THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **CNNC International Limited**, you should at once hand this circular and the accompanying form of proxy to the purchaser or the transferee or to the bank, licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

CNNC INTERNATIONAL LIMITED
中核國際有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2302)

VERY SUBSTANTIAL DISPOSAL OF THE ENTIRE INTEREST IN UNITED NON-FERROUS (OVERSEAS) LIMITED AND NOTICE OF EXTRAORDINARY GENERAL MEETING

Capitalised terms used in this cover have the same meanings as those defined in the section headed "Definitions" in this circular.

A notice convening the EGM to be held at Boardroom V, Ground Floor, Renaissance Hong Kong Harbour View Hotel, 1 Harbour Road, Wanchai, Hong Kong on Friday, 15 July 2011 at 10:30 a.m. is set out on pages 41 to 42 of this circular. Whether or not you are able to attend the meeting, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited at 46th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong in accordance with the instructions printed thereon as soon as possible but in any event not later than 48 hours before the time appointed for the holding of such meeting or any adjourned meeting. Completion and return of the form of proxy will not preclude you from subsequently attending and voting in person at the EGM or any adjourned meeting should you so wish.

* *For identification purpose only*

15 June 2011

CONTENTS

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

"Absolute Above"	Absolute Above Limited, a company incorporated in the BVI with limited liability
"Agreement"	the sale and purchase agreement dated 7 May 2011 entered into between the Company, the Purchaser and the Guarantors relating to the Disposal, as the same may be amended and/or supplemented from time to time
"Board"	the board of Directors
"Business Day"	means a day (excluding Saturday, Sunday and public holiday) on which licensed banks are generally open for business in Hong Kong
"BVI"	the British Virgin Islands
"Company"	CNNC International Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
"Completion"	completion of the sale and purchase of the Sale Shares in accordance with the term and conditions of the Agreement
"Completion Date"	the 14th day (or if this is not a Business Day, the Business Day immediately following that day) from and excluding the day on which the last of the conditions have been fulfilled pursuant to the terms of the Agreement (or such other date as the Company and the Purchaser may agree in writing)
"Consideration"	the consideration in the sum of HK$159,000,000 payable by the Purchaser to the Company for the sale and purchase of the Sale Shares
"Director(s)"	the director(s) of the Company
"Disposal"	the disposal of the Sale Shares by the Company to the Purchaser pursuant to the terms of the Agreement
"Disposal Target"	United Non-Ferrous (Overseas) Limited, a company incorporated in the BVI and a direct wholly-owned subsidiary of the Company
"Disposal Target Group"	the Disposal Target and its subsidiaries, and "Disposal Target Group Company" shall be construed accordingly

"EGM"	an extraordinary general meeting to be convened and held by the Company to consider and, if thought fit, to approve the Agreement and the transactions contemplated thereunder
"Group"	the Company and its subsidiaries, and "Group Company" shall be construed accordingly
"Guarantors"	Mr. Tsang and Mr. Kong
"HK$" or "HKD"	Hong Kong dollars, the lawful currency of Hong Kong from time to time
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"June 2008 Announcement"	the Company's announcement dated 23 June 2008
"Kong Extension Letter"	an agreement dated 31 May 2011 made between Mr. Kong and the Company relating to the extension of the term of appointment of Mr. Kong to 14 September 2011 supplemental to the Kong Service Agreement
"Kong Service Agreement"	a service agreement dated 5 November 2008 as supplemented by the Kong Supplemental Service Agreement relating to the Company's appointment of Mr. Kong as the president to manage and oversee the business, operation and finance of the Disposal Target Group and all subsequent amendments and/or supplements from time to time
"Kong Supplemental Service Agreement"	a supplemental service agreement dated 29 December 2010 supplemental to the Kong Service Agreement
"Land Disposal Agreement"	An agreement 〈泰波路地塊回購及地上建築物受讓協議〉(Agreement for the repurchase of the land at Tai Bo Lu and the assignment of the buildings thereon) between the Shanghai Co. and 上海安亭經濟發展中心 (Shanghai Anting Economic Development Center) relating to the disposal by the Shanghai Co. and the repurchase by 上海安亭經濟發展中心 (Shanghai Anting Economic Development Center) of the land at Tai Bo Lu (泰波路) and the buildings thereon dated 21 January 2011 and supplemental agreement(s) thereto
"Latest Practicable Date"	10 June 2011, being the latest practicable date prior to the printing of this circular for ascertaining certain information for inclusion in this circular
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange

"Long-stop Date"	31 August 2011 (or such other date as the Company and the Purchaser may agree in writing)
"May 2011 Announcement"	the Company's announcement dated 17 May 2011
"Mr. Kong"	Mr. Kong Cheuk Luen, Trevor
"Mr. Tsang"	Mr. Tsang Chiu Wai
"Party(ies)	party(ies) to the Agreement
"PRC"	the People's Republic of China which, for the purpose of this circular, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
"Purchaser"	Crown Regent Investments Limited, a company incorporated in Hong Kong with limited liability
"Remaining Group"	the Group immediately after Completion
"RMB"	Renminbi, the lawful currency of the PRC
"Sale Shares"	30,400 ordinary shares of US$1.00 each of the Disposal Target, representing the entire issued share capital of the Disposal Target
"Shanghai Co."	United Metal Products (Shanghai) Co., Ltd. (科鑄金屬制品(上海)有限公司), a company incorporated in the PRC with limited liability
"SFO"	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"Shares"	the ordinary share(s) of HK$0.01 each in the issued share capital of the Company
"Shareholder(s)"	Holder(s) of the Share(s)
"SOMINA"	Société des Mines d'Azelik S.A., a company incorporated in Niger, Africa with limited liability
"Standard Beyond"	Standard Beyond Limited, a company incorporated in the BVI with limited liability
"Stock Exchange"	The Stock Exchange of Hong Kong Limited

"Termination Deeds"	collectively, a termination deed in respect of the termination of the Tsang Service Agreement to be entered into between the Company and Mr. Tsang at Completion and another termination deed in respect of the termination of the Kong Service Agreement to be entered into between the Company and Mr. Kong at Completion
"Tsang Extension Letter"	an agreement dated 31 May 2011 made between Mr. Tsang and the Company relating to the extension of the term of appointment of Mr. Tsang to 14 September 2011 supplemental to the Tsang Service Agreement
"Tsang Service Agreement"	a service agreement dated 5 November 2008 as supplemented by the Tsang Supplemental Service Agreement relating to the Company's appointment of Mr. Tsang as the chief operation officer to manage and oversee the business, operation and finance of the Disposal Target Group and all subsequent amendments and/or supplements from time to time
"Tsang Supplemental Service Agreement"	a supplemental service agreement dated 29 December 2010 supplemental to the Tsang Service Agreement
"US$" or "USD"	United States dollars, the lawful currency of the United States of America
"Western Prospector"	Western Prospector Group Limited, a company incorporated in Canada and governed by the laws of the Province of British Columbia
"%"	per cent.

CNNC INTERNATIONAL LIMITED
中 核 國 際 有 限 公 司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2302)

Non-executive Director & Chairman:
Mr. Qiu Jiangang

Executive Directors:
Mr. Han Ruiping
Mr. Xu Hongchao

Non-executive Director:
Mr. Chen Xinyang

Independent non-executive Directors:
Mr. Cheong Ying Chew Henry
Mr. Cui Liguo
Mr. Zhang Lei

Registered Office:
P.O. Box 309GT
Ugland House
South Church Street
Grand Cayman
Cayman Islands

Principal place of business in Hong Kong:
Unit 2809, 28th Floor
China Resources Building
26 Harbour Road, Wanchai
Hong Kong

15 June 2011

To the Shareholders:

Dear Sir or Madam,

VERY SUBSTANTIAL DISPOSAL OF THE ENTIRE INTEREST IN UNITED NON-FERROUS (OVERSEAS) LIMITED AND NOTICE OF EXTRAORDINARY GENERAL MEETING

INTRODUCTION

Reference is made to the May 2011 Announcement in relation to the Disposal.

On 7 May 2011, the Company entered into the Agreement with, amongst others, the Purchaser, pursuant to which the Company agreed to sell and the Purchaser agreed to purchase the Sale Shares at the Consideration, subject to the terms and conditions of the Agreement. Upon Completion, the Group will cease to have any interest in the Disposal Target.

* *For identification purpose only*

The Disposal constitutes a very substantial disposal for the Company under Chapter 14 of the Listing Rules and is subject to approval by the Shareholders at the EGM.

The purpose of this circular is to provide you with, among other things, further information relating to the Disposal and the Disposal Target Group, and to seek approval from the Shareholders for the ordinary resolution set out in the notice of EGM in this circular.

THE AGREEMENT

Date: 7 May 2011

Parties:

(1) The Company, as vendor;

(2) the Purchaser;

(The Purchaser is a private investment holding company incorporated in Hong Kong with limited liability. Save for the entering into the Agreement, the Purchaser has not carried on any other business or activities.)

