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L'SEA RESOURCES INTERNATIONAL HOLDINGS LIMITED

利海資源國際控股有限公司

(Incorporated in Cayman Islands with limited liability)

(Stock Code: 00195)

PROFIT ALERT

This announcement is made by L'sea Resources International Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the inside information provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong).

The board of directors (the “**Board**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that based on the preliminary review of the unaudited consolidated management accounts of the Group for the year ended 31 December 2016 currently available to the Board, the Group is expected to record a net profit for the year ended 31 December 2016 as compared to the net loss recorded for the corresponding period in 2015 primarily attributable to (a) an expected record of gross profit for the year ended 31 December 2016 as compared to the gross loss recorded for the corresponding period in 2015; and (b) a possible reversal of impairment loss on the asset value of the tin mine held by the Group located in Tasmania, Australia based on the preliminary valuation of the tin mine as at 31 December 2016. The turn from gross loss to gross profit and the possible reversal of impairment loss were mainly due to the increase of tin prices in the international market during the period, which led to the recoverable amount of the asset value of the tin mine exceeding its carrying amount as at 31 December 2016.

The possible reversal of impairment loss on the asset value of the tin mine held by the Group is a non-cash accounting treatment in accordance with Hong Kong Financial Reporting Standards and has no effect on the cash flow for the Group's operation.

The Company is in the process of preparing the annual results of the Group for the year ended 31 December 2016. The information contained in this announcement is only a preliminary assessment by the Company based on the latest unaudited consolidated management accounts of the Group for the year ended 31 December 2016 currently available to the Board which have not been audited or reviewed by the Company's auditor or audit committee, and the actual results of the Group for the year ended 31 December 2016 may be different from the disclosure herein. Shareholders and potential investors are advised to read carefully the annual results announcement of the Company for the year ended 31 December 2016 which is expected to be published on or around 27 March 2017.

Shareholders and potential investors of the Company are advised to exercise caution in placing reliance on the profit alert as set out in this announcement when dealing in the shares of the Company.

By the order of the Board
L'sea Resources International Holdings Limited
NIE DONG
Executive Director and Chief Executive Officer

Hong Kong, 28 February 2017

As at the date of this announcement, the board of directors of the Company comprises four executive directors, namely, Mr. CHEUNG Wai Kuen, Mr. NIE Dong, Mr. WANG Chuanhu and Dr. SHI Simon Hao and three independent non-executive directors, namely, Mr. CHI Chi Hung, Kenneth, Mr. DENG Shichuan and Mr. James MUNN.

Website: <http://www.lsea-resources.com>