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CITIC RESOURCES HOLDINGS LIMITED

(incorporated in Bermuda with limited liability)

Website: www.citicresources.com

(Stock Code: 1205)

OPTION TO ACQUIRE 90% INTEREST IN TINCY GROUP ENERGY RESOURCES LIMITED

This announcement is made pursuant to Rule 13.09(1) of the Listing Rules.

Option Agreement

The Company is pleased to announce that on 1 May 2007, CITIC Haiyue entered into the Option Agreement pursuant to which Far Great has granted to CITIC Haiyue the right to purchase the Option Shares in accordance with the terms and conditions of the Sale and Purchase Agreement for a consideration of US\$150,000,000, subject to adjustment.

Tincy Group holds the right to develop and operate, until 2034, an oilfield in the Hainan-Yuedong Block in the Bohai Bay Basin in Liaoning Province in the PRC. The oilfield covers an area of more than 300 square kilometres with estimated original oil in place ranging from approximately 65 million tonnes to 75 million tonnes. The oilfield is currently in the appraisal and development stage. If CITIC Haiyue exercises the Option, CITIC Haiyue expects to implement a long-term development plan. Any capital expenditure for the development plan is subject to the findings from CITIC Haiyue's due diligence review.

The Option is exercisable by CITIC Haiyue at any time during the period of 90 days commencing from the date of the Option Agreement. This period may be extended by CITIC Haiyue for a maximum period of 60 days pursuant to the terms and conditions specified in the Option Agreement.

CITIC Haiyue is commencing appropriate enquiries, investigations and a due diligence review of the business, affairs, operations and financial position of Tincy Group (including the rights and interests of Tincy Group under the PSC) before it decides whether or not to exercise the Option.

If CITIC Haiyue elects to exercise the Option, the entering into of the Sale and Purchase Agreement is expected to constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules. The Company will issue further announcements and despatch a circular to Shareholders in accordance with the Listing Rules as and when appropriate.

Loan Agreement and On-Loan Agreement

On 1 May 2007, CITIC Haiyue entered into the Loan Agreement with Far Great and Tincy Group pursuant to which CITIC Haiyue has agreed to provide the Loan to Far Great upon and subject to the terms and conditions contained therein.

CITIC Haiyue has also entered into the On-Loan Agreement with Far Great and Tincy Group on 1 May 2007 pursuant to which Far Great is required to on-lend US\$10,000,000 of the Loan to Tincy Group.

Suspension and Resumption of Trading in Shares

At the request of the Company, trading in the Shares on the Stock Exchange was suspended from 9:30 a.m. on 2 May 2007, pending the release of an announcement of the Company dated 8 May 2007 in relation to a very substantial acquisition and connected transaction. An application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange from 9:30 a.m. on 9 May 2007.

Shareholders and potential investors should be aware that the Option may or may not be exercised, and the exercise of the Option is necessary before CITIC Haiyue will enter into the Sale and Purchase Agreement. Completion of the Sale and Purchase Agreement, if entered into, will also be subject to the satisfaction of conditions. There is no assurance that the Option will be exercised or the conditions to completion of the Sale and Purchase Agreement will be fulfilled, and the Sale and Purchase Agreement may or may not complete. Shareholders and potential investors are therefore advised to exercise caution when dealing in the securities of the Company.

This announcement is made pursuant to Rule 13.09(1) of the Listing Rules.

OPTION AGREEMENT

Date

1 May 2007

Parties

- (1) CITIC Haiyue
- (2) Far Great
- (3) shareholders of Far Great

Summary

On 1 May 2007, CITIC Haiyue entered into the Option Agreement pursuant to which Far Great has granted to CITIC Haiyue the right to purchase the Option Shares in accordance with the terms and conditions of the Sale and Purchase Agreement for a consideration of US\$150,000,000, subject to adjustment.

