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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)

MAJOR TRANSACTION ACQUISITION OF SHARES AND SUBSCRIPTION OF NEW SHARES IN THE TARGET COMPANY

Financial Adviser



BAOQIAO PARTNERS

BAOQIAO PARTNERS CAPITAL LIMITED

THE TRANSACTIONS

The Board is pleased to announce that on 11 March 2019 (after trading hours), (i) the Purchaser, an indirect wholly-owned subsidiary of the Company, and the Vendor entered into the Sale and Purchase Agreement, pursuant to which the Vendor has conditionally agreed to sell, and the Purchaser has conditionally agreed to purchase, the Sale Shares, representing approximately 80% of the total number of Target Shares in issue as at the date of this announcement, for a consideration of HK\$35,712,000; and (ii) the Purchaser and the Target Company entered into the Subscription Agreement, pursuant to which the Target Company has conditionally agreed to issue and allot to the Purchaser, and the Purchaser has conditionally agreed to subscribe for, the Subscription Shares, representing approximately 4.5% of the total number of Target Shares in issue as at the date of this announcement and approximately 4.3% of the total number of Target Shares in issue as enlarged by the allotment and issue of the Subscription Shares for an aggregate Subscription Price of HK\$2,008,800 (or the Subscription Price of HK\$4,464 per Subscription Share).

Upon the Sale and Purchase Completion and the Subscription Completion, the Company will be interested in approximately 80.86% shareholding interests in the Target Company. As such, the Target Company will become an indirect non-wholly owned subsidiary of the Company and the financial results of the Target Group will be consolidated into the accounts of the Group.

LISTING RULES IMPLICATIONS

Since the highest applicable percentage ratio in respect of the Transactions is more than 25% but less than 100%, the Transactions constitute a major transaction for the Company under Chapter 14 of the Listing Rules, and is subject to the reporting, announcement and the Shareholders' approval requirements under Chapter 14 of the Listing Rules.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholder has a material interest in the Transactions which is different from other Shareholders, and therefore no Shareholder is required to abstain from voting on the relevant resolution(s) in respect of the Agreements and the transactions contemplated thereunder to be proposed at the general meeting if the Company is to convene a general meeting for approving the Agreements and the transactions contemplated thereunder.

Ascent Goal Investments Limited, the controlling shareholder of the Company holding 569,616,589 Shares, representing approximately 74.42% of the issued share capital of the Company as at the date of this announcement, has undertaken to give its consent to approve the Agreements and the transactions contemplated thereunder, which will be accepted in lieu of holding a general meeting pursuant to Rule 14.44 of the Listing Rules.

GENERAL

The Circular containing, among other things, details of the Agreements and the transactions contemplated thereunder, financial information of the Group and the Target Group, the unaudited pro forma financial information of the Group and other information as required under the Listing Rules will be despatched to the Shareholders on or before 1 April 2019 (i.e within 15 business days after the publication of this announcement) for the Shareholders' information.

Shareholders and potential investors of the Company should note that the Transactions are subject to the satisfaction of the respective conditions precedent under the Sale and Purchase Agreement and the Subscription Agreement and therefore may or may not proceed. Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the securities of the Company.

THE TRANSACTIONS

The Board is pleased to announce that on 11 March 2019 (after trading hours), (i) the Purchaser, an indirect wholly-owned subsidiary of the Company, and the Vendor entered into the Sale and Purchase Agreement, pursuant to which the Vendor has conditionally agreed to sell, and the Purchaser has conditionally agreed to purchase, the Sale Shares, representing approximately 80% of the total number of Target Shares in issue as at the date of this announcement, for a consideration of HK\$35,712,000; and (ii) the Purchaser and the Target Company entered into the Subscription Agreement, pursuant to which the Target Company has conditionally agreed to issue and allot to the Purchaser, and the Purchaser has conditionally agreed to subscribe for, the Subscription Shares, representing approximately 4.5% of the total number of Target Shares in issue as at the date of this announcement and approximately 4.3% of the total number of Target Shares in issue as enlarged by the allotment and issue of the Subscription Shares for an aggregate Subscription Price of HK\$2,008,800 (or the Subscription Price of HK\$4,464 per Subscription Share).

