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NAN NAN RESOURCES ENTERPRISE LIMITED

南南資源實業有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 1229)

INSIDE INFORMATION IN RELATION TO TEMPORARY SUSPENSION OF MINING OPERATIONS AND SALE AT THE ENLARGED KAIYUAN MINE

This announcement is made pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the announcement of Nan Nan Resources Enterprise Limited (the “**Company**”) dated 6 December 2019 (the “**Announcement**”). Unless otherwise defined herein, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcement.

TEMPORARY SUSPENSION OF MINING OPERATIONS AND SALE AT THE ENLARGED KAIYUAN MINE

As disclosed in the Announcement, (i) Kaiyuan Company as the transferee and the Xinjiang Natural Resources Department as the transferor entered into the Transfer Agreement, pursuant to which Kaiyuan Company acquired the New Mining Right, which is valid for 30 years from August 2019 to August 2049, from the Xinjiang Natural Resources Department at a Consideration of RMB160,978,000; and (ii) the New Mining Permit with mining term of 1 year from 21 December 2018 to 21 December 2019 regarding the New Mining Right was granted to Kaiyuan Company, which according to the Company’s legal adviser as to the law of People’s Republic of China, is subject to annual renewal and Kaiyuan Company has the right to apply for the renewal of New Mining Permit for the remaining period of the New

Mining Right under the Transfer Agreement. On 10 December 2019, Kaiyuan Company applied to the Xinjiang Natural Resources Department for a renewal of the New Mining Permit (the “**Renewed Mining Permit Application**”).

The Company was informed that Xinjiang Natural Resources Department requires additional time to process the Renewed Mining Permit Application. In light of the above and according to the legal opinion issued by the Company’s legal adviser as to the law of the People’s Republic of China (the “**Legal Opinion**”), in compliance with the relevant laws and regulations of the People’s Republic of China, Kaiyuan Company shall temporarily suspend its mining operations and sale at the Enlarged Kaiyuan Mine (the “**Suspension**”) after the expiry of the New Mining Permit on 21 December 2019 until the grant of the renewed mining permit (the “**Renewed Mining Permit**”).

According to the Legal Opinion, Kaiyuan Company has complied with the relevant requirements in relation to the Renewed Mining Permit Application and there is no legal obstacle for Kaiyuan Company to renew the New Mining Permit.

The Company would like to emphasise that the Suspension is temporary and upon the grant of the Renewed Mining Permit, Kaiyuan Company shall immediately resume its mining operations and sale at the Enlarged Kaiyuan Mine. The Directors will closely monitor the progress of the Renewed Mining Permit Application and the Company will keep the Shareholders and potential investors of the Company informed of the same.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

By Order of the Board
Nan Nan Resources Enterprise Limited
Kwan Man Fai
Chairman and Managing Director

Hong Kong, 20 December 2019

As at the date of this announcement, the Board comprises three executive Directors, namely Mr. Kwan Man Fai, Mr. Wang Xiangfei (with Mr. Wong Sze Wai as alternate) and Mr. Wong Sze Wai and three independent non-executive Directors, namely Dr. Wong Man Hin Raymond, Mr. Chan Yiu Fai Youdey and Mr. Pak Wai Keung Martin.