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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)

CLARIFICATION ANNOUNCEMENT IN RELATION TO THE 2012 ANNUAL REPORT

Reference is made to the 2012 annual report (the “**2012 Annual Report**”) of Nan Nan Resources Enterprise Limited (the “**Company**”) published on 6 July 2012. Capitalized terms used herein shall have the same meanings as those defined in the 2012 Annual Report, unless the context requires otherwise.

The Board hereby would like to provide more information about the coal reserve of Kaiyuan Open Pit Coal Mine of the Company (the “**Coal Reserve**”). As shown in the section “Reserves and Resources” on page 7 of the 2012 Annual Report, the Coal Reserve as at 31 March 2012 was stated as 16 million tons. The Board would like to state here how such Coal Reserve was calculated. Such Coal Reserve was calculated by using the following formula, which was in line with the market practice:

Coal Reserve as at 31 March 2012 = Coal Reserve as at 31 March 2011 – amount of coal extracted by the Group (the “**Coal Extracts**”) during the financial year 2012

The Coal Extracts during the period from 1 April 2011 to 31 March 2012 amounted to 2.1 million tons, which was verified by Xinjiang Jiangwei Survey Company Limited* (新疆江緯測繪有限責任公司), a PRC professional survey company, by using a GPS based 3-D modeling computer program. As stated in the Company’s 2011 annual report, the Coal Reserve as at 31 March 2011 was 18.5 million tons. Therefore, the Coal Reserve as at 31 March 2012 should be 16.4 million tons (where the round down figure of 16.0 million tons was stated in the 2012 Annual Report), which was supported by a valuation report dated 20 June 2012 prepared by Greater China Appraisal Limited, a professional valuation company.

The Board confirms that all other information contained in the 2012 Annual Report remains true and accurate.

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

Hong Kong, 21 November 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 purpose only*