cash inflow amounted to RMB5.1 million and RMB3.8 million for the years ended 31 December 2014 and 31 December 2015 respectively, representing a year-on-year decrease of approximately RMB1.3 million. The decrease was mainly due to the increment in interest payment of borrowings and finance leases.

The net cash outflow in relation to investing activities was increased significantly from approximately RMB0.5 million for the year ended 31 December 2014 to approximately RMB111.5 million for the year ended 31 December 2015. The increase was attributable to the purchase of around 400 new electric buses for expansion of operation.

The net cash inflow of financing activities increased from approximately RMB0.4 million for the year ended 31 December 2014 to approximately RMB104.1 million for the year ended 31 December 2015. The increase was attributable to obtaining approximately RMB75.7 million of net borrowings to finance the purchase of around 400 new electric buses and receiving approximately RMB40.1 million of sales proceeds from sales and leaseback transactions.

The TMTC Group recorded a net cash outflow approximately RMB1.8 million, a net cash inflow approximately RMB5 million and a net cash outflow approximately RMB3.6 million for the years ended 31 December 2013, 31 December 2014 and 31 December 2015 respectively.

During the years ended 31 December 2013, 2014 and 2015, the TMTC group financed its operation through operating cash flows, borrowings and finance leases.

Liquidity and financial resources

As at 31 December 2013 and 2014 and 2015, the TMTC Group had (i) accruals and other payables of approximately RMB1.5 million, RMB1.3 million and RMB10.3 million respectively; and (ii) trade receivables of approximately RMB8.7 million, RMB6.0 million and RMB9.5 million respectively.

As at 31 December 2013, 2014 and 2015, the TMTC Group's current ratio (calculated by current assets divided by current liabilities) was approximately 63.1%, 70.3% and 22.9% respectively.

As at 31 December 2013, 2014 and 2015, the TMTC Group had (i) short term borrowings and obligation under finance leases of approximately RMB18.5 million, RMB23.8 million and RMB85.3 million respectively; and (ii) long term borrowings obligation under finance leases of approximately RMB22.0 million, RMB11.2 million and RMB55.0 million respectively. The gearing ratios (being total borrowings over the total assets) of the TMTC Group were approximately 53.2%, 30.1% and 27.7% respectively as at 31 December 2013, 2014 and 2015.

Foreign exchange management

The Target Company and TMTC Travel are limited liability companies incorporated in the PRC and most of their monetary assets, liabilities, incomes and expenses were denominated in RMB. The TMTC Group did not use any derivative financial instruments for hedging purposes.

Funding and treasury policy

The TMTC Group 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 2013, 2014 and 2015, the TMTC Group had no capital commitment.

Significant investment, material acquisition and disposals

The TMTC Group did not have any significant investments, material acquisition or disposal for the period from 1 January 2013 to 31 December 2015.

Contingent liabilities

As at 31 December 2013, 2014 and 2015, the TMTC Group did not have any significant contingent liabilities.

Charge on assets

Saved as disclosed in note 14 to the accountants' report of the TMTC Group as set out on pages IIIA-29 to IIIA-30 of this circular, as at 31 December 2013, 2014 and 2015, the TMTC Group have charges on certain assets.

Employee information

As at 31 December 2013, the TMTC Group had 210 employees (including directors). As at 31 December 2014, the TMTC Group had 200 employees (including directors). As at 31 December 2015, the TMTC Group had 466 employees (including directors).

Remuneration policy

The TMTC Group 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 security insurance and allowance. Bonus to the employees of the TMTC Group was determined after taking into accounts the results of the TMTC Group and the performance of employees. During the years ended 31 December 2013, 2014 and 2015, remuneration paid to the employees of the TMTC Group were approximately RMB9.4 million, RMB11.5 million and RMB18.9 million respectively. The Company will provide training to their employees when necessary.