Tincy Group holds the right to develop and operate, until 2034, an oilfield in the Hainan-Yuedong Block in the Bohai Bay Basin in Liaoning Province in the PRC. The oilfield covers an area of more than 300 square kilometres with estimated original oil in place ranging from approximately 65 million tonnes to 75 million tonnes. The oilfield is currently in the appraisal and development stage. If CITIC Haiyue exercises the Option, CITIC Haiyue expects to implement a long-term development plan. Any capital expenditure for the development plan is subject to the findings from CITIC Haiyue's due diligence review.

Consideration for the Option

The Option Agreement was entered into for a consideration of US\$10 paid by CITIC Haiyue to Far Great.

Option Period

The Option is exercisable by CITIC Haiyue at any time during the period of 90 days commencing from the date of the Option Agreement. This period may be extended by CITIC Haiyue for a maximum period of 60 days (subject to the approval of Far Great which shall not unreasonably withheld or delayed) if the following conditions are not satisfied within 90 days from the date of the Option Agreement:

- (a) the obtaining of all necessary approvals required pursuant to PRC laws to permit CITIC Haiyue to enter into and perform the Sale and Purchase Agreement;
- (b) the obtaining in a form satisfactory to CITIC Haiyue of any consent to the sale and purchase of the Option Shares under the Sale and Purchase Agreement and under the terms of any contract binding Tincy Group requiring counter-party consent; and
- (c) evidence satisfactory to CITIC Haiyue that CNPC has no objection to the transfer of the Option Shares to CITIC Haiyue under the Sale and Purchase Agreement.

Consideration for the Purchase of the Option Shares

If CITIC Haiyue elects to exercise the Option and purchase the Option Shares, the Consideration shall be satisfied through the payment of cash or a combination of cash and new Shares provided that the value of the total number of new Shares issued shall not exceed 30% of the Consideration (after deducting the amount of the Loan and accrued interest at Completion).

Termination of the Option

The Option will lapse on the expiry of the Option Period.

The Option Agreement will also terminate should CITIC Haiyue (as lender under the Loan Agreement) give a written demand to Far Great for repayment of the Loan (and interest accrued thereon) pursuant to the Loan Agreement.

Due Diligence

CITIC Haiyue is commencing appropriate enquiries, investigations and a due diligence review of the business, affairs, operations and financial position of Tincy Group (including the rights and interests of Tincy Group under the PSC) before it decides whether or not to exercise the Option.

Exclusivity Undertakings by Far Great and the shareholders of Far Great

Far Great and the shareholders of Far Great have undertaken (amongst other things) that each of them will not, and will procure that Tincy Group will not, enter into any discussions with any person for the transfer or encumbrance of either the shares of Tincy Group or the assets or undertaking of Tincy Group, or enter into any agreement, arrangement or understanding to this effect. Far Great and Tincy Group shall make contact with CNPC solely for the purpose of obtaining confirmation or comfort from CNPC that CNPC has no objection to the proposed transfer of the Option Shares to CITIC Haiyue.

Possible discloseable transaction under the Listing Rules

If CITIC Haiyue elects to exercise the Option, the entering into of the Sale and Purchase Agreement is expected to constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules. The Company will issue further announcements and despatch a circular to Shareholders in accordance with the Listing Rules as and when appropriate.

LOAN AGREEMENT AND ON-LOAN AGREEMENT

Date

1 May 2007

Parties

- (1) CITIC Haiyue
- (2) Far Great
- (3) Tincy Group

Summary

On 1 May 2007, CITIC Haiyue entered into the Loan Agreement with Far Great and Tincy Group pursuant to which CITIC Haiyue has agreed to provide the Loan to Far Great upon and subject to the terms and conditions contained therein.

CITIC Haiyue has also entered into the On-Loan Agreement with Far Great and Tincy Group on 1 May 2007 pursuant to which Far Great is required to on-lend US\$10,000,000 of the Loan to Tincy Group.

Loan Amount

A principal sum of US\$15,000,000.

