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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)

PROFIT WARNING

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).

The board (the “**Board**”) of directors (the “**Directors**”) of Nan Nan Resources Enterprise Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) wishes to inform the shareholders of the Company and potential investors that based on the preliminary review of the unaudited consolidated management accounts of the Group for the year ended 31 March 2019, there may record a decrease of approximately 59% in the total revenue of the Group to approximately HK\$75.6 million for the year ended 31 March 2019, as compared to approximately HK\$182.4 million for the year ended 31 March 2018 (the final figure is subject to any adjustment to be made under applicable accounting principles). There is also a decrease of approximately 40% in the gross profit of the Group to approximately HK\$31.3 million for the year ended 31 March 2019, as compared to approximately HK\$52.0 million for the year ended 31 March 2018 (the final figure is subject to any adjustment to be made under applicable accounting principles).

The aforesaid decrease in the total revenue and gross profit of the Group for the year ended 31 March 2019 as compared to the corresponding period in 2018 was mainly attributable to the reduced production capacity as disclosed in the interim report of the Company for the six months ended 30 September 2018, primarily due to (i) the suspension of the production at the Kaiyuan Open Pit Coal Mine (“**Kaiyuan Mine**”) from 11 April 2018 to 29 August 2018 following the receipt of the suspension decision dated 11 April 2018 issued by the Production Safety Supervision and Administration Bureau of the Xinjiang Zhundong Economic and

Technological Development Zone* (新疆准東經濟技術開發區); and (ii) the construction of a coal sifting machine (the “**Coal Sifting Machine**”) at the Kaiyuan Mine as required by the Ministry of Ecology and Environment*(環保局).

As announced by the Company on 31 December 2018 and 11 January 2019, Kaiyuan Mine temporarily suspended its operation pending the renewal of mining right, which expired on 31 December 2018. Kaiyuan Mine successfully renewed the mining right on 7 January 2019 and resumed operation on 10 January 2019.

The Company is still in the course of finalising its unaudited consolidated financial results of the Group for the year ended 31 March 2019. The information contained in this announcement is only based on the preliminary assessment made by the Board with reference to the unaudited consolidated management accounts and the information currently available to the Board. As at the date of this announcement, such information has neither been confirmed nor reviewed by the auditor of the Company or the audit committee of the Board and may be subject to change. Shareholders and potential investors of the Company are advised to refer to the annual results announcement of the Group for the year ended 31 March 2019 when it is published.

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, 15 May 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.

* For identification purpose only