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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)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2026

The board of directors (the "Directors") (the "Board") of Nan Nan Resources Enterprise Limited (the "Company") is pleased to announce the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively the "Group") for the six months ended 30 September 2026 (the "Reporting Period") together with the comparative figures for the corresponding period in 2025 as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 September 2026

		Six months ended 30 September	
		2026	2025
	Notes	***HK$'000***	*HK$'000*
		(unaudited)	(unaudited)
Revenue	*4*	**201,976**	193,652
Cost of services and goods sold		**(143,073)**	(118,370)
Gross profit		**58,903**	75,282
Other revenue		**1,035**	1,141
Selling and distribution expenses		**(998)**	(7,391)
Administrative and other operating expenses		**(40,457)**	(24,899)
Exchange loss, net		**(1,297)**	(915)
Finance costs	*5*	**(3,253)**	(2,748)
Gain/(Loss) on fair value change of convertible bond designated as financial liabilities at fair value through profit or loss ("FVPL")		**52,761**	(31,725)
Profit before tax	*5*	**66,694**	8,745
Income tax expenses	*6*	**(15,275)**	(12,186)
Profit/(Loss) for the period		**51,419**	(3,441)

	Note	Six months ended 30 September	
		2026	2025
		HK$'000	*HK$'000*
		(unaudited)	(unaudited)
Other comprehensive income/(loss):			
Items that will not be reclassified to profit or loss:			
Exchange difference on translation of the Company's financial statements to presentation currency		**1,297**	915
Loss on fair value change of convertible bond designated as financial liabilities at FVPL arising from change in its credit risk		**(1,918)**	–
Item that may be reclassified subsequently to profit or loss:			
Exchange difference on translation of functional currency to presentation currency		**17,075**	9,606
Other comprehensive income for the period		**16,454**	10,521
Total comprehensive income for the period		**67,873**	7,080
Profit/(Loss) for the period attributable to:			
– Owners of the Company		**51,377**	(3,375)
– Non-controlling interests		**42**	(66)
		51,419	(3,441)
Total comprehensive income/(loss) for the period attributable to:			
– Owners of the Company		**67,880**	6,974
– Non-controlling interests		**(7)**	106
		67,873	7,080
Earnings/(Loss) per share (expressed in Hong Kong cents)			
– Basic	*8*	**6.71**	(0.44)
– Diluted	*8*	**(0.52)**	(0.44)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2026

	Notes	**30 September 2026** ***HK$'000*** **(unaudited)**	31 March 2026 *HK$'000* (audited)
Non-current assets			
Property, plant and equipment		**164,387**	160,308
Intangible assets		**248,181**	251,186
Goodwill		**4,229**	4,229
Prepayments for acquisition of property, plant and equipment	*9*	**3,557**	1,430
		420,354	417,153
Current assets			
Inventories		**7,208**	8,565
Trade and other receivables	*9*	**3,690**	4,449
Cash and cash equivalents		**371,582**	362,190
		382,480	375,204
Current liabilities			
Trade and other payables	*10*	**142,989**	126,265
Mining right payables, current portion		**5,976**	5,568
Interest-bearing borrowings		**–**	37,503
Lease liabilities		**1,629**	1,754
Tax payables		**10,661**	6,650
Convertible bond designated as financial liabilities at FVPL		**220,236**	271,079
		381,491	448,819
Net current assets/(liabilities)		**989**	(73,615)
Total assets less current liabilities		**421,343**	343,538

	Notes	**30 September 2026** ***HK$'000*** **(unaudited)**	31 March 2026 *HK$'000* (audited)
Capital and reserves			
Share capital	*11*	**76,537**	76,537
Reserves		**251,393**	183,513
Equity attributable to owners of the Company		**327,930**	260,050
Non-controlling interests		**(1,204)**	(1,197)
		326,726	258,853
Non-current liabilities			
Provision for close down, restoration and environmental costs		**2,881**	2,797
Other payables	*10*	**8,608**	–
Mining right payables, non-current portion		**58,642**	54,643
Lease liabilities		**608**	1,382
Deferred tax liabilities		**23,878**	25,863
		94,617	84,685
		421,343	343,538

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six months ended 30 September 2026

1. GENERAL INFORMATION AND BASIS OF PREPARATION

Nan Nan Resources Enterprise Limited (the "Company") was incorporated in Bermuda as an exempted company with limited liability. The shares of the Company are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). In the opinion of the directors of the Company, its holding company is Ascent Goal Investments Limited ("Ascent Goal"), a company incorporated in the British Virgin Islands with limited liability, and its ultimate holding company is New Bright International Development Limited ("New Bright"), a company incorporated in Hong Kong with limited liability. Its ultimate controlling party is Ms. Fung Yuen Kwan, Veronica ("Ms. Fung"). Pursuant to the individual substantial shareholder notice filings made by Ms. Fung and/or New Bright, Ms. Fung is deemed to have interests in the shares and underlying shares through her 70% interests in New Bright. Pursuant to a judgment made by the High Court of Hong Kong dated 9 June 2025 in respect of a matter involving Ms. Fung, the court held that the 7,000 shares in New Bright registered in the name of Ms. Fung are held by her as nominee for GHIU KA LEUNG (who is also known by aliases including XU JINGHUA, SAM PA, SAMO HUI, SAM KING, TSUI KYUNG-WHA, PA SAM NANG, PA SAMNANG, PAI SAM MENE and ANTONIO FAMTOSONGHIU SAMPO MENEZES).

The address of the Company's registered office is Richmond House, 12 Par-la-Ville Road, Hamilton HM 08, Bermuda and its principal place of business is 11/F., Tower 2, Admiralty Centre, 18 Harcourt Road, Admiralty, Hong Kong. The condensed consolidated interim financial information is presented in Hong Kong dollars ("HK$"), rounded to the nearest thousand except when otherwise indicated, for the convenience of the shareholders as the Company is listed in Hong Kong. The functional currency of the Company is Renminbi ("RMB").

The Company is an investment holding company and the subsidiaries of the Company (together the "Group") are principally engaged in (i) mining and sales of coal; (ii) renewable energy solutions; and (iii) information technology ("IT") outsourcing, consultancy and technical services (together referred to as "IT Services").

The condensed consolidated interim financial information has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange, including compliance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" as issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

Preparation of the condensed consolidated interim financial information requires the directors of the Company to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The condensed consolidated interim financial information includes an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since 31 March 2026 and therefore, do not include all of the information required for full set of financial statements prepared in accordance with HKFRS Accounting Standards, which collective term includes all applicable individual Hong Kong Financial Reporting Standards ("HKFRSs"), HKASs and Interpretations as issued by the HKICPA. They shall be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 March 2026 (the "2025/2026 Audited Financial Statements").

In preparing the condensed consolidated interim financial information, significant judgements made by the directors of the Company in applying the Group's accounting policies and the key sources of estimation uncertainty are the same as those that applied in the 2025/2026 Audited Financial Statements.

The condensed consolidated interim financial information is unaudited, but has been reviewed by the Company's audit committee and the Company's external auditor in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" as issued by the HKICPA.

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated interim financial information has been prepared on the historical cost basis except for convertible bond designated as financial liabilities at fair value through profit or loss ("FVPL"), which is measured at fair value.

The accounting policies and methods of computation used in the condensed consolidated interim financial information for the six months ended 30 September 2026 are consistent with those followed in the preparation of the 2025/2026 Audited Financial Statements.