Immediately after the Sale and Purchase Completion and the Subscription Completion, the Purchaser will be interested in approximately 80.86% shareholding interests in the Target Company.

THE SALE AND PURCHASE AGREEMENT

The principal terms of the Sale and Purchase Agreement are set out below.

Date: 11 March 2019 (after trading hours)

Parties: (i) the Purchaser as purchaser; and
(ii) the Vendor as vendor

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Vendor is an Independent Third Party.

Assets to be acquired

Subject to and in accordance with the terms and conditions of the Sale and Purchase Agreement, the Vendor has conditionally agreed to sell, and the Purchaser has conditionally agreed to purchase, the Sale Shares, representing 80% of the total number of Target Shares in issue as at the date of this announcement.

Consideration

The consideration for the sale and purchase of the Sale Shares shall be the sum of HK\$35,712,000, which shall be settled by the Purchaser to the Vendor in the following manner:

- (a) on the date of the Sale and Purchase Agreement, the Purchaser shall pay to the Vendor a sum of HK\$3,571,200 in cash as a refundable deposit (the “**Deposit**”) and partial payment of the consideration. The Vendor undertakes to refund the Deposit to the Purchaser if the Sale and Purchase Completion does not take place for any reason whatsoever; and
- (b) at the Sale and Purchase Completion, the Purchaser shall pay to the Vendor (i) a further sum of HK\$24,940,800 in cash; and (ii) the remaining amount of HK\$7,200,000 by means of the issue of the Promissory Notes by the Company to the Vendor.

In the event the Target Group AFS (as defined below) for the PG 12-Month Period (as defined below) ended 31 December 2018 shall have been issued, the Purchaser shall pay the Vendor the amount of HK\$2,400,000 less the Shortfall Amount (as defined below) (if any) in respect of such PG 12-Month Period (as defined below), instead of delivery to the Vendor Promissory Note 1.

Basis of the consideration

The consideration was agreed after arm’s length negotiation between the Purchaser and the Vendor having taken into account, among other things, the preliminary valuation of the Target Group prepared by an independent valuer engaged by the Company and the financial performance of the Target Group.

The Board is of the view that the terms of the Sale and Purchase Agreement (including the consideration) is fair and reasonable and the entering into the sale and Purchase Agreement in the interests of the Company and its Shareholders as a whole.

The Group intends to finance the consideration by internal resources.

Sale and Purchase Conditions

Pursuant to the Sale and Purchase Agreement, the Sale and Purchase Completion shall be conditional upon the following Sale and Purchase Conditions being fulfilled or waived (as the case may be) at or before 4:00 p.m. on the Long Stop Date:

- (a) the due execution of the Subscription Agreement by the Subscriber and the Target Company on the date of the Sale and Purchase Agreement;

- (b) the fulfilment or waiver (if applicable) of the Subscription Conditions at or before 4:00 p.m. on the Long Stop Date;
- (c) the Purchaser being satisfied with the results of due diligence exercise conducted in connection with the Acquisition including but not limited to the business, affairs, operations, assets, accounts, liabilities, financial condition, legal, taxation, prospects and records of the Target Group;
- (d) the Purchaser having obtained a final valuation report confirming the fair value of the Target Group as at 31 December 2018 at no less than HK\$46,649,518;
- (e) (i) all necessary consents, approvals, permits and/or authorisations required to be obtained by the Vendor and/or the Target Group in respect of the transactions contemplated under the Sale and Purchase Agreement having been obtained; and (ii) all necessary consents, approvals, permits and/or authorisations required to be obtained by the Purchaser in respect of the transactions contemplated under the Sale and Purchase Agreement having been obtained;
- (f) on or prior to the Sale and Purchase Completion, no applicable laws, order or governmental authority shall have been enacted, made effective or constituted (as the case may be) that materially delays or makes illegal the performance of the Sale and Purchase Agreement;
- (g) no circumstance or occurrence having occurred that has a Material Adverse Effect;
- (h) the warranties contained in the Sale and Purchase Agreement shall remain true, accurate in all material respects and not misleading in any material respects as given as at the date of the Sale and Purchase Agreement and at all times up to and including the Sale and Purchase Completion Date;
- (i) the Transactions not having been deemed by the Stock Exchange as a very substantial acquisition or reverse takeover (as defined in the Listing Rules) for the Company;
- (j) the Company having despatched the Circular in relation to the Transactions to its Shareholders in accordance with the Listing Rules; and
- (k) the Shareholders having approved the execution of the Sale and Purchase Agreement and the transactions contemplated thereunder in accordance with the Listing Rules.