(3) Mr. Tsang, as co-guarantor with Mr. Kong for the Purchaser's performance of its obligations under the Agreement and the transactions contemplated thereunder; and

(4) Mr. Kong, as co-guarantor with Mr. Tsang for the Purchaser's performance of its obligations under the Agreement and the transactions contemplated thereunder.

(Mr. Tsang and Mr. Kong, being the Guarantors, together, are the beneficial owners of the entire issued share capital of the Purchaser. As at the Latest Practicable Date, Mr. Tsang and Mr. Kong are appointed as the chief operation officer and president of the Company respectively, to manage and oversee the business, operation and finance of the Disposal Target Group. Mr. Tsang and Mr. Kong are not directors of the Company and its subsidiaries. Since Mr. Tsang and Mr. Kong do not report directly to the board of directors of the Company or its subsidiaries but report to the executive vice-president and executive Director of the Company who is also a director and legal representative of each Disposal Target Group Company for the conduct of the business of the Disposal Target Group Companies, accordingly, Mr. Tsang and Mr. Kong are not chief executives of the Company and its subsidiaries and hence the Disposal is not a connected transaction of the Group under Chapter 14A of the Listing Rules. Further, as of the Latest Practicable Date, none of the connected persons of the Company has entered into any agreement, arrangement, understanding or undertaking, whether formal or informal and whether express or implied, with respect to the Disposal with Mr. Tsang and Mr. Kong.)

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, the Purchaser and its ultimate beneficial owner(s) and the Guarantors are third parties independent of the Company and not its connected persons (as defined under the Listing Rules).

Assets to be disposed of

The Sale Shares to be disposed of by the Company, represent the entire issued share capital of the Disposal Target.

As at the Latest Practicable Date, the Disposal Target is a direct wholly-owned subsidiary of the Company.

Consideration

The Consideration shall be HK$159,000,000 and shall be paid by the Purchaser to the Company in the following manner:

(a) 50% of the Consideration, being HK$79,500,000, shall be paid at Completion;

(b) 25% of the Consideration, being HK$39,750,000, shall be paid on or before (i) the completion (including any registration, filing, approval or other formalities in connection therewith) of the changes of the sole shareholder of the Disposal Target, the director(s), secretary (if any), legal representative (if any) and officer(s) (if any) of each Disposal Target Group Company (except for the Shanghai Co.) and the authorities relating to bank accounts (if any) of each Disposal Target Group Company in each case as required in the Agreement; or (ii) 15 November 2011, whichever shall be later; and

(c) the remaining balance of the Consideration, being HK$39,750,000, shall be paid on or before (i) the 7th Business Day after the Shanghai Co. having been liquidated and all monies standing in the bank accounts of the Shanghai Co. (including the full amount of the consideration under the Land Disposal Agreement received by the Shanghai Co.) but net of expenses having been remitted to the bank account in Hong Kong of United Metals Company Limited, a subsidiary of the Disposal Target, or (ii) 15 November 2011; or (iii) the completion (including any registration, filing, approval or other formalities in connection therewith) of the sole shareholder of the Disposal Target, the director(s), secretary (if any), legal representative (if any) and officer(s) (if any) of each Disposal Target Group Company (except for the Shanghai Co.) and the authorities relating to bank accounts (if any) of each Disposal Target Group Company in each case as required in the Agreement, whichever shall be later.

The entire equity interest in the Shanghai Co. is held by United Metals Asset Management Company Limited which is a direct wholly-owned subsidiary of the Disposal Target and the Disposal Target is a direct wholly owned subsidiary of the Company. Accordingly, the Shanghai Co. is an indirect wholly owned subsidiary of the Company up to and before Completion. After Completion, the monies standing in the bank accounts of the Shanghai Co. and United Metals Company Limited will remain as part of the assets of the Disposal Target Group and will not be remitted back to the Remaining Group.

The Consideration was arrived at after arm's length negotiations between the Company and the Purchaser by reference to (i) the valuation amount of the Disposal Target at HK$159,000,000 as stated in the independent valuation report of the Disposal Target as at 31 December 2010 prepared by Greater China Appraisal Limited, an independent valuer, and (ii) the unaudited consolidated net asset value of approximately HK$159,313,000 of the Disposal Target as at 31 December 2010.

Conditions

Completion of the sale and purchase of the Sale Shares under the Agreement is conditional upon fulfilment of the following conditions:

(a) the Agreement and the transactions contemplated thereunder (including the transactions contemplated under the Termination Deeds if required) having been approved by the Shareholders in accordance with the requirements of the Listing Rules; and

(b) the current listing of the Shares not having been withdrawn at, on or as a result of the sale and purchase of the Sale Shares to the Purchaser and the Shares continuing to be traded on the Stock Exchange prior to the Completion Date (save for any temporary suspension in connection with transactions contemplated under the Agreement) and the Stock Exchange not having indicated that it will object to the listing status of the Company as a result of or arising from the transactions contemplated under the Agreement.

If the above conditions shall not be fulfilled on or before the Long-stop Date, the Agreement shall be terminated with effect from the Long-stop Date and of no further force and effect without any liability on any party and the Parties shall not have any claim or demand against any of the other Parties under the Agreement or arising from the termination thereof.

Completion

Subject to the fulfilment of all conditions of the Agreement, completion of the sale and purchase of the Sale Shares shall take place on the 14th day (or if this is not a Business Day, the Business Day immediately following that day) from and excluding the day on which the last of the conditions have been fulfilled pursuant to the terms of the Agreement (or such other date as the Company and the Purchaser may agree in writing).

As at the Latest Practicable Date, all conditions remain to be fulfilled.

Upon completion of the Disposal, the Disposal Target Group will cease to be subsidiaries of the Company.

Termination Deeds

Pursuant to the Agreement, it is one of the requirements at Completion that the Company and the respective Guarantors will enter into the respective Termination Deeds to terminate the Tsang Service Agreement and the Kong Service Agreement (as the case may be). The major terms of the Tsang Service Agreement and the Kong Service Agreement had been disclosed in the June 2008 Announcement.

Under the respective Tsang Service Agreement and the Kong Service Agreement, among other things, both Mr. Tsang and Mr. Kong have guaranteed to the Company that the Consolidated NAV (as defined in the June 2008 Announcement) as at the Guaranteed Date (as defined in the June 2008 Announcement) shall not be less than the Guaranteed Sum (as defined in the June 2008 Announcement) of HK$189,674,000. The Guaranteed Date is the last day of the Initial Term (as defined in the June 2008 Announcement). The June 2008 Announcement disclosed that the Initial Term was a fixed term of 24 months commencing from the Effective Date of Resignation (as defined in the June 2008 Announcement), provided that such initial fixed term shall end on or before 31 December 2010. As the Effective Date of the Resignation was 3 December 2008 (which was disclosed in the Company's announcement dated 3 December 2008), the last day of the Initial Term (and hence the Guaranteed Date) would be 2 December 2010. As at the Guaranteed Date, the Consolidated NAV fell short of the Guaranteed Sum by HK$30,748,000. As such, each of Mr. Tsang and Mr. Kong has made payments to the Company in respect of 50% of such shortfall of the Guaranteed Sum pursuant to the Tsang Service Agreement and the Kong Service Agreement. Accordingly, as at the Latest Practicable Date, Mr. Tsang and Mr. Kong's payment obligation in respect of the shortfall of the Guaranteed Sum has been fulfilled.

The term of appointment of Mr. Tsang and Mr. Kong under Tsang Service Agreement and the Kong Service Agreement (both dated 5 November 2008) has been extended to 31 May 2011 by the Tsang Supplemental Service Agreement and the Kong Supplemental Service Agreement respectively and has been further extended to 14 September 2011 by the Tsang Extension Letter and the Kong Extension Letter respectively since Completion has not taken place and the Agreement has not been terminated on or before 31 May 2011.

By reason of the Disposal, the Tsang Service Agreement and the Kong Service Agreement will be terminated by the Termination Deeds to be entered into at Completion whereupon, amongst others, (i) the payment obligations of each of Mr. Tsang and Mr. Kong to the Company in respect of the amount (if any) of the consolidated net asset value of the Disposal Target at, amongst others, the last working day of Mr. Tsang and Mr. Kong calculated pursuant to the terms of the Tsang Service Agreement and the Kong Service Agreement that falls short of HK$158,926,000; (ii) all obligations and liabilities of Mr. Tsang and Mr. Kong in respect of the warranties under the Tsang Service Agreement and the Kong Service Agreement; and (iii) the Company's payment obligations to each of Mr. Tsang and Mr. Kong in respect of the management bonus (in the case where the Disposal Target Group has any adjusted consolidated net profit of the Disposal Target at, amongst others, the last working day of Mr. Tsang and Mr. Kong calculated pursuant to the terms of the Tsang Service Agreement and the Kong Service Agreement) shall be terminated and waived.