The adoption of the new/revised HKFRS Accounting Standards which are relevant to the Group and effective for current period does not have any significant impact on the Group's results and financial position for the current or prior periods and does not result in any significant change in accounting policies of the Group.

At the date of authorisation of the condensed consolidated interim financial information, the Group has not early adopted new/revised HKFRS Accounting Standards that have been issued but are not yet effective. Except for HKFRS 18, the directors of the Company anticipate that the application of these amendments to HKFRS Accounting Standards will have no material impact on the Group's consolidated financial statements in the foreseeable future.

HKFRS 18 replaces HKAS 1 Presentation of Financial Statements. HKFRS 18 retains numbers of requirements of HKAS 1 and introduces the following new key requirements:

a. presentation of new defined subtotals in the income statement and statement of comprehensive income, i.e. operating profit and profit before financing and income taxes, and classifications of income and expenses into operating, investing, financing, income taxes and discontinued operations in the income statement and statement of comprehensive income, with some modifications for companies with specific business activities, e.g. banks, insurers and investment property companies;

b. identification of management-defined performance measures (MPMs) which are defined as subtotals of income and expenses used in public communications outside financial statements to communicate management's view of an aspect of the financial performance for the company as a whole and are not listed or required by HKFRS Accounting Standards and disclosures about MPMs in a single note to the financial statements; and

c. enhanced requirements for grouping (aggregation and disaggregation) of information in the primary financial statements and information disclosed in the notes to the financial statements.

3. SEGMENT INFORMATION

Information reported to the executive directors of the Company, being identified as the chief operating decision makers ("CODM"), for the purposes of resource allocation and assessment of segment performance focuses on types of goods delivered or services rendered. No operating segments identified by the CODM have been aggregated in arriving at the reportable segments of the Group.

Specifically, the Group's reportable and operating segments are as follows:

(1) Coal mining business segment: mining and sales of coals in the Chinese Mainland;

(2) Renewable energy business segment: service income from renewable energy solutions in Malaysia; and

(3) IT Services business segment: IT consultancy and technical services (including sales of IT hardware products) and IT outsourcing services mainly in Hong Kong.

Segment revenue represents revenue derived from (i) coal mining business; (ii) renewable energy business; and (iii) IT Services business.

Segment results, which are the measures reported to the CODM for the purposes of resources allocation and assessment of segment performance, represent the profit earned or loss incurred by each segment without allocation of change in fair value of convertible bond designated as financial liabilities at FVPL and net exchange loss.

Segment assets include property, plant and equipment, intangible assets, goodwill, prepayment for acquisition of property, plant and equipment, inventories, trade and other receivables and cash and cash equivalents. All assets are allocated to operating segments other than unallocated head office and corporate assets as these assets are managed on a group basis.

Segment liabilities include trade and other payables, mining right payables, interest-bearing borrowings, lease liabilities, tax payables, convertible bond designated as financial liabilities at FVPL, provision for close down, restoration and environmental costs and deferred tax liabilities. All liabilities are allocated to operating segments other than unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

In addition, the directors of the Company consider that the Group's place of domicile is Hong Kong, where the central management and control is located.

Segment revenue and results

The followings are analysis of the Group's revenue and results by reportable and operating segments:

	Coal mining business *HK$'000*	Renewable energy business *HK$'000*	IT Services business *HK$'000*	Unallocated *HK$'000*	Total *HK$'000*
Six months ended 30 September 2026 (unaudited)					
Revenue from external customers and reportable segment revenue	**199,904**	**2,072**	**–**	**–**	**201,976**
Gross profit	**57,919**	**984**	**–**	**–**	**58,903**
Selling and distribution expenses	**(998)**	**–**	**–**	**–**	**(998)**
Segment results	**56,921**	**984**	**–**	**–**	**57,905**
Other revenue	**716**	**43**	**51**	**225**	**1,035**
Administrative and other operating expenses	**(28,632)**	**(538)**	**(93)**	**(11,194)**	**(40,457)**
Finance costs	**(3,192)**	**–**	**–**	**(61)**	**(3,253)**
Gain on fair value change of convertible bond designated as financial liabilities at FVPL	**–**	**–**	**–**	**52,761**	**52,761**
Exchange loss, net	**–**	**–**	**–**	**(1,297)**	**(1,297)**
Profit/(Loss) before tax	**25,813**	**489**	**(42)**	**40,434**	**66,694**
Income tax expenses	**(15,262)**	**(13)**	**–**	**–**	**(15,275)**
Profit/(Loss) for the period	**10,551**	**476**	**(42)**	**40,434**	**51,419**
Additional segment information:					
Ex-gratia compensation	**11,379**	**–**	**–**	**–**	**11,379**
Amortisation	**45,200**	**32**	**–**	**–**	**45,232**
Depreciation	**7,216**	**873**	**–**	**592**	**8,681**
Additions to property, plant and equipment	**11,080**	**182**	**–**	**49**	**11,311**
Additions to intangible assets	**35,030**	**–**	**–**	**–**	**35,030**

	Coal mining business *HK$'000*	Renewable energy business *HK$'000*	IT Services business *HK$'000*	Unallocated *HK$'000*	Total *HK$'000*
Six months ended 30 September 2025 (unaudited)					
Revenue from external customers and reportable segment revenue	191,690	1,962	–	–	193,652
Gross profit/(loss)	74,340	942	–	–	75,282
Selling and distribution expenses	(7,391)	–	–	–	(7,391)
Segment results	66,949	942	–	–	67,891
Other revenue	962	43	21	115	1,141
Administrative and other operating expenses	(12,115)	(651)	(350)	(11,783)	(24,899)
Finance costs	(2,663)	–	–	(85)	(2,748)
Loss on fair value change of convertible bond designated as financial liabilities at FVPL	–	–	–	(31,725)	(31,725)
Exchange gain, net	–	–	–	(915)	(915)
Profit/(Loss) before tax	53,133	334	(329)	(44,393)	8,745
Income tax expenses	(12,145)	(41)	–	–	(12,186)
Profit/(Loss) for the period	40,988	293	(329)	(44,393)	(3,441)
Additional segment information:					
Amortisation	24,436	32	–	–	24,468
Depreciation	6,789	827	–	585	8,201
Additions to property, plant and equipment	11,867	10	–	3,518	15,395
Additions to intangible assets	35,366	–	–	–	35,366
Charge of loss allowance of trade receivables, net	–	1	1,396	–	1,397

Segment assets and liabilities

The followings are analysis of the Group's assets and liabilities by reportable and operating segments:

	Coal mining business *HK$'000*	Renewable energy business *HK$'000*	IT Services business *HK$'000*	Unallocated *HK$'000*	Total *HK$'000*
As at 30 September 2026 (unaudited)					
Property, plant and equipment	**137,065**	**25,472**	**–**	**1,850**	**164,387**
Intangible assets	**247,081**	**1,100**	**–**	**–**	**248,181**
Goodwill	**–**	**4,229**	**–**	**–**	**4,229**
Other assets	**365,010**	**9,773**	**14**	**11,240**	**386,037**
Total assets	**749,156**	**40,574**	**14**	**13,090**	**802,834**
Convertible bond designated as financial liabilities at FVPL	**–**	**–**	**–**	**(220,236)**	**(220,236)**
Mining right payables	**(64,618)**	**–**	**–**	**–**	**(64,618)**
Other liabilities	**(188,323)**	**(322)**	**(411)**	**(2,198)**	**(191,254)**
Total liabilities	**(252,941)**	**(322)**	**(411)**	**(222,434)**	**(476,108)**
As at 31 March 2026 (audited)					
Property, plant and equipment	131,368	26,547	–	2,393	160,308
Intangible assets	250,054	1,132	–	–	251,186
Goodwill	–	4,229	–	–	4,229
Other assets	315,626	8,930	289	51,789	376,634
Total assets	697,048	40,838	289	54,182	792,357
Convertible bond designated as financial liabilities at FVPL	–	–	–	(271,079)	(271,079)
Mining right payables	(60,211)	–	–	–	(60,211)
Other liabilities	(197,368)	(575)	(849)	(3,422)	(202,214)
Total liabilities	(257,579)	(575)	(849)	(274,501)	(533,504)

