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中國鎳資源控股有限公司  
CHINA NICKEL RESOURCES  
HOLDINGS COMPANY LIMITED

*(Incorporated in the Cayman Islands with limited liability)*

(Shares — Stock Code: 2889; Bonds — Stock Code: 1605)

**Proposed amendment to the terms  
of  
HK\$2,000,000,000 Zero Coupon Convertible Bonds due 2012 (“Bonds”)**

The Company has convened a meeting of holders of the Bonds to be held at 4:00 p.m. (Hong Kong time) on 5 February 2010 to consider an extraordinary resolution of holders of the Bonds to approve the belowmentioned amendment to the trust deed constituting the Bonds.

Each Bondholder has the right under Condition 8(D) of the Bonds to require the Company to redeem all or some only of that Bondholder’s Bonds on 12 December 2010 at the then Early Redemption Amount of the Bonds, being HK\$117,676.84 per HK\$100,000 in principal amount of the Bonds.

If passed, the Extraordinary Resolution will, subject to and conditional upon the approval of the Stock Exchange, remove the abovementioned right of the Bondholders under Condition 8(D).

This announcement is made by China Nickel Resources Holdings Company Limited (the “**Company**”) pursuant to Rule 13.09 of The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The Company has convened a meeting (the “**Meeting**”) of holders of the Bonds (the “**Bondholders**”) to be held at 4:00 p.m. (Hong Kong time) on 5 February 2010 for the purpose of considering and, if thought fit, passing an extraordinary resolution (the “**Extraordinary Resolution**”) of the Bondholders, the principal effect of which will be to approve the belowmentioned amendment to the trust deed dated 12 December 2007 constituting the Bonds and made between the Company and DB Trustees (Hong Kong) Limited, as trustee.

Each Bondholder has the right under Condition 8(D) of the Bonds to require the Company to redeem all or some only of that Bondholder’s Bonds on 12 December 2010, at the then Early Redemption Amount of the Bonds, being HK\$117,676.84 per HK\$100,000 in principal amount of the Bonds.

If passed, the Extraordinary Resolution will, subject to and conditional upon the approval of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), remove the abovementioned right of the Bondholders under Condition 8(D).

The quorum required at the Meeting is two or more persons present in person holding Bonds or being proxies or representatives, providing that such persons hold or represent 66 per cent. of the principal amount of the Bonds for the time being outstanding. If the Meeting is adjourned, the quorum required at such adjourned Meeting is two or more persons present in person holding Bonds or being proxies or representatives, providing that such persons hold or represent 33 per cent. of the principal amount of the Bonds for the time being outstanding.

To be passed, the Extraordinary Resolution requires a majority in favour consisting of not less than three-quarters of the votes cast at the Meeting by the Bondholders. If passed, the Extraordinary Resolution will be binding upon all the Bondholders, whether or not they are present at the Meeting.

Bondholders who (a) deliver, or arrange to have delivered on their behalf, (and who do not revoke) valid electronic voting instructions in respect of and in favour of the Extraordinary Resolution prior to 4.00 p.m. (Hong Kong time) on 3 February 2010, or (b) in the case of Bondholders or beneficial owners of the Bonds who have not submitted or delivered or arranged for the submission or delivery of electronic voting instructions, who have, whether in person or through a proxy or representative, delivered (and not revoked) voting instructions at the Meeting indicating that they wish to vote in favour of the Extraordinary Resolution, shall be eligible to receive a cash payment of HK\$20,000 per HK\$100,000 in principal amount of the Bonds (the “**Consent Fee**”) which are the subject of such electronic voting instructions or other voting instructions on 12 November 2010, subject in each case to the Extraordinary Resolution being duly passed.

Further details pertaining to the Meeting and the Extraordinary Resolution are more fully described in the Company’s solicitation memorandum dated 13 January 2010 (the “**Solicitation Memorandum**”) and the notice of the Meeting issued by the Company to the Bondholders dated 13 January 2010 (the “**Notice**”). For additional information regarding the Meeting and the Extraordinary Resolution, please refer to the Solicitation Memorandum and the Notice.

The Company will announce the results of the Meeting of the Bondholders.

## **Reasons for the proposed amendment to the terms of the Bonds**

On 12 December 2007, the Company issued the Bonds as part of the strategy of the Company and its subsidiaries (collectively the “**Group**”) to fund capital expenditure in respect of certain steel mills and general working capital.