INFORMATION ON THE DISPOSAL TARGET GROUP

The Disposal Target is a direct wholly-owned subsidiary of the Company established in the BVI. The Disposal Target is an investment holding company which holds 100% shareholding interests in the Disposal Target Group. The Disposal Target Group principally engages in the production and trading of metal die-casting products.

Set out below is the financial information of the Disposal Target Group for the two years ended 31 December 2009 and 31 December 2010 respectively which was prepared in accordance with the generally accepted accounting principles of Hong Kong/Hong Kong Financial Reporting Standards:

	For the year ended 31 December 2009	**For the year ended 31 December 2010**
	HK$000'	*HK$000'*
	(Unaudited)	(Unaudited)
Net (loss)/profit before taxation and extraordinary items	(19,557)	1,421
Net (loss)/profit after taxation and extraordinary items	(19,691)	1,025
Net assets	156,213	159,313
Total assets	194,767	200,083

The Disposal Target Group generated all the revenue of the Group for the two years ended 31 December 2009 and 31 December 2010.

POSSIBLE FINANCIAL EFFECTS OF THE DISPOSAL

Upon completion of the Disposal, the Disposal Target Group will cease to be subsidiaries of the Company and its accounts will not be consolidated into the Company's financial statements.

Based on the section headed "Information on the Disposal Target Group" above, it was expected that the Company would incur a loss of approximately HK$313,000 by solely deducting the Consideration from the net asset value of the Disposal Target Group of approximately HK$159,313,000 as at 31 December 2010. Nevertheless, as a result of the Disposal, since the reclassification adjustment of cumulative exchange gain of the Disposal Target Group of approximately HK$8,636,000 will be credited to the Company and taking into account of the estimated expenses incurred for the Disposal of approximately HK$2,000,000 and the shortfall of approximately HK$313,000 being the difference between the Consideration and the net asset value of the Disposal Target Group as at 31 December 2010, it is expected that the Company will instead make a gain from the Disposal of approximately HK$6,323,000 based on the unaudited pro forma statement of financial position of the Remaining Group as set out in Appendix II to this circular. As at 28 February 2011, the unaudited net asset value of the Disposal Target Group amounted to approximately HK$156,670,000.

As extracted from the unaudited pro forma statement of financial position of the Remaining Group as set out in Appendix II to this circular, the audited total assets (being the aggregate of the audited non-current assets and the audited current assets) and the audited total liabilities (being the aggregate of the audited current liabilities and the audited non-current liabilities) of the Group were approximately HK$1,472,283,000 and HK$521,444,000 respectively as at 31 December 2010. Based on the aforesaid unaudited pro forma statement of financial position of the Remaining Group, the Remaining Group's unaudited total assets (being the aggregate of the unaudited pro forma non-current assets and the unaudited pro forma current assets) and unaudited total liabilities (being the aggregate of the unaudited pro forma current liabilities and the unaudited pro forma non-current liabilities) would become approximately HK$1,429,200,000 and HK$480,674,000 respectively immediately after the Disposal.

REASONS FOR AND BENEFITS OF THE DISPOSAL

As at the Latest Practicable Date, the Group is principally engaged in (i) the manufacture and distribution of die casting parts; and (ii) the exploration and trading of mineral properties.

The Disposal Target Group incurred losses for the financial years in 2007, 2008 and 2009, and despite the improved die-casting market in 2010, the net profit after taxation and extraordinary items amounted to approximately HK$1,025,000 which was arrived after the receipt of insurance compensation for the claim of damages arising from the flooding in 2008 of approximately HK$3,100,000. The business outlook of the Disposal Target Group is overshadowed by the raw material prices hikes, domestic labour shortages and wages surges. The management considers that the Disposal represents a good opportunity for the Group to realize the Disposal Target Group, which has been incurring operating losses for the past four years and a poor business outlook. The Disposal will enable the Group to better utilize and redeploy the Group's resources to improve its balance sheet and liquidity position.

Following completion of the Disposal, the Remaining Group will continue to engage in the exploration and trading of mineral properties. The segment assets of the exploration and trading of mineral properties amounted to approximately HK$964,307,000 at 31 December 2010. The two existing uranium projects, one in Mongolia and another one with 37.2% ownership in Niger, held by the Group are in their initial stages, through which the uranium segment is destined to endow shareholders with substantial returns upon maturity. The financial and trading prospects and the future business of the Remaining Group are set out in the section headed "Additional Information on the Remaining Group and the Group" in Appendix III of this circular.

Reference is made to page 7 of the May 2011 Announcement, where it was disclosed that as at 31 December 2010, the total asset value of the Group based on the audited financial statements of the Company excluding the value attributable to the Disposal Target was approximately HK$991,097,000. After further calculation, the Company clarifies that as at 31 December 2010, the total asset value of the Group based on the audited consolidated financial statements of the Company excluding the value attributable to the Disposal Target Group was approximately HK$1,272,200,000. As disclosed in the section headed "Possible Financial Effects of the Disposal", based on the unaudited pro forma statement of financial position of the Remaining Group as set out in Appendix II to this circular, the Remaining Group's unaudited total assets and unaudited total liabilities would become approximately HK$1,429,200,000 and HK$480,674,000 respectively immediately after the Disposal. Considering the business plan and the update of the Remaining Group set out in the section headed "Additional Information on the Remaining Group and the Group" in Appendix III of this circular, the Company considers that it has tangible assets of sufficient value to warrant the continued listing of its securities on the Stock Exchange as required by Rule 13.24 of the Listing Rules.

The Group plans to apply the proceeds from the Disposal, after deducting any related expenses, in the exploration and trading of uranium resources. The Group will continue to engage in its uranium product trading business which was commenced in 2010. The Group will look for opportunities and invest in overseas uranium resources business to serve the needs of PRC's nuclear power development by identifying more suitable uranium projects of premier quality and in developing towards the directions of uranium product processing and nuclear energy compliant industries.

The Directors (including the independent non-executive Directors) are of the view that the Disposal and the terms of the Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As some of the percentage ratios in accordance with Chapter 14 of the Listing Rules in respect of the Disposal exceed 75%, the Disposal constitutes a very substantial disposal for the Company under Chapter 14 of the Listing Rules and is subject to approval by the Shareholders at the EGM.

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, as at the Latest Practicable Date, (i) Mr. Tsang and Mr. Kong being the Guarantors to the Agreement and each of them being a counterparty to the respective Termination Deeds, together, legally and beneficially own the entire issued share capital of the Purchaser and each of them at the same time legally and beneficially owns the entire issued share capital of Standard Beyond and Absolute Above respectively; and (ii) Standard Beyond and Absolute Above are Shareholders of the Company holding 11,915,825 Shares and 7,292,588 Shares respectively in the Company, representing approximately 2.78% and 1.70% respectively of the voting share capital in the Company as at the Latest Practicable Date, and hence, Standard Beyond and Absolute Above are the respective associates (as defined under the Listing Rules) of Mr. Tsang and Mr. Kong; and (iii) Ms. Wong Kit Yue who is the spouse of Mr. Kong currently holds 435,000 Shares, representing 0.10% of the voting share capital in the Company as at the Latest Practicable Date. Accordingly, each of Standard Beyond, Absolute Above and the said Ms. Wong Kit Yue has a material interest in the Disposal and will therefore be required to abstain from voting on the relevant resolution(s) to approve the Agreement and the transactions contemplated thereunder (including without limitation the Disposal and the Termination Deeds if required) at the EGM pursuant to Rule 14.49 of the Listing Rules.

Save as aforesaid, to the best knowledge, information and belief of the Directors having made all reasonable enquiries, no Shareholder has a material interest in the Agreement and the transactions contemplated thereunder (including without limitation the Disposal and the Termination Deeds) which is different from that of the other Shareholders and is required to abstain from voting on the relevant resolution(s) to approve the Agreement and the transactions contemplated thereunder (including without limitation the Disposal and the Termination Deeds if required) at the EGM.

EGM

The EGM will be held at Boardroom V, Ground Floor, Renaissance Hong Kong Harbour View Hotel, 1 Harbour Road, Wanchai, Hong Kong on Friday, 15 July 2011 at 10:30 a.m. to consider and, if thought fit, to approve the Agreement and the transactions contemplated thereunder (including without limitation the Disposal).

A notice convening the EGM is set out on pages 41 to 42 of this circular. Voting at the EGM on the resolutions will be taken by poll.

Enclosed with this circular is a form of proxy for use at the EGM. Whether or not you are able to attend the meeting, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited at 46th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong in accordance with the instructions printed thereon as soon as possible but in any event not later than 48 hours before the time appointed for the holding of the EGM or any adjourned meeting. Completion and return of the form of proxy will not preclude you from subsequently attending and voting in person at the EGM or any adjourned meeting should you so wish.

RECOMMENDATION

Having considered the factors as set out in the paragraph headed "Reasons for and benefits of the Disposal", the Directors (including the independent non-executive Directors) are of the view that the Disposal and the terms of the Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of the resolution to be proposed at the EGM.

GENERAL

Your attention is also drawn to the additional information set out in the appendices to this circular.