Geographical information

The following table sets out information about the geographical location of (i) the Group's revenue from external customers and (ii) the Group's property, plant and equipment, intangible assets, goodwill, and prepayments for acquisition of property, plant and equipment ("Specified Non-current Assets"). The geographical location of the revenue is presented based on the location of the customers. The geographical location of property, plant and equipment and prepayments for acquisition of property, plant and equipment is presented based on the physical location of the assets and the geographical location of intangible assets and goodwill is presented based on the location of the respective business operations.

Location of revenue

Revenue from external customers

	Six months ended 30 September	
	2026	2025
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Chinese Mainland	**199,904**	191,690
Malaysia	**2,072**	1,962
	201,976	193,652

Location of the Specified Non-current Assets

	30 September 2026	31 March 2026
	HK$'000	*HK$'000*
	(unaudited)	(audited)
Chinese Mainland	**387,703**	382,852
Hong Kong	**1,850**	2,393
Malaysia	**30,801**	31,908
	420,354	417,153

Information about major customer

Revenue from external customer contributing 10% or more of the total revenue is as follow:

	Six months ended 30 September	
	2026	2025
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Customer A from coal mining business segment	**20,512**	*

* The corresponding revenue did not contribute 10% or more of the total revenue of the Group during the six months ended 30 September 2025.

4. REVENUE

	Six months ended 30 September	
	2026	2025
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Revenue from contracts with customers within HKFRS 15		
Coal mining business		
– Sales of coals	**199,904**	191,690
Renewable energy business		
– Service income from renewable energy solutions	**2,072**	1,962
	201,976	193,652

In addition to the information shown in segment disclosures, the revenue from contracts with customers within HKFRS 15 is disaggregated as follows:

	Six months ended 30 September	
	2026	2025
	HK$'000	HK$'000
	(unaudited)	(unaudited)
Timing of revenue recognition:		
– at a point of time		
Sales of coals	**199,904**	191,690
– over time		
Service income from renewable energy solutions	**2,072**	1,962
	201,976	193,652

5. PROFIT BEFORE TAX

This is stated at after charging/(crediting):

	Six months ended 30 September	
	2026	2025
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Finance costs		
Interest on interest-bearing borrowings	**617**	20
Interest on mining right payables	**2,558**	2,616
Interest on lease liabilities	**78**	112
	3,253	2,748
Staff costs (excluding directors' remuneration) (charged to "Cost of services and goods sold", "Selling and distribution expenses" and "Administrative and other operating expenses")		
Salaries, bonus, allowance and other short-term employee benefits	**17,618**	14,262
Contributions to defined contribution retirement plan	**3,300**	3,487
	20,918	17,749
Other items		
Amortisation of intangible assets (charged to "Cost of services and goods sold")	**45,232**	24,468
Cost of inventories sold	**141,985**	96,202
Bank interest income (included in "Other revenue")	**(403)**	(308)
Depreciation of property, plant and equipment and right-of-use assets (charged to "Cost of services and goods sold" and "Administrative and other operating expenses")	**8,681**	8,201
Loss on disposal of property, plant and equipment (charged to "Administrative and other operating expenses")	**2,073**	–
Gain on early termination of lease contracts	**–**	(3)
Ex-gratia compensation (charged to "Administrative and other operating expenses") (Note 10(a))	**11,379**	–

6. INCOME TAX EXPENSES

The major components of income tax expenses in the condensed consolidated statement of profit or loss and other comprehensive income are:

	Six months ended 30 September	
	2026	2025
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Income tax expenses comprise:		
Chinese Mainland Enterprise Income Tax		
– Current year	**10,526**	3,882
– Under-provision in respect of prior year	**7,453**	1,362
Malaysia corporate income tax ("Malaysia CIT")	**21**	49
	18,000	5,293
Deferred tax		
Origination and reversal of temporary differences	**(2,725)**	6,893
	15,275	12,186

The Company is incorporated in Bermuda and is exempted from income tax. The Company's subsidiaries established in the British Virgin Islands and Samoa are exempted from income tax of the respective jurisdictions.

Under the Law of the Chinese Mainland on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the Chinese Mainland subsidiaries is 25% for both six months ended 30 September 2026 and 2025.

Pursuant to the EIT Law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in the Chinese Mainland subsequent to 1 January 2008. The Group applied a lower withholding tax rate of 5% under the tax treaty between Chinese Mainland and Hong Kong.

In March 2018, the two-tiered profits tax rates regime was signed into law of Hong Kong, under which the first HK$2 million of profits of qualifying corporations will be taxed at 8.25% (the "graduated tax rate"), and profits above HK$2 million will be taxed at 16.5% for the six months ended 30 September 2026 and 2025. The profits of corporations in the Group not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5% of the estimated assessable profits for the six months ended 30 September 2026 and 2025.

Malaysia CIT is calculated at the rate of 24% of the estimated assessable profits of the Group's entities in Malaysia arising from Malaysia during the six months ended 30 September 2026 and 2025. During the six months ended 30 September 2026 and 2025, Malaysia incorporated entities with paid-up capital of Malaysia Ringgit ("MYR") 2.5 million or less and gross business income of not more than MYR50 million enjoy tax rate of 15% on the first MYR150,000 and 17% on the next MYR450,000 and remaining balance of the estimated assessable profits at the standard rate of 24%.

Singapore corporate income tax ("Singapore CIT") is calculated at the rate of 17% of the estimated assessable profits of the Group's entity in Singapore arising from Singapore.

During the six months ended 30 September 2026 and 2025, Singapore incorporated companies can enjoy 75% tax exemption on the first Singapore Dollars ("S$") 10,000 of normal chargeable income and a further 50% tax exemption on the next S$190,000 of normal chargeable income.

The United Kingdom (the "UK") corporate income tax (the "UK CIT") is calculated at a statutory rate of 25% of the estimated assessable profits of the Group's entities in the UK arising from the UK during the six months ended 30 September 2026 and 2025. During the six months ended 30 September 2026 and 2025, the Group's entity established in the UK is subject to a 19% small profits rate of corporation tax introduced for companies whose profits do not exceed Great British Pound 50,000.

For the six months ended 30 September 2026 and 2025, Hong Kong Profits Tax, Singapore CIT and the UK CIT have not been provided for in the condensed consolidated interim financial information as there was either loss for taxation purpose or no assessable profits being derived from Hong Kong, Singapore and the UK, respectively.

7. INTERIM DIVIDEND

No dividends was paid or proposed during the six months ended 30 September 2026 and 2025. The directors of the Company do not recommend the payment of an interim dividend for the six months ended 30 September 2026 and 2025.

