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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)

POSITIVE PROFIT ALERT

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 information currently available to the Board, the Group expects a turnaround of its results by recording a net profit for the year ended 31 March 2017 as compared to a loss for the year ended 31 March 2016, which is primarily attributable to: (i) the change in fair value of the convertible bond for the year ended 31 March 2017 as stated in the paragraph below; and (ii) no impairment loss on intangible assets and property, plant and equipment was recorded by the Group (the final figure is subject to any adjustment to be made under applicable accounting principles) for the year ended 31 March 2017, as compared to the impairment loss on intangible assets and property, plant and equipment in the amount of approximately HK\$12 million for the year ended 31 March 2016.

According to the draft valuation report of the convertible bond of the Company and the draft consolidated statement of profit or loss and other comprehensive income of the Group, the profit arising from the change in fair value of the Company's convertible bond for the year ended 31 March 2017 is expected to be approximately HK\$56 million (the final figure is subject to any adjustment to be made under applicable accounting principles), as compared to the loss of approximately HK\$73 million arising from the change in fair value of the Company's convertible bond for the year ended 31 March 2016.

The Company wishes to emphasize that this announcement is published only based on the Company's preliminary review of the draft valuation report of the convertible bond of the Company and the draft consolidated statement of profit or loss and other comprehensive income of the Group, which are subject to finalization and will be audited by valuers and auditors of the Company (as the case may be). Taking into consideration that (i) the Company is in the process of finalizing the audited annual results of the Group for the year ended 31 March 2017, which is expected to be published on or before 30 June 2017, and (ii) adjustment to be made to the items of the said audited annual results of the Group may or may not be significant, in order to avoid any potential misleading impression the public may have regarding the Group's operation and audited annual results for the year ended 31 March 2017, the Board decided to take a more prudent attitude and not to disclose the preliminary figures regarding the Group's audited annual results for the year ended 31 March 2017 at the moment.

Shareholders and potential investors of the Company are advised to read the audited annual results announcement of the Group 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, 8 June 2017

As at the date of this announcement, the Board comprises three executive Directors, namely Mr. Kwan Man Fai, Ms. Lo Fong Hung and Mr. Wang Xiangfei, and three independent non-executive Directors, namely Mr. Wong Man Hin, Raymond, Mr. Lam Ka Wai, Graham and Mr. Chan Yiu Fai, Youdey.