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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 AMENDMENTS TO THE TERMS OF HK\$2,000,000,000 ZERO
COUPON CONVERTIBLE BONDS DUE 2012 (THE “EXISTING BONDS”)
AND
PROPOSED OFFER TO EXCHANGE THE EXISTING BONDS FOR THE
EXCHANGE CONSIDERATION REQUIRING THE ISSUE OF NEW SHARES
UNDER SPECIFIC MANDATE**

A letter from the Board is set out on pages 4 to 15 of this circular.

A notice convening the EGM to be held at the conference room located at Flat A, 29F, Admiralty Centre I, 18 Harcourt Road, Hong Kong on 6 November 2010 at 10:00 a.m. is set out on page 21 to 22 of this circular. Whether or not you are able to attend and/or vote at the EGM in person, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the Company's share registrar, Computershare Hong Kong Investor Services Limited at Room 1806-7, 18/F., Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof (as the case may be). The completion and delivery of proxy will not preclude you from subsequently attending and voting in person at the EGM or any adjournment thereof (as the case may be) should you so wish.

22 October 2010

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DEFINITIONS

In this circular, the following expressions shall have the following meanings unless the context indicates otherwise:

“Alternative Stock Exchange”	at any time, in the case of the Shares, if they are not at the time listed and traded on the Hong Kong Stock Exchange, the principal stock exchange or securities market on which the shares are then listed or quoted or dealt in;
“Board”	board of directors of the Company;
“Cash Consideration”	the cash portion of the Exchange Consideration payable by the Company pursuant to the Offer, being HK\$20,000 in respect of each HK\$100,000 in principal amount of Existing Bonds validly tendered and accepted for exchange by the Company pursuant to the Offer;
“Company”	China Nickel Resources Holdings Company Limited;
“Consent Solicitation”	the solicitation of consents by the Company for Existing Bondholders to the Proposed Amendments in accordance with the Offer and Consent Solicitation Memorandum;
“Consent Solicitation Agency Agreement”	an agreement dated 19 October 2010 signed between the Company and the Consent Solicitation Agent in relation to the Consent Solicitation;
“Consent Solicitation Agent”	J.P. Morgan Securities (Asia Pacific) Limited;
“Early Redemption Amount”	in respect of each HK\$100,000 principal amount of New Bonds, an amount as calculated pursuant to the New Bonds terms and conditions;
“Easyman”	Easyman Assets Management Limited, a company incorporated in the British Virgin Islands with limited liability and the controlling Shareholder, whose entire issued share capital is beneficially owned by Mr. Dong;
“EGM”	an extraordinary general meeting of the Shareholders;
“Exchange Consideration”	the consideration of the Offer comprising a combination of the New Bonds and the Cash Consideration;
“Exclusive Offtake Agreement”	the exclusive offtake agreement dated 5 March 2007 (as supplemented and amended from time to time) entered into among S.E.A. Mineral Limited, PT Yiwon Mining, Mr. Tju Bin Kuan and Mr. Suhandi;
“Existing Bondholders”	holders of the Existing Bonds;

DEFINITIONS

“Existing Deed of Covenant”	the deed of covenant dated 23 April 2010 executed by the Company;
“Existing General Mandate”	455,272,897 Shares, being the maximum number of Shares which the Directors were authorised to allot and issue pursuant to the general mandate granted by the Shareholders to the Directors in the annual general meeting of the Company held on 29 June 2010;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong Special Administrative Region
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Hong Kong Stock Exchange Approval”	the approval to the granted by the Hong Kong Stock Exchange in connection with the Proposed Amendments, the issue of the New Bonds and the listing of, and permission to deal in, the New Bonds Conversion Shares;
“Issue Date”	the date upon which the New Bonds are issued;
“Last Practicable Day”	18 October 2010, being the last practicable date prior to the printing of this circular for ascertaining certain information contained in this circular;
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
“Maturity Date”	12 December 2012, the maturity date of the New Bonds;
“Mr. Dong”	Mr. Dong Shutong, a Director and the ultimate controlling Shareholder (as defined in the Listing Rules) interested in approximately 66.07% of the issued share capital of the Company as at the date of this circular;
“New Bondholders”	holders of the New Bonds;
“New Bonds”	the 10.00 per cent convertible bonds due 2012 to be issued pursuant to the terms of the Offer;
“New Bonds Conversion Price”	the price at which Shares will be issued upon conversion of the New Bonds which will initially be HK\$1.541 per Share subject to adjustment in the manner provided in the terms and conditions of the New Bonds;
“New Bonds Conversion Shares”	Shares to be allotted and issued by the Company upon conversion of the New Bonds;

DEFINITIONS

“Notice”	the notice of the Meeting issued by the Company to the Existing Bondholders dated 19 October 2010;
“Offer”	the offer by the Company to the Existing Bondholders to exchange their Existing Bonds for a combination of the New Bonds and the Cash Consideration;
“Offer and Consent Solicitation Memorandum”	the Company’s offer and consent solicitation memorandum dated 19 October 2010 in relation to the Consent Solicitation and the Offer;
“PRC” or “China”	the People’s Republic of China for the purpose of this circular excluding Hong Kong Special Administrative Region, Macao Special Administrative Region and Taiwan;
“Proposed Amendments”	the proposed amendments to the terms and conditions governing the Existing Bonds to provide for the removal of the right of each Existing Bondholder to require the Company to redeem such Existing Bondholder’s Existing Bonds pursuant to Condition 8(D) (Redemption at the option of the Holders) and other consequential amendments;
“Reset Date”	12 November 2011, the date on which the New Bonds Conversion Price may be subject to adjustment in accordance with the formula set out in the terms and conditions of the New Bonds;
“SFO”	the Securities and Future Ordinance (Chapter 571 of the Laws of Hong Kong);
“Shareholders”	holders of the Shares;
“Shares”	ordinary shares of HK\$0.10 each in the issued share capital of the Company;
“Shares Options”	the share options granted or to be granted by the Company pursuant to the Share Option Scheme;
“Share Option Scheme”	the share option scheme of the Company adopted on 2 May 2005;
“Trading Day”	a day when the Hong Kong Stock Exchange is open for dealing business, provided that if no closing price is reported for one or more consecutive dealing days such day or days will be disregarded in any relevant calculation and shall be deemed not to have been dealing days when ascertaining any period of dealing days; and
“%”	per cent.