8. EARNINGS/(LOSS) PER SHARE

(a) Basic earnings/(loss) per share

The calculation of the basic earnings/(loss) per share attributable to the owners of the Company for the period is based on the following data:

	Six months ended 30 September	
	2026	2025
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Profit/(Loss)		
Profit/(Loss) for the purpose of basic earnings/(loss) per share (Profit/(Loss) for the period attributable to owners of the Company)	**51,377**	(3,375)

	Six months ended 30 September	
	2026	2025
	Number of shares	Number of shares
	(unaudited)	(unaudited)
Weighted average number of ordinary shares		
Weighted average number of ordinary shares for the purpose of basic earnings/(loss) per share	**765,373,584**	765,373,584

(b) Diluted loss per share

The calculation of the diluted loss per share attributable to the owners of the Company for the period is based on the following data:

(i) Profit/(Loss) for the period attributable to owners of the Company

	Six months ended 30 September	
	2026	2025
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Profit/(Loss) for the period attributable to owners of the Company	**51,377**	(3,375)
(Gain)/Loss on fair value change of convertible bond designated as financial liabilities at FVPL	**(52,761)**	31,725
Exchange gain on convertible bond designated as financial liabilities at FVPL	**(7,720)**	(4,214)
	(9,104)	24,136

(ii) Weighted average number of ordinary shares

	Six months ended 30 September	
	2026	2025
	Number of shares	Number of shares
	(unaudited)	(unaudited)
Weighted average number of ordinary shares for the purpose of basic earnings/(loss) per share	**765,373,584**	765,373,584
Effect of conversion of convertible bond designated as financial liabilities at FVPL	**1,000,000,000**	1,000,000,000
Weighted average number of ordinary shares for the purpose of diluted loss per share	**1,765,373,584**	1,765,373,584

For the six months ended 30 September 2025, the Company's outstanding convertible bond had an anti-dilutive effect to the basic loss per share calculation, the conversion of the above potential dilutive shares is not assumed in the computation of diluted loss per share. Therefore, the basic and diluted loss per share for the six months ended 30 September 2025 were the same.

9. TRADE AND OTHER RECEIVABLES

	Note	**30 September 2026** ***HK$'000*** **(unaudited)**	31 March 2026 *HK$'000* (audited)
Trade receivables			
From third parties		**3,362**	3,378
Loss allowance		**(2,344)**	(2,344)
	9(a)	**1,018**	1,034
Other receivables			
Prepayments, deposits and other receivables		**2,672**	3,415
Prepayments for acquisition of property, plant and equipment		**3,557**	1,430
		6,229	4,845
		7,247	5,879
Analysed by:			
Non-current		**3,557**	1,430
Current		**3,690**	4,449
		7,247	5,879

9(a) Trade receivables

The Group's sales to coal customers from coal mine business segment are largely done on payment in advance basis. For certain well-established customers, the Group allows an average credit period of 90 days.

The Group grants credit period up to 60 days from the date of issuance of invoice to its customers from renewable energy business segment and IT Services business segment.

Ageing analysis

At the end of reporting period, the ageing analysis of the trade receivables (presented based on the invoice date), net of loss allowances was as follows:

	30 September 2026	31 March 2026
	HK$'000	*HK$'000*
	(unaudited)	(audited)
Within 30 days	**341**	346
31-60 days	**340**	346
61-90 days	**340**	345
91-365 days	**–**	–
Over 1 year	**2,341**	2,341
	3,362	3,378
Less: Loss allowance	**(2,344)**	(2,344)
	1,018	1,034

10. TRADE AND OTHER PAYABLES

At the end of reporting period, the ageing analysis of the trade payables (presented based on the invoice date) is as follows:

	30 September 2026	31 March 2026
	HK$'000	*HK$'000*
	(unaudited)	(audited)
Within 90 days	**43,408**	34,021
91-180 days	**2,346**	7,517
181-365 days	**1,964**	11,901
Over 1 year	**286**	262
Trade payables	**48,004**	53,701
Contract liabilities	**11,439**	5,021
Government levies payable		
– Economic development fees in coal resources areas	**27,412**	26,605
Coal mine environmental restoration fund	**17,890**	14,165
Ex-gratia compensation (Note 10(a))	**11,477**	–
Accrued expenses	**3,491**	4,691
Other taxes payable	**21,687**	15,907
Other payables	**10,197**	6,175
Total trade and other payables	**151,597**	126,265
Analysed by:		
Non-current	**8,608**	–
Current	**142,989**	126,265
	151,597	126,265

The average credit period of purchases of goods is up to 180 days. The Group has financial risk management policies in place to ensure that all payables are settled within the credit timeframe.

10(a) Ex-gratia compensation

During the six months ended 30 September 2026, the Group voluntarily entered into a series of one-off grassland compensation and resettlement agreements (the "Agreements") with the relevant village committees in response to herdsmen's concerns regarding the impact of the Group's coal mining operations on the surrounding environment and in support of the local authority's effort to address such concerns.

Pursuant to the Agreements, the Group agreed to pay aggregate ex-gratia compensation of approximately RMB9,900,000 (equivalent to approximately HK$11,379,000) to the relevant village committees in three instalments up to 2029. The Agreements were entered into on a voluntary basis as a one-off arrangement in response to the local authorities' coordination efforts and the concerns raised by the local herdsmen. The related ex-gratia compensation was charged to profit or loss during the six months ended 30 September 2026.

11. SHARE CAPITAL

	Number of ordinary shares of HK$0.10 each	Amount *HK$'000*
Ordinary shares		
Authorised:		
Balance as at 1 April 2025 (audited), 31 March 2026 (audited), 1 April 2026 (audited) and **30 September 2026 (unaudited)**	5,000,000,000	500,000
Issued and fully paid:		
Balance as at 1 April 2025 (audited), 31 March 2026 (audited), 1 April 2026 (audited) and **30 September 2026 (unaudited)**	765,373,584	76,537

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regards to the Company's residual assets.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS OVERVIEW

For the six months ended 30 September 2026 (the "Reporting Period"), the Group was engaged in three business segments, (1) coal mining business; (2) renewable energy business; and (3) IT Services business (as defined below). Our main business is coal mining and sales of coal in Xinjiang Uygur Autonomous Region ("Xinjiang") of the Chinese Mainland. Xinjiang is remote from major industrial cities in the Chinese Mainland, and hence coal produced in Xinjiang is mainly consumed locally due to the logistic and the transportation costs. In recent years, we achieved a significant milestone by successfully completing the final tests, checking, verification and procedures of attaining the Work Safety Permit* (安全生產許可證), which represents an important breakthrough for the Company's compliance and future development, and increased investment in Kaiyuan Company (as defined below) annually in accordance with government requirements, gaining recognition from the local government and providing an important basis for increasing our production capacity. In recent years, Kaiyuan Company has obtained permission from the relevant local government industry and energy competent department for the proposed increase in the production capacity of the Enlarged Kaiyuan Mine (as defined below) from 900,000 tonnes per annum to 4,000,000 tonnes per annum. The proposed increase is subject to the completion of the applicable approval and administrative procedures, while the mining area remains approximately 4.112 km² (References could be made to the announcement of the Company dated 7 March 2025). During the Reporting Period, the Group made substantial expenditures in capital assets within the mining operations. These expenditures were aimed at coping with the proposed production capacity increase, advancing automation and technology to achieve an unmanned coal mining operation, enhancing efficiency and operational safety and standards in the coal mining operation, while the administration procedures regarding continuous compliance is being finalized and completed by the relevant authorities. Despite the above, the Company foresees challenges in the upcoming future, particularly, the increased supply and competition in the local industry, as well as the increase of expenditures in capital assets of the coal mining business. Consequently, the Company expects a potential negative impact on its coal mining business.