The Purchaser may in its absolute discretion waive either in whole or in part at any time any of the Sale and Purchase Conditions (except for (a), (b), (i) to (k) which are incapable of being waived by any of the Purchaser or the Vendor and (e)(ii) which can only be waived by the Vendor). If any of the Sale and Purchase Conditions has not been fulfilled at or before 4:00 p.m. (or waived by the Purchaser, where applicable) on the Long Stop Date, the Sale and Purchase Agreement shall cease to have any effect whatsoever whereupon the Vendor shall forthwith refund the Deposit to the Purchaser and none of the parties to the Sale and Purchase Agreement shall have any obligations and liabilities thereunder.

Sale and Purchase Completion

Subject to fulfillment or waiver (where applicable) of the Sale and Purchase Conditions, the Sale and Purchase Completion shall take place at 10:00 a.m. on the Sale and Purchase Completion Date (or on such other time and/or day as the Purchaser and the Vendor may agree).

Principal Terms of the Promissory Notes

Issuer:	the Company
Principal amount of Promissory Notes:	HK\$2,400,000 for each of Promissory Note 1, Promissory Note 2 and Promissory Note 3
Maturity Date of Promissory Note 1:	fifteen (15) Business Days after the audited consolidated financial statements are issued by the auditors of the Target Group for the year ended 31 December 2018
Maturity Date of Promissory Note 2:	fifteen (15) Business Days after the audited consolidated financial statements are issued by the auditors of the Target Group for the year ended 31 December 2019
Maturity Date of Promissory Note 3:	fifteen (15) Business Days after the audited consolidated financial statements are issued by the auditors of the Target Group for the year ended 31 December 2020

The Promissory Notes bear no interest.

Profit guarantee

Pursuant to the Sale and Purchase Agreement, the Vendor has agreed to guarantee to the Purchaser that the Net Profit for each of the financial years ending 31 December 2018, 31 December 2019, 31 December 2020 (together as “**PG Period**” and each such 12-month period is referred to as a “**PG 12-Month Period**”) shall be no less than HK\$7,200,000.00 per annum (the “**Guaranteed Profit**”).

In the event that the Net Profit during the PG-12 Month Period is less than the Guaranteed Profit, the Vendor unconditionally and irrevocably undertakes and guarantees, as a continuing obligation, to pay such shortfall multiplying the ratio (1.13) (the “**Shortfall Amount**”) presented as below:

$$\text{Shortfall Payment} = 1.13 \times (\text{Guaranteed Profit} - \text{Net Profit})$$

The Vendor shall pay to the Purchaser the Shortfall Amount by way of cash and/or setting off the same amount from the amount owed by the Company under the Promissory Notes (to the extent of the principal amount of each Promissory Note) after the audited financial statements (the “**Target Group AFS**”) are issued by the auditors of the Target Group for the relevant PG-12 Month Period.

In the event that the Net Profit for the PG-12 Month Period exceeds the Guaranteed Profit, such excess amount shall not be carried forward to meet the Guaranteed Profit for the subsequent period.

Management of the Target Group after the Sale and Purchase Completion

Pursuant to the Sale and Purchase Agreement, upon the Sale and Purchase Completion, (i) the Vendor, the Target Company and the Purchaser shall enter into the Shareholders’ Agreement for the purpose of defining their rights and obligations as shareholders and regulating their relationship with each other and certain aspects of the affairs of and their dealings with the Target Group; and (ii) the Vendor and the Target Company shall enter into a director’s service agreement with the Vendor in respect of the office of the Vendor as director and chief executive officer of the Target Company for an initial term of three years commencing from the Sale and Purchase Completion Date.

As agreed under the Shareholders' Agreement, each of the members of the Target Group shall have a maximum number of three directors, two of whom shall be appointed by the Purchaser, and the remaining one director shall be appointed by the Vendor. In addition, during the PG Period, the Vendor shall have sole control of the management, operation and affairs of the business of the Target Group, including, without limitation, the power and authorities to determine the business policies and directions, and selling and marketing policies of the Target Group (provided that no major departure from the business policies and directions as at the date of the Shareholders' Agreement shall be implemented by the Vendor without the prior written consent of the Purchaser, such consent not to be unreasonably withheld).

