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Nickel Resources International Holdings Company Limited

鎳資源國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2889)

**MAJOR TRANSACTION –
DISPOSAL OF 7% INTEREST IN S.E.A. MINERAL LIMITED**

THE DISPOSAL

The Board is pleased to announce that on 11 March 2018, the Vendor and the Purchaser entered into the Sale and Purchase Agreement pursuant to which the Vendor has conditionally agreed to sell and the Purchaser has conditionally agreed to acquire the Sale Shares at a consideration of RMB210 million (equivalent to approximately HK\$252 million). The Disposal forms part of the resumption plan as contemplated under the Resumption Proposal.

As at the date of this announcement, the Target Company is an indirect wholly-owned subsidiary of the Company. Upon Completion, the Purchaser and the Vendor will own as to 7% and 93% equity interest in the Target Company, respectively. The Target Company will continue to be a subsidiary of the Company upon Completion.

GENERAL

As one or more of the applicable percentage ratios of the Disposal under Rule 14.07 of the Listing Rules exceed 25% but are less than 75%, the Disposal constitutes a major transaction for the Company and is therefore subject to the reporting, disclosure, and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

The EGM will be held by the Company for the Shareholders to consider, and if thought fit, passing the resolutions to approve all the transactions as contemplated under the Resumption Proposal, including but not limited to, the Disposal.

To the best of the knowledge, information and belief of the Directors, after having made all reasonable enquiries, save for Mr. Dong Shutong who will abstain from voting on the resolution approving the Disposal at the EGM, no other Shareholders or any of their respective associates have any material interest in the Disposal and hence would not be required to abstain from voting on the resolution approving the Disposal at the EGM.

As additional time is required for the Company to prepare and finalise the transactions and arrangements contemplated under the Resumption Proposal, a circular containing, among other things, (i) further details of the Disposal; (ii) other transactions as contemplated under the Resumption Proposal; and (iii) the notice of the EGM is expected to be despatched to the Shareholders on or before 31 July 2018.

As disclosed in the Company's announcement dated 13 December 2017, the Listing (Review) Committee, in its Decision Letter, decided to set aside the cancellation of the Company's listing status to enable the Company to proceed with implementing the Resumption Proposal and the transactions contemplated thereunder subject to the fulfilment of certain conditions. The Disposal, which forms part of the resumption plan contemplated under the Resumption Proposal, is subject to the fulfilment of the Conditions, and therefore may or may not materialise. The publication of this announcement does not necessarily indicate that the Shares will resume trading and the trading in the Shares will remain suspended until further notice. Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

References are made to the Company's announcements dated (i) 7 March 2016 in relation to, among other things, the Subscription and the Whitewash Waiver; (ii) 13 December 2017 in relation to the Decision Letter of the Listing (Review) Committee; (iii) 14 February 2018 in relation to the delay in the despatch of the circular; and (iv) 14 March 2018 in relation to the monthly update of the Company.

THE SALE AND PURCHASE AGREEMENT

As disclosed in the Company's announcement dated 13 December 2017, the Listing (Review) Committee, in its Decision Letter, decided set aside the cancellation of the Company's listing status to enable the Company to proceed with implementing the Resumption Proposal and the transactions contemplated thereunder, including among other things, the disposal of 14% equity interest in the Target Company.

The Board is pleased to announce that on 11 March 2018, the Vendor and the Purchaser entered into the Sale and Purchase Agreement, pursuant to which the Vendor has conditionally agreed to sell and the Purchaser has conditionally agreed to acquire the first 7% of the equity interest in the Target Company at a consideration of RMB210 million (approximately HK\$252 million). As at the date of this announcement, the Company is in the process of identifying and negotiating with potential purchasers to further dispose another 7% equity interest in the Target Company.

The principal terms of the Sale and Purchase Agreement are set out below:

Date

11 March 2018

Parties

Vendor: Infonics International Limited, a wholly owned subsidiary of the Company

Purchaser: Mr. Sun Gang (孫罡先生)

Guarantor: Mr. Dong Shutong (董書通先生)

Subject Matter

Pursuant to the Sale and Purchase Agreement, the Vendor has conditionally agreed to sell and the Purchaser has conditionally agreed to acquire the Sale Shares, representing 7% of the total issued share capital of the Target Company. Mr. Dong Shutong has agreed to guarantee the performance by the Vendor of all its obligations under the Sale and Purchase Agreement.

Consideration

The consideration payable for the Sale Shares is RMB210 million (equivalent to approximately HK\$252 million) and shall be satisfied in cash (or by such other method as may be agreed in writing between the Vendor and the Purchaser) upon Completion.