Yours faithfully
On behalf of the Board
CNNC International Limited
中核國際有限公司*
Qiu Jiangang
Chairman

* *For identification purpose only*

UNAUDITED FINANCIAL INFORMATION OF THE DISPOAL TARGET GROUP

Set out below are the unaudited consolidated statements of comprehensive income, unaudited consolidated statements of changes in equity and unaudited consolidated statements of cash flows of the Disposal Target Group for each of the three years ended 31 December 2010 and the unaudited consolidated statements of financial position of the Disposal Target Group as at 31 December 2008, 2009 and 2010, which have been reviewed by the auditor of the Company, Deloitte Touche Tohmatsu, Certified Public Accountants, Hong Kong, in accordance with Hong Kong Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants.

Based on their review, nothing has come to their attention that causes them to believe that the unaudited consolidated financial information is not prepared, in all material respects, in accordance with the accounting policies consistent with those used in the preparation of the annual consolidated financial statements of the Group for each of the three years ended 31 December 2010, which conform with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and on the basis of preparation set out in Note 2 to the unaudited consolidated financial information of the Disposal Target Group.

1. UNAUDITED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR EACH OF THE THREE YEARS ENDED 31 DECEMBER 2010 OF THE DISPOSAL TARGET GROUP

	Year ended 31 December		
	2008	**2009**	**2010**
	HK$'000	*HK$'000*	*HK$'000*
Revenue	209,082	136,571	168,048
Cost of sales	(200,167)	(132,928)	(149,228)
Gross profit	8,915	3,643	18,820
Other income	1,658	2,855	4,977
Administrative expenses	(16,189)	(20,558)	(17,187)
Selling and distribution expenses	(8,927)	(5,397)	(5,088)
Finance costs	(659)	(100)	(101)
(Loss) profit before taxation	(15,202)	(19,557)	1,421
Income tax credit (expense)	713	(134)	(396)
(Loss) profit for the year	(14,489)	(19,691)	1,025
Other comprehensive income			
Exchange differences arising on translation	829	570	2,075
Fair value gain on an available-for-sale investments	44	—	—
Reclassification adjustment for the cumulative gain included in profit or loss upon disposal of an available-for-sale investment	(27)	—	—
Other comprehensive income for the year	846	570	2,075
Total comprehensive (expense)/income for the year, attributable to owners of the Disposal Target Group	(13,643)	(19,121)	3,100

2. UNAUDITED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2008, 2009 AND 2010 OF THE DISPOSAL TARGET GROUP

	As at 31 December		
	2008	**2009**	**2010**
	HK$'000	*HK$'000*	*HK$'000*
Non-current assets			
Property, plant and equipment	115,436	101,682	63,752
Prepaid lease payments	6,020	5,887	—
Deposit paid for acquisition of property, plant and equipment	1,070	519	875
	122,526	108,088	64,627
Current assets			
Inventories	38,848	24,002	30,548
Trade and other receivables and prepayments	50,582	42,499	42,609
Prepaid lease payments	133	133	—
Investments held for trading	207	322	367
Amount due from immediate holding company	346	—	—
Bank balances and cash	12,465	19,723	30,041
	102,581	86,679	103,565
Assets classified as held for sale	—	—	31,891
	102,581	86,679	135,456
Current liabilities			
Trade and other payables and accruals	33,758	22,508	24,673
Taxation payable	15	46	97
Unsecured bank loans wholly repayable within one year	16,000	16,000	16,000
	49,773	38,554	40,770
Net current assets	52,808	48,125	94,686
Total assets less current liabilities	175,334	156,213	159,313
Capital and reserves			
Share capital	237	237	237
Reserves	175,097	155,976	159,076
Equity attributable to owners of the Disposal Target Group	175,334	156,213	159,313

3. UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR EACH OF THE THREE YEARS ENDED 31 DECEMBER 2010 OF THE DISPOSAL TARGET GROUP

	Share capital	Share premium	Investments revaluation reserve	Merger reserve	General reserve fund	Translation reserve	Accumulated profits	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At 1 January 2008	137	10,949	(17)	5,624	7,205	5,163	133,574	162,635
Loss for the year	—	—	—	—	—	—	(14,489)	(14,489)
Exchange differences arising on translation	—	—	—	—	—	829	—	829
Fair value gain on available-for-sales investment	—	—	44	—	—	—	—	44
Reclassification adjustment for the cumulative gain included in profit or loss upon disposal of an available-for-sale investment	—	—	(27)	—	—	—	—	(27)
Total comprehensive income (expense) for the year	—	—	17	—	—	829	(14,489)	(13,643)
Issue of news shares	100	26,242	—	—	—	—	—	26,342
At 31 December 2008	237	37,191	—	5,624	7,205	5,992	119,085	175,334
Loss for the year	—	—	—	—	—		(19,691)	(19,691)
Exchange differences arising on translation	—	—	—	—	—	570	—	570
Total comprehensive income (loss) for the year	—	—	—	—	—	570	(19,691)	(19,121)
At 31 December 2009	237	37,191	—	5,624	7,205	6,562	99,394	156,213
Profit for the year	—	—	—	—	—	—	1,025	1,025
Exchange differences arising on translation	—	—	—	—	—	2,075	—	2,075
Total comprehensive income for the year	—	—	—	—	—	2,075	1,025	3,100
At 31 December 2010	237	37,191	—	5,624	7,205	8,637	100,419	159,313

Note: As stipulated by the relevant laws and regulations in the People's Republic of China (the "PRC"), subsidiaries established in the PRC (the "PRC subsidiaries") are required to maintain a general reserve fund which is non-distributable. Appropriations to this reserve fund are made out of profit for the year as shown in the PRC subsidiaries' PRC statutory financial statements which are prepared in accordance with the accounting principles generally accepted in the PRC. The amount and allocation basis are decided by the board of directors of the PRC subsidiaries annually and is not less than 10% of the profit for the year of the PRC subsidiaries for that year. The general reserve fund can be used for expanding the capital base of the PRC subsidiaries by means of capitalisation issue.

4. UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR EACH OF THE THREE YEARS ENDED 31 DECEMBER 2010 OF THE DISPOSAL TARGET GROUP

	Year ended 31 December		
	2008	**2009**	**2010**
	HK$'000	*HK$'000*	*HK$'000*
OPERATING ACTIVITIES			
(Loss) profit before taxation	(15,202)	(19,557)	1,421
Adjustments for:			
Depreciation of property, plant and equipment	17,410	16,082	16,217
Dividend income	(30)	(7)	(8)
Finance costs	659	100	101
Loss (gain) on fair value change of investment held for trading	336	(115)	(45)
Interest income	(718)	(14)	(20)
Loss on written off of property, plant and equipment	109	65	—
Operating cash flows before movements in working capital	2,564	(3,446)	17,666
Decrease (increase) in inventories	2,135	15,445	(5,175)
Decrease in trade and other receivables and prepayment	6,493	8,128	1,293
Decrease in amounts due from a immediate holding company	—	346	—
Increase (decrease) in trade payables and other payables and accruals	1,694	(11,350)	(473)
Decrease in amounts due to ultimate holding company	(26,721)	—	—
Cash (used in) from operations	(13,835)	9,123	13,311
Hong Kong Profits Tax paid	(6)	—	—
Taxation in other jurisdictions paid	(314)	(102)	(255)
NET CASH (USED IN) FROM OPERATING ACTIVITIES	(14,155)	9,021	13,056

	Year ended 31 December		
	2008	2009	2010
	HK$'000	*HK$'000*	*HK$'000*
INVESTING ACTIVITIES			
Purchase of property, plant and equipment	(14,266)	(1,721)	(2,448)
Deposit paid for acquisition of property, plant and equipment	(1,070)	—	—
Interest received	718	14	20
Dividend income	30	7	8
NET CASH USED IN INVESTING ACTIVITIES	(14,588)	(1,700)	(2,420)
FINANCING ACTIVITIES			
Repayment of bank borrowings	(14,334)	—	—
Interest paid	(659)	(100)	(101)
Bank borrowings raised	11,000	—	—
Proceeds from issue of shares	26,342	—	—
NET CASH FROM (USED IN) FINANCING ACTIVITIES	22,349	(100)	(101)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(6,394)	7,221	10,535
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	52	37	(217)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	18,807	12,465	19,723
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	12,465	19,723	30,041
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS			
Bank balances and cash	12,465	19,723	30,041

5. NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL INFORMATION FOR EACH OF THE THREE YEARS ENDED 31 DECEMBER 2010

1. General

On 7 May 2011, CNNC International Limited (the "Company") entered into a sale and purchase agreement with Crown Regent Investments Limited (the "Agreement"). Pursuant to the Agreement, Crown Regent Investment Limited has conditionally agreed to purchase the entire issued share capital of United Non-Ferrous (Overseas) Limited at a cash consideration of HK$159,000,000.