THE SUBSCRIPTION AGREEMENT

The principal terms of the Subscription Agreement are set out below.

Date:	11 March 2019 (after trading hours)
Parties:	(i) the Subscriber as subscriber; and (ii) the Target Company as issuer.
Subscription Price:	HK\$4,464 per Subscription Share
Subscription Shares:	450 new Target Shares to be allotted and issued

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of the Target Company and its ultimate beneficial owner is an Independent Third Party.

Subscription Shares

Pursuant to the Subscription Agreement, the Target Company has conditionally agreed to issue and allot to the Purchaser, and the Purchaser has conditionally agreed to subscribe for, the Subscription Shares for an aggregate Subscription Price of HK\$2,008,800 (or the Subscription Price of HK\$4,464 per Subscription Share).

The Subscription Shares represent approximately 4.30% of the total number of Target Shares in issue as enlarged by the allotment and issue of the Subscription Shares.

Subscription Price

The aggregate Subscription Price for the Subscription Shares amounts to HK\$2,008,800 and is payable in cash by the Subscriber to the Target Company upon the Subscription Completion.

The Subscription Price of HK\$4,464 per Subscription Share under the Subscription Agreement is the same as the purchase price per Sale Share payable by the Purchaser under the Sale and Purchase Agreement. It is intended that the net proceeds from the issue of the Subscription Shares will be used as general working capital of the Target Group.

The Board is of the view that the terms of the Subscription Agreement (including the Subscription Price) are fair and reasonable and the entering into of the Subscription Agreement is in the interest of the Company and its Shareholders as a whole. The Group intends to finance the Subscription Price by internal resources.

Subscription Conditions

Completion of the Subscription contemplated under the Subscription Agreement is conditional upon the following Subscription Conditions being fulfilled at or before 4:00 p.m. on the Long Stop Date:

- (a) the due execution of the Sale and Purchase Agreement by all parties thereto on the date of the Subscription Agreement;
- (b) the fulfilment or waiver (if applicable) of the Sale and Purchase Conditions at or before 4:00 p.m. on the Long Stop Date;
- (c) the Subscriber being satisfied with the results of due diligence exercise conducted in connection with the Subscription including but not limited to the business, affairs, operations, assets, accounts, liabilities, financial condition, legal, taxation, prospects and records of the Target Group;
- (d) the Subscriber having obtained a final valuation report confirming the fair value of the Target Group as at 31 December 2018 at not less than HK\$46,649,518;
- (e) (i) all necessary consents, approvals, permits and/or authorisations required to be obtained by the Target Company and/or the Target Group in respect of the transactions contemplated under the Subscription Agreement having been obtained; and (ii) all necessary consents, approvals, permits and/or authorisations required to be obtained by the Subscriber in respect of the transactions contemplated under the Subscription Agreement having been obtained;
- (f) no applicable laws, order or governmental authority shall have been enacted, made effective or constituted (as the case may be) that materially delays or makes illegal the performance of the Subscription Agreement;
- (g) no circumstance or occurrence having occurred that has a Material Adverse Effect;

- (h) the warranties contained in the Subscription Agreement shall remain true, accurate and not misleading in any material aspect as given as at the date of the Subscription Agreement and at all times up to and including the Subscription Completion Date;
- (i) the Transactions not having been deemed by the Stock Exchange as a very substantial acquisition or reverse takeover (as defined in the Listing Rules) for the Company;
- (j) the Company having despatched the Circular in relation to the Transactions to its Shareholders in accordance with the Listing Rules; and
- (k) the Shareholders having approved the execution of the Subscription Agreement and the transaction contemplated hereunder in accordance with the Listing Rules.

The Subscriber may in its absolute discretion waive either in whole or in part at any time any of the Subscription Conditions (except for (a), (b), (i) to (k) which are incapable of being waived by any of the Subscriber or the Target Company and (e) (ii) which can only be waived by the Target Company). If any of the Subscription Conditions has not been fulfilled at or before 4:00 p.m. (or waived by the Subscriber or the Target Company, where applicable) on the Long Stop Date or such later date as may be agreed in writing between the parties, the Subscription Agreement shall cease to have any effect whatsoever and none of the parties to the Subscription Agreement shall have any obligations and liabilities thereunder.

