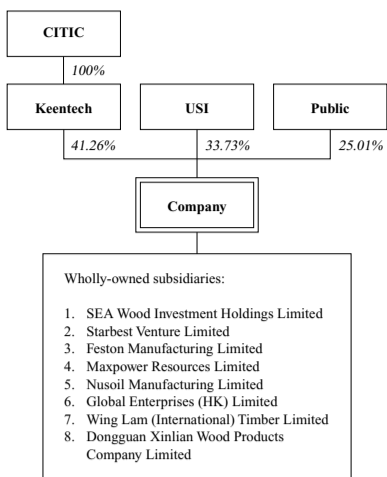


The above figures do not reflect the effect of the final dividend of AS120 million (about HK\$720 million) declared on 18 January 2004 by CA Portland to CITIC Australia in respect of the fiscal year ended 31 December 2003 or AS20 million (about HK\$104.1 million) to be distributed by members of the Target Group to CITIC Australia in respect of the fiscal year ended 31 December 2003. Taking into account the dividend of AS120 million (about HK\$720 million) and the additional distribution of AS20 million, the pro-forma net asset value of the Target Group as at 30 June 2003, would have been about US\$37.4 million (about HK\$291.7 million).

CORPORATE STRUCTURE

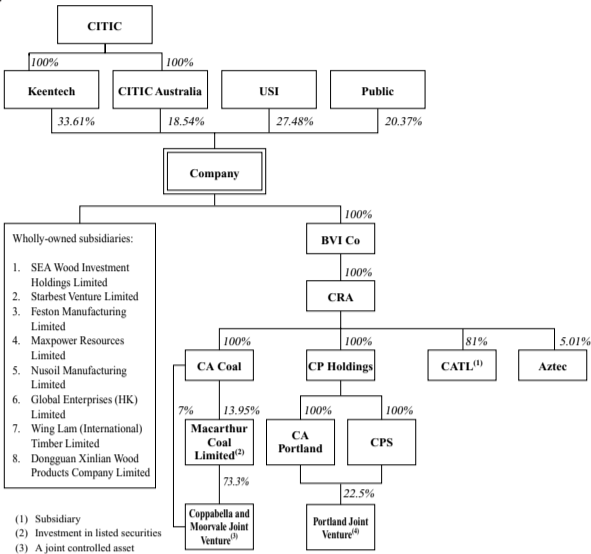
Before completion of the Acquisition

Set out below is a diagram showing the existing corporate structure of the Group:



Following completion of the Acquisition

Set out below is a diagram showing the corporate structure (major companies) of the Group assuming completion of the Acquisition (but not the sale and purchase of the CRH Sale Shares):



- (1) Subsidiary
(2) Investment in listed securities
(3) A joint controlled asset
(4) A joint controlled asset

ONGOING CONNECTED TRANSACTIONS

Assuming completion of the Acquisition, a number of transactions required to be entered into between CRA/CA Portland/CA Coal and CITIC Australia and a number of existing transactions between CRA/CA Portland/CA Coal and CITIC Australia will constitute ongoing connected transactions for the Company. These will include an existing loan of US\$55 million (about HK\$429.0 million) due from CRA to CITIC Australia which will remain outstanding following completion of the Acquisition and is expected to include a lease of office premises at 99 King Street, Melbourne, Australia and certain administrative and office functions. Details of these ongoing connected transactions will be disclosed by further announcement and included in the circular to be despatched to Shareholders described below.

REASONS FOR THE TRANSACTIONS

The Group is at present a company principally engaged in the manufacture and sale of plywood. According to the Group's 2002 annual report and 2003 interim report, the Company has been exploring a number of meaningful business opportunities in the natural resources sector. The Acquisition is consistent with the Group's long-term business objective and is being implemented for the purpose of enhancing the Group's long-term prospects. The Directors are of the view that it would be in the interests of the Company to diversify its business interests and investments into other natural resources to supplement the Company's existing plywood manufacturing and sale business. The Directors believe that the Acquisition is in the interests of the Company. It will also provide the Company with an opportunity to gain exposure to other natural resources projects in Australia given the fact that Australia is rich in natural resources and that there are many potential business opportunities for the Company there.

The Directors believe that it is in the interests of the Company to enter into the Sale and Purchase Agreements.

