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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)

INDICATIVE ANNOUNCEMENT IN RELATION TO SIGNIFICANT CHANGES IN LOSS ARISING FROM CHANGE IN FAIR VALUE OF CONVERTIBLE BOND AND GROSS PROFIT FROM OPERATION OF THE GROUP FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2015

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 according to the draft valuation report of the convertible bond of the Company and the draft condensed consolidated statement of profit or loss and other comprehensive income of the Group, the loss arising from the change in fair value of the Company’s convertible bond for the six months ended 30 September 2015 is expected to be approximately HK\$19 million (the final figure is subject to any adjustment to be made under applicable accounting principles), as compared to the loss of approximately HK\$39 million arising from the change in fair value of the Company’s convertible bond for the six months ended 30 September 2014.

Based on the information currently available to the Board, it is expected that there will be a significant decrease in the gross profit from operation of the Group for the six months ended 30 September 2015 as compared to the gross profit from operation for the six months ended 30 September 2014, which was mainly due to the weak demand for large, middle and slack coals, resulting in significant reduction in sales volume. Nevertheless, it is expected that there will only be a slight decrease in the loss of the Group for the six months ended 30 September 2015 as compared to the loss for the six months ended 30 September 2014 given the loss arising from the change in fair value of the convertible bond for the six months ended 30 September 2015 is much less as stated in the paragraph above.

The Company wishes to emphasize that this indicative 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 condensed consolidated statement of profit or loss and other comprehensive income 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 2015, which is expected to be published on or before 30 November 2015, 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 2015, the Board decided to take a more prudent attitude and not to disclose the preliminary figures regarding the Group's unaudited interim results (including the gross profit from operation) for the six months ended 30 September 2015 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.

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, 13 November 2015

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.