LETTER FROM THE BOARD



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)

Executive Directors:

Mr. Dong Shutong
Mr. He Weiquan
Mr. Lau Hok Yuk
Mr. Song Wenzhou
Mr. Zhao Ping
Mr. Dong Chengzhe
Mr. Yang Fei

Registered office:

Cricket Square, Hutchins Drive P.O. Box 2681
Grand Cayman KY1-1111 Cayman Islands

Principal place of business in Hong Kong

Room 917–918, 9th Floor
Shun Tak Centre
168–200 Connaught Road Central
Hong Kong

Non-executive Directors:

Mr. Yang Tianjun

Independent non-executive Directors:

Mr. Bai Baohua
Mr. Huang Changhuai
Mr. Wong Chi Keung
Mr. Fahmi Idris

22 October 2010

To the Shareholders

Dear Sir/Madam,

**PROPOSED AMENDMENTS TO THE TERMS OF HK\$2,000,000,000 ZERO
COUPON CONVERTIBLE BONDS DUE 2012 (THE “EXISTING BONDS”)
AND
PROPOSED OFFER TO EXCHANGE THE EXISTING BONDS FOR THE
EXCHANGE CONSIDERATION REQUIRING THE ISSUE OF NEW SHARES
UNDER SPECIFIC MANDATE**

INTRODUCTION

Reference is made to the announcement dated 19 October 2010 (“Announcement”) whereby the Board proposes to convene a meeting of Existing Bondholders to consider extraordinary resolution to approve certain amendments to the trust deed constituting the Existing Bonds. Each Existing Bondholder has the right under Condition 8(D) of the Existing Bonds to require the Company to redeem all or some only of that Existing Bondholder’s Existing Bonds on 12 December 2010. If the extraordinary resolution passed, it will remove the abovementioned right of the Existing Bondholders under Condition 8(D) of the Existing Bonds.

LETTER FROM THE BOARD

In conjunction with the Meeting of Existing Bondholders, the Company is also inviting Eligible Holders of the outstanding Existing Bonds to tender their Existing Bonds for exchange by the Company for the Exchange Consideration. The Exchange Consideration will comprise (1) a cash payment of HK\$20,000; and (2) HK\$100,000 in nominal amount of New Bonds for each HK\$100,000 in principal amount of Existing Bonds validly tendered and accepted by the Company for exchange pursuant to the Offer.

PROPOSED AMENDMENTS TO THE TERMS OF THE EXISTING BONDS

A meeting (the “**Meeting**”) of the Existing Bondholders is being convened by the Company to be held at 11:00 a.m. (Hong Kong time) on 10 November 2010 for the purpose of considering and, if thought fit, passing an extraordinary resolution (the “**Extraordinary Resolution**”) of the Existing Bondholders, the effect of which will be to approve certain amendments to the trust deed dated 12 December 2007 constituting the Existing Bonds and made between the Company and DB Trustees (Hong Kong) Limited, as trustee. The Meeting of Existing Bondholders is being convened in conjunction with the proposed Offer.

Each Existing Bondholder has the right under Condition 8(D) of the Existing Bonds to require the Company to redeem all or some only of that Existing Bondholder’s Existing Bonds on 12 December 2010. Conditional upon the Shareholders granting the specific mandate at the EGM, the Existing Bondholders passing the Extraordinary Resolution and the Hong Kong Stock Exchange granting the Hong Kong Stock Exchange Approval, the Extraordinary Resolution will remove the abovementioned right of the Bondholders under Condition 8(D) of the Existing Bonds.

The quorum required at the Meeting in order to approve the Extraordinary Resolution is two or more persons present in person holding Existing Bonds or being proxies or representatives, providing that such persons hold or represent 66 per cent. of the principal amount of the Existing 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 Existing Bonds or being proxies or representatives, providing that such persons hold or represent 33 per cent. of the principal amount of the Existing 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 Existing Bondholders. Conditional upon the Shareholders granting the specific mandate at the EGM, the Existing Bondholders passing the Extraordinary Resolution and the Hong Kong Stock Exchange granting the Hong Kong Stock Exchange Approval, the Extraordinary Resolution will be binding upon all the Existing Bondholders, whether or not they are present at the Meeting and whether or not they voted in favour of the Resolution.

All Existing Bondholders are entitled to participate in the Meeting and any adjourned Meeting, and to vote in connection with the Extraordinary Resolution. However, only persons who are Eligible Holders (as defined below) may participate in the Offer. “**Eligible Holder**” means (a) an Existing Bondholder who is not a beneficiary of the Existing Deed of Covenant or who was a beneficiary of such Existing Deed of Covenant but who has irrevocably renounced its rights under such Existing Deed of Covenant and who has ceased to be eligible to receive any payment from the Company under the Existing Deed of Covenant, or (b) an Existing Bondholder who has not delivered a put notice (a “**Put Notice**”) in exercise of its option under Condition 8(D) of the Existing Bonds to require the Company to redeem all or some only of such Existing Bondholder’s Existing Bonds or who has delivered a Put Notice but who has irrevocably withdrawn such Put Notice, subject always to the restrictions set out in the Offer and Consent Solicitation Memorandum. All Existing Bondholders including Existing Bondholders who are (a) beneficiaries of the Existing Deed of Covenant or (b) are persons to whom the Offer is not being made pursuant to the restrictions set out in the Offer and Consent Solicitation Memorandum (such Existing Bondholders, “**Ineligible Holders**”) may participate in the Consent Solicitation but such Ineligible Holders may not participate in the Offer.

LETTER FROM THE BOARD

Any renunciation by an Existing Bondholder of its rights under the Existing Deed of Covenant or withdrawal by an Existing Bondholder of a Put Notice in order to participate in the Offer will, in each case, be irrevocable unless the Company withdraws the Consent Solicitation and terminates the Offer, or elects not to implement the Proposed Amendments notwithstanding that the Extraordinary Resolution is passed at the Meeting (or an adjourned Meeting). In such circumstances the Company will (a) extend the period in which Existing Bondholders may submit a Put Notice in exercise of their put option under Condition 8(D) of the Existing Bonds to 30 November 2010 so that Existing Bondholders may re-submit Put Notices if they wish to do so, and (b) reinstate the rights of any Existing Bondholders who under the Existing Deed of Covenant had been renounced by an Existing Bondholder in order to participate in the Offer and promptly pay to or to the order of such Existing Bondholder all amounts due and payable under the Existing Deed of Covenant.

