

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.



NAN NAN RESOURCES ENTERPRISE LIMITED

南南資源實業有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 1229)

POSITIVE PROFIT ALERT

This announcement is made by Nan Nan Resources Enterprise Limited (the “**Company**”) together with its subsidiaries, collectively the “**Group**”) pursuant to Rule 13.09(2)(a) 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 the Company wishes to inform the shareholders (the “**Shareholders**”) of the Company and potential investors that based on the preliminary view of the latest unaudited consolidated management accounts of the Group, the Group would be expected to record a change from approximately HK\$59.04 million in loss after taxation for the year ended 31 March 2023 (the “**FY2023**”) to approximately not less than HK\$36.00 million in profit after taxation for the year ended 31 March 2024 (the “**FY2024**”).

The profit of the Group for FY2024 was mainly attributable to the approximately HK\$62.79 million gain on fair value of the zero-coupon convertible bond issued by the Company to be matured on 13 March 2026 with an aggregate principal amount of HK\$200,000,000 (the “**Convertible Bond**”) issued in 2008, which is designated as financial liabilities at fair value through profit or loss for FY2024 (FY2023: fair value loss and loss arising from modification of approximately HK\$116.84 million). The said change in fair value of the Convertible Bond was mainly due to the decrease of the stock price of the Company during FY2024.

However, the Group expects a revenue of approximately HK\$116.07 million for FY2024 (as compared to approximately HK\$239.89 million for FY2023), representing a decrease of approximately HK\$123.82 million or approximately 51.62% as compared to the previous corresponding period, and the Group is expected to experience a gross profit of approximately HK\$43.14 million for FY2024 (as compared to a gross profit of approximately HK\$133.83 million for FY2023), representing a decrease of approximately HK\$90.69 million or approximately 67.77% as compared to the previous corresponding period.

The Company is still in the course of finalising its annual results of the Group for FY2024. The information contained in this announcement is solely 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, which have not been audited or reviewed by the Company's auditor and audit committee, and are subject to adjustments were necessary. As such, the annual results may be different from the information contained in this announcement. Details of the financial information for FY2024 will be disclosed in the annual results announcement of the Group which is expected to be published by the end of June 2024 in accordance with the requirements under the Listing Rules.

Shareholders and potential investors 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, 19 June 2024

As at the date of this announcement, the Board comprises three executive Directors, namely Mr. Kwan Man Fai, Mr. Wong Sze Wai and Mr. Li Chun Fung, and three independent non-executive Directors, namely Dr. Wong Man Hin Raymond, Mr. Chan Yiu Fai Youdey and Mr. Pak Wai Keung Martin.