Since the sustained global economic challenges, the adverse global business climate has significantly reduced demand for IT Services, resulting in a drastic decline in revenue for this segment. In response to these market conditions, the Group has maintained limited resources in the IT Services business with a view to controlling operating expenses. The Directors will continue to assess potential IT projects primarily with reference to their expected profitability and commercial viability, while remaining open to suitable opportunities in the IT market from time to time. This approach is consistent with the Board's commitment to managing the Group's resources prudently and enhancing overall financial performance and shareholder value.

Revenue

The Group recorded a revenue of approximately HK$201,976,000 for the Reporting Period (2025: approximately HK$193,652,000). It represents an increase of approximately HK$8,324,000 or approximately 4.30% as compared with the previous corresponding period.

Coal Mining Business

During the Reporting Period, revenue of approximately HK$199,904,000 from the coal mining business increased by approximately HK$8,214,000, or approximately 4.29%, as compared to approximately HK$191,690,000 in the previous corresponding period. The increase in revenue was mainly due to the net effect of the increase in the average selling price and the decrease in tonnes of coal sold during the Reporting Period. The Group sold approximately 1,759,034 tonnes (2025: approximately 2,179,834 tonnes) of coal during the Reporting Period, representing a decrease of 420,800 tonnes, or approximately 19.30%, compared to the previous corresponding period. The average selling price increased by approximately HK$25.71 per ton, or approximately 29.23%, to approximately HK$113.64 per ton during the Reporting Period (2025: approximately HK$87.94 per ton), with the increase in average selling price primarily attributable to less fierce local market competition.

Renewable Energy Business

During the Reporting Period, the renewable energy business recorded a revenue of approximately HK$2,072,000 (2025: approximately HK$1,962,000). The slight increase in revenue of approximately HK$110,000 or approximately 5.61% of the renewable energy business was mainly due to the effect of exchange rate during the Reporting Period.

IT Services Business

No revenue was generated from the IT Services business during the Reporting Period (2025: nil). In response to the challenging market conditions, the Group maintained limited resources in this segment with a view to controlling operating expenses. The Directors continued to assess potential IT projects primarily with reference to their expected profitability and commercial viability and will consider suitable opportunities in the IT market from time to time.

Cost of services and goods sold

Coal Mining Business

The cost of sales of the coal mining business for the Reporting Period was approximately HK$141,985,000 (2025: approximately HK$117,350,000). The cost mainly comprises direct labor cost, cost for explosive works, depreciation, amortisation, and cost of services and materials, etc. The increase in cost of sales during the Reporting Period was mainly a result of the increase of production cost and amortisation of intangible assets during the Reporting Period.

Renewable Energy Business

During the Reporting Period, the cost of services of the renewable energy business is approximately HK$1,088,000 (2025: approximately HK$1,020,000). There is no material change in the cost of services during the Reporting Period as compared with the previous corresponding period.

IT Services Business

During the Reporting Period, the Group did not record revenue from the IT Services business and accordingly there was no cost of services and goods sold for this segment (2025: nil).

Gross profit

The gross profit of the Group for the Reporting Period was approximately HK$58,903,000 (2025: gross profit of approximately HK$75,282,000). The gross profit decreased by approximately HK$16,379,000 or approximately 21.76% and the gross profit margin is approximately 29.16% for the Reporting Period (2025: approximately 38.87%) as cost of services and goods sold increased during the Reporting Period. Coal mining business contributed gross profit of approximately HK$57,919,000 (2025: approximately HK$74,340,000), IT Services business, for which the Group maintained limited resources in light of the prevailing market conditions, contributed no gross profit (2025: nil) and renewable energy business contributed gross profit of approximately HK$984,000 (2025: approximately HK$942,000).

Other revenue

The Group's other revenue for the Reporting Period was approximately HK$1,035,000 (2025: revenue of approximately HK$1,141,000), representing a decrease of approximately HK$106,000 or approximately 9.29% as compared with the previous corresponding period. This is mainly due to no government grant during the Reporting Period.

Administrative and other operating expenses

The Group's administrative and other operating expenses for the Reporting Period was approximately HK$40,457,000 (2025: approximately HK$24,899,000), representing an increase of approximately HK$15,558,000 or approximately 62.48% as compared with the previous corresponding period. This was mainly due to the one-off ex-gratia compensation of approximately HK$11,379,000 recognised during the Reporting Period in connection with the voluntary grassland compensation and resettlement agreements entered into with the relevant village committees in response to herdsmen's concerns regarding the impact of the Group's coal mining operations on the surrounding environment and in support of the local authority's efforts to address such concerns.

Profit/loss for the Reporting Period

Profit of the Group for the Reporting Period was approximately HK$51,419,000, representing an increase of profit of approximately HK$54,860,000 during the Reporting Period. Such turnaround from loss to profit was mainly due to the net effect of the following:

(a) gain on fair value change of convertible bond designated as financial liabilities at fair value through profit or loss ("FVPL") of approximately HK$52,761,000 (2025: loss of approximately HK$31,725,000);

(b) the net exchange loss of approximately HK$1,297,000 (2025: approximately HK$915,000);

(c) the decrease of other revenue by approximately HK$106,000;

(d) the decrease of gross profit by approximately HK$16,379,000;

(e) the decrease of selling and distribution expenses by approximately HK$6,393,000;

(f) the increase of administrative and other operating expenses by approximately HK$15,558,000;

(g) the increase of finance costs by approximately HK$505,000; and

(h) the income tax expenses of approximately HK$15,275,000 (2025: approximately HK$12,186,000).

Change in fair value of convertible bond designated as financial liabilities at FVPL

The zero coupon convertible bond (the "Convertible Bond") of the Company in the principal amount of HK$200,000,000 was issued on 14 March 2008 with a conversion price of HK$0.20 per share (subject to adjustments) and maturity date of 13 March 2011 (details of which were set out in the announcements of the Company dated 28 January 2008 and 14 March 2008).

The maturity date of the Convertible Bond was then extended to 13 March 2014, 13 March 2017, 13 March 2020, 13 March 2023, 13 March 2026 and further extended to 13 March 2029 (details of which were respectively set out in the circulars of the Company dated 21 February 2011, 13 February 2014, 17 February 2017, 24 February 2020, 16 November 2022 and 24 February 2026, and announcements of the Company dated 11 March 2011, 10 March 2014, 7 March 2017, 11 March 2020, 9 December 2022 and 11 March 2026).

As at the date of this announcement, the outstanding principal amount of the Convertible Bond is HK$200,000,000.

The Company conducted valuation for the fair value of the Convertible Bond every financial year or reporting period after its issuance in compliance with the relevant accounting policies. The Company has engaged ValQuest Advisory (Hong Kong) Limited ("ValQuest") as its independent professional valuer for the purpose of assessing the fair value of the Convertible Bond as at 30 September 2026. In assessing the fair value of the Convertible Bond, the binomial model was adopted and factors including stock price of the Company, specific terms and structure of the Convertible Bond, and ancillary effects associated with the exercise or conversion and partial conversion of the Convertible Bond were taken into account. As an input to the valuation model, the referencing credit rating for our Company was estimated to be Ba on 30 September 2026 (31 March 2026: B) with reference to Moody's Rating Methodology, where the discount rate adopted is 9.17% (31 March 2026: 8.80%) estimated based on the yields of corporate bonds with issuer credit rating of BB+ to BB- with similar time to maturity. The fair value of Convertible Bond on 30 September 2026 is evaluated based on the credit rating of Ba.

