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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 six months ended 30 September 2016 as compared to a loss for the six months ended 30 September 2015, which is primarily attributable to: (i) an increase in the turnover of the Group to approximately HK\$25 million for the six months ended 30 September 2016 (the final figure is subject to adjustment to be made under applicable accounting principles), as compared to the turnover of the Group in the amount of approximately HK\$15.729 million for the six months ended 30 September 2015; (ii) an increase in the gross profit and gross profit ratio of the Group to approximately HK\$9 million and 35% respectively (the final figures are subject to adjustment to be made under applicable accounting principles) for the six months ended 30 September 2016, as compared to the gross profit and gross profit ratio of the Group in the amount of approximately HK\$3.919 million and 25% respectively for the six months ended 30 September 2015; and (iii) the change in fair value of the convertible bond for the six months ended 30 September 2016 as stated in the paragraph below.

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 profit arising from the change in fair value of the Company’s convertible bond for the six months ended 30 September 2016 is expected to be approximately HK\$34 million (the final figure is subject to any adjustment to be made under applicable accounting principles), as compared to the loss of approximately HK\$18.831 million arising from the change in fair value of the Company’s convertible bond for the six months ended 30 September 2015.

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 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 2016, which is expected to be published on or before 30 November 2016, 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 2016, 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 2016 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, 9 November 2016

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 three independent non-executive Directors, namely Mr. Wong Man Hin, Raymond, Mr. Lam Ka Wai, Graham and Mr. Chan Yiu Fai, Youdey.