INTENTION OF CITIC

It is the intention of CITIC (which indirectly holds the entire issued share capital of Keentech), if the Acquisition is successfully completed, for the Company to be the principal holding company for the businesses of CITIC and its subsidiaries in the natural resource sectors, with a focus on investment and operation mainly in forestry, base metals, energy and relevant commodities trading. If the opportunity arises for CITIC to invest in a natural resources project, it is expected that CITIC will use the Company as the vehicle to invest in such project. CITIC will aim to expand the businesses of the Company through organic growth and acquisitions if and when appropriate acquisition opportunities arise.

The Company will continue its current principal activities of manufacturing and selling plywood.

It is proposed that following completion of the Acquisition, there will be no significant change to the Board.

MAJOR AND CONNECTED TRANSACTION

The Acquisition constitutes a major transaction for the Company pursuant to Rule 14.09 of the Listing Rules.

CITIC Australia, being a wholly-owned subsidiary of CITIC, is an associate of Keentech, a substantial shareholder of the Company. Accordingly, the Acquisition also constitutes a connected transaction for the Company pursuant to Rule 14.26 of the Listing Rules.

As the Acquisition is a major and connected transaction for the Company, completion of the Acquisition will be subject to the approval of the Independent Shareholders at the Special General Meeting. Keentech, USI and their respective associates will abstain from voting on the resolution approving the Acquisition.

EFFECT ON CITIC'S INTEREST IN THE COMPANY

Assuming completion of the Acquisition, CITIC's interest in the Company will increase.

CITIC is, through Keentech (an indirect wholly-owned subsidiary of CITIC), interested in 41.26% of the existing issued share capital of the Company. CITIC through CITIC Australia (a direct wholly-owned subsidiary of CITIC) will have an interest in the Consideration Shares. Assuming full issue of the Consideration Shares to CITIC Australia, CITIC will be indirectly interested in 52.15% of the issued share capital of the Company (based on the number of Shares in issue as at the date of this announcement as enlarged by the issue of the Consideration Shares).

PUBLIC FLOAT

Assuming full issue of the Consideration Shares to CITIC Australia, the percentage of issued Shares held by the public will fall to 20.37%. The Company and Keentech have each respectively undertaken to the Stock Exchange to use their reasonable endeavours to ensure that the number of Shares held by the public shall satisfy the requirements of Rule 8.08 of the Listing Rules.

If the Stock Exchange permits trading in the Shares when the number of Shares held by the public represents less than the minimum percentage threshold of 25% permitted by the Listing Rules, the Stock Exchange will monitor such trading to ensure that a false market does not develop in the Shares and will suspend dealings in the Shares promptly if there is any unusual movement in the price or trading volume of the Shares.

The Stock Exchange has stated that, if less than 25% of the Shares are in public hands following Completion, or if the Stock Exchange believes that (a) a false market exists or may exist in the trading of the Shares; or (b) there are too few Shares in public hands to maintain an orderly market, it will consider exercising its discretion to suspend trading in the Shares. Shareholders of the Company and investors are advised to exercise caution when dealing in the Shares.

INDEPENDENT BOARD COMMITTEE

The Independent Board Committee will be established to advise the Independent Shareholders in respect of the Acquisition and the issue of the Consideration Shares.

INDEPENDENT FINANCIAL ADVISER

An independent financial adviser will be appointed by the Company to advise the Independent Board Committee in respect of the Acquisition and the issue of the Consideration Shares.

SALE AND PURCHASE OF SHARES BETWEEN EXISTING CONTROLLING SHAREHOLDERS

The Company has been advised by USI and Keentech, the two current controlling shareholders of the Company, that pursuant to an agreement dated 19 January 2004 USI has conditionally agreed to sell the CRH Sale Shares to Keentech. The CRH Sale Shares represent about 15.17% of the existing issued Shares as at the date of this announcement. Completion of the sale and purchase of the CRH Sale Shares is conditional upon the following:

- the granting of the Waiver; and
- if USI's shareholding in the Company is equal to or greater than 20% of the then issued share capital of the Company immediately prior to the completion of the sale and purchase of the CRH Sale Shares, CITIC Australia, CITIC and the Company confirming that they are ready to complete the acquisition of the CRA Shares; or if USI's shareholding in the Company is less than 20% of the then issued share capital of the Company immediately prior to the completion of the sale and purchase of the CRH Sale Shares, the completion of the Acquisition.

Assuming completion of Keentech's purchase of the CRH Sale Shares and issue of the Consideration Shares, Keentech and parties acting in concert with it will continue to hold 79.63% of the issued share capital of the Company (based on the number of Shares in issue as at the date of this announcement as enlarged by the issue of the Consideration Shares).

