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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)

ANNOUNCEMENT IN RELATION TO THE RENEWAL OF MINING RIGHTS

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**”) hereby announces that the Company, through its subsidiary, Mulei County Kai Yuan Coal Company Limited* (木壘縣凱源煤炭有限責任公司) (“**Kai Yuan Company**”), owns mining rights (the “**Mining Rights**”) in the Kaiyuan Open Pit Coal Mine* (凱源露天煤礦) located in Xinjiang, the People’s Republic of China (the “**PRC**”). The Department of Land and Resources of Xinjiang Uygur Autonomous Region* (新疆維吾爾自治區國土資源廳) (the “**Xinjiang Land Department**”) has granted Kai Yuan Company the Mining Rights for ten years from June 2008 to June 2018 (the “**Valid Period**”). Although the Mining Rights was granted for ten years, according to the relevant laws and regulations of the PRC, Kai Yuan Company is still required to renew the Mining Rights during the Valid Period and the current Mining Rights has just expired on 26 December 2015.

In fact, on 9 December 2015, Kai Yuan Company applied to the Xinjiang Land Department for the renewal of the Mining Rights. During recent enquiries with the Xinjiang Land Department, Kai Yuan Company was informed that the Xinjiang Land Department was still in the process of reviewing the renewal application. However, according to the “Approval in relation to the Normal Production of Kai Yuan Company in the process of Renewal of the Permit of the Mining Rights (《關於同意木壘縣凱源煤炭有限責任公司採礦許可證延續期間正常生產的批覆》)” (Mumeiguan Zi [2015] No.54) dated 21 December 2015 issued by the Administrative Bureau of Coal Industry of Mulei Kazak Autonomous County (木壘哈薩克自治縣煤炭工業管理局) (the “**Administrative Bureau**”), the Administrative Bureau agreed that Kai Yuan Company can conduct normal production in the Kaiyuan Open Pit Coal Mine* after the expiry date of the Mining Rights on 26 December 2015 until completion of renewal procedures of the Mining Rights and issuance of the renewal permit of the Mining Rights.

According to the legal opinion issued by the PRC legal adviser of the Company, if the Mining Rights is being renewed, the commencement date of the renewed Mining Rights will be the expiry date of the last Mining Rights (i.e. 26 December 2015) according to the relevant PRC laws and regulations.

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, 28 December 2015

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

* *For identification purposes only*