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

Introduction

The accompanying unaudited pro forma financial information of the Enlarged Group has been prepared to illustrate the effect of the proposed acquisition of the entire equity interest in BVI Co (the "**Proposed Acquisition**"), which might have affected the financial information of National United Resources Holdings Limited (the "**Company**") and its subsidiaries (hereafter collectively referred to as the "**Group**"). The Group immediately after the completion of the Acquisition is referred to as the "**Enlarged Group**". Details of the Acquisition are contained in the circular of the Company dated 30 June 2016 (the "**Circular**")

The unaudited pro forma consolidated statement of assets and liabilities of the Enlarged Group as at 31 December 2015 has been prepared based on (1) audited consolidated statement of financial position of the Group as at 31 December 2015 as extracted from the annual report of the Company for the year ended 31 December 2015, (2) the statement of financial position of the BVI Co as at 31 December 2015, which has been extracted from the accountants' report of the BVI Co as set out in Appendix IIA to the Circular, (3) the consolidated statement of financial position of the Gold Vantage Group as at 31 December 2015, which has been extracted from the accountants' report of the Gold Vantage Group as set out in Appendix IIB to the Circular and (4) the consolidated statement of financial position of the TMTC Group as at 31 December 2015, which has been extracted from the accountants' report of the TMTC Group as set out in Appendix IIIA to the Circular and translated from RMB to HK$ at the rate of RMB1.00 to HK$1.19, as if the Proposed Acquisition had been completed on 31 December 2015.

The unaudited pro forma financial information is prepared to provide information on the Enlarged Group as a result of completion of the Acquisition.

The unaudited pro forma financial information has been prepared based on a number of assumptions, estimates, uncertainties and currently available information, and is provided for illustrative purpose only. Accordingly, as a result of the nature of the unaudited pro forma financial information of the Enlarged Group, it may not give a true picture of the actual financial position of the Enlarged Group that would have been attained had the Acquisition actually occurred on the date indicated herein. Furthermore, the unaudited pro forma financial information of the Enlarged Group does not purport to predict the Enlarged Group's future financial position.

The unaudited pro forma financial information should be read in conjunction with the historical financial information of the Group as set out in the published (1) Annual Report of the Company for the year ended 31 December 2015; and (2) other financial information included elsewhere in the Circular.

Unaudited Pro Forma Financial Information of the Enlarged Group

	The Group	BVI Co	Pro forma adjustments related to Gold Vantage Group	Pro forma adjustments related to the TMTC Group	Pro forma adjustments related to the TMTC Group	Pro forma adjustments related to the disposal of 51% equity interest of TMTC Travel	Pro forma adjustments	The Enlarged Group
	HK$'000	*HK$'000*	*HK$'000*	*RMB'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
	(Note 1)	*(Note 2)*	*(Note 3)*	*(Note 3)*	*(Note 3)*	*(Note 3)*	*(Note 4)*	
Non-current assets								
Property, plant and equipment	61,328	–	–	320,195	382,195	(117,583)		325,940
Goodwill	326,342	–	–	–	–		772,159	1,098,501
Intangible assets	178,093	–	–	–	–			178,093
Club membership	150	–	–	–	–			150
Interest in associates	208,944	–	–	–	–	9,634		218,578
Deposits for acquisition of property, plant and equipment	2,629	–	–	–	–			2,629
	777,486	–	–	320,195	382,195			1,823,891
Current assets								
Inventories	5,325	–	–	–	–			5,325
Trade receivables	325,322	–	–	9,524	11,368	(11,365)		325,325
Bonds receivables	75,780	–	–	–	–			75,780
Prepayments, deposits and other receivables	343,847	78	–	11,132	13,287	(13,022)		344,190
Financial assets at fair value through profit or loss	2,387	–	–	–	–			2,387
Pledged bank deposits	237,478	–	–	–	–			237,478
Bank and cash balances	183,409	–	–	1,993	2,379	(1,980)	(60,000)	132,939
						9,131		
	1,173,548	78	–	22,649	27,034			1,123,424
Current liabilities								
Trade payables	73,256	–	–	–	–			73,256
Other payables and accruals	56,966	9	15	10,303	12,298	(8,441)	180,000	240,847
Amount due to an associate	–	–	–	–	–	15,090		15,090
Deferred income	–	–	–	3,266	3,898	(3,834)		64
Borrowings	251,773	–	–	72,892	87,006	(17,711)		321,068
Finance lease payables	980	–	–	12,438	14,846	(14,647)		1,179
Convertible bonds	–	–	–	–	–		305,552	305,552
Non-convertible bonds	243,959	–	–	–	–			243,959
Tax payable	28,172	–	–	153	183	(183)		28,172
	655,106	9	15	99,052	118,231			1,229,187
Net current assets	518,442	69	(15)	(76,403)	(91,197)			(105,763)
Total assets less current liabilities	1,295,928	69	(15)	243,792	290,998			1,718,128