The Company will announce the results of the Meeting of the Existing Bondholders once they are available.

In the event that a specific mandate approving the issue and allotment of the New Bonds Conversion Shares by the Company is not approved by the Shareholders at the EGM and the Hong Kong Stock Exchange Approval is not obtained, the Company will be required to withdraw the Consent Solicitation and terminate the Offer.

Lock-up Undertakings

J.P. Morgan Securities (Asia Pacific) Limited has been appointed by the Company as the Consent Solicitation Agent for the Consent Solicitation. Pursuant to the terms of the Consent Solicitation Agency Agreement, each of the Company and Mr. Dong has agreed to provide an undertaking to the Consent Solicitation Agent commencing on a date, whichever is later, when (i) the supplemental trust deed of the Existing Bonds is executed by all the parties; and (ii) all the conditions precedent set out in the supplemental trust deed of the Existing Bonds are satisfied, that it/he will not and it/he will procure that none of its/his subsidiaries, nominees, trustees or any persons otherwise acting on their behalf or controlled by them will, without the prior written consent of the Consent Solicitation Agent, (a) offer, sell, contract to sell, or otherwise dispose of or grant options, issue warrants or offer rights entitling persons to subscribe or purchase any interest in any Shares or securities of the same class as the New Bonds or the Shares or any securities convertible into, exchangeable for or which carry rights to subscribe or purchase the New Bonds, the Shares or securities of the same class as the New Bonds, the Shares or other instruments representing interests in the New Bonds, the Shares or other securities of the same class as them, (b) enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of the ownership of the Shares, (c) enter into any transaction with the same economic effect as, or which is designed to, or which may reasonably be expected to result in, or agree to do, any of the foregoing, whether any such transaction of the kind described in (a), (b) or (c) is to be settled by delivery of Shares or other securities, in cash or otherwise or (d) announce or otherwise make public an intention to do any of the foregoing, for the period from the date of the Consent Solicitation Agency Agreement and including 31 December 2010, other than the issue of the Bonds (and any further bonds in accordance with the terms and conditions of the Bonds) (i) the issue of the New Bonds (and any further bonds issued in accordance with the terms and conditions of the New Bonds) and the performance of the transactions contemplated thereunder; (ii) the creation of any security on the Shares held or controlled by Mr. Dong or any of his associates in favour of any reputable financial institutions for a bona fide commercial loan to be advanced to the Company or any of its subsidiaries; (iii) the issue of new Shares pursuant to the general mandate of the Company approved by the Shareholders on 29 June 2010; and (iv) the grant of options under the Share Option Scheme, the issue of new Shares pursuant to the Share Option Scheme, bonus issue of shares to the Shareholders and scrip dividend which provide for the allotment of Shares in lieu of the whole or part of a dividend on Shares in accordance with the articles of association of the Company (such undertakings, the “**Lock-up Undertakings**”).

LETTER FROM THE BOARD

If for any reason the Offer is terminated or withdrawn by the Company, the Lock-up Undertakings shall likewise be terminated and no rights will accrue or survive for any person in respect of the Lock-up Undertakings.

PROPOSED OFFER TO EXCHANGE THE EXISTING BONDS FOR THE EXCHANGE CONSIDERATION

In conjunction with the Meeting of Bondholders, the Company is also inviting Eligible Holders of the outstanding Existing Bonds to tender their Existing Bonds (subject to a minimum of HK\$100,000 or an integral multiple of HK\$100,000 in excess thereof) for exchange by the Company for the Exchange Consideration, subject to the terms and conditions set out in the Offer and Consent Solicitation Memorandum. The Exchange Consideration will comprise (1) a cash payment of HK\$20,000; and (2) HK\$100,000 in nominal amount of New Bonds for each HK\$100,000 in principal amount of Existing Bonds validly tendered and accepted by the Company for exchange pursuant to the Offer.

Subject to the final determination of the principal aggregate amount of the New Bonds depending on participation on the Offer, the Company expects that the maximum aggregate number of New Bonds Conversion Shares which the Company might be required to issue and allot to the New Bondholders (assuming conversion of all of the New Bonds in accordance with their terms) will be 911,745,619 Shares, representing approximately 40.05% of the issued share capital of the Company as at the date of this circular; and 28.60% of the issued share capital of the Company as enlarged by the issue of the New Bonds Conversion Shares, assuming all of the outstanding Existing Bonds are exchanged for the New Bonds pursuant to the terms and conditions of the Offer and no exercise of the outstanding Share Options; and 28.20% of the issued share capital of the Company as enlarged by the issue of the New Bonds Conversion Shares assuming all of the outstanding Existing Bonds are exchanged for the New Bonds pursuant to the terms and conditions of the Offer and the outstanding Share Options are exercised in full.

Only Eligible Holders may participate in the Offer and tender their Existing Bonds for exchange in the Offer, subject always to the restrictions set out in the Offer and Consent Solicitation Memorandum. All Ineligible Holders may participate in the Consent Solicitation but such Ineligible Holders may not participate in the Offer.

Both the Offer and the Consent Solicitation are conditioned upon the Shareholders approving a specific mandate approving the issue and allotment of the New Bonds Conversion Shares by the Company at the EGM, the Existing Bondholders passing the Extraordinary Resolution and the Hong Kong Stock Exchange granting the Hong Kong Stock Exchange Approval. In the event that such specific mandate is not approved by the shareholders of the Company at such EGM, the Existing Bondholders not passing the Extraordinary Resolution and such Hong Kong Stock Exchange Approval not being obtained by the Company, the Company will be required to withdraw the Consent Solicitation and terminate the Offer.

Subject to applicable law and as provided in the Offer and Consent Solicitation Memorandum, the Company may, in its sole discretion, extend, re-open, amend or terminate the Offer, at any time. Details of any such extension, re-opening, amendment or termination will be announced as soon as reasonably practicable after the relevant decision is made.

Only Existing Bondholders whose Existing Bonds are accepted for exchange pursuant to the Offer will be eligible to receive the Exchange Consideration in exchange for such Existing Bonds. Ineligible Holders and Existing Bondholders whose Existing Bonds are not accepted for exchange pursuant to the Offer shall continue to hold such Existing Bonds subject to the terms and conditions thereof (as may be amended by the Extraordinary Resolution).