Since 2008, the Group has capitalised on its overseas resources to further improve its self-developed ore processing technology and expand its production capacity in China and Indonesia. However, due to various circumstances that are beyond the Group's control, the project timeframe for the Group's steel mill project adjacent to the mine in Indonesia with which the Group has an exclusive off-take agreement to procure ore has had to be extended. Notwithstanding that extension, the project has been identified as one of the major national development projects under the auspices of the Indonesian government. With the imminent completion of a land acquisition and feasibility study and preparations for an environmental assessment, the project is expected to commence construction in 2010. Accordingly, the Group has decided to make adjustments to its original expansion plan in the People's Republic of China (the "PRC"). As disclosed in the Company's announcement dated 31 January 2008, a wholly-owned subsidiary of the Company entered into an agreement on 6 January 2008 to acquire a plant in Zhengzhou, Henan Province, the PRC to be used for the establishment of a pilot plant and a refinery nickel processing facility. In order to alleviate logistical pressures and reduce land transportation expenses, the Group also assessed various coastal ports in China with a view to establishing an ore processing centre. On 28 October 2009, the Group acquired a project under construction in Lianyungang, Jiangsu province, the PRC. A low-cost ferro-nickel project with an annual capacity of 1,000,000 tonnes is scheduled to be completed in the initial phase around middle of 2010 while an additional processing capacity of 4,500,000 dry tonnes of ores is scheduled to be achieved in the subsequent phase which is expected to commence construction in 2011. In addition, technological upgrades and improvements have been made by the Group to its two existing plants in Zhengzhou and Luoyang, Henan province, the PRC, including the upgrade and improvement of 18 sets of 3-tonne electric slag furnaces, 2  $\Phi$ 1.2m vertical casters, a 1,600-tonne fast forging unit, wide slab casting unit and stainless steel wire products, enabling the production of special steel products of higher added values.

As at the date of this announcement, the Group has completed the construction of its pilot plant in Zhengzhou, Henan province, the PRC with an annual processing capacity of 330,000 dry tonnes of ores. Certain new technologies have been proved to be effective within an industrial environment and are ready for large-scale production. The Group's nickel refinery plant at the same location is scheduled to be completed in the subsequent phase by the end of 2011 with an annual capacity of 30,000 tonnes of nickel and 3,000 tonnes of cobalt. The Group's project in Lianyungang, Jiangsu province, the PRC commenced construction on 28 October 2009 and is operating as scheduled. The production capacity of 1,000,000 tonnes of ferro-nickel scheduled for the initial phase is expected to commence in the second half of 2010. The processing capacity of 4,500,000 tonnes of dry ores scheduled for the subsequent phase is expected to commence construction in 2011, whereupon the annual production capacity for such plant of nickel and cobalt, chromic oxide and fine iron powder will be 35,000 tonnes, 120,000 tonnes and 3,000,000 tonnes, respectively. The Group's two existing plants in Henan province of the PRC have maintained normal operations. In view of the recent improvements in global economic conditions and increasing commodity prices, the Group's management is currently optimistic as to the Company's financial performance, and potential return for investors, over the short to medium term.

In order to ensure the smooth construction and operation of existing projects, the Company considers it necessary to maintain sufficient working capital. In order to assist in maintaining such working capital over the medium term, the Company is requesting that Bondholders consent

and agree to the cancellation of the Bondholders' right to redeem the Bonds at their option on 12 December 2010. In consideration for Bondholders agreeing to and voting in favour of the Extraordinary Resolution, the Company will, on 12 November 2010, pay the Consent Fee to those Bondholders who vote in favour of the Extraordinary Resolution.

By Order of the Board of  
**China Nickel Resources Holdings Company Limited**  
**Dong Shutong**  
*Chairman*

Hong Kong, 13 January 2010

*As at the date of this announcement, the executive Directors are Mr. Dong Shutong, Mr. He Weiquan, Mr. Lau Hok Yuk, Mr. Song Wenzhou, Mr. Zhao Ping and Mr. Dong Chengzhe; the non-executive Director is Mr. Yang Tianjun; and the independent non executive Directors are Mr. Bai Baohua, Mr. Huang Changhuai and Mr. Wong Chi Keung.*