	The Group	BVI Co	Pro forma adjustments related to Gold Vantage Group	Pro forma adjustments related to the TMTC Group	Pro forma adjustments related to the TMTC Group	Pro forma adjustments related to the disposal of 51% equity interest of TMTC Travel	Pro forma adjustments	The Enlarged Group
	HK$'000	*HK$'000*	*HK$'000*	*RMB'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
	(Note 1)	*(Note 2)*	*(Note 3)*	*(Note 3)*	*(Note 3)*	*(Note 3)*	*(Note 4)*	
Non-current liabilities								
Other payables	–	–	–	172,926	206,410	(19,197)		187,213
Derivative instruments	223,319	–	–	–	–			223,319
Deferred income	–	–	–	8,926	10,654	(10,530)		124
Borrowings	–	–	–	21,929	26,175	(26,176)		(1)
Convertible bonds	62,889	–	–	–	–			62,889
Non-convertible bonds	10,795	–	–	–	–			10,795
Finance lease payables	2,527	–	–	33,054	39,454	(38,659)		3,322
Deferred tax liabilities	43,126	–	–	–	–			43,126
	342,656	–	–	236,835	282,693			530,787
NET ASSETS/LIABILITIES	953,272	69	(15)	6,957	8,305			1,187,341

Notes to the unaudited pro forma financial information of the enlarged group

(1) The financial information of the Group is extracted from the audited consolidated financial statements of the Group for the year ended 31 December 2015 as set out in the Annual Report of the Company for the year ended 31 December 2015.

(2) The assets and liabilities of the BVI Co is extracted from the statement of financial position as at 31 December 2015 included in the accountants' report 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 Gold Vantage Group, and the TMTC Group, assuming the Proposed Acquisition had taken place on 31 December 2015 and the Reorganisation had been completed, such that the Gold Vantage Group will own the entire equity interest of the Target Company, which will own 49% equity interest in TMTC Travel.

The consolidated assets and liabilities of the Gold Vantage Group and the TMTC Group as at 31 December 2015 are extracted from the statement of financial position as at 31 December 2015 included in the accountants' report of the Gold Vantage Group and TMTC Group as set out in Appendix IIB and Appendix IIIA to this Circular respectively; and are translated to Hong Kong dollars at the exchange rate ruling of RMB1.00 to HK$1.19.

The disposal of 51% equity interest of TMTC Travel:

31 December 2015	*HK$'000*
Property, plant and equipment	117,583
Trade receivables	11,365
Prepayments, deposits and other receivables	13,022
Amount due from holding company	15,090
Bank and cash balances	1,980
Accruals and other payables	(27,638)
Deferred income	(14,364)
Current tax payables	(183)
Obligation under finance lease	(53,306)
Bank loans	(43,887)
	19,662
Estimated unaudited loss on disposal of 51% of equity interest	(897)
Interest in associate	(9,634)
Consideration – satisfied by cash	9,131

(4) The pro forma adjustment represents the settlement of the consideration of HK$800,000,000 of the Proposed Acquisition by Cash consideration A, Cash Consideration B and Cash Consideration C of HK$60,000,000, HK$90,000,000 and HK$90,000,000 (collectively the "**Cash Considerations**") and the issue of Convertible Bond A, Convertible Bond B and Convertible Bond C (collectively the "**Convertible Bonds**") in the principal amounts of HK$140,000,000, HK$190,000,000 and HK$230,000,000 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 Pro forma Financial Information, the assumed fair value of the Convertible Bonds is estimated to be approximately HK$539,621,000 by an independent professional valuer, DTZ Cushman & Wakefield 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 B and Convertible Bond C, 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$305,552,000 which has 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$234,069,000. In arriving at the above figures, it is assumed that the Completion Date is on 31 December 2015.