SHAREHOLDINGS IN THE COMPANY

The following table sets out the current shareholding structure of the Company and the shareholding structure of the Company following the issue of the Consideration Shares and the sale and purchase of the CRH Sale Shares:

Name of Shareholder	Percentage following issue of the Consideration Shares and Sale and Purchase of the CRH Sale Shares		
	Current Percentage	Percentage following issue of the Consideration Shares	Percentage following issue of the Consideration Shares and Sale and Purchase of the CRH Sale Shares
Keentech	41.26%	33.61%	45.97%
CITIC Australia	Nil	18.54%	18.54%
USI	33.73%	27.48%	15.12%
Public	25.01%	20.37%	20.37%

TAKEOVERS CODE

As at the date of this announcement, Keentech and parties acting in concert with it control about 74.99% of the existing issued share capital of the Company. USI, which holds 33.73%, is presumed to be acting in concert with Keentech. CITIC Australia is also presumed to be acting in concert with Keentech and assuming the issue of the Consideration Shares to it, Keentech and parties acting in concert with it will control about 79.63% of the issued Shares (as at the date of this announcement as enlarged by the issue of the Consideration Shares). As a result of the issue of the Consideration Shares to CITIC Australia and/or the transfer of the CRH Shares to Keentech by USI, the aggregate ultimate shareholding of CITIC in the Company would increase by more than 2% of the issued share capital of the Company and thereby trigger an obligation to make a general offer for shares not controlled by CITIC.

An application will be made by CITIC Australia and Keentech for a waiver pursuant to Note 6 to Rule 26 of the Takeovers Code from any obligation to make a mandatory general offer that would otherwise arise for all of the Shares in issue not otherwise held by CITIC Australia, Keentech and parties acting in concert with them as a result of the issue of the Consideration Shares and the transfer of the CRH Sale Shares respectively.

CITIC Australia is a wholly-owned subsidiary of CITIC. Keentech is an indirect wholly-owned subsidiary of CITIC.

In the event that the Waiver is not granted by the Executive, completion of the sale and purchase of the CRH Sale Shares and the Acquisition will not occur.

SPECIAL GENERAL MEETING

The Special General Meeting will be convened at which the Shareholders or the Independent Shareholders (as the case may be) will be asked to consider, and if thought fit, approve, amongst others, the Acquisition and the issue of the Consideration Shares.

CIRCULAR

A circular will be despatched to Shareholders as soon as practicable containing, amongst others, (1) details of the MoU, the CRA Agreement, the CPS Agreement, the Supplemental Agreement, the Acquisition and the issue of the Consideration Shares, (2) details of the connected transactions referred to above, (3) a letter from the Independent Board Committee with its recommendation to the Independent Shareholders, (4) a letter from an independent financial adviser with its advice to the Independent Board Committee, and (5) a notice convening the Special General Meeting.

SUSPENSION AND RESUMPTION OF TRADING

Trading in the Shares on the Stock Exchange was suspended at the request of the Company with effect from 11:41 a.m. on 19 January 2004 pending the release of this announcement. Application has been made to the Stock Exchange for a resumption of trading in the Shares on the Stock Exchange with effect from 9:30 a.m. on 2 February 2004.

Shareholders and investors are advised to exercise caution when dealing in the Shares.