Subscription Completion

Subject to fulfillment (or waiver) of the Subscription Conditions, the Subscription Completion shall take place at 10:00 a.m. on the Subscription Completion Date (or, on such other time and/or day as the Subscriber and the Target Company may agree), which shall take place simultaneously with the Sale and Purchase Completion.

INFORMATION OF THE GROUP AND THE PURCHASER

The Group is principally engaged in mining and sales of coal.

The Purchaser is an indirect wholly-owned subsidiary of the Company and is principally engaged in investment holding.

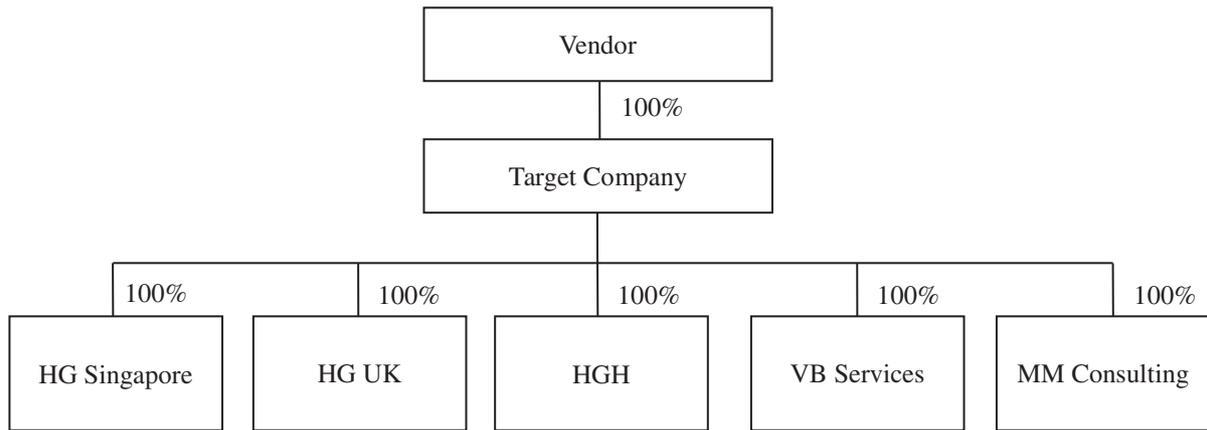
INFORMATION OF THE VENDOR AND THE TARGET GROUP

The Target Company is a company incorporated in Hong Kong with limited liability and is principally engaged in the provision of information technology outsourcing, consultancy and technical services (“**IT Services**”) in Hong Kong. As at the date of this announcement, the Target Company is directly wholly-owned by the Vendor.