The consideration was determined after arm's length negotiation between the Vendor and the Purchaser after taking into account (i) the net asset of the Target Group as at 31 December 2017 adjusted for the amount due from the Target Company to be waived by the Vendor; (ii) the outlook for limonitic ore prices; and (iii) the remaining period of the exclusive offtake right under the EOA.

Conditions Precedent

Completion is conditional upon the following Conditions having been fulfilled or waived (as the case may be):

- (a) all necessary consents and approvals, including but not limited to, the (i) the approval by the Shareholder(s) under the Listing Rules; (ii) the consent by the Executive in accordance with the Takeovers Code (if applicable); and (iii) the approval by or filings with the relevant PRC government or regulatory authorities (if applicable), having been obtained by the Vendor for its entering into and performance of the Sale and Purchase Agreement, and the copies of all the aforesaid approval, consents and/or filings having been provided by the Vendor to the Purchaser;
- (b) all necessary approvals from, registration or filings with, the relevant PRC government or regulatory authorities having been obtained by the Purchaser for its entering into and performance of the Sale and Purchase Agreement, and the copies of all the aforesaid approval, registration and/or filings having been provided by the Purchaser to the Vendor;
- (c) the approval from the Stock Exchange on the resumption of trading in the Shares having been obtained and such approval not having been revoked or withdrawn;

- (d) the Company and Henan Pingyuan Holding Group Company Limited* (河南平原控股集團股份有限公司) having agreed in writing on the settlement of the outstanding debts owed by Zhengzhou Yongtong Special Steel Company Limited* (鄭州永通特鋼有限公司), an indirect wholly-owned subsidiary of the Company, to Henan Pingyuan Holding Group Company Limited;
- (e) there being no breach, or circumstances the existence of which could reasonably be expected to result in a breach, by any party to the Sale and Purchase Agreement of any of its obligations, representations, warranties and undertakings thereunder prior to the Completion;
- (f) since 31 December 2017, no material adverse change to the operations, financial performance or substantial assets of the Target Group and PT. Yiwang Mining having occurred;
- (g) since 31 December 2017, no material adverse change to the control of the Target Group, PT. Yiwang Mining and the EOA by their respective beneficial controllers having occurred; and
- (h) the Target Group having been relieved of the indebtedness owed to the Vendor (being HK\$2,826,259,000 as at 31 December 2017) in relation to the acquisition of the EOA by the Vendor.

The Conditions above (other than conditions (a) and (b)) may be waived by the Vendor and Purchaser upon mutual agreement under the Sale and Purchase Agreement. The Vendor or the Purchaser (as the case may be) may, by written notice, terminate the Sale and Purchase Agreement should any of the above Conditions not be fulfilled or waived by 30 September 2018.

Completion

Completion shall take place within 15 Business Days after the fulfilment (or waiver, as the case may be) of the Conditions, or on such other date as the Vendor and the Purchaser may agree in writing.

Upon Completion, the Purchaser will own 7% equity interest in the Target Company and the Vendor will own 93% equity interest in the Target Company. As the Target Company will continue to be a subsidiary of the Company and the financial results of the Target Group will continue to be consolidated into the consolidated financial statements of the Group upon Completion, the Disposal does not result in any change of control of the Target Company and will not result in any gain or loss in the Company's income statement.

INFORMATION ON THE TARGET COMPANY

The Target Company is an investment holding and ore trading company incorporated in the British Virgin Islands with limited liability and is an indirect wholly-owned subsidiary of the Company. The Target Company is also the holder of the intangible asset of the Group, being the exclusive offtake right under the EOA to purchase limonitic ores produced by PT. Yiwang Mining at a pre-determined price until 24 January 2036.

Financial Information of the Target Group

Set out below is the unaudited consolidated financial information of the Target Group:

	For the year ended	
	31 December	
	2016	2017
	<i>HK\$'000</i>	<i>HK\$'000</i>
Net (loss)/profit before tax	(134,993)	138,006
Net (loss)/profit after tax	(134,911)	136,667
	As at 31 December	
	2016	2017
	<i>HK\$'000</i>	<i>HK\$'000</i>
Net liabilities	195,100	66,100

Pursuant to Rules 14.58(6) and 14.58(7) of the Listing Rules, the Company is required to disclose the above financial information relating to the Target Group in this announcement. Pursuant to Rule 10 of the Takeovers Code, the above unaudited financial information constitutes a profit forecast and should be reported on by the Company's financial adviser and auditors/accountants. Due to the time constraints in issuing this announcement in compliance with Chapter 14 of the Listing Rules, the parties have encountered time-wise practical difficulties in meeting the reporting on requirements set out in Rule 10.4 of the Takeovers Code for the purpose of this announcement. The unaudited financial information as disclosed above does not meet the standard required by Rule 10 of the Takeovers Code. Shareholders and potential investors of the Company should exercise caution in placing reliance on the above unaudited financial information relating to the Target Group in assessing the merits and demerits of the Disposal and/or when dealing in the securities of the Company. The financial information relating to the Target Group in compliance with the requirements of Rule 10 of the Takeovers Code will be included in the next document of the Company to be sent to the Shareholders.