United Non-Ferrous (Overseas) Limited is the holding company of United Asset Management Co. Ltd., United Metals Asset Management (H.K.) Company Limited, United Metals Holdings Ltd (formerly known as "United Non-Ferrous (H.K.) Limited"), United Metals Company Limited, Everhope Industrial Limited, United Non-Ferrous Corporation, United Non-Ferrous Sdn. Bhd., 東莞鏗利五金制品有限公司、東莞科鑄金屬制品有限公司、科鑄金屬制品(上海)有限公司 and Sociedade de Metals United (Macau) Limited before the completion of the Agreement. They are collectively referred to as the "Disposal Target Group".

2. Basis of preparation of the unaudited consolidated financial information of the Disposal Target Group

The unaudited consolidated financial information of the Disposal Target Group has been prepared in accordance with paragraph 68(2)(a)(i) of Chapter 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, and solely for the purpose of inclusion in the circular to be issued by the Company in connection with the disposal of the entire issued share capital of United Non-Ferrous (Overseas) Limited.

The amounts included in the unaudited consolidated financial information have been recognised and measured in accordance with the relevant accounting policies of the Company and its subsidiaries adopted in the preparation of its consolidated financial statements for the each of three years ended 31 December 2010, which conform with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants.

The unaudited consolidated financial information does not contain sufficient information to constitute a complete set of financial statements as defined in Hong Kong Accounting Standard 1 "Presentation of Financial Statements".

The unaudited consolidated statements of comprehensive income, consolidated statements of cash flows and consolidated statements of changes in equity for each of the three years ended 31 December 2010 include the results, cash flows and changes in equity of the Disposal Target Group throughout the three years ended 31 December 2010.

The unaudited consolidated statements of financial position as at 31 December 2008, 2009 and 2010 includes the assets, liabilities and equity of the Disposal Target Group which were in existence on those dates.

PART A

1. UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF THE REMAINING GROUP

The unaudited pro forma consolidated statement of financial position of the Remaining Group presented below has been prepared to illustrate the financial position of the Remaining Group as if the Disposal had been completed on 31 December 2010. This unaudited pro forma consolidated statement of financial position was prepared for illustrative purposes only and because of its nature, it may not give a true picture of the financial position of the Group as at 31 December 2010 or any future date.

The preparation of the unaudited pro forma consolidated statement of financial position is based on the audited consolidated statement of financial position of the Group as at 31 December 2010 which has been extracted from the published annual report of the Group for the year ended 31 December 2010 and the unaudited consolidated financial information of the Disposal Target Group set out in Appendix I to this circular after giving effect to reflect the pro forma adjustment described in the accompanying notes and was prepared in accordance with Rules 4.29 and 14.68 (2)(a)(ii) of the Listing Rules.

	The Group consolidated statement of financial position as at 31 December 2010	Pro forma adjustments	Pro forma adjustments	Unaudited pro forma consolidated statement of financial position of the Remaining Group as at 31 December 2010
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
		Note (a)	*Note (b)*	
Non-current asset				
Property plant and equipment	107,855	(63,752)		44,103
Exploration and evaluation assets	184,598	—		184,598
Investment in associate	455,142	—		455,142
Deposits paid on acquisition of property, plant and equipment	875	(875)		—
	748,470	(64,627)		683,843
Current assets				
Inventories	309,232	(30,548)		278,684
Trade and other receivables and prepayments	44,778	(42,609)		2,169
Amounts due from shareholders	30,748	—		30,748
Investments held for trading	367	(367)		—
Bank balances and cash	306,797	(30,041)	157,000	433,756
	691,922	(103,565)		745,357
Assets classified as held for sale	31,891	(31,891)		—
	723,813	(135,456)		745,357
Current liabilities				
Trade and other payables and accruals	33,669	(24,673)		8,996
Taxation payable	181	(97)		84
Convertible notes	99,338	—		99,338
Unsecured bank loan	16,000	(16,000)		—
	149,188	(40,770)		108,418
Net current assets (liability)	574,625	(94,686)		636,939
Total assets less current liabilities	1,323,095	(159,313)		1,320,782
Non-current liabilities				
Convertible notes	365,819	—		365,819
Deferred tax liabilities	6,437	—		6,437
	372,256	—		372,256
	950,839	(159,313)		948,526
Capital and reserves				
Share capital	4,292			4,292
Reserves	946,547	—	(2,313)	944,234
Equity attributable to owners of the Company	950,839	—		948,526

Notes:

(a) Adjustments to reflect the exclusion of the assets and liabilities of the Disposal Target Group as at 31 December 2010, assuming that the Disposal had taken place on 31 December 2010.

(b) Adjustments to reflect the estimated gain arising from the Disposal based on the estimated total cash consideration of HK$159 million less estimated legal and professional fees of approximately HK$2 million was presented. It is assumed that the net proceeds of HK$157 million (being HK$159 million of gross proceeds less HK$2 million of legal and professional fees) were received on 31 December 2010.

Calculation of gain on Disposal:

	HK$'000
Total cash consideration	159,000
Net assets of the Disposal Target Group as at 31 December 2010 attributable to the Group	(159,313)
Legal and professional fee	(2,000)
	(2,313)
Reclassification adjustment of the cumulative exchange gain of the Disposal Target Group (a foreign operation to the Group) upon Disposal	8,636
Gain on Disposal	6,323

2. UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME OF THE REMAINING GROUP

The unaudited pro forma consolidated statement of comprehensive income of the Remaining Group presented below has been prepared to illustrate the results of the Remaining Group for the year ended 31 December 2010 as if the Disposal had been completed on 1 January 2010. This unaudited pro forma consolidated statement of comprehensive income were prepared for illustrative purposes only and because of its nature, it may not give a true picture of the results of the Group for the year ended 31 December 2010 or for any future period.

The preparation of the unaudited pro forma consolidated statement of comprehensive income of the Remaining Group is based on the audited consolidated statement of comprehensive income of the Group for the year ended 31 December 2010 which has been extracted from the published annual report of the Group for the year ended 31 December 2010 and the unaudited consolidated financial information of the Disposal Target Group set out in Appendix I to this circular after giving effect to reflect the pro forma adjustment described in the accompanying notes and was prepared in accordance with Rules 4.29 and 14.68(2)(a)(ii) of the Listing Rules.

	The Group consolidated statement of comprehensive income for the year ended 31 December 2010	Pro forma adjustments	Pro forma adjustments	Unaudited pro forma consolidated statement of comprehensive income of the Remaining Group for the year ended 31 December 2010
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
		Note (c)	*Note (d)*	
Revenue	168,048	(168,048)		—
Cost of sales	(149,228)	149,228		—
Gross profit	18,820	(18,820)		—
Other income and gains	12,323	(4,977)		7,346
Selling and distribution expenses	(5,088)	5,088		—
Administrative and other expenses	(43,608)	17,187		(26,421)
Share of loss of an associate	(8,937)	—		(8,937)
Finance costs	(36,366)	101		(36,265)
Gain on sale of Disposal Target Group	—	—	7,349	7,349
Loss before taxation	(62,856)	(1,421)		(56,928)
Income tax credit	7,777	396		8,173
Loss for the year	(55,079)	(1,025)		(48,755)

Notes:

(c) Adjustments to reflect the exclusion of the results of the Disposal Target Group which are extracted from the unaudited consolidated financial information of the Disposal Target Group for the year ended 31 December 2010, assuming the Disposal had taken place on 1 January 2010.

(d) Adjustments to reflect the estimated gain arising from the Disposal based on the estimated total consideration of HK$159 million less estimated legal and professional fees of approximately HK$2 million was presented. It is assumed that the net proceeds of HK$157 million (being HK$159 million of gross proceeds less HK$2 million of legal and professional fees) were received on 1 January 2010.

Calculation of gain on disposal:

	HK$'000
Total consideration	159,000
Net assets of the Disposal Group as at 1 January 2010 attributable to the Group	(156,213)
Legal and professional fee paid	(2,000)
Subtotal	787
Reclassification adjustment of the cumulative exchange gain of the Disposal Group (a foreign operation to the Group) upon Disposal	6,562
Gain on disposal	7,349

3. UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF CASH FLOWS OF THE REMAINING GROUP

The unaudited pro forma consolidated statement of cash flows of the Remaining Group has been prepared to illustrate the cash flows of the Remaining Group for the year ended 31 December 2010 as if the Disposal had been completed on 1 January 2010. This unaudited pro forma consolidated statement of cash flows were prepared for illustrative purposes only and because of its nature, it may not give a true picture of the cash flows of the Group for the year ended 31 December 2010 or for any future period.

The preparation of the unaudited pro forma consolidated statement of cash flows is based on the audited consolidated statement of cash flows of the Group for the year ended 31 December 2010 which has been extracted from the published annual report of the Group for the year ended 31 December 2010 and the unaudited consolidated financial information of the Disposal Target Group set out in Appendix I to this circular after giving effect to reflect the pro forma adjustment described in the accompany notes and was prepared in accordance with Rules 4.29 and 14.68(2)(a)(ii) of the Listing Rules.