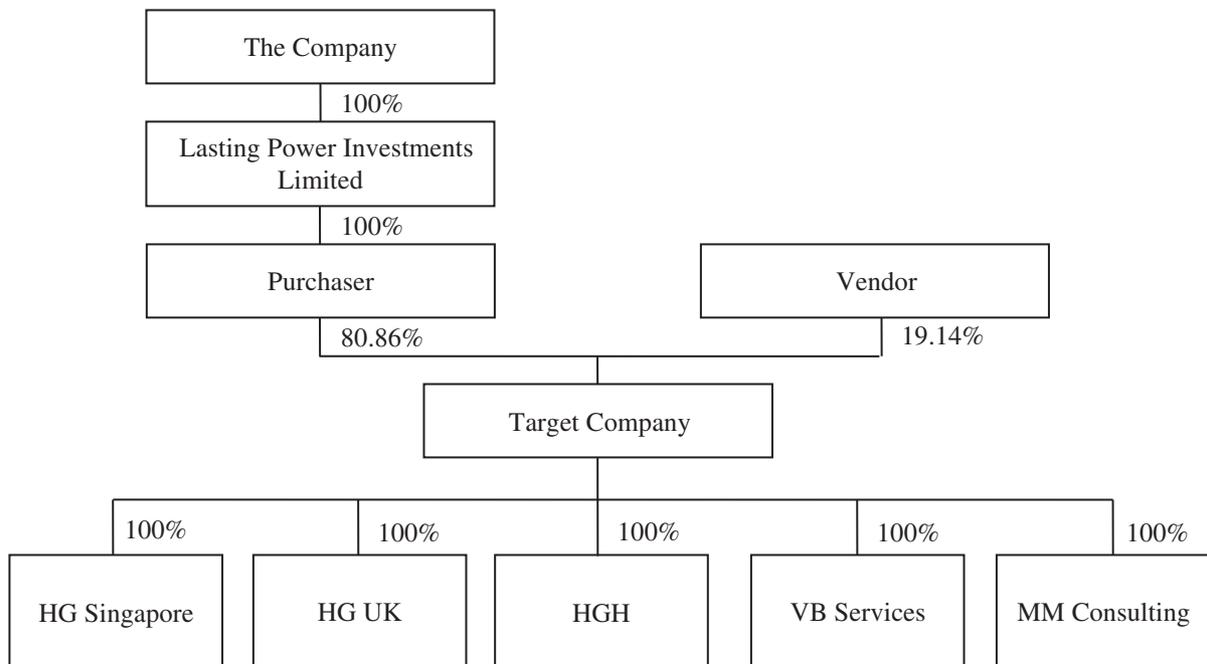
The Target Company owns the entire issued share capital of each of HG Singapore, HG UK, HGH, VB Services and MM Consulting and all of them are principally engaged in the provision of IT Services in their respective countries.

HG Singapore is a company incorporated in Singapore with limited liability. HG UK is a company incorporated in the United Kingdom with limited liability. HGH is a company incorporated in Malaysia with limited liability. Both VB Services and MM Consulting are limited liability companies incorporated in Hong Kong.

Shareholding structure of the Target Group as at the date of this announcement



Shareholding structure of the Target Group following the Sale and Purchase Completion and the Subscription Completion



FINANCIAL INFORMATION OF THE TARGET GROUP

A summary of the unaudited consolidated financial information of the Target Group for the years ended 31 December 2017 and 31 December 2018 is set out as follows:

	For the year ended	
	31 December	
	2017	2018
	(Unaudited)	(Unaudited)
	<i>HK\$'000</i>	<i>HK\$'000</i>
Profit before taxation	1,458	8,408
Profit after taxation	1,099	7,299

The unaudited consolidated net assets of the Target Group as at 31 December 2018 was approximately HK\$6,622,000.

Upon the Sale and Purchase Completion and the Subscription Completion, the Target Company will become an indirect non-wholly owned subsidiary of the Company and the financial results of the Target Group will be consolidated into the accounts of the Group.

REASONS AND BENEFITS OF THE ACQUISITION AND THE SUBSCRIPTION

The Group is principally engaged in mining, sales and distribution of coal in the PRC. As disclosed in the Company's interim report for the six months ended 30 September 2018, in August 2018, the Company acquired two renewable energy leasing solution companies in Malaysia with a view to extend its business coverage to the renewable energy sector in the Southeast Asian markets. The Board is of the view that the coal business is full of challenges, such as the rising competition from the renewable energy sector and tightening government regulations due to increasing environmental awareness. In this connection, the Board considers that it is necessary for the Group to explore other business opportunities with a view to broaden the Group's revenue base and benefit from the diversified return in future.

The Target Group is principally engaged in the provision of IT Services and the Target Company, the principal operating company of the Target Group, has proven track record in providing IT Services in Hong Kong since its establishment in 2006. Since 2015, the Target Group has gradually expanded its business to the United Kingdom, Malaysia and Singapore in responding to the overseas business development of its existing customers. In late 2016, the Target Group ventured into the cloud computing services in Hong Kong and became an accredited AWS (Amazon Web Services, a secured cloud services platform provided by Amazon) Partner, offering its clients the advantages of AWS cloud to develop an optimised deployment plan and providing ongoing support on cloud operations and management.