The fair values of the Convertible Bond were approximately HK$220,236,000 and approximately HK$271,079,000 as at 30 September 2026 and 31 March 2026 respectively. The amounts were assessed and reviewed by the Directors and reviewed by the auditor of the Company. According to the relevant accounting policies, the decrease in fair value of the Convertible Bond represents a decrease in liabilities of the Company. The change in fair value of the Convertible Bond comprised a gain on fair value change of approximately HK$52,761,000 credited to profit or loss, and a loss on fair value change arising from the change in the Convertible Bond's credit risk of approximately HK$1,918,000 charged to other comprehensive income. The significant change in fair value of the Convertible Bond was mainly due to the significant change in the stock price of the Company during the Reporting Period. The closing stock prices of the Company were HK$0.158 and HK$0.213 as at 30 September 2026 and 31 March 2026, respectively, and the expected volatility of the stock price of the Company was 63.01% and 70.64% based on the historical price volatility of the Company for the six months ended 30 September 2026 and for the year ended 31 March 2026, respectively.

SEGMENT INFORMATION

Business segment

Information reported to the executive directors, being identified as the chief operating decision makers (the "CODM"), for the purposes of resource allocation and assessment of segment performance focuses on types of goods delivered or services rendered. No operating segments identified by the CODM have been aggregated in arriving at the reportable segments of the Group.

Specifically, the Group's reportable and operating segments are as follows:

(1) Coal mining business segment: mining and sales of coal mine in Xinjiang of the Chinese Mainland;

(2) Renewable energy business segment: provision of service for renewable energy solutions in Malaysia; and

(3) IT Services business segment: IT consultancy and technical services (including sales of IT hardware products) and IT outsourcing services mainly in Hong Kong.

Segment revenue and results

Segment revenue represents revenue derived from (i) coal mining business, (ii) renewable energy business and (iii) IT Services business.

(i) Coal Mining Business

Coal mining is the major business of the Group at present. It contributed a revenue of approximately HK$199,904,000 for the Reporting Period (2025: approximately HK$191,690,000), representing an increase of approximately HK$8,214,000 or approximately 4.29% as compared with the previous corresponding period.

Sales and Production of Coals

During the Reporting Period, the Group sold approximately 1,759,034 tonnes of coals (2025: approximately 2,179,834 tonnes) with total sales income of approximately HK$199,904,000 (2025: approximately HK$191,690,000). Details of sales of coals in tonnes are listed in the below table:

	Six months ended 30 September	
	2026	2025
Sales of coals	**1,759,034 tonnes**	2,179,834 tonnes

Coal Sales (tonnes) and Percentage of Coal Sales

	Coal Sales (tonnes)	**Coal Sales** in %
Mixed Coal	1,662,865	94.53
Slack Coal	96,169	5.47
Total	1,759,034	100.00

(ii) Renewable Energy Business

Service income from renewable energy business contributed a revenue of approximately HK$2,072,000 for the Reporting Period (2025: approximately HK$1,962,000).

(iii) IT Services Business

IT Services business contributed no revenue for the Reporting Period (2025: nil).

Reserves and Resources

The Group owns a mining right located in Xinjiang. The estimated remaining reserve in Kaiyuan Open Pit Coal Mine (the "Kaiyuan Mine") (excluding the Enlarged Kaiyuan Mine (as defined in "Major Events")) was approximately 5.11 million tonnes as at 31 March 2020.

On 2 December 2019, a transfer agreement was officially passed by Department of Natural Resources of Xinjiang Uygur Autonomous Region* (新疆維吾爾自治區自然資源廳) of the Chinese Mainland (the "Xinjiang Natural Resources Department") to Mulei County Kai Yuan Coal Company Limited* (木壘縣凱源煤炭有限責任公司) ("Kaiyuan Company"), an indirect wholly-owned subsidiary of the Company. According to the competent person's report and valuation report of the Enlarged Kaiyuan Mine dated 19 August 2020, the probable reserve in the Enlarged Kaiyuan Mine was approximately 63.48 million tonnes as at the date of acquisition of the Enlarged Kaiyuan Mine.

During the Reporting Period, approximately 1.78 million tonnes of coal was extracted (2025: approximately 2.03 million tonnes).

Total approximate reserve of the mine in Xinjiang as at 30 September 2026 is equivalent to 54.71 million tonnes (i.e. the sum of the estimated remaining coal reserve in Kaiyuan Mine including the Enlarged Kaiyuan Mine) (31 March 2026: approximately 56.49 million tonnes).

Coal Reserve as at 30 September 2026 = Coal Reserve as at 31 March 2026 – Amount of coal extracted by the Group during the period from 1 April 2026 to 30 September 2026.

Geographical segment

The geographical location of customers is determined based on the location where the goods are delivered, or services are rendered. The Group's revenue and results from operations are mainly derived from activities in the Chinese Mainland, Hong Kong and Malaysia. Activities outside these three locations are insignificant. The principal assets of the Group are located in the Chinese Mainland, Hong Kong and Malaysia.

* *English translation for identification purposes only.*

MAJOR EVENTS

Acquisition of the New Mining Right of the Enlarged Kaiyuan Mine

As disclosed in the announcements of the Company dated 11 November 2011, 21 March 2012, 15 June 2012, 21 March 2014, 15 August 2017, 28 March 2018, 14 December 2018, 31 December 2018, 15 May 2019, 31 May 2019, 4 November 2019 and 15 November 2019, the Group negotiated with the Department of Natural Resources of Xinjiang Uygur Autonomous Region* (新疆維吾爾自治區自然資源廳) of the Chinese Mainland (the "Xinjiang Natural Resources Department") regarding the Optimization and Upgrading Plan# relating to the Kaiyuan Open Pit Coal Mine (the "Kaiyuan Mine") (i.e. the operating coal mine of the Group in Xinjiang), in particular, to increase the mining area of the Kaiyuan Mine and obtain the corresponding new mining right.

(i) Mulei County Kai Yuan Company Limited* (木壘縣凱源煤炭有限責任公司) ("Kaiyuan Company"), an indirect wholly-owned subsidiary of the Company, as the transferee and Xinjiang Natural Resources Department as the transferor entered into the transfer agreement (the "Transfer Agreement") dated 2 December 2019, pursuant to which Kaiyuan Company acquired the new mining right (the "New Mining Right") of the Kaiyuan Mine with an enlarged mining area (including the original mining area of approximately 1.1596 km^2) of 4.1123 km^2 in Xinjiang (the "Enlarged Kaiyuan Mine") for 30 years from August 2019 to August 2049 from the Xinjiang Natural Resources Department to conduct mining activities at the Enlarged Kaiyuan Mine at a consideration of Renminbi ("RMB") 160,978,000 (the "Acquisition");

(ii) the estimated coal resources of the Enlarged Kaiyuan Mine are 41.6433 million tonnes for the mining life of 30 years under the Transfer Agreement;

(iii) the new mining permit (the "New Mining Permit") in respect of the New Mining Right with mining term of 1 year from 21 December 2018 to 21 December 2019 regarding the New Mining Right was granted to Kaiyuan Company on 3 November 2018, which has been renewed for two years from 21 December 2019 to 21 December 2021; On 10 October 2021, the New Mining Right has been further renewed for ten years from 11 October 2021 to 11 October 2031;

* English translation for identification purposes only.