The following principal valuation parameters and assumptions were applied in assessing the fair value of the Convertible Bonds:

Parameter	**Convertible Bond A As at 31 December 2015**	**Convertible Bond B As at 31 December 2015**	**Convertible Bond C As at 31 December 2015**
Principal Amount:	HK$140,000,000	HK$190,000,000	HK$230,000,000
Assumed Time to Maturity:	3.00 years	4.25 years	5.25 years
Conversion Price:	HK$0.300	HK$0.300	HK$0.300
Risk-free Rate:	0.77%	0.98%	1.14%
Discount Rate:	17.30%	17.51%	17.67%
Share Price of the Company:	HK$0.239	HK$0.239	HK$0.239
Expected Dividend Yield:	0%	0%	0%
Expected Volatility:	92.36%	82.58%	83.06%

The final valuation of the Convertible Bonds may be different from the amounts stated herein. Such potential valuation difference (or a fair value change, if any) is not expected to have a material impact on the pro forma financial performance and position for the year ending 31 December 2015.

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 the Hong Kong Institute of Certified Public Accountants.

The goodwill is calculated as the excess of the cost of the Proposed Acquisition over the fair value of the identifiable assets and liabilities of the BVI Co, Gold Vantage Group and the TMTC Group acquired.

	HK$'000	*HK$'000*
Assumed fair value of the net identifiable assets of:		
the BVI Co	69	
the Gold Vantage Group	(15)	
the TMTC Group after disposal of 51% equity interest of TMTC Travel	7,408	
		7,462
Goodwill arising from the Proposed Acquisition		772,159
Assumed fair value of consideration		779,621
Satisfied by:		
Cash Consideration A		60,000
Payables of Cash Consideration B and Cash Consideration C		180,000
Convertible Bonds		539,621
		779,621

For the purpose of the preparation of the Unaudited Pro Forma Financial Information, the directors of the Group have assessed whether the goodwill will be impaired as at 31 December 2015 on a pro forma basis in accordance with Hong Kong Accounting Standard 36 "Impairment of Assets" and concluded that the entire amount of goodwill arising on the Proposed Acquisition as at 31 December 2015 based on the management's assessment on the recoverable amount of the cash generating unit comprising the goodwill. Such recoverable amount mainly represented the discounted cash inflows from the operation of the TMTC 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 TMTC Group, the carrying value of the Goodwill of HK$772,159,000 is considered to be recoverable and no impairment loss is considered.

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

The actual amount of goodwill arising from the Proposed Acquisition at the date of completion may be different from that presented above and the difference may be significant.

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 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, Gold Vantage Group and the TMTC Group upon finalisation of the Final Valuation and the Goodwill will be subject to impairment assessment in accordance with HKAS 36.

(5) Apart from the above, no adjustments have been made to the unaudited pro forma consolidated statement of financial position to reflect any trading results or other transactions of the Enlarged Group entered into subsequent to 31 December 2015 where applicable.

(B) ACCOUNTANTS' REPORT ON UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE ENLARGED 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, ZHONGHUI ANDA CPA Limited, Certified Public Accountants, Hong Kong, in respect of the Unaudited Pro Forma Financial Information of the Enlarged Group.

中汇 ZHONGHUI

ZHONGHUI ANDA CPA Limited
Certified Public Accountants

30 June 2016

The Board of Directors
National United Resources Holdings Limited

Dear Sirs,

We have completed our assurance engagement to report on the compilation of pro forma financial information of National United Resources Holdings Limited (the "**Company**") and its subsidiaries (hereinafter collectively referred to as the "**Group**") by the directors for illustrative purposes only. The pro forma financial information consists of the unaudited pro forma consolidated statement of assets and liabilities as at 31 December 2015 and related notes as set out on pages IV-2 to IV-7 of the circular issued by the Company dated 30 June 2016 (the "**Circular**"). The applicable criteria on the basis of which the directors of the Company have compiled the unaudited pro forma financial information are described on pages IV-1 to IV-7 of the Circular.

The pro forma financial information has been compiled by the directors of the Company to illustrate the impact of the proposed acquisition of the entire equity interest in BVI Co (the "**Proposed Acquisition**") on the Group's financial position as at 31 December 2015 as if the Acquisition had taken place on 31 December 2015. As part of this process, information about the Group's financial position have been extracted by the directors from the Group's consolidated financial statements for the year ended 31 December 2015, on which has been published.

Directors' Responsibilities for the Pro Forma Financial Information

The directors are responsible for compiling the 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**").

Our Independence and Quality Control

We have complied with the independence and other ethical requirement of the Code of Ethics for Professional Accountants issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm applies Hong Kong Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

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 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 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 ("**HKSAE**") 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 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 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 pro forma financial information.