	The Group consolidated statement of cash flows for the year ended 31 December 2010 *HK$'000*	Pro forma adjustments *HK$'000* *Note (e)*	Pro forma adjustments *HK$'000* *Note (f)*	Unaudited pro forma consolidated statement of cash flows of the Remaining Group for the year ended 31 December 2010 *HK$'000*
OPERATING ACTIVITIES				
Loss before taxation	(62,856)	(1,421)	7,349	(56,928)
Adjustments for:				
Depreciation of property, plant and equipment	16,622	(16,217)		405
Dividend income	(8)	8		—
Gain on fair value changes of investment held for trading	(45)	45		—
Gain on sale of Disposal Target Group	—		(7,349)	(7,349)
Interest income	(2,540)	20		(2,520)
Finance costs	36,366	(101)		36,265
Share of loss of an associate	8,937			8,937
Operating cash flow before movements in working capital	(3,524)			(21,190)
(Increase) decrease in inventories	(283,702)	5,175		(278,527)
(Increase) decrease in trade and other receivables and prepayments	2,019	(1,293)		726
Increase (decrease) in trade and other payables and accruals	6,629	473		7,102
Cash used in operations	(278,578)			(291,889)
Taxation in other jurisdictions paid	(255)	255		—
NET CASH USED IN OPERATING ACTIVITIES	(278,833)			(291,889)
INVESTING ACTIVITIES				
Purchase of property, plant and equipment	(14,423)	2,448		(11,975)
Additions of exploration and evaluation assets	(7,595)			(7,595)
Net proceeds from disposal of Disposal Target Group	—		137,277	137,277
Interest received	2,540	(20)		2,520
Dividends received	8	(8)		—
NET CASH (USED IN) FROM INVESTING ACTIVITIES	(19,470)			120,227

	The Group consolidated statement of cash flows for the year ended 31 December 2010 *HK$'000*	Pro forma adjustments *HK$'000* *Note (e)*	Pro forma adjustments *HK$'000* *Note (f)*	Unaudited pro forma consolidated statement of cash flows of the Remaining Group for the year ended 31 December 2010 *HK$'000*
CASH USED IN FINANCING ACTIVITY				
Interest paid	(2,225)	101		(2,124)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(300,528)			(173,786)
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	607,626			607,626
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	(301)	217		(84)
CASH AND CASH EQUIVALENTS CARRIED FORWARD, represented by bank balances and cash	306,797			433,756

Notes:

(e) Adjustments to reflect the exclusion of the cash flows of the Disposal Target Group which are extracted from the unaudited consolidated financial information of the Disposal Target Group for the year ended 31 December 2010, assuming the Disposal had taken place on 1 January 2010.

(f) These adjustments reflect the cash inflow of HK$159,000,000 less the estimated transaction costs of approximately HK$2,000,000 arising from the Disposal and cash and cash equivalents of the Disposal Target Group as at 1 January 2010 of approximately HK$19,723,000, assuming the Disposal had taken place on 1 January 2010.

PART B

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德勤

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ACCOUNTANTS' REPORT ON UNAUDITED PRO FORMA FINANCIAL INFORMATION

TO THE DIRECTORS OF CNNC INTERNATIONAL LIMITED

We report on the unaudited pro forma financial information of CNNC International Limited (the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group"), which has been prepared by the directors of the Company for illustrative purposes only, to provide information about how the proposed disposal of the entire interest in United Non-Ferrous (Overseas) Limited might have affected the financial information presented, for inclusion in Appendix II of the circular issued by the Company dated 15 June 2011 (the "Circular"). The basis of preparation of the unaudited pro forma financial information is set out in Part A of Appendix II to the Circular.

Respective responsibilities of directors of the Company and reporting accountants

It is the responsibility solely of the directors of the Company to prepare the unaudited pro forma financial information in accordance with paragraph 29 of Chapter 4 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" issued by the Hong Kong Institute of Certified Public Accountants.

It is our responsibility to form an opinion, as required by paragraph 29(7) of Chapter 4 of the Listing Rules, on the unaudited pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the unaudited pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

Basis of opinion

We conducted our engagement in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 300 "Accountants' Reports on Pro Forma Financial Information in Investment Circulars" issued by the Hong Kong Institute of Certified Public Accountants. Our work consisted primarily of comparing the unadjusted financial information with source documents, considering the evidence supporting the adjustments and discussing the unaudited pro forma financial information with the directors of the Company. This engagement did not involve independent examination of any of the underlying financial information.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the unaudited pro forma financial information has been properly compiled by the directors of the Company on the basis stated, that such basis is consistent with the accounting policies of the Group and that the adjustments are appropriate for the purpose of the unaudited pro forma financial information as disclosed pursuant to paragraph 29(1) of Chapter 4 of the Listing Rules. The unaudited pro forma financial information is for illustrative purpose only, based on the judgements and assumptions of the directors of the Company, and, because of its hypothetical nature, does not provide any assurance or indication that any event will take place in future and may not be indicative of the financial position of the Group as at 31 December 2010 or any future date or the results and cash flows of the Group for the year ended 31 December 2010 or any future period.

Opinion

In our opinion:

a) the unaudited pro forma financial information has been properly compiled by the directors of the Company on the basis stated;

b) such basis is consistent with the accounting policies of the Group; and

c) the adjustments are appropriate for the purposes of the unaudited pro forma financial information as disclosed pursuant to paragraph 29(1) of Chapter 4 of the Listing Rules.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong

1. THREE-YEAR FINANCIAL INFORMATION OF THE GROUP

The audited consolidated financial statements of the Group (i) for the year ended 31 December 2010 is disclosed in the 2010 annual report of the Company published on 21 April 2011, from pages 30 to 95; (ii) for the year ended 31 December 2009 is disclosed in the 2009 annual report of the Company published on 27 April 2010, from pages 31 to 95; and (iii) for the year ended 31 December 2008 is disclosed in the 2008 annual report of the Company published on 21 April 2009, from pages 32 to 79, all of which have been published on the website of the Stock Exchange (http://www.hkex.com.hk) and the website of the Company (http://www.cnncintl.com).

2. FINANCIAL AND TRADING PROSPECTS OF THE REMAINING GROUP

Following completion of the Disposal, the Remaining Group will continue to engage in the exploration and trading of mineral properties. The segment assets of the exploration and trading of mineral properties amounted to approximately HK$964,307,000 at 31 December 2010. The two existing uranium projects, one in Mongolia and another one with 37.2% ownership in Niger, held by the Group are in their initial stages, through which the uranium segment is destined to endow shareholders with substantial returns upon maturity.

(i) Mongolia Project

In June 2009, the Group acquired 69.5% equity of Western Prospector and in August 2009, the Group acquired the remaining 30.5% of Western Prospector. Western Prospector is principally engaged in the acquisition, exploration and development of mineral properties. Western Prospector's mineral property interests, consisting of various uranium exploration licenses of uranium property projects located in Mongolia. All the exploration works have been completed in 2010.

The Group expects to finalize the negotiations with the Mongolian Government for the issuance of mining licenses of such uranium property in 2011. Construction work is expected to commence in 2012. Trial runs for production are expected to commence in 2014. Based on the Group's experience, expertise and technology in the exploration and development of mineral properties and the current conditions of the said uranium mine, the Group expects that the most efficient and economical production for 2015, 2016 and 2017 may achieve approximately 300 tonnes, 500 tonnes and 700 tonnes respectively. The current market price for 1 tonne of uranium product is approximately HK$1,146,000.

(ii) Niger Project

In March, 2010, the Group acquired 37.2% equity interests in SOMINA, the registered holder of a mining license for a uranium ore mine located in the Agadez region of the Tchirozerine department of Niger. The construction of the said uranium mine has been substantially completed and trial production runs had commenced in 2010 and the full production has commenced in 2011. Based on the Group's experience, expertise and technology in the exploration and development of mineral properties and the current conditions of the said uranium mine, the Group expects that the most efficient and economical production for 2011, 2012 and 2013 may achieve approximately 300 tonnes, 500 tonnes and 700 tonnes respectively.

(iii) Uranium products trading

In September 2010, through a wholly owned subsidiary, the Company has acquired 300 tonnes of uranium products for approximately HK$278,684,000 which are still held by the Company. Since the Company's acquisition of the uranium products, the market price for uranium products has increased by more than 23%. The Company is looking for good opportunities to maximize the returns through trading of the uranium products.

The Group will continue to identify uranium resources leveraging projects and engage in uranium products trading business when good opportunity arises.

The Company is currently not required by law to conduct any updates of the amount of uranium resources and reserves, and hence, has not conducted any updates of the amount of uranium resources and reserves since the Company's acquisition of the Mongolia project and the Niger project.

3. STATEMENT OF INDEBTEDNESS

Borrowings

As at the close of business on 30 April 2011, the Group had outstanding unsecured bank loan of HK$16,000,000 and unsecured convertible notes of approximately HK$472,461,000.

