利海資源
L'SEA RESOURCES

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 WARNING

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).

Reference is made to the announcement of the Company dated 29 April 2015 in relation to the Possible Subscription ("**Rule 3.7 Announcement**"). Unless otherwise defined, capitalised terms used herein shall have the same meanings as those used in the Rule 3.7 Announcement.

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 2015 currently available to the Board, the Group is expected to record a significant increase in net loss for the year ended 31 December 2015 as compared to the audited net loss recorded for the year ended 31 December 2014 primarily attributable to (a) a possible 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 2015 (which is greater than the amount of impairment loss disclosed in the interim result announcement of the Company dated 26 August 2015) and (b) an estimated decrease in revenue of the Group for the year ended 31 December 2015 as compared to the year ended 31 December 2014. The possible impairment loss and decrease in revenue were mainly due to the drop of tin prices in the international market during the year.

The possible 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 2015. 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 2015 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 2015 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 2015 which is expected to be published in March 2016.

The Board would like to clarify that this profit warning announcement is regarded as a profit forecast under Rule 10 of the Takeovers Code and would need to be reported on by the Company's financial adviser and auditors or accountants in accordance with Rule 10 of the Takeovers Code, and their reports must be included in the next document sent to the shareholders of the Company under Rule 10.4 of the Takeovers Code.

Since this announcement is required to be made pursuant to Rule 13.09 of the Listing Rule and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance, which require the Company to issue this announcement as soon as practicable and given the time constraints, the Company has encountered genuine practical difficulties (time-wise or otherwise) in meeting the reporting requirements set out in the said Rule 10.4 of the Takeovers Code.

The Company would like to draw the attention of the shareholders and potential investors of the Company that this announcement does not meet the standard required by Rule 10 of the Takeovers Code.

The reports on the profit warning as required under Rule 10 of the Takeovers Code will be contained in the next document to be sent by the Company to the shareholders of the Company on the Possible Subscription (if any) (other than any monthly announcement(s) setting out the progress of the Possible Subscription to be made by the Company pursuant to Rule 3.7 of the Takeovers Code), if the Company has not yet made its annual results announcement for the year ended 31 December 2015 at the time when such document is issued.

Shareholders and potential investors of the Company are advised to exercise caution in placing reliance on the profit warning as set out in this announcement and when assessing the merits and demerits of the Possible Subscription and/or 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, 11 February 2016

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.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.

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