LETTER FROM THE BOARD

In the event that the Extraordinary Resolution is passed at the Meeting (or any adjourned Meeting), the Hong Kong Stock Exchange Approval is obtained and the Company executes a supplemental trust deed in order to give effect to such Extraordinary Resolution, such execution by the Company of the supplemental trust deed will signify the acceptance for exchange by the Company of all Existing Bonds validly tendered (and not validly withdrawn) for exchange in accordance with the terms of the Offer. Until such time as the Company executes such a supplemental trust deed the Company shall have the sole and absolute discretion as to whether or not it will accept any Existing Bonds so tendered for exchange.

In the event that the Extraordinary Resolution is not passed at the Meeting (or any adjourned Meeting), the Hong Kong Stock Exchange Approval is not obtained or if the Company elects not to execute a supplemental trust deed in order to give effect to the Extraordinary Resolution, the Offer will be deemed to terminate, in which event the Company will (a) extend the period in which Existing Bondholders may submit a Put Notice in exercise of their put option under Condition 8(D) of the Existing Bonds to 30 November 2010 so that Existing Bondholders may re-submit Put Notices if they wish to do so, and (b) reinstate the rights of any Existing Bondholder who under the Existing Deed of Covenant that had been renounced by an Existing Bondholder in order to participate in the Offer and promptly pay to or to the order of such Existing Bondholder all amounts due and payable under the Existing Deed of Covenant.

The Company shall notify Existing Bondholders of the execution of such supplemental trust deed in accordance with the provisions set out in the Offer and Consent Solicitation Memorandum.

The Offer will expire at 4.00 p.m. (London time) on 8 November 2010, unless extended, re-opened or terminated as provided in the Offer and Consent Solicitation Memorandum. The relevant deadline set by any intermediary or clearing system may be earlier than these deadlines.

PRINCIPAL TERMS OF THE NEW BONDS

Subject to the final determination of the aggregate principal amount of the New Bonds, the principal terms of the New Bonds are summarised as follows:

Issuer	:	The Company.
Principal amount of the New Bonds	:	Up to HK\$1,405 million.
Issue Price	:	100% of the principal amount of the New Bonds.
Interest	:	10 per cent. per annum on the principal amount of the New Bonds outstanding. The interest will be payable by the Company semi annually in arrear on 12 June and 12 December in each year and interest will accrue from the Issue Date. Each New Bond will cease to bear interest (a) where the conversion right attached to it is exercised by a New Bondholder, from and including the interest payment date last preceding the relevant conversion date, or if such conversion date falls on or before the first interest payment date, the closing date of the New Bonds, or (b) where such New Bond is redeemed or repaid from the due date for redemption or repayment or purchased and cancellation thereof

LETTER FROM THE BOARD

unless, upon due presentation thereof, payment of principal is improperly withheld or refused or default is outstanding made in respect of any such payment.

- Conversion period : New Bondholder(s) may exercise conversion rights at any time on or after the Issue Date up to the close of business (at the place where the certificate evidencing such New Bond is deposited for conversion) on the 10th day prior to the Maturity Date.
- Ranking of New Bonds
Conversion Shares : The Shares to be issued upon conversion of the New Bonds will rank pari passu in all respects with the Shares then in issue on the relevant conversion date.
- Maturity : Unless previously redeemed, converted or purchased and cancelled as provided in the terms and conditions of the New Bonds, the Company will redeem each New Bond at its principal amount multiplied by 131.1699% on 12 December 2012.
- New Bonds Conversion Price : The initial New Bonds Conversion Price will be HK\$1.541 per Share, representing (i) a premium of approximately 3.4% over the closing price of HK\$1.49 per Share as quoted on the Hong Kong Stock Exchange on 18 October 2010, which is the Last Practicable Day; (ii) a premium of approximately 5.3% over the average of the closing price of HK\$1.464 per Share as quoted on the Hong Kong Stock Exchange for the five Trading Days up to and including the Last Practicable Day; and (iii) a premium of approximately 4.7% over the average of the closing price of HK\$1.472 per Share as quoted on the Hong Kong Stock Exchange for the 10 Trading Days up to and including the Last Practicable Day.
- Adjustments to New Bonds
Conversion Price : The New Bonds Conversion Price is subject to adjustment upon the occurrence of the prescribed events including, consolidation, subdivision or reclassification of shares, capitalisation of profits or reserves, capital distributions, rights issues of Shares or options over Shares, rights issues of other securities, issues at less than current market price. The New Bonds Conversion Price is also subject to adjustment on the Reset Date so that the New Bonds Conversion Price may be adjusted to a price that is equal to the volume weighted average price of the Shares for the period of 90 consecutive Trading Days immediately prior to the Reset Date provided that, among other things, any such adjustment to the New Bonds Conversion Price shall only be downwards and shall be limited such that the adjusted New Bonds Conversion

LETTER FROM THE BOARD

Price in no event shall be less than 70% of the New Bonds Conversion Price prevailing on the Reset Date. The New Bonds Conversion Price may not be reduced so that, on conversion of the New Bonds, Shares would be issued at a discount to their nominal value.

- Redemption for taxation reasons :
- The New Bonds may be redeemed at the option of the Company in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' notice to the New Bondholders (which notice shall be irrevocable) in accordance with terms and conditions of the New Bonds at their Early Redemption Amount together with unpaid interest accrued to the date fixed for redemption, if (i) the Company satisfies the trustee immediately prior to the giving of such notice that the Company has or will become obliged to pay additional tax amounts as provided or referred to in terms and condition of the New Bonds as a result of any change in, or amendment to, the laws or regulations of PRC, Hong Kong or Cayman Islands or any political subdivision or any authority thereof or therein having power to tax, or any change in the general application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the Issue Date, and (ii) such obligation cannot be avoided by the Company taking reasonable measures available to it, provided that no tax redemption notice shall be given earlier than 90 days prior to the earliest date on which the Company would be obliged to pay such additional tax amounts were a payment in respect of the New Bonds then due.
- Redemption at option of the Company :
- On giving not less than 30 nor more than 90 days' notice to the New Bondholders and the trustee (which notice will be irrevocable), the Company:
- (i) may at any time prior to the Maturity Date redeem all or, some only (being HK\$100,000 in principal amount or an integral multiple thereof) of the New Bonds for the time being outstanding at their Early Redemption Amount together with unpaid accrued interest to the date fixed for redemption on the redemption date, provided that the closing price of the Shares (as derived from the daily quotations sheet of the Hong Kong Stock Exchange or, as the case may be, the equivalent quotation sheet of an Alternative Stock Exchange), for each of 20 out of 30 consecutive Trading Days, the last of which occurs not more than 30 days prior to the