Purpose of the Loan by Tincy Group

Far Great and Tincy Group have agreed that the Loan will only be applied for the following purposes:

- (a) as to an amount not exceeding US\$5,000,000, towards the repayment of an amount owed by Far Great to a third party and the release of any security that may exist over the shares of Tincy Group in issue; and

- (b) as to the balance of US\$10,000,000, to be on-lent to Tincy Group pursuant to the On-Loan Agreement and to be used by Tincy Group in the following order of priority (i) to pay development costs that have properly arisen in connection with the carrying out of petroleum operations under the PSC to contractors, subcontractors and service providers carrying out work for the purposes of the PSC; (ii) to complete an environmental impact assessment report for the petroleum operations and the preparation and completion of the overall development program; (iii) to meet the expenditure commitments under the approved work program and budget for the PSC for 2007; and (iv) to meet overheads and general administrative costs arising in the ordinary course of Tincy Group's business including the payment of remuneration to its employees.

Far Great and Tincy Group shall not apply the Loan or the On-Loan to repay any other indebtedness of Far Great or Tincy Group.

Availability period of the Loan

The Loan is available for drawing by Far Great during the period commencing from the date of the Loan Agreement and ending on the date falling 3 months after the date of the Loan Agreement.

Interest for the Loan

Under the Loan Agreement, interest on the Loan shall accrue at the Interest Rate. Default interest at the rate of 3% plus the Interest Rate will be applied to any amount due and payable but unpaid by Far Great to CITIC Haiyue under the Loan Agreement.

Repayment

The Loan (and all interest accrued thereon) will become repayable in full on or before 180 days following delivery of a written demand by CITIC Haiyue to Far Great if CITIC Haiyue does not exercise the Option or if the sale and purchase of the Option Shares does not proceed or complete for any reason. If such a written demand notice is given by CITIC Haiyue, the Option will no longer be exercisable or (if applicable) Completion shall not occur.

If Completion occurs pursuant to the Sale and Purchase Agreement, the Loan (and all interest accrued thereon) will become immediately repayable in full following delivery of a written demand by CITIC Haiyue to Far Great on the date of Completion, and the amount of the Loan and accrued interest will be set off against and in part satisfaction of the Consideration.

Security for the Loan and On-Loan

Far Great's obligations under the Loan Agreement are secured by the Pledge and Further Security pursuant to which Far Great has granted in favour of CITIC Haiyue:

- (a) a pledge of 51% of the issued and fully paid shares of Tincy Group; and
- (b) an assignment by way of security of all the rights, title, benefits and interests (whether present or future) of Far Great in or arising under the On-Loan Agreement and the Debenture. Tincy Group has granted the Debenture in favour of Far Great charging by way of fixed and floating charge the assets of Tincy Group as security for the obligations of Tincy Group under the On-Loan Agreement.

Far Great and Tincy Group will also each execute a charge in favour of CITIC Haiyue over all moneys standing to the credit in their respective designated accounts to be established for the purposes of the Loan and the On-Loan.

Once CITIC Haiyue is satisfied that all amounts owing under the Loan Agreement have been paid in full, it shall take whatever action necessary to release the security at the cost of Far Great.

SUSPENSION AND RESUMPTION OF TRADING IN SHARES

At the request of the Company, trading in the Shares on the Stock Exchange was suspended from 9:30 a.m. on 2 May 2007, pending the release of an announcement of the Company dated 8 May 2007 in relation to a very substantial acquisition and connected transaction. An application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange from 9:30 a.m. on 9 May 2007.

Shareholders and potential investors should be aware that the Option may or may not be exercised, and the exercise of the Option is necessary before CITIC Haiyue will enter into the Sale and Purchase Agreement. Completion of the Sale and Purchase Agreement, if entered into, will also be subject to the satisfaction of conditions. There is no assurance that the Option will be exercised or the conditions to completion of the Sale and Purchase Agreement will be fulfilled, and the Sale and Purchase Agreement may or may not complete. Shareholders and potential investors are therefore advised to exercise caution when dealing in the securities of the Company.

