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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 information currently available, it is expected that because of improvement in operation, the Company’s two subsidiaries in the People’s Republic of China (in aggregate) will record a profit (after tax) for the six months ended 30 September 2014, as compared to a loss (after tax) for the six months ended 30 September 2013. However, the unaudited interim results of the Group for the six months ended 30 September 2014 are expected to record a significant increase in the net loss as compared to the net loss for the six months ended 30 September 2013, which was mainly due to the increase in loss arising from the change in the fair value of convertible loan notes of the Company.

According to the draft valuation report of the convertible loan notes of the Company and the draft consolidated income statement of the Group, the loss arising from the change in fair value of the Company’s convertible loan notes for the six months ended 30 September 2014 is expected to be approximately HK\$39,322,000 (the final figure is subject to any adjustment to be made under applicable accounting principles), as compared to the loss of approximately HK\$2,139,000 arising from the change in fair value of the Company’s convertible loan notes for the six months ended 30 September 2013.

The Company wishes to emphasize that this profit warning announcement is only based on the Company's preliminary review of the draft valuation report of the convertible loan notes of the Company and the draft consolidated income statement of the Group, which are subject to finalization and will not be required to be audited by the Company's auditors. Taking into consideration that (i) the Company is in the process of finalizing the unaudited interim results of the Group for the six months ended 30 September 2014, which is expected to be published on or before 30 November 2014, and (ii) adjustment to be made to the items of the said unaudited interim 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 unaudited interim results for the six months ended 30 September 2014, the Board decided to take a more prudent attitude and not to disclose the preliminary figures regarding the Group's unaudited interim results for the six months ended 30 September 2014 at the moment.

Shareholders and potential investors of the Company are advised to read the unaudited interim results announcement of the Group when it is published on or before 30 November 2014.

**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**  
*Executive Director*

Hong Kong, 10 November 2014

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