The Board is of the view that the information technology and communication industry in Hong Kong will continue to grow. In accordance with the Gross Domestic Product (4th quarter 2018) published by the Census and Statistics Department of Hong Kong in February 2019, the share of the information technology and communication activity of the Gross Domestic Product by economic activity of Hong Kong grew from approximately HK\$ 51.551 million in 2007 to approximately HK\$87.237 million in 2017, representing a compound annual growth rate of approximately 4.9%. In addition, the Hong Kong government has adopted an array of policy measure to facilitate the multi-faceted development of IT industry in Hong Kong, which includes establishing specific government authorities (i.e. the Innovative and Technology Bureau in 2015) to promote the industry, setting up funding schemes to support industry-oriented research and development and nurturing technological entrepreneurship.

The Company believes that while continuing to develop its existing business, the Transactions represent an opportunity for the Group to invest in the IT industry with favorable government support and broaden the source of the Group's revenue, thereby diversifying business risk of the Group and maximising Shareholders' interests in the long term.

The Directors are of the view that the terms of the Agreements are fair and reasonable and the entering into the Agreements are in the interests of the Company and its Shareholders as a whole.

LISTING RULES IMPLICATION

Since the highest applicable percentage ratio in respect of the Transactions is more than 25% but less than 100%, the Transactions constitute a major transaction of the Company under Chapter 14 of the Listing Rules, and is subject to the reporting, announcement and the Shareholders' approval requirements under Chapter 14 of the Listing Rules.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholder has a material interest in the Transactions which is different from other Shareholders, and therefore no Shareholder is required to abstain from voting on the relevant resolution(s) in respect of the Agreements and the transactions contemplated thereunder to be proposed at the general meeting if the Company is to convene a general meeting for approving the Agreements and the transactions contemplated thereunder.

Ascent Goal Investments Limited, the controlling shareholder of the Company holding 569,616,589 Shares, representing approximately 74.42% of the issued share capital of the Company as at the date of this announcement, has undertaken to give its consent to approve the Agreements and the transactions contemplated thereunder, which will be accepted in lieu of holding a general meeting pursuant to Rule 14.44 of the Listing Rules.

GENERAL

The Circular containing, among other things, details of the Agreements and the transactions contemplated thereunder, financial information of the Group and the Target Group, the unaudited pro forma financial information of the Group and other information as required under the Listing Rules will be despatched to the Shareholders on or before 1 April 2019 (i.e. within 15 business days after the publication of this announcement) for the Shareholders' information.

Shareholders and potential investors of the Company should note that the Transactions are subject to the satisfaction of the respective conditions precedent under the Sale and Purchase Agreement and the Subscription Agreement and therefore may or may not proceed. Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the securities of the Company.

DEFINITIONS

In this announcement, the following terms have the meanings set out below, unless the context requires otherwise:

“Acquisition”	the acquisition of the Sale Shares by the Purchaser from the Vendor pursuant to the Sale and Purchase Agreement
“Agreements”	means (1) the Sale and Purchase Agreement and (2) the Subscription Agreement
“Board”	the board of Directors
“Business Day”	any day (excluding a Saturday) on which banks in Hong Kong are opened for business throughout their normal business hours
“Circular”	the circular required to be despatched by the Company to its Shareholders in relation to the Transactions under the Listing Rules
“Company”	Nan Nan Resources Enterprise Limited, a company incorporated in Bermuda with limited liability whose Shares are listed and traded on the Main Board of the Stock Exchange (Stock Code : 1229)
“connected person(s)”	has the same meaning ascribed to it under the Listing Rules

“controlling shareholder”	has the same meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HG Singapore”	Harbour Group (Singapore) Pte. Ltd., a company incorporated in Singapore with limited liability and a wholly-owned subsidiary of the Target Company
“HG UK”	Harbour Group Consulting (UK) Limited, a company incorporated in United Kingdom with limited liability and a wholly-owned subsidiary of the Target Company
“HGH”	HGH Technology Sdn. Bhd., a company incorporated in Malaysia with limited liability and a wholly-owned subsidiary of the Target Company
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	third party(ies) independent of the Company and its connected persons
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	30 April 2019 (or such other date as may be agreed between the Purchaser and Vendor)
“Malaysia”	Persekutuan Malaysia