The purpose of 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 as at 31 December 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 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 pro forma financial information as disclosed pursuant to paragraph 29(1) of Chapter 4 of the Listing Rules.

Yours faithfully,
ZHONGHUI ANDA CPA Limited
Certified Public Accountants
Sze Lin Tang

Practicing Certificate Number P03614
Hong Kong, 30 June 2016

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	30,079,155	0.47%
Feng Yongming	Beneficial Owner	share options	30,079,155	0.47%
Wang Qun	Beneficial Owner	share options	2,506,596	0.04%
Yang Zhi Shu	Beneficial Owner	share options	2,506,596	0.04%

Name of Director	Capacity		Number of Shares/ underlying Shares held	Approximate % of interest held
Li Hui	Beneficial Owner	share	1,801,000	
	Beneficial Owner	share options	30,079,155	
			31,880,155	0.50%
Tian Songlin	Beneficial Owner	share	470,000	
	Beneficial Owner	share options	30,079,155	
			30,549,155	0.48%

(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/ underlying Shares held	Approximate % of interest held
Yang Fan	Beneficial Owner	810,759,648	12.64%
Wealth Leading International Holdings Limited	Beneficial Owner	1,980,000,000	30.88%
Chao Zuquan	Interest in controlled corporation	1,980,000,000	30.88%

Name of shareholder	Capacity	Number of Shares/ underlying Shares held	Approximate % of interest held
Vendor I	Beneficial Owner	933,333,333	14.56%
Gu Baorong	Interest in controlled corporation	933,333,333	14.56%
Vendor II	Beneficial Owner	933,333,332	14.56%
Ji Sen	Interest in controlled corporation	933,333,332	14.56%

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,

(i) 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;

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

(iii) 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 Enlarged Group since 31 December 2015, 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

(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 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 had 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 Latest Practicable Date.

(b) 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. 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 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 (31 December 2014: HK$7,690,000), had been shown as contingent liabilities in the annual report of the Company for the year of 2015. The Writ of Summons was served on the Company in February 2005. As at the Latest Practicable Date, the Company had not received further claims from the plaintiff.

(c) In 2014, five customers of Zhonghang Guojin Commodities Exchange Centre (Qingdao) Company Limited（中航國金商品交易中心（青島）有限公司）(“**Zhonghang Guojin**”)（formerly known as 青島國金貴金屬交易中心股份有限公司）(a non-wholly owned subsidiary of the Company) have taken civil actions against Zhonghang Guojin in the court in Qingdao claiming the contracts of trading precious metals on the platform of Zhonghang Guojin 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 Zhonghang 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.

(d) In May 2015, two customers of Zhonghang Guojin have taken civil actions against Zhonghang 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 the court in Qingdao claiming the contracts of trading precious metals on the platform of Zhonghang Guojin 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.

(e) At the end of 2012, a customer of Zhonghang Guojin 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 Zhonghang Guojin and also lots of people participated in the trading of white silver with Zhonghang Guojin. On 27 November 2012, Binzhou Bureau froze all types of accounts of Zhonghang 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 Zhonghang Guojin. Zhonghang Guojin 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 Zhonghang 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 Zhonghang Guojin, Zhonghang Guojin paid RMB3,000,000 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 Zhonghang Guojin considered the recoverability of this deposit was remote, RMB3,000,000 was fully written off. Mr. Sun Xiaoyang, the director of Zhonghang Guojin agreed to indemnify Zhonghang Guojin should there be losses arising from the foregoing case.

(f) On 24 June 2015, First Concept Industrial Group Limited (formerly known as 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 sought US$11,500,000 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 Latest Practicable Date, the arbitration was still in progress.

(g) On 15 January 2016, the Labour Dispute Arbitration Committee of Miyun County, Beijing City (北京市密雲縣勞動人事爭議仲裁院) ruled that the Target Company shall pay a compensation amount of RMB560,727 to the applicants in respect of an employee's death caused during the course of the employment and the Target Company shall also pay the applicants an dependant pension on a monthly basis. The Target Company has made an appeal against the arbitration decision to the People's Court of Miyun County, Beijing City. As at the Latest Practicable Date, such lawsuit was still on-going.