LETTER FROM THE BOARD

date upon which notice of such redemption is published was at least 130 per cent. of the Early Redemption Amount divided by the conversion ratio; or

- (ii) may at any time prior to the Maturity Date redeem all or, but not some only, of the New Bonds for the time being outstanding at their Early Redemption Amount together with unpaid interest accrued to the date fixed for redemption provided that prior to the date of such notice at least 90 per cent. in principal amount of the New Bonds originally issued has already been converted, redeemed or purchased and cancelled.

Redemption upon the occurrence of
a relevant event :

Following the occurrence of the following events:

- (i) when the Shares cease to be listed or admitted to trading on the Hong Kong Stock Exchange or, if applicable, an Alternative Stock Exchange;
- (ii) when there is a change of control in the Company; or
- (iii) when the raising of any capital or money by the Company through any financing for which security is created over the Company's (or any of its subsidiaries') rights and benefits under the Exclusive Offtake Agreement or there is an assignment of such rights and benefits of the Company or any of its subsidiaries,

the New Bondholder(s) will have the right to require the Company to redeem all or some only of the New Bonds at their Early Redemption Amount together with unpaid interest accrued to the date fixed for redemption on or before 60 days following (i) or (ii) or (iii) above, or, if later, 60 days following the date on which notice of (i) or (ii) or (iii) is given to New Bondholders by the Company; and provided that in the case of (iii), the maximum aggregate amount of New Bonds (which may be increased or waived by the Company in its sole discretion) that the Company shall be required to redeem pursuant the terms and conditions of the New Bonds shall be such amount of New Bonds in respect of which the Early Redemption Amounts payable in relation thereto does not exceed 50 per cent. of the amount of capital or money raised by the Company as mentioned in (iii) above.

LETTER FROM THE BOARD

- Voting rights : Before conversion of the New Bonds, New Bondholders will not have any right to attend or vote in any meeting of members of the Company by virtue of their being New Bondholders.
- Listing : No application will be made for the listing of the New Bonds.
- An application will be made to the Listing Committee of the Hong Kong Stock Exchange for the listing of, and permission to deal in, the New Bonds Conversion Shares to be issued upon conversion of the New Bonds.
- Denomination : HK\$100,000 each.
- Transferability : The New Bonds are freely transferable.
- Status : The New Bonds constitute direct unsubordinated and (subject to the terms and conditions of the New Bonds) unsecured obligations of the Company and shall at all times rank *pari passu* and without any preference or priority among themselves.

UNDERTAKINGS

In order to ensure that the Company has available to it on the Payment Date funds sufficient to meet its payment obligations under the Existing Deed of Covenant in the event that the Company accepts any Existing Bonds for exchange pursuant to the Offer, the Company has also undertaken to the Consent Solicitation Agent that it will use its reasonable endeavours to procure that an amount equal to the aggregate Cash Consideration payable by the Company pursuant to the Offer shall, no later than 1 December 2010, be deposited in a segregated account in the name of the Company maintained with a leading financial institution of international repute and that such amount shall remain so deposited in such account until it is applied by the Company in or towards satisfaction of the Company's payment obligations in respect of the Cash Consideration as described herein. Mr. Dong has also confirmed in writing to the Consent Solicitation Agent that in the event that the Company fails to deposit such funds in such account on or before such date, he will use his reasonable endeavours to take such steps as may be available to him to procure that the Company is in a position to meet its obligation to pay the Cash Consideration on the Payment Date.

SPECIFIC MANDATE

As the aggregate number of Shares to be issued under the New Bonds is expected to exceed the Existing General Mandate, the issue of the New Bonds Conversion Shares under the Offer will be issued under a specific mandate to be approved by the Shareholders at the EGM. As far as the Directors are aware, no Director or Shareholder has a material interest in the Consent Solicitation and the Offer and no Shareholder is required to abstain from voting at the EGM.

LETTER FROM THE BOARD

EFFECT ON THE SHARE CAPITAL

Set out below is the shareholding structure of the Company (i) as at the date of this circular; (ii) assuming that the entire outstanding principal amount of New Bonds are converted into New Bonds Conversion Shares (subject to adjustment) at the initial New Bonds Conversion Price of HK\$1.541 each, and assuming that all Existing Bonds are exchanged for the New Bonds pursuant to the terms of the Offer and no exercise of the outstanding Share Options; (iii) assuming that the entire outstanding principal amount of the New Bonds are converted into New Bonds Conversion Shares (subject to adjustment) at the initial New Bonds Conversion Price of HK\$1.541 each, the Existing Bonds are exchanged for the New Bonds pursuant to the terms of the Offer and the outstanding Share Options are exercised in full:

Shareholders	As at the date of this circular		Assuming that the entire outstanding principal amount of New Bonds are converted into New Bonds Conversion Shares (subject to adjustment) at the initial New Bonds Conversion Price of HK\$1.541 each and assuming that all Existing Bonds are exchanged for the New Bonds pursuant to the terms of the Offer and no exercise of the outstanding Share Options (Note 5)		Assuming that the entire outstanding principal amount of New Bonds are converted into Shares (subject to adjustment) at the initial New Bonds Conversion Price of HK\$1.541 each, the Existing Bonds are exchanged for the New Bonds pursuant to the terms of the Offer and the outstanding Share Options are exercised in full (Note 5)	
	No. of Shares	Approximately % of issued share capital of the Company	No. of Shares	Approximately % of issued share capital of the Company	No. of Shares	Approximately % of issued share capital of the Company
Easyman and its associates (Notes 1 & 2)	1,504,106,705	66.1%	1,504,106,705	47.2%	1,509,106,705	46.7%
Directors						
Mr. He Weiquan	—	—	—	—	4,250,000	0.1%
Mr. Lau Hok Yuk	—	—	—	—	3,000,000	0.1%
Mr. Song Wenzhou	—	—	—	—	1,020,000	0%
Mr. Zhao Ping	—	—	—	—	4,250,000	0.1%
Mr. Dong Chengzhe	200,000	0%	200,000	0%	1,475,000	0%
Mr. Yang Fei	30,000	0%	30,000	0%	1,305,000	0%
New Bondholders (Note 3)	—	—	911,745,619	28.6%	911,745,619	28.2%
Other Public Shareholders (Note 4)	772,027,784	33.9%	772,027,784	24.2%	795,632,784	24.6%
Total:	2,276,364,489	100%	3,188,110,108	100%	3,231,785,108	100%

Note 1: 1,481,074,705 Shares and 23,032,000 Shares are directly held by Easyman and Sino Regent Worldwide Limited, respectively. These two companies are wholly-owned by Mr. Dong. By virtue of the Securities and Futures Ordinance, Mr. Dong is deemed to be interested in the above Shares.