\# The "Optimization and Upgrading Plan" was previously referred to as the "Management Restructuring Plan" in the announcement of the Company dated 11 November 2011 and in the announcements, notices, circulars, interim reports and annual reports of the Company thereafter.

(iv) Kaiyuan Company has the right to apply for the renewal of New Mining Permit for the remaining period of the New Mining Right under the Transfer Agreement;

(v) the consideration of RMB160,978,000 shall be settled in cash and paid by Kaiyuan Company to the Xinjiang Natural Resources Department in fifteen instalments: (a) the first instalment in an amount of RMB32,200,000 was paid by Kaiyuan Company; (b) the second to fourteenth instalments in an amount of RMB9,200,000 each shall be paid before 20 November of every year from 2020 to 2032; and (c) the last instalment in an amount of RMB9,178,000 shall be paid before 20 November 2033;

(vi) the Acquisition constituted a very substantial acquisition for the Company under the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules") and further information on the Acquisition was disclosed in the circular dated 19 August 2020; and

(vii) as part of the Transfer Agreement, Kaiyuan Company is required to pay a supplemental resources fee of RMB76,502,500 (the "Resources Fee") to the Xinjiang Natural Resources Department for 19.8 million tonnes of coal of Kaiyuan Mine, which represented the difference between the accumulated output of 23.65 million tonnes of the Kaiyuan Mine at the end of 2017 and the output of 3.8819 million tonnes (Resources Fee of such output had been paid by Kaiyuan Company to the Xinjiang Natural Resources Department) and recognised in the profit or loss for the year ended 31 March 2020. Based on the advice given by the legal adviser of the Company as to the laws of the Chinese Mainland, other than the payment of the Resources Fee, Kaiyuan Company will not be subject to any fees relating to the original Kaiyuan Mine pursuant to the terms of the Transfer Agreement.

The Testing, Checking and Verification of the 900,000 Tonnes/Year Expansion Project and the Proposed Increase in Production Capacity to 4,000,000 Tonnes/Year

Since 2010, Kaiyuan Company had been applying for the expansion project to upgrade the coal mine capacity to 900,000 tonnes per year. Due to the time constraints of planning, policies, and other procedures, the Kaiyuan Mine's expansion project experienced several years' time to obtain approval from the local authorities. After the project approval, Kaiyuan Company still needed to undergo the process of obtaining the mining permit and other relevant licences and documentations in order to complete the project. In late 2019, the 900,000 tonnes/year New Mining Permit with mining term of 1 year from 21 December 2018 to 21 December 2019 was obtained.

References are made to the announcements of the Company dated 11 November 2011, 12 March 2012, 21 March 2012, 15 June 2012, 21 March 2014, 28 March 2018, 14 December 2018, 31 December 2018, 15 May 2019, 31 May 2019, 4 November 2019 and 15 November 2019 respectively (collectively, the "Announcements"). In late 2019, Kaiyuan Company had been granted the New Mining Permit in respect of the Kaiyuan Extended Area Mining Right for the Kaiyuan Mine with an enlarged mining area (including the original mining area) from the original mining area of approximately 1.1596 km^2 (the "Original Kaiyuan Mine") to 4.1123 km^2 (the "Enlarged Kaiyuan Mine"). The New Mining Permit covered a mining area of approximately 4.1123 km^2 with designed capacity of 900,000 tonnes/year, representing ten times of the designed annual capacity of 90,000 tonnes of the Original Kaiyuan Mine.

Kaiyuan Company then started to build the necessary facilities to cater for the increased mining capacities. All facilities built needed to be checked, tested and approved by the relevant government authorities and their experts. All building, checking and testing processes were slowed down during the Covid-19 period, but eventually the final checking and testing processes were done and completed in late 2023.

After completing the design, the construction of the 900,000 tonnes/year expansion project started in early 2021. From June to November 2022, the project officially entered the trial operation phase of the 900,000 tonnes/year expansion project. Since the construction period, testing, checking and verification were conducted by experts, which were filed to the local government authorities, and relevant opinion letters and certificates were issued, implying steps forward to the completion of expansion project. In September 2023, a specialized checking of the documents was conducted by a group of experts, and it successfully passed the expert group's evaluation. At the same time, a comprehensive completion testing, checking and verification of the 900,000 tonnes/year expansion project was conducted by a group of experts, and a completion verification opinion letter for the project was issued. In October and November 2023, the Changji Emergency Bureau and Autonomous Region Emergency Department ("Changji EBARED")* (昌吉州應急局及自治區應急廳) organized experts to perform the inspection of the application for the Work Safety Permit and it was successfully approved. The Changji EBARED agreed to issue the Work Safety Permit, the final permit required to complete 900,000 tonnes/year expansion plan.

In recent years, Kaiyuan Company has obtained permission from the relevant local government industry and energy competent department for the proposed increase in the production capacity of the Enlarged Kaiyuan Mine (as defined below) from 900,000 tonnes per annum to 4,000,000 tonnes per annum. The proposed increase is subject to the completion of the applicable approval and administrative procedures, while the mining area remains approximately 4.112 km^2.

The Enlarged Kaiyuan Mine is a coal mine operating in compliance with local rules and regulations, with complete documentation and permits, which has laid a solid foundation for the Group's sustainable development. The proposed increase in production capacity mentioned above would continue to require substantial capital investment into equipment, machinery and facilities to facilitate increased mining operations.

PROSPECTS

The Group actively proceeded with the Optimization and Upgrading Plan since 2011 in relation to the New Mining Right of the Enlarged Kaiyuan Mine. The Acquisition enlarged the Group's coal resources and allowed the Group to enhance the development of its sales operations of Kaiyuan Mine in the future. The Directors consider that the transaction is in line with the Group's strategy to expand the coal mining business of the Group. In 2021, Kaiyuan Company successfully renewed and received the renewed New Mining Permit issued by the Xinjiang Natural Resources Department, pursuant to which the term of the mining right of the Enlarged Kaiyuan Mine is renewed for a period of 10 years from 11 October 2021 to 11 October 2031.

After Kaiyuan Company's achievement in obtaining complete documentation and permits including the New Mining Permit and the Work Safety Permit in 2019 and 2023 respectively, the Company foresees continuing challenges in the upcoming future, particularly, that there has been an unstable trend of coal prices in 2026, as a result of combined effect of various factors, such as the local government granting additional mining and production capacity to coal mines in the Zhundong district in the Chinese Mainland, including permission at the local level for the proposed increase in the production capacity of the Enlarged Kaiyuan Mine from 900,000 tonnes per annum to 4,000,000 tonnes per annum, subject to completion of the applicable procedures. In such circumstances where there is an increased supply of coal amidst relatively steady demand, with demand being derived mainly from nearby regions due to the considerable geographical distance between the mining area and other parts of the Chinese Mainland. Looking ahead, the Group will strive to maintain stable production and financial stability, while progressing its production development plans in accordance with the applicable requirements and continuing to ensure proper compliance and governance. The Company has observed and anticipates that coal prices may remain relatively stable.