INFORMATION ON THE COMPANY, THE VENDOR AND THE GUARANTOR

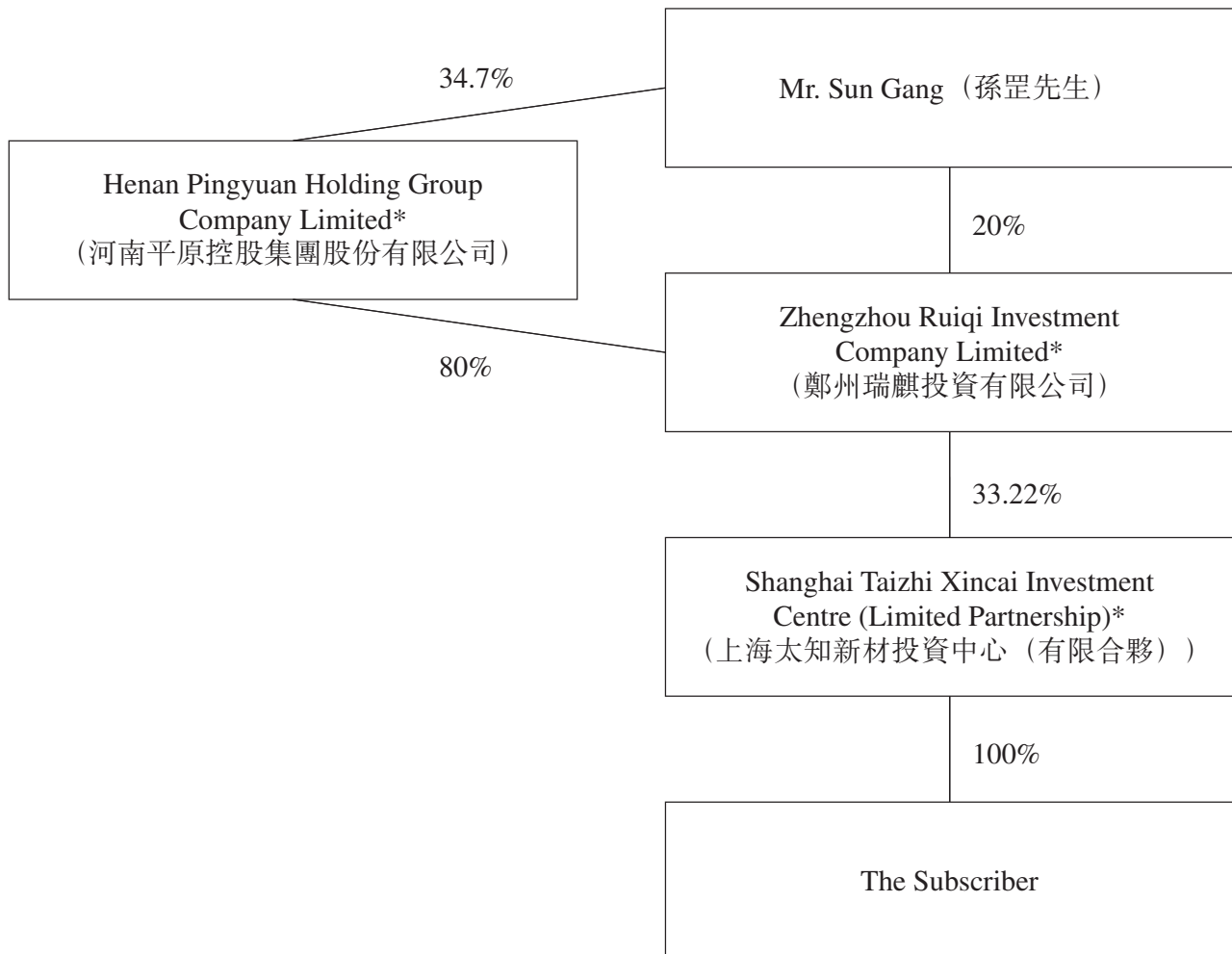
The Company was incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange. The Group is principally engaged in the manufacturing, sub-contracting and sale of iron and steel products in the PRC and the trading of ore.