DEFINITIONS

"Acquisition"	the acquisition of the CRA Shares and the CPS Shares subject to and in accordance with the Sale and Purchase Agreements
"ASIC"	the Australian Securities and Investments Commission
"ASX"	the Australian Stock Exchange
"Aztec"	Aztec Resources Limited, a company incorporated with limited liability in the State of Western Australia, Australia and whose shares are listed on the ASX
"Board"	the board of Directors
"CA Coal"	CITIC Australia Coal Pty Ltd, a company incorporated in the State of Victoria, Australia with limited liability
"CA Portland"	CITIC Australia (Portland) Pty Ltd, a company incorporated in the State of Victoria, Australia with limited liability
"CATL"	CITIC Australia Trading Limited, a company incorporated in the State of Victoria, Australia with limited liability and whose shares are listed on the ASX
"CITIC"	China International Trust and Investment Corporation
"CITIC Australia"	CITIC Australia Pty Limited, a company incorporated in the State of Victoria, Australia with limited liability and the vendor of the Sale Shares
"Company"	CITIC Resources Holdings Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange
"Consideration Shares"	an aggregate of 750,413,793 Shares to be issued to satisfy the consideration under the Sale and Purchase Agreements
"Coppabella and Moorvale Joint Venture"	an unincorporated co-operative joint venture that operates the Coppabella and Moorvale coal mines in the State of Queensland, Australia
"CP Holdings"	CITIC Portland Holdings Pty Ltd, a company incorporated in the State of Victoria, Australia with a limited liability
"CPS"	CITIC Portland Surety Pty Ltd, a company incorporated in the State of Victoria, Australia with limited liability
"CPS Agreement"	an agreement dated 19 January 2004 (as supplemented by the Supplemental Agreement) made between the Company, CITIC Australia, CITIC and CP Holdings relating to the sale and purchase of the CPS Shares
"CPS Shares"	the entire issued share capital of CPS
"CRA"	CITIC Resources Australia Pty Ltd, a company incorporated in the State of Victoria, Australia with limited liability
"CRA Agreement"	an agreement dated 19 January 2004 (as supplemented by the Supplemental Agreement) made between the Company, CITIC Australia and CITIC relating to the sale and purchase of the CRA Shares
"CRA Shares"	the entire issued share capital of CRA
"CRH Sale Shares"	500,000,000 Shares representing 15.17% of the issued share capital of the Company as at the date of this announcement
"Directors"	the directors of the Company, including its independent non-executive directors
"Executive"	the Executive Director of the Corporate Finance Division of the SFC and any delegate of the Executive Director
"Group"	the Company and its subsidiaries and associated companies
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Independent Board Committee"	a committee of the board comprising of directors of the Company who are deemed to be not interested in or involved in the Acquisition
"Independent Shareholders"	Shareholders who do not have a material interest in the Acquisition or who are not otherwise required by the Stock Exchange to abstain from voting
"Keentech"	Keentech Group Limited, a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of CITIC
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"MoU"	a memorandum of understanding dated 19 January 2004 and entered into between the Company, CITIC Australia and CITIC relating to the Acquisition
"Portland Joint Venture"	an unincorporated co-operative joint venture that owns and operates the Portland Aluminium Smelter in the State of Victoria, Australia
"PRC"	the People's Republic of China
"Principal Assets"	a 22.5% interest in the Portland Joint Venture, a 81% interest in CATL, a 7% interest in the Coppabella and Moorvale Joint Venture, a 13.95% interest in Macarthur Coal Limited, and a 5.01% interest in Aztec
"Sale and Purchase Agreements"	the CRA Agreement and the CPS Agreement
"Sale Shares"	the CRA Shares and the CPS Shares
"SFC"	the Securities and Futures Commission of Hong Kong
"Shareholders"	holders of Shares
"Shares"	ordinary shares of HK\$0.05 each in the share capital of the Company
"Special General Meeting"	the special general meeting of the Company to be convened to approve, amongst others, the Acquisition and the issue of the Consideration Shares
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Supplemental Agreement"	a supplemental agreement dated 30 January 2004 and made between the Company, CITIC Australia, CITIC and CP Holdings
"Takeovers Code"	the Hong Kong Code on Takeovers and Mergers
"Target Group"	CRA and its subsidiaries and companies that are its subsidiaries following completion of the Acquisition
"USI"	United Star International Inc., a company incorporated in the British Virgin Islands with limited liability
"Waiver"	a waiver from the Executive pursuant to Note 6 to Rule 26 of the Takeovers Code on the part of CITIC, Keentech and parties acting in concert with them (as such expression is defined in the Takeovers Code) from any obligation to make a general offer for Shares not otherwise held by CITIC, Keentech and parties acting in concert with them as a result of the issue of the Consideration Shares and Keentech's acquisition of the CRH Sales Shares from USI pursuant to an agreement dated 19 January 2004 between Keentech and USI
"A\$"	Australian dollars, the lawful currency of Australia
"HK\$"	Hong Kong dollars, the lawful currency of Hong Kong
"US\$"	United States dollars, the lawful currency of the United States of America

Unless otherwise stated, amounts in A\$ and US\$ have been translated into HK\$ at an exchange rate of AS1 to HK\$6.0 and US\$1 to HK\$7.8 respectively for illustration purposes only.

By Order of the Board
CITIC Resources Holdings Limited
Peter Kwok Viem
Chairman

Hong Kong, 30 January 2004

The directors of the Company jointly and severally accept full responsibility for the accuracy of information contained in this announcement (other than information relating to CITIC, CITIC Australia and Keentech) and confirm, having made all reasonable enquiries, 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 in this announcement misleading.