

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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)

UPDATE ON THE ENFORCEMENT OF ARBITRAL AWARD

This announcement is made by National United Resources Holdings Limited (the “**Company**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

Reference is made to the announcements of the Company dated 6 April 2018, 30 October 2018, 26 November 2018, 26 July 2019 and 17 January 2020. As disclosed in the aforesaid announcements, SouthGobi Sands LLC (“**SGS**”), a subsidiary of SouthGobi Resources Ltd., which is a company listed on the Toronto Stock Exchange (stock code: SGQ) and the Hong Kong Stock Exchange (stock code: 1878), was ordered to pay the sum of US\$11.5 million (together with interests accrued) to First Concept Industrial Group Limited (a former wholly-owned subsidiary of the Company) (“**First Concept**”) pursuant to a partial arbitration award (final except as to costs) dated 4 January 2018 (the “**Arbitral Award**”). On 6 January 2020, First Concept obtained from the Khan Uul District Trial Court of Civil Cases, Ulaanbaatar, Mongolia an enforcement order in respect of the Arbitral Award (the “**Enforcement Order**”).

The Company wishes to update the shareholders of the Company on First Concept's progress to enforce the Arbitral Award against SGS. Following the service of the Enforcement Order on SGS on 28 January 2020, the enforcement agent requested SGS to repay to First Concept all unpaid sums and interest within seven days (i.e. on or before 3 February 2020). As a result of SGS's failure to pay First Concept before the said deadline, letters were sent to the commercial banks in Mongolia to freeze all bank accounts held by SGS. The Company notes that SGS's bank accounts in Mongolia have been frozen since 5 February 2020.

On 6 and 7 February 2020, SGS wrote to Lieutenant Colonel R. Enkhtaivan (Head of Capital City Court Decision Enforcement Agency of Mongolia) seeking to uplift the "freeze order" on some of its bank accounts on the ground that it has insufficient funds to pay wages to its workers. SGS has also proposed to the enforcement agency that it would pay First Concept US\$2,600,000 by three instalments in March, April and May 2020 and the interests in April, May and June 2020 respectively. No specified payment dates were provided in SGS's proposal. First Concept considers that such proposal is unacceptable as US\$2,600,000 is substantially less than the sum SGS is obliged to pay First Concept pursuant to the Enforcement Order. First Concept will proceed to request the funds in SGS's bank accounts to be withdrawn and utilized to satisfy the debt owed to First Concept. The enforcement agency will take further enforcement actions accordingly. Further announcements will be made by the Company if there is any material update.

CONTINUED SUSPENSION OF TRADING OF THE SHARES

Trading in the shares of the Company on the Stock Exchange, which was suspended with effect from 9:00 a.m. on 1 August 2016, remains suspended and will continue to be so until further notice.

By Order of the Board
National United Resources Holdings Limited
Ji Kaiping
Chairman

Hong Kong, 19 February 2020

As at the date of this announcement, the executive directors are Mr. Ji Kaiping (Chairman) and Mr. Guo Peiyuan, the non-executive director is Mr. An Jingwen, and the independent non-executive directors are Mr. Li Wen, Mr. Qiu Ke and Ms. Chen Yen Yung.