In the future, there will be (i) a reasonable expected amount of expenditure in capital assets, in particular for the new plants, machines and facilities for the continuous environmental protection works and potential future production upgrades and sustainable development and (ii) reasonable expenditure for works required by the Safety Bureau to maintain safety standard of our coal mine. Sources of funding are expected to come primarily from the coal sales revenue and external banking facilities of the Group if necessary. The Group will continue to conduct its coal mining production activities within the production capacity approved by the relevant local authorities and in compliance with applicable requirements.

In light of the sustained adverse global economic climate and the difficult business environment affecting the IT Services business, the Group maintained limited resources in this segment during the Reporting Period with a view to controlling operating expenses. The Directors will continue to assess potential IT projects primarily with reference to their expected profitability and commercial viability, while remaining open to suitable opportunities in the IT market from time to time. This formed part of the Group's strategy to streamline its business operations and operating expenses, and allocate its resources on core business areas that better support its long-term development objectives.

In view of the evolving local regulatory and compliance requirements, including the associated costs of meeting safety requirements in the coal mining business, the Board will continue to review and may, where appropriate, finetune the Group's strategy for its coal mining business in response to such developments. The Board will also remain attentive to opportunities to optimize the Group's business portfolio and enhance operational efficiency, while evaluating initiatives that complement the Group's longterm development objectives and create sustainable value for shareholders.

SIGNIFICANT INVESTMENTS HELD, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, AND FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save as otherwise disclosed, there were neither significant investments held as at 30 September 2026 nor material acquisitions and disposals of subsidiaries during the Reporting Period.

Save as otherwise disclosed, the Group does not have any future plan for material investments. There will, however, be a reasonable expected amount of expenditure in capital assets, in particular for the new plants and machines for the environmental protection remedial works. Sources of funding are expected to come primarily from the coal sales revenue and also external banking facilities of the Group.

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 September 2026, the Group had:

- net current assets of approximately HK$989,000 (31 March 2026: net current liabilities of approximately HK$73,615,000).

- cash and cash equivalents of approximately HK$371,582,000 (31 March 2026: approximately HK$362,190,000) and the bank balances and cash were the major components of the Group's current assets of approximately HK$382,480,000 (31 March 2026: approximately HK$375,204,000). All the cash and cash equivalents are denominated in Hong Kong dollars ("HK$"), Malaysian Ringgit ("MYR") and RMB (31 March 2026: HK$, MYR and RMB).

- current liabilities of approximately HK$381,491,000 (31 March 2026: approximately HK$448,819,000) which comprised Convertible Bond designated as financial liabilities at fair value through profit or loss of approximately HK$220,236,000 (31 March 2026: approximately HK$271,079,000), trade and other payables of approximately HK$142,989,000 (31 March 2026: approximately HK$126,265,000), interest-bearing borrowings of Nil (31 March 2026: approximately HK$37,503,000), current portion of mining right payables of approximately HK$5,976,000 (31 March 2026: approximately HK$5,568,000), and tax payables of approximately HK$10,661,000 (31 March 2026: approximately HK$6,650,000).

- non-current liabilities of approximately HK$94,617,000 (31 March 2026: approximately HK$84,685,000), comprising mainly the non-current portion of mining right payables of approximately HK$58,642,000 (31 March 2026: approximately HK$54,643,000), and deferred tax liabilities of approximately HK$23,878,000 (31 March 2026: approximately HK$25,863,000).

The Group's gearing ratio was approximately 0.88 (31 March 2026: approximately 1.44). The computation is based on total debt (Convertible Bond, mining right payables, interest-bearing borrowings and lease liabilities) divided by total equity.

CAPITAL STRUCTURE

The capital of the Group comprises only ordinary shares.

As at 30 September 2026, there were 765,373,584 (31 March 2026: 765,373,584) ordinary shares of the Company in issue.

The Convertible Bond of the Company with an aggregate principal amount of HK$200,000,000 were issued on 14 March 2008. Its maturity date was approved to be further extended for 36 months to 13 March 2029 by the shareholders of the Company on 11 March 2026.

CHARGES ON GROUP'S ASSETS

As at 30 September 2026, the Group had not pledged its mining right (31 March 2026: HK$82,935,000).

FOREIGN EXCHANGE EXPOSURE

The Group mainly earns revenue in RMB, HK$ and MYR and incurs costs in RMB, HK$ and MYR. The Group is exposed to foreign exchange risk based on fluctuations of exchange rates of HK$ and MYR against RMB. The currency exchange risk for the Reporting Period is mainly derived from the exchange difference on convertible bond designated as financial liabilities at FVPL, which is a result from the depreciation of RMB against HK$. In order to minimise the foreign currency risk exposure between these two currencies, the Group maintained cash balances in both currencies that are sufficient to meet several months' operating cash flows requirements of the Group.

TREASURY POLICIES

Apart from the issuance of Convertible Bond at their face value of HK$200,000,000 (31 March 2026: Convertible Bond at face value of HK$200,000,000), the Group finances its operation mainly by internal generated resources.

CONTINGENT LIABILITIES

As at 30 September 2026, the Group did not have any material contingent liabilities (31 March 2026: Nil).

EMPLOYEES AND REMUNERATION POLICY

As at 30 September 2026, the Group had 164 employees (30 September 2025: 162; 31 March 2026: 157) spreading amongst Hong Kong, Malaysia and the Chinese Mainland. Total staff costs (excluding Directors' emoluments) for the Reporting Period amounted to approximately HK$20,918,000 (for the six months ending 30 September 2025: approximately HK$17,749,000; for the year ended 31 March 2026: approximately HK$37,046,000). Employment relationship has been well maintained by the Group with its employees. The Group has adopted an extensive training policy for its employees.

Remuneration policy of the Company is reviewed regularly, making reference to market conditions and performance of the Company and individual staff (including the Directors).

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the Reporting Period (2025: Nil).

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the Reporting Period.

CORPORATE GOVERNANCE

In the opinion of the Directors, the Company has complied with the code provisions set out in the Corporate Governance Code (the "Code") contained in Part 2 of Appendix C1 to the Listing Rules during the Reporting Period, save for the deviation from code provision C.2.1 as disclosed below:

Code provision C.2.1 of the Code stipulates that the roles of chairman and chief executive (the "CE") should be separate and should not be performed by the same individual. During the Reporting Period, the Company did not have any officer with CE title. Mr. Kwan Man Fai, the chairman and managing Director, also carried out the responsibility of CE during the Reporting Period. In view of the size of operation of the Group, the Board considered that this structure is more suitable for the Company as it can promote the efficient formulation and implementation of the Company's strategies.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix C3 to the Listing Rules as its code of conduct regarding securities transactions by the Directors. All Directors have confirmed, following specific enquiry made by the Company, that they have complied with the required standard as set out in the Model Code throughout the Reporting Period.

AUDIT COMMITTEE

The audit committee of the Company (the "Audit Committee") comprises three independent non-executive Directors, namely Mr. Pak Wai Keung Martin as the chairman of the Audit Committee, Dr. Wong Man Hin Raymond and Mr. Chan Yiu Fai Youdey. The Audit Committee together with the management and external auditor of the Company have reviewed the accounting principles and practices adopted by the Group and discussed and reviewed the unaudited condensed consolidated interim financial information of the Group for the Reporting Period. The review was conducted by the external auditor of the Company in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants.

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This announcement is published on the websites of The Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk and the Company at www.nannanlisted.com. The interim report will be dispatched to the shareholders of the Company and will be published on the above websites in due course.

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

Hong Kong, 24 November 2026

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