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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)

RESTRUCTURING PROPOSAL ON THE 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 and 12 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. Recently, a restructuring proposal (the “**Restructuring Proposal**”) has been issued by the People’s Government of Mulei Kazak Autonomous County* (木壘哈薩克自治縣人民政府), where the Company’s Kaiyuan Mine is located, to the Administrative Bureau of Coal Industry of Changji Prefecture* (昌吉州煤炭工業管理局) (the “**Changji Administrative Bureau**”). A copy of the Restructuring Proposal has been sent to the Company for reference.

According to the Restructuring Proposal, which is part of the Management Restructuring Plan, the mining area of the Kaiyuan Mine, where the Company is now conducting mining activities, is proposed to be increased from 1.158 square kilometers to 4.12 square kilometers, with the estimated coal resources of approximately 131.18 million tonnes. In the Restructuring Proposal, it is also stated that the production capacity of the Kaiyuan Mine will increase from 0.9 million tonnes per year to 3 million tonnes per year. To the Company’s knowledge, the Restructuring Proposal is subject to the approvals from the Changji Administrative Bureau, the People’s Government of Xinjiang Uygur Autonomous Region, the Xinjiang Land Department and other relevant government authorities. Under the Management Restructuring Plan, the Company is also expecting that the People’s Government of Qitai County will propose to the Company a restructuring proposal on the exploration right arrangement of the Zexu Mine.

* *For identification purposes only*

The above Restructuring Proposal may or may not be approved by the government authorities as stated above and therefore it 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 Restructuring Proposal and Management Restructuring Plan.

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

Hong Kong, 21 March 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.