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 "**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;

(b) the deed of termination dated 21 October 2014 entered among the NUR Industry Company Limited (formerly known as Glory Gain Global Limited), Power Able Holdings Group Limited ("**Power Able**") and Wang Haixu, Fu Jiang, Xie Yulin and Li Yibing (collectively "**Able Nice Guarantors**") in relation to the termination of the sale and purchase agreement dated 13 June 2014;

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

(d) the referral agreement (the "**October 2014 Referral Agreement**") dated 23 October 2014 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 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;

(e) 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**");

(f) 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**");

(g) 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;

(h) 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;

(i) 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 5:00 p.m., 2 December 2014 (Hong Kong time);

(j) 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;

(k) the agreement dated 31 December 2014 entered into among NUR Industry, 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;

(l) 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;

(m) 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;

(n) 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 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) pursuant to a disclosed recourse domestic factoring agreement;

(o) the agreement dated 30 January 2015 entered into among NUR Industry, 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;

(p) the supplemental agreement dated 3 March 2015 entered into between 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;

(q) the supplemental agreement dated 3 March 2015 entered into between 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;

(r) 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;

(s) 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;

(t) 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;

(u) the memorandum of understanding dated 22 May 2015 entered into between Dengyi Investments Limited, an indirect wholly-owned subsidiary of the Company (as purchaser) and (i) Antel Classification Limited; (ii) World Dragon Enterprises Limited; (iii) Guojin Holdings Co., Ltd.; and (iv) Nuts Technology Co., Ltd. (as vendors) (the "**Million Fortune Vendors**") in relation to the proposed acquisition of the 70% equity interest in the entire issued share capital of Million Fortune International Investment Limited for an aggregate consideration of HK$400,000,000 (subject to valuation);

(v) a sale and purchase agreement dated 8 July 2015 and entered into between Dengyi Investments Limited, the Million Fortune Vendors and the guarantors in respect of the acquisition of the 70% equity interest in the entire issued share capital of Million Fortune International Investment Limited for the consideration of HK$400,000,000 subject to adjustment;

(w) the subscription agreement dated 9 October 2015 entered into between the Company and Ultimate Advantage Limited ("**Ultimate Advantage**"), pursuant to which Ultimate Advantage has conditionally agreed to subscribe for, and the Company has conditionally agreed to issue the convertible bonds in the principal amount of HK$131,471,800 with a maturity of 24 months with a coupon rate of 4.5% per annum, which are attached with conversion rights to convert at the conversion price of HK$0.265 per Share (the "**Ultimate Advantage CB Subscription**");

(x) the subscription agreement dated 9 October 2015 entered into between the Company and Elite Fortune, pursuant to which Elite Fortune has conditionally agreed to subscribe for, and the Company has conditionally agreed to issue the convertible bonds in the principal amount of HK$65,735,900 with a maturity of 24 months with a coupon rate of 4.5% per annum, which are attached with conversion rights to convert at the conversion price of HK$0.265 per Share;

(y) the supplemental agreement dated 27 October 2015 entered into between the Company and Ultimate Advantage, pursuant to which the parties have agreed to extend the long stop date of the Ultimate Advantage CB Subscription to 11 November 2015;

(z) the subscription agreement dated 29 October 2015 entered into between Dengyi Investments Limited (as subscriber) and Fortune Union Financial Holdings (Asia Pacific) Limited ("**Fortune Union**"), pursuant to which the subscriber agreed to subscribe for 25,000,000 new shares of Fortune Union at a consideration of US$25,000,000;

(aa) a sale and purchase agreement dated 9 November 2015 and entered into between NUR Investments Company Limited, an indirect wholly-owned subsidiary of the Company (as purchaser), Wealth Leading International Holdings Limited (as vendor) and Mr. Chao Zuquan (as vendor's guarantor) in respect of the proposed acquisition of the entire issued share capital of Luck Fortune International Investment Limited for the consideration of HK$866,000,000 subject to adjustments;

(bb) the placing agreement dated 17 November 2015 entered into between the Company and China Times Securities Limited ("**China Times**"), pursuant to which China Times agreed to act as a placing agent for the purposes of arranging the placees on a best effort basis for the subscription for the bonds with an aggregate principal amount of up to HK$300,000,000 during the period commencing from the date of the placing agreement and ending on 16 November 2016;