Pledge of assets

As at the close of business on 30 April 2011, the 37.2% of the share capital in SOMINA held by Ideal Mining Limited pledged to a bank for banking facilities granted to SOMINA. Apart from the aforesaid and intra-group liabilities, the Group did not have any mortgages, charges, debentures, loan capital, bank loans and overdrafts, debt securities or other similar indebtedness, finance leases or hire purchase commitments, liabilities under acceptance or acceptance credits, or any guarantees, or other material contingent liabilities outstanding at the close of business on 30 April 2011.

Contingent liabilities

As at the close of business on 30 April 2011, the Group had no material contingent liabilities.

Capital commitment

As at the close of business on 30 April 2011, the Group had capital commitment amounted to approximately HK$3,569,000, being the balance payment in respect of the acquisition of property, plant and equipment.

4. WORKING CAPITAL

The Directors are of the opinion that taking into account (i) the Remaining Group's internal resources; (ii) the Remaining Group's existing cash and bank balances; (iii) the presently available banking and other facilities; (iv) the proceeds from the Disposal; and (v) other internal resources generated by the Remaining Group's future operations and in the absence of unforeseen circumstances, the Remaining Group will have sufficient working capital for a period of 12 months from the date of this circular.

5. MANAGEMENT DISCUSSION AND ANALYSIS OF THE REMAINING GROUP FOR THE YEARS ENDED 31 DECEMBER 2008, 2009 AND 2010

Financial review

The financials of the Remaining Group for the years ended 31 December 2010, 31 December 2009 and 31 December 2008 were prepared by deducting the unaudited consolidated accounts of the Disposal Target Group from the audited consolidated accounts of the Group as at 31 December 2010, 31 December 2009 and 31 December 2008 respectively, and are for illustrative purposes only.

Net assets

As at 31 December 2010, the Remaining Group recorded total assets and total liabilities of approximately HK$1,272.2 million and HK$480.7 million respectively. The Remaining Group's net assets value as at 31 December 2010 increased by approximately HK$90.1 million and HK$497.2 million respectively to approximately HK$791.5 million as compared to approximately HK$701.4 million as at 31 December 2009 and HK$294.3 million as at 31 December 2008. The Directors believe that there will be no significant impacts on the assets and liabilities of the Remaining Group after Completion.

Business review

The Remaining Group has been actively developing its uranium leveraging business and seeking opportunities in high-yielding uranium investment projects in the international market to support nuclear power development in China. In 2009, the Remaining Group acquired Western Prospector, a company then listed in Canada and whose assets included exploration licenses relating to uranium reserves in Dornod, Mongolia. Following the completion of the acquisition, the Remaining Group is in the process of applying for mining licenses, so that these reserves will start to bring positive contributions to the Remaining Group in the near future.

In 2010, the Remaining Group had acquired from its parent company 37.2% of a uranium resources project in Niger, Africa, which is the first overseas uranium resources development project of the PRC. The Remaining Group has also commenced in overseas uranium product trading business and procured 300 tonnes of uranium products in 2010.

Liquidity and financial resources

The Remaining Group had total cash and bank balances of approximately HK$276.8 million as at 31 December 2010 (31 December 2009: approximately HK$587.9 million and HK$31 December 2008: approximately HK$387.7 million). The gearing ratio, in terms of total debts to total assets, was approximately 0.38 as at 31 December 2010 (31 December 2009: approximately 0.12 and 31 December 2008: approximately 0.24).

Borrowings

The Remaining Group had interest bearing borrowings of approximately HK$465.2 million as at 31 December 2010 (31 December 2009: approximately HK$90.3 million and 31 December 2008: approximately HK$83.3 million), representing an increase of approximately 415.2% and 458.5% over the amount as at 31 December 2009 and 31 December 2008 respectively. Borrowings were denominated in US$. Approximately 21.4% of the borrowings was repayable within one year as at 31 December 2010. All interest bearing borrowings as at 31 December 2010 of approximately HK$465.2 million were related to net carrying amount of the existing convertible bonds of the Company (principal amount of approximately HK$520.2 million).

Capital structure

On 5 November 2008 the Company issued 159,168,308 ordinary shares of HK$0.01 each for cash at a price of HK$1.77 per share and on the same date, the Company issued a three-year 2% convertible note with an aggregate principal amount of HK$106,200,000. The Company completed a top-up placing and subscription of an aggregate of 50,000,000 ordinary shares of HK$0.01 each at a subscription price of HK$8.78 on 9 July 2009 and 20 July 2009, respectively. On 25 March, 2010, the Company issued a three-year 2% convertible note with an aggregate principal amount of HK$414,000,000.

Except the above, for the past three years ended 31 December 2008, 2009 and 2010, there have been no significant changes to the capital structure of the Remaining Group.

Exposure to fluctuations in exchange rates and any related hedges

The Remaining Group's income, expenditure of stocks, manufacturing, investment and borrowings are mainly denominated in USD, HKD, Mongolian Tugrik and RMB. Fluctuations of the exchange rates of Mongolian Tugrik and RMB against foreign currencies could affect the operating costs of the Remaining Group. Currencies other than Mongolian Tugrik and RMB were relatively stable, the Remaining Group did not expose to significant foreign exchange risk. The Remaining Group currently does not have a foreign currency hedging policy for hedging significant foreign currency exposure.

Pledge of assets

Apart from the 37.2% of the share capital in SOMINA held by Ideal Mining Limited pledged to a bank for banking facilities granted to SOMINA, there is no charge on the Remaining Group's assets.

Significant investment

Apart from interests in subsidiaries and associate company as disclosed below and the inventory of uranium products, the Remaining Group does not have any significant investment.

Material acquisitions and disposals of subsidiaries and associated companies

On 29 June 2009, the Group acquired 69.5% equity of Western Prospector which was then listed in Canada. Upon approval of the privatization proposal by the shareholders of Western Prospector at its special shareholders' meeting held on 14 August 2009, Western Prospector became an indirect wholly-owned subsidiary of the Company. Western Prospector is principally engaged in the acquisition, exploration and development of mineral properties. All of Western Prospector's mineral property interests, consisting of various uranium and coal property projects, are located in Mongolia.

On 25 March 2010, the Group acquired 37.2% equity interests in SOMINA from its immediate controlling shareholder, CNNC Overseas Uranium Holding Limited through the acquisition of a subsidiary known as Ideal Mining Limited. SOMINA, a company incorporated in Niger, Africa with limited liability, is the registered holder of a mining license for a uranium ore mine located in the Agadez region of the Tchirozerine department of Niger.

Employees and remuneration policies

As at 31 December 2010, the Remaining Group employed around 46 full time staff in the PRC, Hong Kong and Mongolia (31 December 2009: 45 and 31 December 2008: 4). The Remaining Group remunerates its employees based on their performance, working experiences and conditions prevailing in the industry. Depending on the financial results of the Remaining Group and the performance of individual employees, eligible staff may also be granted performance bonuses, in addition to basic salaries, retirement schemes and medical benefit schemes. The Company will also study the basis of granting discretionary share options according to the business development to raise staff morale. To raise work quality and management abilities of its employees, the Group provides job rotation, in-house training and external training courses to employees.

Future plans and prospects

The Remaining Group will make its footprint in overseas uranium resources business and serve the needs of China's nuclear power development by identifying more suitable uranium projects of premier quality, in addition to the existing Western Prospector project in Mongolia and the 37.2% uranium project in Niger. With the already-developed uranium products trading business, the Remaining Group will have a very broad horizon with exploration, mining, milling, processing and trading capacity. Taking advantage of the trend of nuclear power development in the PRC, the Remaining Group have also commenced its study in extending and deepening the sectors of operations gradually and developing towards the directions of uranium product processing and nuclear energy compliant industries. The Remaining Group will continue to utilise its listing platform in expanding its scope of operations as well as striving to secure impressive return for the shareholders.

As at the Latest Practicable Date, apart from the Disposal, the Company is not currently negotiating or does not currently intend to enter into any agreement on any acquisition or disposal which is discloseable pursuant to Chapter 14 of the Listing Rules.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept fully responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. 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. INTERESTS OF DIRECTORS AND CHIEF EXECUTIVE OF THE COMPANY

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 its associated corporations (within the meaning of Part XV of the SFO) which were required: (i) 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 were taken or deemed to have under such provisions of the SFO); or (ii) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules, to be notified to the Company and the Stock Exchange.

3. COMMON DIRECTORS

The following is a list of the Directors who, as at the Latest Practicable Date, were also a director of the companies which have interests or short positions in the Shares or 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:

Name of common director	Name of Shareholder	Capacity of Shareholder	Number of issued Shares/ underlying Shares held	Percentage of the issued share capital of the Company as at the Latest Practicable Date
Mr. Han Ruiping	CNNC Overseas Uranium Holding Limited *(Note)*	Beneficial owner	266,372,273	62.07%
Mr. Xu Hongchao	CNNC Overseas Uranium Holding Limited *(Note)*	Beneficial owner	266,372,273	62.07%
Mr. Han Ruiping	China Uranium Corporation Limited (中國國核海外鈾業有限公司) *(Note)*	Interest in a controlled corporation	266,372,273	62.07%
Mr. Qiu Jiangang	China National Nuclear Corporation (中國核工業集團公司) *(Note)*	Interest in a controlled corporation	266,372,273	62.07%

Note: CNNC Overseas Uranium Holding Limited is the immediate holding company of the Company, which is wholly owned by China Uranium Corporation Limited, and China Uranium Corporation Limited is ultimately wholly owned by China National Nuclear Corporation.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors was a director or an employee of a company which has 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.

4. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with any member of the Group which will not expire or is not terminable by the Group within one year without payment of compensation (other than statutory compensation).

5. DIRECTORS' COMPETING INTEREST

As at the Latest Practicable Date, so far as is known to the Directors, none of the Directors or their respective associates was interested in any business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

6. NO MATERIAL INTERESTS

As at the Latest Practicable Date, none of the Directors had any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, none of the Directors had any interest, either direct or indirect, in any assets which have been acquired or disposed of by or leased to, or which are proposed to be acquired or disposed of by or leased to, any member of the Group, since 31 December 2010, being the date up to which the latest published audited financial statements of the Company were made up.

As at the Latest Practicable Date, none of the Directors was materially interested, directly or indirectly, in any contract or arrangement entered into by any member of the Group which was subsisting as at the Latest Practicable Date and which was significant in relation to the business of the Group.

7. LITIGATION

So far as the Directors are aware, as at the Latest Practicable Date, no member of the Group was engaged in any litigation, arbitration or claim of material importance and there was no litigation or claim of material importance known to the Directors to be pending or threatened by or against any member of the Group.

8. EXPERT AND CONSENT

The following is the qualification of the expert who has given its opinion or advice which is contained in this circular.

Name	Qualifications
Deloitte Touche Tohmatsu	Certified Public Accountants

As at the Latest Practicable Date, Deloitte Touche Tohmatsu:

(a) did not have any shareholding, direct or indirect, in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group;

(b) did not have any interest, direct or indirect, in any assets which had been acquired or disposed of by or leased to any members of the Group, or are proposed to be acquired or disposed of by or leased to any members of the Group since 31 December 2010, being the date up to which the latest published audited financial statements of the Group were made; and

(c) had given and had not withdrawn its written consent to the issue of this circular with the inclusion of its letter and references to its name in the form and context in which they are included.

9. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2010, being the date up to which the latest audited financial statements of the Company were made up.

10. MATERIAL CONTRACTS

The following contracts (not being contracts entered into in the ordinary course of business) have been entered into by the members of the Group within two years immediately preceding the Latest Practicable Date and which are, or may be, material to the Group:

(i) the Agreement;

(ii) the Tsang Supplemental Service Agreement;

(iii) the Kong Supplemental Service Agreement;

(iv) the Tsang Extension Letter;

(v) the Kong Extension Letter;

(vi) a supplemental agreement dated 21 January 2011 entered into between the Shanghai Co. and 上海安亭經濟發展中心 (Shanghai Anting Economic Development Center) (being supplemental agreement to an agreement between the Shanghai Co. and 上海安亭經濟發展中心 (Shanghai Anting Economic Development Center) relating to the disposal by the Shanghai Co. and the repurchase by 上海安亭經濟發展中心 (Shanghai Anting Economic Development Center) of the land at Tai Bo Lu (泰波路) and the buildings thereon (the "Original Land Disposal Agreement"));

(vii) the Original Land Disposal Agreement;

(viii) a sale and purchase agreement dated 23 January 2010 entered into between China Nuclear International Corporation and CNNC Overseas Uranium Holding Limited in relation to the acquisition of the entire issued share capital of the Ideal Mining Limited; and

(ix) a placing agreement dated 8 July 2009 among the Company, CNNC Overseas Uranium Holding Limited and CCB International Capital Limited and a subscription agreement between the Company and CNNC Overseas Uranium Holding Limited dated 8 July 2009 in relation to the placing and subscription of up to 50,000,000 shares of the Company.

11. MISCELLANEOUS

The English language text of this circular shall prevail over the Chinese language text.

12. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection during normal business hours at the Company's head office in Hong Kong at Unit 2809, 28/F., China Resources Building, 26 Harbour Road, Wanchai, Hong Kong for a period of 14 days (except Saturdays, Sundays and public holidays) from the date of this circular:

(a) the memorandum of association and bye-laws of the Company;

(b) the annual reports of the Company for the two years ended 31 December 2010;

(c) the material contracts referred to in paragraph 10 of this Appendix;

(d) the documents referred to in this circular;

(e) the financial information of the Disposal Target Group, the texts of which are set out in Appendix I to this circular;

(f) the letter from Messrs. Deloitte Touche Tohmatsu reporting on the unaudited pro forma financial information of the Remaining Group, the text of which is set out in Appendix II to this circular;

(g) the letter of consent from Messrs. Deloitte Touche Tohmatsu;

(h) a copy of each of the circulars of the Company issued pursuant to the requirements set out in Chapter 14 and/or 14A of the Listing Rules which have been issued since 31 December 2010, being the date of the latest published audited financial statements of the Company; and

(i) this circular.

13. GENERAL

(i) The registered office of the Company is P.O. Box 309GT, Ugland House, South Church Street, Grand Cayman, Cayman Islands.

(ii) The branch share registrar and transfer office of the Company in Hong Kong is Computershare Hong Kong Investor Service Limited at 46th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.

(iii) The head office & principal place of business of the Company is Unit 2809, 28/F., China Resources Building, No. 26 Harbour Road, Wanchai, Hong Kong.

(iv) The company secretary of the Company is Mr. Li Philip Sau Yan. Mr. Li is an associate member of the Institute of Chartered Accountants in England and Wales and a fellow of Hong Kong Institute of Certified Public Accountants.

CNNC INTERNATIONAL LIMITED
中 核 國 際 有 限 公 司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2302)

NOTICE IS HEREBY GIVEN that an extraordinary general meeting of CNNC International Limited (the "Company") will be held at Boardroom V, Ground Floor, Renaissance Hong Kong Harbour View Hotel, 1 Harbour Road, Wanchai, Hong Kong on Friday, 15 July 2011 at 10:30 a.m. for the purpose of considering and, if thought fit, passing the following resolution, with or without amendments, as ordinary resolution of the Company:

ORDINARY RESOLUTION

"**THAT**:

(a) the terms of the Agreement dated 7 May 2011 (as defined in the circular of the Company dated 15 June 2011) (the "Circular") of which this notice forms part (a copy of the Agreement is produced to the meeting and marked "A" and signed by the chairman of the meeting for the purpose of identification) entered into between the Company as vendor, Crown Regent Investments Limited as purchaser and Mr. Tsang Chiu Wai and Mr. Kong Cheuk Leun, Trevor as purchaser's guarantors in relation to, amongst other things, the Disposal (as defined in the Circular) and the transactions contemplated under the Agreement be and are hereby approved and adopted; and the entering into of the Agreement by the Company and the execution thereof be and are hereby approved, confirmed and ratified; and

(b) the directors be authorised to determine all matters in relation to the Agreement and all documents executed pursuant to the Agreement and/or any amendments respectively thereto and/or otherwise in relation respectively thereto."

By Order of the Board
CNNC International Limited
中核國際有限公司*
Qiu Jiangang
Chairman

Hong Kong, 15 June 2011

* *For identification purpose only*

Notes:

1. The instrument appointing proxy shall be in writing under the hand of the appointor or of his attorney duly authorized in writing or, if the appointor is a corporation, either under its seal or under the hand of any officer, attorney or other person duly authorised to sign the same. In the case of an instrument of proxy purporting to be signed on behalf of a corporation by an officer hereof if shall be assumed, unless the contrary appears, that such officer was duly authorised to sign such instrument of proxy on behalf of the corporation without further evidence of the fact.

2. Any member of the Company entitled to attend and vote at the meeting convened by the above notice is entitled to appoint one or more proxies to attend and, in the event of a poll, vote in his stead. A proxy need not be a registered shareholder of the Company. In addition, a proxy or proxies representing either a member of the Company who is an individual or a member of the Company which is a corporation is entitled to exercise the same powers on behalf of the member of the Company which he or they represent as such member of the Company could exercise.

3. To be valid, the instrument appointing proxy and (if required by the Board) the power of attorney or other authority, (if any) under which it is signed, or a notarially certified copy of such power or authority, shall be delivered at the office of the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at 46th Floor, Hopewell Centre, 138 Queen's Road East, Wanchai, Hong Kong not later than forty-eight (48) hours before the time appointed for holding the meeting or any adjournment thereof at which the person named in the instrument proposes to vote and in default the instrument of proxy shall not be treated as valid.

4. Completion and return of the instrument appointing proxy will not preclude a member of the Company from attending and voting in person at the meeting or at any adjourned meeting (as the case may be) should the member so desires, and in such event, the instrument appointing proxy shall be deemed to be revoked.