Note 2: As at the date of this circular, the Company has 43,675,000 Share Options, amongst which, Mr. Dong holds 5,000,000 Share Options.

Note 3: In the event the Company becomes aware that it will not be able to maintain the public float requirement under the Listing Rules upon conversion of the New Bonds, the Company confirms that it will take all necessary measures, including but not limited to placing new Shares to independent third parties, procuring its controlling shareholder to place its Shares to independent third parties, etc. The Company will also closely monitor its public float on a daily basis and ensure its compliance with the Listing Rules by maintaining a minimum public float of 25% upon conversion of the New Bonds at all time.

Note 4: Other public Shareholders refer to the public Shareholders other than the Existing Bondholders or the New Bondholders (as the case may be) who have converted the Existing Bonds or the New Bonds (as the case may be) into Shares.

Note 5: This shareholding structure of the Company is for illustration purposes only.

LETTER FROM THE BOARD

REASONS FOR THE PROPOSED AMENDMENTS AND THE OFFER

Pursuant to the terms and conditions of the Existing Bonds, the Existing Bondholders are entitled to require the Company to redeem some or all of the Existing Bonds pursuant to Condition 8(D) of the Existing Bonds (the “**Put Option**”) during the period commencing on 13 October 2010 and ending on 12 November 2010. In the event that such Put Option is exercised, the Company is obliged to pay an early redemption amount, being HK\$117, 676.84 per HK\$100,000 in principal amount of the Existing Bonds on 13 December 2010 (the “**Payment Date**”). The total outstanding principal amount of the Existing Bonds (without taking into account any Existing Bonds held by those Existing Bondholders who have agreed with the Company not to exercise the Put Option and assuming all the other Existing Bondholders exercise such Put Option to require the Company to redeem all their outstanding Existing Bonds) is HK\$1,194,300,000 as at the date of this circular, and the total early redemption amount payable by the Company on the Payment Date is approximately HK\$1.405 billion (the “**Early Redemption Amount**”).

Although, the maturity date of each of the Existing Bonds and the New Bonds is the same, the New Bonds do not provide the New Bondholders a redemption right similar to the Put Option. As such, upon completion of the Consent Solicitation and the Offer, and save as otherwise provided in the New Bonds, the Company’s payment obligations of the aggregate principal amount of the New Bonds will only arise on the maturity date of the New Bonds.

Further, upon completion of the Consent Solicitation and the Offer, the Put Option will be removed from the Existing Bonds and the outstanding Existing Bonds will be reclassified as long term debt according to International Financial Reporting Standards. If the Existing Bonds are validly tendered (and not validly withdrawn), such Existing Bonds will be cancelled and exchanged for the New Bonds upon completion of the Consent Solicitation and the Offer, and a Cash Consideration in the aggregate amount of HK\$238 million (assuming all the Existing Bondholders are Eligible Holders and have validly tendered (and not validly withdrawn) their Existing Bonds for the New Bonds) will be payable by the Company to such Existing Bondholders on the Payment Date. As such, the payment obligations of the Company on the Payment Date will be substantially reduced by approximately HK\$1.167 billion from approximately HK\$1.405 billion to approximately HK\$238 million, therefore reducing the cash flow burden of the Company on the Payment Date.

In addition, upon completion of the Consent Solicitation and the Offer, since the Company is only obliged to pay approximately HK\$238 million on the Payment Date and the principal amount of the New Bonds on 12 December 2012, being the maturity date of the New Bonds, and the interest accrued on the New Bonds payable on a semi-annual basis commencing on 12 June 2011, the Company will be able to reduce its net current liabilities significantly.

The Company intends to finance the Cash Consideration by way of internal cash flow as well as other alternative financing means, including but not limited to, bank borrowings, asset-backed financing, etc. The Company is currently in active negotiation with a number of financial institutions with respect to the feasibility of such alternative financing means for the purposes of meeting its payment obligations on the Payment Date.

In light of the above circumstances, the Company is launching the Consent Solicitation and the Offer in order to improve the Company’s capital structure by reducing its cash flow burden and restructure the profile of its long-term debt.

The Consent Solicitation and the Offer if successfully implemented will reduce the Company’s current liabilities and conversion of the New Bonds Convertible Shares will increase the Company’s capital base and broaden its Shareholder base. Notwithstanding the dilution effect on the existing Shareholders upon conversion of the New Bonds, the issue of the New Bonds allows the Company to defer the payment obligations under the Existing Bonds to a later date, therefore reducing the liquidity risk of the Company and allowing it to continue to operate as a going concern.

LETTER FROM THE BOARD

If the Consent Solicitation and the Offer is not successful and no alternative financing is made available to the Company prior to the Payment Date, the Company may be unable to honour its payment obligations under the Existing Bonds if the Put Option is exercised in full by the Existing Bondholders, which would have an adverse impact on the Company's ability to continue as a going concern.

Taking into account the above, the Directors (including the independent non-executive Directors) consider that the terms of the Consent Solicitation and the Offer, including the terms upon which the New Bonds Convertible Shares are to be issued, are fair and reasonable and the making of the Consent Solicitation and the Offer is in the interests of the Company and its Shareholders as a whole.

FUND RAISING IN THE PAST 12 MONTHS

Apart from the bank loan and trade facilities granted by banks, the Company has not conducted any other fund raising activities of the Company in the past 12 months preceding the date of this circular.

As the New Bondholders are not required to make any payment under the New Bonds to the Company upon completion of the Consent Solicitation and the Offer, the proposed issue of the New Bonds pursuant to the Offer will not raise new cash for the Company.