“Material Adverse Effect”	any event, state of facts, circumstance, development, change or effect that, individually or in the aggregate with all other events, states of fact, circumstances, developments, changes and effects, (a) is materially adverse to the business, assets, liabilities, financial condition or results of operations of the Target Group (taken as a whole); or (b) would prevent, impair or materially delay the Vendor or the Target Company (as the case maybe) from performing his obligations under the Sale and Purchase Agreement or the Subscription Agreement (as the case maybe) or consummating the transactions contemplated hereby
“MM Consulting”	Mountain Managed Cloud Consulting Limited (峻嶺雲端顧問有限公司), a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Target Company
“Net Profit”	the audited consolidated net profit generated from operating activities of the Target Group in its ordinary and usual course of business, prepared in accordance with Hong Kong Financial Reporting Standards for the relevant financial period
“PRC”	the People’s Republic of China, which for the purpose of this announcement excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Promissory Notes”	means Promissory Note 1, Promissory Note 2 and Promissory Note 3
“Promissory Note 1”	the promissory note in a principal amount of HK\$2,400,000 with the maturity date set out in the section headed “The Sale and Purchase Agreement – Principal Terms of the Promissory Notes” in this announcement to be issued by the Company to the Vendor upon the Sale and Purchase Completion

“Promissory Note 2”	the promissory note in a principal amount of HK\$2,400,000 with the maturity date set out in the section headed “The Sale and Purchase Agreement – Principal Terms of the Promissory Notes” in this announcement to be issued by the Company to the Vendor upon the Sale and Purchase Completion
“Promissory Note 3”	the promissory note in a principal amount of HK\$2,400,000 with the maturity date set out in the section headed “The Sale and Purchase Agreement – Principal Terms of the Promissory Notes” in this announcement to be issued by the Company to the Vendor upon the Sale and Purchase Completion
“Purchaser” or “Subscriber”	Ample Talent Ventures Limited, a company incorporated in Samoa with limited liability and an indirect wholly-owned subsidiary of the Company
“Sale and Purchase Agreement”	the conditional sale and purchase agreement dated 11 March 2019 entered into between the Vendor and the Purchaser in respect of the Sale Shares
“Sale and Purchase Completion”	completion of the sale and purchase of the Sale Shares pursuant to the Sale and Purchase Agreement
“Sale and Purchase Completion Date”	the date of the Sale and Purchase Completion is to take place
“Sale and Purchase Conditions”	condition(s) precedent to Sale and Purchase Agreement, further details of which are set out in the section headed “The Sale and Purchase Agreement – Sale and Purchase Conditions” in this announcement
“Sale Shares”	8,000 Target Shares, representing 80% of the total number of Target Shares in issue as at the date of this announcement
“Share(s)”	ordinary share(s) of HK\$0.10 in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Shares

“Shareholders’ Agreement”	the shareholders’ agreement to be entered into between the Vendor, the Purchaser and the Target Company upon the Sale and Purchase Completion in relation to the Target Company
“Singapore”	the Republic of Singapore
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	the subscription of 450 new Target Shares by the Subscriber under the Subscription Agreement
“Subscription Agreement”	the subscription agreement entered into between the Subscriber and the Target Company on 11 March 2019 in relation to the subscription of the Subscription Shares
“Subscription Completion”	completion of the Subscription
“Subscription Completion Date”	the date on which the Subscription Completion is to take place
“Subscription Conditions”	condition(s) precedent to Subscription Agreement, further details of which are set out in the section headed “The Subscription Agreement – Subscription Conditions” in this announcement
“Subscription Price”	the subscription price of HK\$4,464 per Subscription Share
“Subscription Shares”	450 new Target Shares to be issued by the Target Company to the Subscriber pursuant to the Subscription Agreement
“Target Company”	Harbour Group Holdings Limited (港海控股有限公司), a company incorporated in Hong Kong with limited liability whose entire issued share capital is legally and beneficially owned by the Vendor as at the date of this announcement
“Target Group”	the Target Company and its subsidiaries
“Target Share(s)”	the ordinary share(s) of the Target Company
“Transactions”	the Acquisition and the Subscription

“United Kingdom”	the United Kingdom of Great Britain and Northern Ireland
“VB Services”	Vanguard Business Services Limited (領導商業服務有限公司), a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Target Company
“Vendor”	Mr. Li Ping, being sole shareholder of the Target Company as at the date of this announcement
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

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

Hong Kong, 11 March 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 Mr. Wong Man Hin Raymond, Mr. Chan Yiu Fai Youdey and Mr. Pak Wai Keung Martin.