(cc) the subscription agreement dated 8 December 2015 entered into between Heng Xin and the Company, pursuant to which Heng Xin has conditionally agreed to issue and the Company has conditionally agreed to subscribe for the convertible bonds to be issued by Heng Xin at the principal amount of HK$100,000,000 with a maturity of 12 months with a coupon rate of 5% per annum;

(dd) the MOU;

(ee) the Sale and Purchase Agreement;

(ff) the subscription agreement dated 1 March 2016 entered into between the Company and Upper Target limited ("**Upper Target**"), pursuant to which Upper Target has conditionally agreed to subscribe for, and the Company has conditionally agreed to issue the convertible bonds in the principal amount of HK$75,000,000 with a maturity of 24 months with a coupon rate of 4.5% per annum, which are attached with conversion rights to convert at the conversion price of 0.152 per Share (the "**Upper Target CB Subscription**");

(gg) the supplemental agreement dated 22 March 2016 entered into between Upper Target and the Company, pursuant to which the parties have agreed to extend the long stop date of the Upper Target CB Subscription to 5 April 2016;

(hh) the subscription agreement dated 11 April 2016 entered into between the Company and Upper Target, pursuant to which Upper Target has conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue, 496,000,000 new Shares at the subscription price of HK$0.165 per Share; and

(ii) the industrial commodities procurement contract dated 20 November 2015 entered into between Beijing Ankai Hua Bei Motor Sales Company Limited (北京安凱華北汽車銷售有限公司) ("**Beijing Ankai**") as the seller and the Target Company as the buyer, pursuant to which the Target Company purchased 400 electric buses from Beijing Ankai at a total consideration of RMB280 million to be settled by installments in a period of eight years.

6. COMPETING INTERESTS

As at the Latest Practicable Date, none of the Directors and their respective associates was interested in any business apart from the business of the Group, which competes or is likely to compete, either directly or indirectly, with the business of the Group.

7. EXPERT AND CONSENT

The qualification of the expert who has given opinions and advice in this circular is as follows:

Name	Qualification
Zhonghui Anda CPA Limited	Certified Public Accountants

As at the Latest Practicable Date, Zhonghui Anda CPA 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 2015, 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.

Zhonghui Anda CPA 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.

8. 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.

9. DOCUMENTS AVAILABLE 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 2013, 31 December 2014 and 31 December 2015;

(c) the accountant's report on the BVI Co from Zhonghui Anda CPA Limited, the text of which is set out in Appendix IIA to this circular;

(d) the accountant's report on the Gold Vantage Group from Zhonghui Anda CPA Limited, the text of which is set out in Appendix IIB to this circular;

(e) the accountants' report on the TMTC Group from Zhonghui Anda CPA Limited, the text of which is set out in Appendix IIIA to this circular;

(f) the report from Zhonghui Anda CPA Limited on unaudited pro forma financial information of the Enlarged Group, the text of which is set out in Appendix IV to this circular;

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

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

(i) the circuar of the Company dated 30 September 2015; 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 Monday, 18 July 2016 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 among Nation Spirit Limited, Blissful Elite Limited (as vendors, collectively as "**Vendors**"), and Ms. Gu Baorong and Mr. Ji Sen (as the guarantors of the Vendors, collectively as "**Guarantors**"), and NUR New Energy Management Company Limited (as purchaser, "**Purchaser**") dated 15 January 2016 (and amended on 24 June 2016) (the "**Sale and Purchase Agreement**") in relation to the acquisition by the Purchaser of entire issued share capital of Gear World Development Limited at a consideration of HK$800,000,000, subject to downward adjustments as set out in the Sale and Purchase Agreement (as more particularly described in the Company's circular dated 30 June 2016 (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 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 (as defined in the Circular), the directors of the Company (the "**Directors**") be and are hereby specifically authorized to issue the Convertible Bonds (as defined in the Circular) in the principal amount of not exceeding HK$560,000,000 to the Vendors as partial settlement of the Consideration (as defined in the Circular) 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 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 Conversion Shares upon exercise of the conversion right attaching to the Convertible Bonds approved to be issued under paragraph (b) to holders of the said bonds in accordance with the terms and conditions of the Sale and Purchase Agreement and the instrument of the 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 29 June 2016 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

(d) any one of the Directors 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 June 2016

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.