DEFINITIONS

The following defined terms are used in this announcement:

“CITIC Haiyue”	CITIC Haiyue Energy Limited, a company incorporated in the British Virgin Islands and an indirect wholly-owned subsidiary of the Company
“CNPC”	China National Petroleum Corporation, a state-owned enterprise incorporated in the PRC
“Company”	CITIC Resources Holdings Limited, a company incorporated in Bermuda with limited liability, whose Shares are listed on the Stock Exchange
“Completion”	completion of the Sale and Purchase Agreement
“Consideration”	the consideration of US\$150,000,000 payable by CITIC Haiyue to Far Great for the purchase of the Option Shares pursuant to the Sale and Purchase Agreement
”Debenture”	the debenture dated 1 May 2007 and made between Tincy Group (as obligor), Far Great (as on-lender) and CITIC Haiyue
“Far Great”	Far Great Investments Limited, a company incorporated in the British Virgin Islands
“Interest Rate”	the rate of interest per annum quoted as the “prime rate” by Bloomberg on the “FED” screen under “Key Rates” on the relevant date

“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Loan”	the loan facility of US\$15,000,000 provided by CITIC Haiyue to Far Great under the Loan Agreement
”Loan Agreement”	the loan agreement dated 1 May 2007 entered into between CITIC Haiyue (as lender), Far Great (as borrower) and Tincy Group in relation to the Loan
“On-Loan”	the on-loan facility of up to the maximum amount of US\$10,000,000 provided by Far Great to Tincy Group under the On-Loan Agreement
“On-Loan Agreement”	the on-loan agreement dated 1 May 2007 entered into between CITIC Haiyue (as lender), Far Great (as on-lender) and Tincy Group (as borrower) in relation to the On-Loan
“Option”	an exclusive, irrevocable and unconditional right to enter into and execute the Sale and Purchase Agreement with Far Great and the shareholders of Far Great to purchase the Option Shares for a consideration of US\$150,000,000, subject to adjustment, in accordance with the terms and conditions of the Sale and Purchase Agreement
“Option Agreement”	the option agreement dated 1 May 2007 entered into between CITIC Haiyue, Far Great and the shareholders of Far Great in relation to the Option
“Option Period”	the period of 90 days commencing from the date of the Option Agreement, subject to extension
“Option Shares”	9,000,000 shares of Tincy Group (representing 90% of the shares of Tincy Group in issue and fully paid)
”Pledge and Further Security”	the pledge and further security dated 1 May 2007 and made between Far Great and CITIC Haiyue
“PRC”	the People’s Republic of China
“PSC”	the Petroleum Contract dated 24 February 2004 for the development and production of the Hainan-Yuedong Block in the Bohai Bay Basin in Liaoning Province in the PRC entered into between CNPC and Tincy Group
“Sale and Purchase Agreement”	the sale and purchase agreement in agreed form and to be entered into between CITIC Haiyue, Far Great and the shareholders of Far Great relating to the sale and purchase of the Option Shares if the Option is exercised by CITIC Haiyue
“Shareholders”	holders of Shares from time to time

“Shares”	ordinary shares of HK\$0.05 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tincy Group”	Tincy Group Energy Resources Limited, a company incorporated in Hong Kong and a wholly-owned subsidiary of Far Great
“HK\$”	the lawful currency of Hong Kong
“US\$”	the lawful currency of the United States of America

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

Hong Kong, 8 May 2007

As of the date of this announcement, the executive directors of the Company are Mr. Kwok Peter Viem; Mr. Ma Ting Hung; Mr. Shou Xuancheng; Mr. Sun Xinguo; Ms. Li So Mui; Mr. Mi Zengxin; Mr. Qiu Yiyong; Mr. Zeng Chen and Mr. Zhang Jijing, and the independent non-executive directors of the Company are Mr. Fan Ren Da, Anthony; Mr. Ngai Man and Mr. Tsang Link Carl, Brian.

Please also refer to the published version of this announcement in The Standard.