GENERAL

An EGM will be held to consider and, if thought fit, passing the resolutions to approve the issue and allotment of the New Bonds Conversion Shares upon conversion of the New Bonds. A circular containing, among other things, further details of the Consent Solicitation and the Offer together with the notice of the EGM will be despatched to the Shareholders as soon as practicable in accordance with the Listing Rules. As far as the Directors are aware of, no Director or Shareholder has a material interest in the Consent Solicitation and the Offer and no Shareholder is required to abstain from voting at the EGM. The Company has obtained an undertaking from Mr. Dong, the controlling shareholder of the Company holding an approximately 66.07% interest in the issued share capital that he will, and that he will procure that his associates will vote at the EGM in favour of the resolution in connection with, among other things, the approval of the issue of the New Bonds Conversion Shares under the Offer.

RECOMMENDATION

The Directors consider that the Proposed Amendment and Offer are in the best interests of the Company and the Shareholders as a whole and, accordingly, the Directors recommend all Shareholders to vote in favour of the relevant resolutions to be proposed at the EGM.

RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with respect to the Company. The information contained herein relating to the Company has been supplied by the Directors, who collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts not contained in this circular the omission of which would make any statement herein misleading insofar as it relates to the Company.

Yours faithfully,
By order of the Board of
CHINA NICKEL RESOURCES HOLDINGS COMPANY LIMITED
Dong Shutong
Chairman

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS

As at the Latest Practicable Date, none of the Directors or chief executive of the Company, save as disclosed below, had or was deemed to have any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are deemed or taken to have under such provisions of the SFO) or which were required, pursuant to section 352 of the SFO to be entered in the register referred to therein or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies, to be notified to the Company and the Stock Exchange:

(a) Long positions in the underlying shares of the Company

Name of Directors	Capacity in which interest are held	Number of underlying Shares	Approximate percentage to the issued share capital of the Company
Mr. Dong	Interest in controlled corporations	1,504,106,705 <i>(Note 1)</i>	66.07%

Note 1: 1,481,074,705 Shares and 23,032,000 shares are held directly by Easyman and Sino Regent Worldwide Limited ("Sino Regent"), respectively. These two companies are wholly-owned by Mr. Dong. By virtue of the SFO, Mr. Dong is deemed to be interested in the above Shares.

(b) Long positions in the underlying shares of the Company attached to the Share Options

Name of Directors	Share Options	Capacity in which interest are held	Approximate percentage to the issued share capital of the Company
Mr. Dong Shutong	5,000,000	Beneficial owner	0.22%
Mr. He Weiquan	4,250,000	Beneficial owner	0.19%
Mr. Lau Hok Yuk	3,000,000	Beneficial owner	0.13%
Mr. Song Wenzhou	1,020,000	Beneficial owner	0.04%
Mr. Zhao Ping	4,250,000	Beneficial owner	0.19%
Mr. Dong Chengzhe	1,275,000	Beneficial owner	0.06%
Mr. Yang Fei	1,275,000	Beneficial owner	0.06%

Save as disclosed above, as at the Latest Practicable Date, none of the Directors, or chief executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were required to be entered in the register maintained by the Company pursuant to section 352 of the SFO, or which are required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers of the Listing Rules, to be notified to the Company and the Hong Kong Stock Exchange.

3. SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, according to the register of interests kept by the Company under section 336 of the SFO and so far as is known to the Directors, the following are details of the persons (other than a Director or chief executive of the Company) who had an interest or short position in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, was, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meeting of any other member of the Group or had any option in respect of such capital:

(a) Long position in the Shares and the underlying Shares

Name of Shareholders	Capacity	Number of Shares held	Approximate percent to the issued share capital of the Company
Easyman (<i>Note 1</i>)	Beneficial owner	1,481,074,705	65.06%

Note 1: Easyman is wholly owned by Mr. Dong, the chairman of the Company.

Save as disclosed above, as at the Latest Practicable Date, the Directors are not aware of any other person who had an interest or short position in the Shares or underlying shares of the Company which would fall to be disclosed to the Company or under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were required to be entered in the register maintained by the Company pursuant to section 336 of the SFO, or who was directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group or had any options in respect of such capital.

4. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any service contract with the Company or any of its subsidiaries which is not expiring or determinable by the Group within one year without payment of compensation, other than statutory compensation.

5. LITIGATION

Save as disclosed below, as at the Latest Practicable Date, no member of the Group was engaged in any litigation or arbitration proceedings of material importance and there was no litigation or claim of material importance known to the Directors to be pending or threatened against any member of the Group:

- (a) CNR Group Holdings, a wholly-owned subsidiary of the Company, assigned its carrier to ship a cargo of 41,900 ton iron ores from Indonesia to the PRC in November 2009. The vessel was stranded in November 2009 and salvors were engaged to salvage both the vessel and the cargo on board pursuant to the terms of the salvage contract entered into with the owner of the vessel. Subsequent to the salvage operation, the salvors claimed against both the owner of the vessel and CNR Group Holdings, as owner of the cargo on board, for remuneration and salvage expenses. The salvors also exercised a lien against the cargo on board for their salvage expenses. CNR Group Holdings was requested to put up security to the salvors in the sum of US\$550,000. Therefore, CNR Group Holdings arranged for and put up a letter of guarantee issued by its bank in December 2009 in this amount and procured its carrier to put up security in the sum of US\$50,000, both as salvage security to the salvors.

In addition to the salvage claims, general average was initiated as a result of the same marine casualty incident. CNR Group Holdings was also required to put up general average deposit as security for the general average claims in sum of US\$12,500. In January 2010, CNR Group Holdings gave an average bond and procured its carrier to pay the general average deposit to an average adjuster.

While the Group received the cargo of iron ores in January 2010 without quality or quantity damage, no arbitration has been initiated by the salvors up to the approval date of the interim condensed consolidated financial statements, and therefore the awards to the salvors have not been determined and are subject to arbitrators' further adjustment of portions among CNR Group Holdings, its carrier and the owner of the vessel and no provision for the Group's share of the salvage expenses was made as at the Latest Practicable Date.

The Directors believe the Group's share of the salvage expenses would not exceed the salvage security requested by the salvors and would not have significant impact on the financial position of the Group.

