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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)**

### **UPDATES ON MANAGEMENT RESTRUCTURING PLAN**

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.

References are made to the announcements of Nan Nan Resources Enterprise Limited (the “**Company**”) dated 11 November 2011, 12 March 2012 and 21 March 2012 (the “**Announcements**”). Terms defined in the Announcements shall have the same meanings in this announcement, unless otherwise defined herein.

The Company would like to announce the updated status of the Management Restructuring Plan. The Company has received a letter dated 13 June 2012 issued by the Changji Administrative Bureau (the “**13 June Letter**”) informing the updated status of the Management Restructuring Plan. The 13 June Letter was received by the Company’s Xinjiang subsidiary in the evening of 13 June 2012 and the whole Board was notified about the 13 June Letter on 14 June 2012. According to the 13 June Letter, the following proposals in relation to the Company’s Kaiyuan Mine and Zexu Mine (the “**Updated Restructuring Proposals**”) have been submitted to the working group head office for coal industry structural upgrade work of Xinjiang Uygur Autonomous Region\* (新疆維吾爾自治區煤炭產業結構優化升級工作領導小組辦公室) for consideration and approval:

1. The Company’s Kaiyuan Mine will be restructured and upgraded, and the exploration rights in the Zexu Mine granted to the Company will be terminated; and
2. The mining area of the Kaiyuan Mine, where the Company is now conducting mining activities, is proposed to be increased from 1.1596 square kilometers to 4.12 square kilometers, with the estimated coal resources of approximately 131.18 million tonnes.

The Company has not been informed of the timeframe of the approval process and implementation process and details of the Updated Restructuring Proposals and such details are not stated in the 13 June Letter, and hence the Company has already made request to the Changji Administrative Bureau for clarification and further negotiation on the Updated Restructuring Proposals to ensure the interest of the Company is protected.

The Company expects the Updated Restructuring Proposals (if approved and implemented) would have financial impact to the Company to a certain extent. If permitted by the relevant government authorities, the Company will engage qualified valuers to conduct valuation on the proposed extra mining area of the Kaiyuan Mine as soon as practicable.

**The above Updated Restructuring Proposals may or may not be approved by the government authorities as stated above and therefore they may or may not proceed. Shareholders and potential investors of the Company should exercise caution when dealing in the shares of the Company.**

The Company shall keep the shareholders and investors of the Company informed of any further development in respect of the above Updated Restructuring Proposals.

By order of the Board  
**Nan Nan Resources Enterprise Limited**  
**Wang Xiangfei**  
*Executive Director*

Hong Kong, 15 June 2012

*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.*

\* *For identification purposes only*