The Vendor is an investment holding company incorporated in the British Virgin Islands with limited liability and is an indirect wholly-owned subsidiary of the Company.

The guarantor, Mr. Dong Shutong, is the chairman and an executive director of the Company. He is also a controlling shareholder of the Company who is interested in approximately 47.47% of the issued share capital of the Company as at the date of this announcement.

INFORMATION ON THE PURCHASER

The Purchaser, Mr. Sun Gang, is an indirect shareholder of the Subscriber. Mr. Sun Gang's shareholding are illustrated in the diagram below:



For details of the information on the Subscriber, please refer to the Company's announcement dated 7 March 2016.

As at the date of this announcement, to the best of the knowledge, information and belief of the Directors, after having made all reasonable enquiries, the Purchaser is not a Shareholder and is a third party independent of the Company and its connected persons.

REASONS AND BENEFITS OF THE DISPOSAL

The trading of the Shares on the Stock Exchange has been suspended since 1 April 2015 due to the suspension of the ore trading of the Company as a result of the Indonesian government's export ban in 2014 and the significant deterioration of the Group's financial position.

The Company entered into a framework agreement with a potential investor in relation to the disposal of 30% equity interest of the Target Company in 2013 in order to obtain additional funding for the Group's development and, in particular, the construction of steel plant in Indonesia and to reduce the Group's gearing ratio. Such transaction has been delayed and as at the date of this announcement, no further agreement pursuant to the framework agreement has been entered into.

In July 2017, the Company submitted the Resumption Proposal to the Stock Exchange which contains, among other things, the disposal of 14% equity interest in the Target Company. As disclosed in the Company's announcement dated 13 December 2017, the Listing (Review) Committee, in its Decision Letter, decided to set aside the cancellation of the Company's listing status to enable the Company to proceed with implementing the Resumption Proposal and the transactions contemplated thereunder. The Disposal, together with the further disposal of 7% of the equity interest in the Target Company being contemplated by the Company, form a key element of the Resumption Proposal and would help the Group to obtain funding for general working capital and repay part of the indebtedness of the Group.

The Disposal was negotiated on arm's length basis and agreed on normal commercial terms and the Directors believe that upon Completion of the Disposal and other transactions and arrangements contemplated under the Resumption Proposal, the Company will be able to demonstrate its compliance with Rule 13.24 of the Listing Rules and resolve the going concern issue in relation to the Group's business operation.

In light of the above, the Directors are of the view that the terms of the Sale and Purchase Agreement are fair and reasonable and in the best interests of the Company and the Shareholders as a whole.

GENERAL

As one or more of the applicable percentage ratios of the Disposal under Rule 14.07 of the Listing Rules exceed 25% but are less than 75%, the Disposal constitutes a major transaction for the Company and is therefore subject to the reporting, disclosure, and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

The EGM will be held by the Company for the Shareholders to consider, and if thought fit, passing the resolutions to approve all the transactions as contemplated under the Resumption Proposal, including but not limited to, the Disposal.

To the best of the knowledge, information and belief of the Directors, after having made all reasonable enquiries, save for Mr. Dong Shutong who will abstain from voting on the resolution approving the Disposal at the EGM, no other Shareholders or any of their respective associates have any material interest in the Disposal and hence would not be required to abstain from voting on the resolution approving the Disposal at the EGM.

As additional time is required for the Company to prepare and finalise the transactions and arrangements contemplated under the Resumption Proposal, a circular containing, among other things, (i) further details of the Disposal; (ii) other transactions as contemplated under the Resumption Proposal; and (iii) the notice of the EGM is expected to be despatched to the Shareholders on or before 31 July 2018.

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended since 9:00 a.m. on 1 April 2015. The trading in the Shares on the Stock Exchange will continue to be suspended until further notice.

As disclosed in the Company's announcement dated 13 December 2017, the Listing (Review) Committee, in its Decision Letter, decided to set aside the cancellation of the Company's listing status to enable the Company to proceed with implementing the Resumption Proposal and the transactions contemplated thereunder subject to the fulfilment of certain conditions. The Disposal, which forms part of the resumption plan contemplated under the Resumption Proposal, is subject to the fulfilment of the Conditions, and therefore may or may not materialise. The release of this announcement does not necessarily indicate that the Shares will resume trading and the trading in the Shares will remain suspended until further notice. Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following respective meanings:

“acting in concert”	has the meaning ascribed thereto in the Takeovers Code
“Board”	the board of Directors
“Business Day”	a day (other than a Saturday, Sunday or a public holiday or any day on which a tropical cyclone warning signal no. 8 or above or black rainstorm warning is hoisted in Hong Kong at any time between 9:00 a.m. and 4:00 p.m.) on which commercial banks in Hong Kong are generally open for business and the Stock Exchange is open for dealings in securities
“Company”	Nickel Resources International Holdings Company Limited (Stock Code: 2889), a company incorporated in Cayman Island with limited liability, the Shares of which are listed on the main board of the Stock Exchange
“Completion”	completion of the Disposal under the Sale and Purchase Agreement
“Conditions”	the conditions precedent of the Sale and Purchase Agreement
“Decision Letter”	the decision letter from the Listing (Review) Committee dated 12 December 2017, details of which are set out in the Company’s announcement dated 13 December 2017
“Directors”	director(s) of the Company

“Disposal”	the proposed disposal of 7% equity interest in the Target Company pursuant to the terms of the Sale and Purchase Agreement
“EGM”	the extraordinary general meeting of the Company to be convened for the purpose of considering and, if thought fit, among other things, the Disposal and all the other transactions and arrangements as contemplated under the Resumption Proposal
“EOA”	the exclusive offtake agreement entered into with PT. Yiwan Mining, pursuant to which the Group can purchase its ore supply in Indonesia at a predetermined price until 24 January 2036
“Executive”	the Executive Director of the Corporate Finance Division of the SFC from time to time or any delegate of such Executive Director
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Indonesia”	Republic of Indonesia
“Listing (Review) Committee”	Listing (Review) Committee of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“PRC”	the People’s Republic of China, for the purpose of this announcement excluding the Macau Special Administrative Region of the PRC, Hong Kong and Taiwan
“PT. Yiwang Mining”	PT. Yiwang Mining, a limited company incorporated in Indonesia, which agreed to exclusively sell the limonitic ores to the Group at pre-determined price under the EOA
“Purchaser”	Mr. Sun Gang (孫罡先生)
“Resumption Proposal”	the resumption proposal of the Company submitted to the Stock Exchange and subsequently approved by the Listing (Review) Committee by the Decision Letter
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	holders of the Share(s)
“Sale and Purchase Agreement”	the conditional sale and purchase agreement dated 11 March 2018 entered into among the Vendor, the Purchaser and Mr. Dong Shutong in respect of the Disposal
“Sale Shares”	7% of the entire issued share capital of the Target Company
“SFC”	The Securities and Futures Commission of Hong Kong
“Share(s)”	ordinary share(s) of HK\$0.1 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Subscriber”	The subscriber to the Subscription, Tairu Co., Ltd, a limited liability company incorporated in the Republic of Seychelles
“Subscription”	the proposed subscription for the Subscription Shares by the Subscriber pursuant to the terms of the Subscription Agreement
“Subscription Agreement”	the subscription agreement dated 5 March 2016 entered into between the Company and the Subscriber in connection with the Subscription, details of which are disclosed in the Company’s announcement dated 7 March 2016
“Subscription Share(s)”	1,465,898,410 new Share(s) to be allotted and issued to the Subscriber pursuant to the terms of the Subscription Agreement
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers
“Target Company”	S.E.A. Mineral Limited, a company incorporated in British Virgin Islands with limited liability and is indirectly wholly-owned by the Company
“Target Group”	the Target Company and its subsidiaries
“Vendor”	Infonics International Limited, an investment holding company incorporated in the British Virgin Islands with limited liability and is a wholly owned subsidiary of the Company

“Whitewash Waiver”

whitewash waiver as may be granted by the Executive pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code in respect of any obligation of the Subscriber and parties acting in concert with it to make a mandatory general offer for all the issued Shares and other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company not already owned (or agreed to be acquired) by the Subscriber and parties acting in concert with it which might otherwise arise as a result of the Subscription

“%”

per cent

Note 1: “*” for identification purpose only.

Note 2: For illustration purpose, the exchange rate of approximately RMB1 = HK\$1.201 is used throughout this announcement unless stated otherwise. This exchange rate does not constitute a representation that any amounts have been, could have been, or may be exchanged at this or any other rate at all.

By order of the Board
Nickel Resources International Holdings Company Limited
Dong Shutong
Chairman

Hong Kong, 10 April 2018

As at the date of this announcement, the executive Directors are Mr. Dong Shutong (Chairman), Mr. Dong Chengzhe, Mr. Wang Ping, Mr. Song Wenzhou and Mr. Yang Fei; the non-executive Director is Mr. Yang Tianjun; and the independent non-executive Directors are Mr. Bai Baohua, Mr. Huang Changhuai, Mr. Wong Chi Keung and Mr. Fahmi Idris.

All Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement contained in this announcement misleading.