- (b) On 3 February 2010, the Company was brought into a legal proceeding by two companies in the Supreme Court of Queensland (the “Court”) in Australia mainly seeking the following:
- (i) the injunction restraining the Company from asserting its security rights in relation to an aircraft during the operational life of the aircraft;
 - (ii) in the alternative, equitable damages in lieu of the claimed injunction; and
 - (iii) in the further alternative, damages for breach of contract in respect of the certain agreements between them and the Company (collectively referred to as the “Claims”).

The aforesaid agreements were entered into between the Company and the two companies in March 2008 in respect of a nickel ores project. To facilitate the transportation for such project, the Company advanced US\$3.2 million to one of the two companies to purchase the aforesaid aircraft and the advance is secured, amongst others, by the aircraft which is included in the Company’s property, plant and equipment as at 31 December 2009. The aforesaid agreements were subsequently terminated in July 2008 and the Company, on 10 February 2009, requested for repayment of the advance on 12 February 2010.

On 25 and 31 March 2010, the interim application was heard by the Court and the Company was successful in the interim hearing. The decision of the Court meant that the Company was able to take steps to enforce its rights to the aircraft. No comments were made about the strength of the damages claim in the interim hearing.

The aforesaid decision of the Court is an interim result only. These two companies could appeal the interim decision and be still seeking the abovementioned Claims.

Based on the available evidence and subject to discoveries, the Directors considered that there were valid defenses to the Claims and the Company had a good chance of success in the final hearing.

6. COMPETING INTEREST

As at the Latest Practicable Date, in so far as the Directors are aware, none of the Directors or their respective associates had any interest in a business which competes or likely to compete with the business of the Group.

7. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors are not aware of any material adverse change in the financial or trading position or contingent liabilities of the Group since 31 December 2009, being the date to which the latest published audited financial statements of the Company were made up.

8. INTERESTS IN ASSETS

As at the Latest Practicable Date, none of the directors had any direct or indirect interest in any assets which have been, since 31 December 2009, being the date to which the latest published audited accounts of the Group were made up, acquired or disposed of by, or leased to the Company or any of its subsidiaries, or are proposed to be acquired or disposed of by, or leased to, the Company or any of its subsidiaries.

9. DIRECTORS' INTERESTS IN CONTRACTS

Save as disclosed herein and in this circular, there was no contract of significance in relation to the Group's business to which the Company, its subsidiaries, its fellow subsidiaries or its holding company was a party and in which a Director had a material interest, whether directly or indirectly, subsisting as at the Latest Practicable Date.

10. MISCELLANEOUS

- (a) The company secretary of the Company is Lau Hok Yuk, who is a fellow member of the Association of Chartered Certified Accountants (United Kingdom) and an associate of the Hong Kong Institute of Certified Public Accountants, the Society of Chinese Accountants & Auditors, the Chartered Institute of Management Accountants, the Institute of Chartered Secretaries and Administrators and the ordinary member of Hong Kong Institute of Chartered Secretaries.
- (b) The principal share registrar and transfer office of the Company is Butterfield Fulcrum Group (Cayman) Limited whose address is Butterfield House, 68 Fort Street P.O. Box 609, Grand Cayman, KY1-1107 Cayman Islands.
- (c) The branch share registrar and transfer office of the Company in Hong Kong is Computershare Hong Kong Investor Services Limited whose address is 17M Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong.
- (d) The English text of this circular shall prevail over the Chinese text in case of any inconsistency.

11. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours at the principal place of business of the Company in Hong Kong at Room 917-918, 9th Floor China Merchants Tower Shun Tak Centre, 168-200 Connaught Road Central, Hong Kong, up to and including the date of the EGM:

- (a) the memorandum of association and the by-laws of the Company;
- (b) the interim report of the Company for the six months ended 30 June 2010;
- (c) the annual reports of the Company for each of the two financial years immediately preceding the issue of the circular; and
- (d) this circular.

NOTICE OF EGM



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)

NOTICE IS HEREBY GIVEN that an extraordinary general meeting of the shareholders of China Nickel Resources Holdings Company Limited (the “**Company**”) will be held at Flat A, 29/F, Admiralty Centre I, 18 Harcourt Road, Hong Kong on 6 November 2010, at 10:00 a.m. for the purpose of considering and, if thought fit, passing the following resolution as an ordinary resolution of the Company:

ORDINARY RESOLUTION

“**THAT**

Conditional upon The Stock Exchange of Hong Kong Limited granting the approval for the Proposed Amendments, the issue of the New Bonds and the listing of, and permission to deal in, the New Bonds Conversion Shares,

- (a) the issue and allotment of the New Bonds Conversion Shares upon conversion of the New Bonds be and is hereby approved; and
- (b) any one director of the Company, or any two directors of the Company if the affixation of the common seal is necessary, be and is/are hereby authorised for and on behalf of the Company to execute all the documents, instruments and agreements and to do all such acts or things deemed by him/her to be incidental to, ancillary to or in connection with the matters contemplated in and for completion of the issue and allotment of the New Bonds Conversion Shares upon conversion of the New Bonds.”

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

Hong Kong, 22 October 2010

NOTICE OF EGM

Registered office:

Cricket Square,
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

Notes:

1. A form of proxy for use at the meeting is enclosed herewith.
2. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his/her attorney duly authorised in writing or, if the appointor is a corporation, either under its seal or under the hand of any officer, attorney or other person authorised to sign the same.
3. Any member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and, on a poll, vote instead of him/her. A proxy need not be a member of the Company.
4. In order to be valid, the form of proxy, together with the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority, must be lodged at the office of the Company's share registrar, Computershare Hong Kong Investor Services Limited, 17M Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong, not less than 48 hours before the time appointed for holding the meeting or any adjourned meeting thereof (as the case may be).
5. Completion and return of the form of proxy will not preclude members from attending and voting in person at the meeting or at any adjourned meeting thereof (as the case may be) should they so wish, and in such event, the form of proxy shall be deemed to be revoked.
6. Where there are joint registered holders of any Share, any one of such joint holders may vote, either in person or by proxy, in respect of such share as if he/she was solely entitled thereto, but if more than one of such joint holders are present at the meeting, whether in person or by proxy, the joint registered holder present whose name stands first on the register of members in respect of the shares shall be accepted to the exclusion of the votes of the other registered holders.